YNH PROPERTY BHD

(561986-V)

Annual Report 2010

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NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth 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, 29 June 2011 at 11.45 a.m.

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2010, together with the Directors' and Auditors' Reports thereon.

2. To sanction the declaration of a final dividend of 3% single tier in respect of the year ended 31 December 2010.

3. To approve payment of Directors' Fees of RM119,700 in respect of the year ended 31 December 2010.

4. To re-elect the following Director retiring pursuant to the Articles of Association of the Company:

   Ding Ming Hea

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 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 NINTH 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 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 the 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 2010, the audited Retained Profits and Share Premium Account of the Company were RM286,346,884 and RM32,174,321 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 NINTH 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 6 June 2011, 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
CHIEW CINDY

Secretaries

Ipoh
6 June 2011

NOTICE OF NINTH 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.

The general mandate for issuance of shares is a renewal of the general mandate sought in the preceding year. Pursuant to the mandate granted at the last Annual General Meeting held on 30 June 2010, the Company did not place out any shares except for the issuance of new shares via the Employees' Shares Option Scheme. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment, projects, working capital and/or acquisitions.

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 2011 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.

2010 ANNUAL REPORT

The 2010 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 NINTH 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

Ding Ming Hea, 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 10 to 12 and page 109 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 2010 till 31 December 2010:

23 February 2010
28 April 2010
26 August 2010
23 November 2010

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

NOTICE TO SHAREHOLDERS AND NOMINATION OF AUDITORS

YNH PROPERTY BHD (561986-V)
(Incorporated in Malaysia)
Registered Office: 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak

6 June 2011

To: SHAREHOLDERS OF YNH PROPERTY BHD

Dear Sir/Madam,

NOTICE TO SHAREHOLDERS

We wish to inform you that we have received a notice from a shareholder of the Company, Lau Sheng Ming, that he wishes to nominate Moore Stephens AC as the new auditors in place of the present auditors, Ernst & Young, at the forthcoming Ninth Annual General Meeting of the Company to be held on 29 June 2011.

A copy of the said letter is reproduced below.

Yours faithfully
YNH PROPERTY BHD

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
Director

Lau Sheng Ming
310 Taman Sejati
Jalan Lumut
32000 Sitiawan, Perak

9 May 2011

The Board of Directors
YNH Property Bhd
55 Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh, Perak

Dear Sirs

NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being the registered shareholder of YNH Property Bhd ("the Company") hereby give notice that I wish to nominate Moore Stephens AC for appointment as auditors of the Company and its subsidiaries in place of the retiring auditors, Ernst & Young, at the forthcoming Ninth Annual General Meeting

Yours faithfully

Lau Sheng Ming

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)
Chiew Cindy (MAICSA 7057923)

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

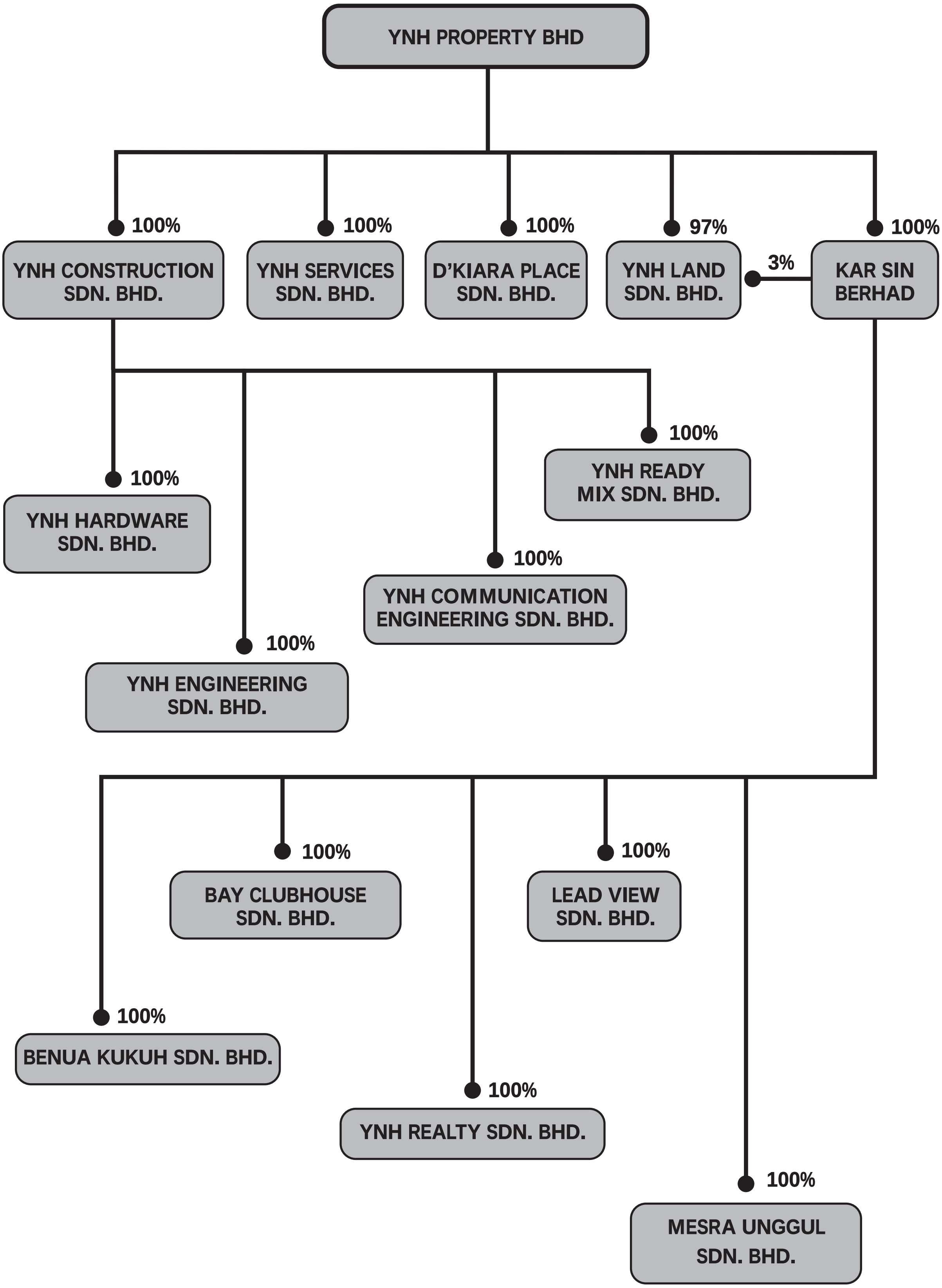
Sales Office – Ipoh
10, Jalan Medan Ipoh 3
Bandar Medan Ipoh Baru
31400 Ipoh
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5451945
Fax No.: 05-5451945

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
49 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 2010.

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
53 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 was appointed on the Board of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Alternate Director to Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS on 16 February 2011.

He has attended all the four (4) Board of Directors' Meetings held during the financial year ended 31 December 2010.

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
72 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 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 2010.

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
64 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 2010.

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
47 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 2010.

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

I, on behalf of the Board of Directors of YNH Property Berhad ("YNHP" or the "Company"), am pleased to present to you the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2010.

The year under review was a positive year as the economy rebounded strongly in the first two quarters followed by a good steady economic growth throughout the year causing robust demand in both the retail and property markets.

Taking into consideration of the strengthening economy, the Company has started the development of the prestigious Fraser Residence KL (currently known as 188 Suites) located in Kuala Lumpur city centre. In May 2010 and also commenced the development and construction of both residential and commercial projects in Manjung Township.

Below are the key highlights for the FY2010:

- Group sales increased 5.2% from RM247 mil to RM260 mil in FY2010
- Group GP margin is at a healthy level of 43% for the FY2010
- Group profit before taxation is at RM71.4 mil in FY2010
- Net gearing is maintained below 30%

Review Of Operations

For FY2010, 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 successful opening of Fraser Place Kuala Lumpur in early 2010, 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. Frasers Hospitality Pte Ltd ("Fraser Hospitality"), the hospitability arm of Fraser & Neave group of companies ("F&N Group"), is providing the consultancy, management and other services in relation to Fraser Place KL. Fraser Place KL has an admirable occupancy rate of above 80% even after just opening its door in early 2010.

Taking place right after the handover of the successful Fraser Place KL development, the Company immediately embarked in the next development that will also be branded by Fraser Hospitality, to be unveiled as Fraser Residence Kuala Lumpur.

Frasers Hospitality intends to become a major player in the Malaysia serviced residence scene with the Fraser Residence KL development, another world-class serviced residence in the immediate vicinity of the iconic Petronas Twin Towers in Kuala Lumpur's city centre. This 446-unit serviced residence development is located within the "golden triangle" of the Malaysian capital, where most international banks, oil and gas companies and multinational corporations are based.

This new development by YNHP is located off Jalan Sultan Ismail, fronting closely to both Jalan Ampang and Jalan Sultan Ismail, behind Renaissance Hotel and is close to two light rail stations and surrounded by entertainment malls, tourist attractions and offices. Fraser Residence Kuala Lumpur will comprise two towers with one and two-bedroom serviced apartments. It will feature a sky gymnasium, infinity lap pool, whirl pool and sauna and is scheduled for completion within 36 months.

Another development in the Klang Valley by YNHP, Ceriaan Kiara, a 238 units of high-end condominium in the exclusive Mont Kiara enclave had been completed in 2010 and the units had been handed over to the purchasers in the first quarter of 2010.

CHAIRMAN'S STATEMENT (cont'd)

The Company 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.

Prospect For The Future

Taking cognizance of the improving sentiment in both the economy in the country and also demand for residential and commercial properties, the Company have been busy launching projects and also taking bookings from the preview of the Company's projects such as Manjung Commercial Shoplots and Manjung Point Township (Seri Manjung, Perak), Kiara 163 (Mont' Kiara, Kuala Lumpur) and Fraser Residence (Kuala Lumpur city centre). These few projects, launched in the first half of 2011, with a combined total GDV of approximately RM2.30 billion will contribute strongly to the Company's income. As such, the Board is optimistic of the Group's prospect for the financial year ending 2011 and also the future years.

As mentioned earlier, Fraser Residence located in Kuala Lumpur city centre, YNHP intends to develop this development into a two block service apartment of 446-units, with elevated car park podium, facilities and F&B shops at the ground floor and one level of lower ground car park on the said development. The prime mixed development is located on Jalan Cendana off Jalan Sultan Ismail, Kuala Lumpur. This development has a Gross Development Value (GDV) of approximately RM750 million and is expected to contribute positively to the Group's earnings for the next 3 to 4 years.

Fraser Residence KL had garnered bookings for approximately 63% of the total units available for sale during the soft launch in the first quarter of 2011.

The Board is also optimistic of the Kiara 163 project, whereby YNHP is planning to develop this 6 acres freehold development property, located beside the McDonald's outlet at Plaza Mont' Kiara into a mix development comprising of the following:

i) 2 Blocks of 42 storey of Service Apartment (584 units) with facilities and multi-storey car park,
ii) Office and SOHO block,
iii) Retail shopping mall with basement car park.

The total secured sales todate is approximately RM200 million for the commercial portion of the Kiara 163 development. The Kiara 163 development has a total GDV of approximately RM1.20 billion and is expected to contribute positively to the Group's earnings in the next 5 years.

In addition, YNHP has entered into an Agreement to Lease with Aeon Co (M) Bhd to build and lease a shopping centre development, AEON Regional Mall. The regional mall will be constructed on 37 acres of freehold development land in Seri Manjung, Perak. This development has a total GDV of approximately RM150 million and is expected to provide a consistent stream of income to the Group's future earnings.

YNHP has also 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 to the Company's existing and future developments in the Manjung Point Township in Seri Manjung, Perak. The hospital is expected to be ready by 2012 and this project will contribute positively to the Group's future earnings. The estimated GDV is RM80 million.

Furthermore, the Group's township development in Seri Manjung 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 a stronger future contributions compared to previous years.

CHAIRMAN'S STATEMENT (cont'd)

Lastly, a prestigious project planned for the immediate future by YNHP is the Menara YNH development. The commercial development sits on approximately 3 acres of land on Jalan Sultan Ismail, which is located within the Golden Triangle area of Kuala Lumpur city centre. The location of Menara YNH offers easy accessibility and close proximity to public transport facilities. This development has a GDV of approximately RM2.3 billion. The Menara YNH will consist of office tower and shopping mall. This development will see positive contributions to the Group's future earnings.

Awards, Achievements and Acknowledgement

I am also delighted to announce that Fraser Place Kuala Lumpur, our first high-end serviced apartment development, had won the Best of Malaysia Awards 2010 Travel Awards, the Best Serviced Residence Excellence Award 2010/2011.

This had add on to YNHP's accolades whereby we had been honored by Forbes Asia for being the Region's top 200 small and midsize companies under "Best Under A Billion" companies in 2009 and 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 2010. 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) Internal Audit to Detect Irregularities
(b) Regulators' Guide on Transactions by Directors & Practical Issues and Solutions.
(c) 2011 Budget

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 RM470,000.00 during the year 2010 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 continue to contribute and to assist Eng Ling School in the construction of a primary school for the local community in Seri Manjung. 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 2010, the Group has also contributed an amount of RM100,000.00 to the Olympic Council of Malaysia for the development of sports in Malaysia. 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 23 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 24 to 26 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 2010.

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 2010 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)
RM150,001 to RM200,000	-	3
RM6,000,001 to RM6,500,000	2	-

The remuneration packages of the Directors are as follows:-

Remuneration packages	Total per annum for the financial year ended 31 December 2010 Executive Directors RM	Non-Executive Directors RM
Fees	-	231,828
Salaries & other emoluments	12,017,985	334,908
Benefits-in-kind	1,200	-
TOTAL	**12,019,185**	**566,736**

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 2010 amounted to RM11,000.

7. **Variation in Results**

   There was no materials variance between the audited results for the financial year ended 31 December 2010 and unaudited results previously released for the financial quarter ended 31 December 2010.

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 2010 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 15.27 (b) of the Bursa Malaysia Securities Berhad 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 risk management process identifies the principal business risks. 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 the risks management process.

(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 address any potential weaknesses. The Internal Audit Function carries out the audit on rotational basis to cover selected areas and companies in every audit. 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 2010, the Internal Audit Function reviewed the property development segment covering the following areas:

    - Follow Up Audit On Sales Processing Function which focused on the implementation status of the agreed recommendations.

    - Credit Management which focused on reviewing the adequacy of the system of internal control over the credit control function. Areas examined included timely invoicing of progress billings, monitoring and tracking of billings/collection/loan documentation and accuracy of accounting records.

The Group has a 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 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 2010 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 2010.

Principal activities

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

The principal activities of the subsidiaries are set out in Note 14 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 for the year	52,330,422	18,156,898
Profit attributable to:		
Owners of the parent	52,330,422	18,156,898

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 28 and Note 29 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.

Dividends

The amounts paid or declared by way of dividends by the Company since 31 December 2009 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 90 existing ordinary shares of RM 1 each held, approved at the Annual General Meeting on 30 June 2010 and distributed on 30 September 2010.	8,791,568
(b)	a final single tier dividend of 1.5% on 400,531,074 ordinary shares, declared on 30 June 2010 and paid on 30 September 2010.	6,007,938
(c)	an interim single tier dividend of 3% on 400,251,151 ordinary shares, declared on 26 August 2010 and paid on 26 November 2010.	12,157,534
		26,957,040

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 December 2010, of 3% (2009 -1.5%) on 405,748,129 ordinary shares, amounting to a dividend payable of RM12,172,444 will be proposed for shareholders' approval. The financial statements 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 2011. The actual net amount payable will depend on the number of ordinary shares in issue 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 Option Plan.

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 9 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 38 to the financial statements.

Directors' interests

According to the register of directors' shareholding, 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 1.1.2010	Bought During the year	Sold During the year	Balance as at 31.12.2010
Direct interest				
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS *	66,374,281	4,212,854	-	70,587,135
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT *	42,284,129	5,257,148	-	47,541,277
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	167,800	163,308	(30,000)	301,108
Ching Nye Mi @ Chieng Ngie Chay	666,500	41,473	-	707,973
Ding Ming Hea	493,933	279,314	-	773,247
Deemed interest				
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS **	56,018,284	5,409,745	-	61,428,029
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT **	79,975,367	4,363,973	-	84,339,340
Ching Nye Mi @ Chieng Ngie Chay ***	517,803	32,221	-	550,024

DIRECTORS' REPORT (cont'd)

Directors' interests (cont'd)

Name	Exercise price	Grant Date	Expiry date	Number of share options Granted	Exercised	Balance as at 31.12.2010
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	1.38	5.01.2010	4.08.2014	3,900,000	-	3,900,000
Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT	1.38	5.01.2010	4.08.2014	3,900,000	-	3,900,000
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	1.38	5.01.2010	4.08.2014	800,000	(160,000)	640,000
Ching Nye Mi @ Chieng Ngie Chay	1.38	5.01.2010	4.08.2014	800,000	-	800,000
Ding Ming Hea	1.38	5.01.2010	4.08.2014	800,000	-	800,000

* *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.*

Issue of shares

The Company increased its issued and paid up share capital by way of the issuance of 2,516,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at a weighted average exercise price of RM1.38 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Treasury shares

During the financial year, the Company repurchased 2,000 of its issued ordinary shares from the open market at an average price of RM1.69 per share. The total consideration paid for the repurchase including transaction costs was RM3,385. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2010, the Company held as treasury shares a total of 363,978 of its 405,748,129 issued ordinary shares. Such treasury shares are held at a carrying amount of RM719,722 and further relevant details are disclosed in Note 28 to the financial statements.

Employee share option plan ("ESOS")

At an Extraordinary General Meeting held on 29 June 2009, shareholders approved the Employee Share Option Plan for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives and employees respectively.

The committee administering the Employee Share Option Plan comprises five directors, Dato Robert Lim @ Lim Git Hooi, DPMP, JP, Ching Nye Mi @ Chieng Ngie Chay, Ding Ming Hea, Dato Yu Kuan Huat, DPMP, PMP, AMP, PPT, Dato Dr. Yu Kuan Chon, DIMP, PPT, MBBS and the Group's Financial Controller, Chan Yan Meng.

DIRECTORS' REPORT (cont'd)

Employee share option plan ("ESOS") (cont'd)

The salient features and other terms of the Employee Share Option Plan are disclosed in Note 31 to the financial statements.

The Company had on 5 January 2010 granted 39,840,000 share options under the ESOS to eligible employees of the Group. The new ESOS is to be in force for a period of 5 years from the date of implementation, expiring on 4 August 2014.

Details of all the option to subscribe for ordinary shares of the Company pursuant to the Employee Share Option Plan as at 31 December 2010 are as follows:

Expiry date	Exercise price (RM)	Number of options
4 August 2014	1.38	39,840,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 800,000 ordinary shares of RM1 each. The names of option holders granted options to subscribe for 800,000 or more ordinary shares of RM1 each during the financial year are as follows:

				Number of share options		
Name	Exercise price	Grant Date	Expiry date	Granted	Exercised	Balance as at 31.12.2010
Datin Teh Nai Sim	1.38	5.01.2010	4.08.2014	1,800,000	-	1,800,000
Yu Choong Sing	1.38	5.01.2010	4.08.2014	1,700,000	-	1,700,000
Yu Chong Hua	1.38	5.01.2010	4.08.2014	1,600,000	(260,000)	1,340,000
Chan Yan Meng	1.38	5.01.2010	4.08.2014	1,600,000	(55,000)	1,545,000
Chan Weng Fui	1.38	5.01.2010	4.08.2014	1,500,000	(100,000)	1,400,000
Lim Wen Tzer	1.38	5.01.2010	4.08.2014	1,500,000	(100,000)	1,400,000
Cheong Swee Yong	1.38	5.01.2010	4.08.2014	1,500,000	(140,000)	1,360,000
Cheng Ghee Cheng	1.38	5.01.2010	4.08.2014	1,500,000	(130,000)	1,370,000
Leong Peng Yew	1.38	5.01.2010	4.08.2014	1,500,000	-	1,500,000
Seh Ay Lian	1.38	5.01.2010	4.08.2014	1,100,000	(210,000)	890,000
Tan Ching Ching	1.38	5.01.2010	4.08.2014	1,100,000	(220,000)	880,000
Lim Yet Lien	1.38	5.01.2010	4.08.2014	1,100,000	(220,000)	880,000
Yu Lay Hwa	1.38	5.01.2010	4.08.2014	800,000	(30,000)	770,000

Details of options granted to directors are disclosed in the section on directors' interests in this report.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision 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.

DIRECTORS' REPORT (cont'd)

Other statutory information (cont'd)

(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 provision 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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2011.

Dato' Yu Kuan Huat,
DPMP, PMP, AMP, PPT

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 35 to 99 are 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 2010 and of their financial performance and cash flows for the year then ended.

Further to the statement by directors pursuant to Section 169(15) of the Companies Act, 1965, the information set out in Note 48 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2011.

Dato' Yu Kuan Huat,
DPMP, PMP, AMP, PPT

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 35 to 99 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 2011

Dato' Dr. Yu Kuan Chon,
DIMP, PPT, MBBS

Before me,

MOHD YUSOF BIN HARON, KPP, PNPBB, PJK
No. A112
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 statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 35 to 99.

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 2010 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

The supplementary information set out in Note 48 on page 100 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

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

Ipoh, Perak Darul Ridzuan, Malaysia

Date: 28 April 2011

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Revenue	4	259,708,592	246,584,062	25,200,000	-
Cost of sales	5	(148,733,427)	(135,750,146)	-	-
Gross profit		110,975,165	110,833,916	25,200,000	-
Other items of income					
Other income		12,022,444	4,799,723	-	-
Other items of expense					
Selling and distribution expenses		(399,380)	(187,287)	-	-
Administrative expenses		(42,904,029)	(34,547,108)	(895,411)	(687,224)
Profit/(Loss) from operations		79,694,200	80,899,244	24,304,589	(687,224)
Finance costs	6	(8,241,194)	(10,356,263)	-	-
Profit/(Loss) before tax	7	71,453,006	70,542,981	24,304,589	(687,224)
Income tax expense	10	(19,122,584)	(18,631,344)	(6,147,691)	98,489
Profit/(Loss), net of tax representing total comprehensive income for the year		52,330,422	51,911,637	18,156,898	(588,735)
Profit/(loss) attributable to:					
Owners of the parent		52,330,422	51,911,637	18,156,898	(588,735)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		52,330,422	51,911,637	18,156,898	(588,735)
Earnings per share attributable to owners of the parent (sen per share)					
- Basic	11	13.09	13.63		
- Diluted	11	12.88	13.63		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Group			Company	
		2010	2009 (restated)	As at 1.1.2009 (restated)	2010	2009
	Note	RM	RM	RM	RM	RM
Assets						
Non-current assets						
Property, plant and equipment	12	74,867,887	77,185,487	71,329,572	-	-
Land use rights	13	-	-	-	-	-
Investments in subsidiary companies	14	-	-	-	426,270,174	343,996,009
Investment properties	15	1,923,509	599,441	601,154	-	-
Land held for property development	16	278,924,420	292,952,627	295,245,292	-	-
Deferred tax assets	17	14,091,809	13,368,135	10,183,562	81,852	-
Goodwill on consolidation	18	17,621,512	17,621,512	17,621,512	-	-
		387,429,137	401,727,202	394,981,092	426,352,026	343,996,009
Current assets						
Property development costs	19	332,849,604	334,941,925	332,030,813	-	-
Inventories	20	56,992,037	58,319,234	17,958,101	-	-
Trade and other receivables	21	286,165,805	286,990,805	338,380,038	86,169,690	102,587,598
Other current assets	22	12,352,676	45,394,682	62,632,832	2,077	2,077
Tax recoverable	25	23,836,408	14,862,421	11,888,341	140,274	69,816
Term deposits and fixed income trust fund	26	28,492,371	471,948	20,459,162	-	-
Cash and bank balances	27	12,771,750	28,377,290	19,265,229	184,938	140,596
		753,460,651	769,358,305	802,614,516	86,496,979	102,800,087
Total assets		1,140,889,788	1,171,085,507	1,197,595,608	512,849,005	446,796,096

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (cont'd)

		Group			Company	
		2010	2009 (restated)	As at 1.1.2009 (restated)	2010	2009
	Note	RM	RM	RM	RM	RM
Equity and liabilities						
Equity attributable to owners of the parent						
Share capital	28(a)	405,748,129	403,232,129	397,436,729	405,748,129	403,232,129
Share premium	28(c)	32,174,321	40,009,809	75,988,530	32,174,321	40,009,809
Treasury shares	28(d)	(719,722)	(9,507,905)	(45,695,462)	(719,722)	(9,507,905)
Other reserves	29	32,013,027	26,578,054	28,253,680	5,434,973	-
Retained earnings	30	286,346,884	252,181,934	199,141,950	12,990,975	12,999,549
Total equity		755,562,639	712,494,021	655,125,427	455,628,676	446,733,582
Non-current liabilities						
Borrowings	32	2,796,837	11,274,712	25,433,631	-	-
Deferred tax liabilities	17	47,883,264	48,205,803	49,079,618	-	-
		50,680,101	59,480,515	74,513,249	-	-
Current liabilities						
Trade and other payables	33	64,676,604	135,430,739	144,336,928	57,220,329	62,514
Other current liabilities	34	57,762,194	52,878,672	82,861,044	-	-
Provision for rectification works	35	6,534,552	7,381,626	4,521,485	-	-
Taxation		7,056,106	6,367,460	6,044,625	-	-
Borrowings	32	198,617,592	197,052,474	230,192,850	-	-
		334,647,048	399,110,971	467,956,932	57,220,329	62,514
Total liabilities		385,327,149	458,591,486	542,470,181	57,220,329	62,514
Total equity and liabilities		1,140,889,788	1,171,085,507	1,197,595,608	512,849,005	446,796,096

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Attributable to owners of the parent						
			Non-distributable			Distributable		
	Note	Share capital RM	Share premium RM	Share option reserve RM	Treasury shares RM	Capital reserve RM	Retained earnings RM	Total equity RM
2010								
Group								
Opening balance at 1 January 2010		403,232,129	40,009,809	-	(9,507,905)	26,578,054	252,181,934	712,494,021
Total comprehensive income		-	-	-	-	-	52,330,422	52,330,422
Transactions with owners								
Issue of ordinary shares:								
- Pursuant to ESOS	28	2,516,000	956,080	-	-	-	-	3,472,080
Share options granted under ESOS	29	-	-	5,434,973	-	-	-	5,434,973
Share buy back	28	-	-	-	(3,385)	-	-	(3,385)
Dividends	36	-	-	-	-	-	(18,165,472)	(18,165,472)
Share dividends	36	-	(8,791,568)	-	8,791,568	-	-	-
Total transactions with owners		2,516,000	(7,835,488)	5,434,973	8,788,183	-	(18,165,472)	(9,261,804)
Closing balance at 31 December 2010		405,748,129	32,174,321	5,434,973	(719,722)	26,578,054	286,346,884	755,562,639
2009								
Group								
Opening balance at 1 January 2009		397,436,729	75,988,530	1,675,626	(45,695,462)	26,578,054	199,141,950	655,125,427
Total comprehensive income		-	-	-	-	-	51,911,637	51,911,637
Transactions with owners								
Issue of ordinary shares:								
- Pursuant to ESOS	28	5,795,400	833,038	-	-	-	-	6,628,438
Share options granted under ESOS	29	-	-	533,400	-	-	-	533,400
ESOS vested but not exercised, transferred to retained earnings	29	-	-	(1,128,347)	-	-	1,128,347	-
ESOS exercised, transferred to share premium	28	-	1,080,679	(1,080,679)	-	-	-	-
Share buy back	28	-	-	-	(1,704,881)	-	-	(1,704,881)
Share dividends	36	-	(37,892,438)	-	37,892,438	-	-	-
Total transactions with owners		5,795,400	(35,978,721)	(1,675,626)	36,187,557	-	1,128,347	5,456,957
Closing balance at 31 December 2009		403,232,129	40,009,809	-	(9,507,905)	26,578,054	252,181,934	712,494,021

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (cont'd)

			Attributable to owners of the parent				
			Non-distributable		Distributable		
	Note	Share capital RM	Share premium RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
2010							
Company							
Opening balance at 1 January 2010		403,232,129	40,009,809	-	(9,507,905)	12,999,549	446,733,582
Total comprehensive income		-	-	-	-	18,156,898	18,156,898
Transactions with owners							
Issue of ordinary shares:							
- Pursuant to ESOS	28	2,516,000	956,080	-	-	-	3,472,080
Share options granted under ESOS	29	-	-	5,434,973	-	-	5,434,973
Share buy back	28	-	-	-	(3,385)	-	(3,385)
Dividend	36	-	-	-	-	(18,165,472)	(18,165,472)
Share dividends	36	-	(8,791,568)	-	8,791,568	-	-
Total transactions with owners		2,516,000	(7,835,488)	5,434,973	8,788,183	(18,165,472)	(9,261,804)
Closing balance at 31 December 2010		405,748,129	32,174,321	5,434,973	(719,722)	12,990,975	455,628,676
2009							
Company							
Opening balance at 1 January 2009		397,436,729	75,988,530	1,675,626	(45,695,462)	12,459,937	441,865,360
Total comprehensive loss		-	-	-	-	(588,735)	(588,735)
Transactions with owners							
Issue of ordinary shares:							
- Pursuant to ESOS	28	5,795,400	833,038	-	-	-	6,628,438
Share options granted under ESOS	29	-	-	533,400	-	-	533,400
ESOS vested but not exercised, transferred to retained earnings	29	-	-	(1,128,347)	-	1,128,347	-
ESOS exercised, transferred to share premium	28	-	1,080,679	(1,080,679)	-	-	-
Share buy back	28	-	-	-	(1,704,881)	-	(1,704,881)
Share dividends	36	-	(37,892,438)	-	37,892,438	-	-
Total transactions with owners		5,795,400	(35,978,721)	(1,675,626)	36,187,557	1,128,347	5,456,957
Closing balance at 31 December 2009		403,232,129	40,009,809	-	(9,507,905)	12,999,549	446,733,582

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Operating activities				
Profit/(Loss) before taxation	71,453,006	70,542,981	24,304,589	(687,224)
Adjustments for:				
Allowance for doubtful debts	-	6,622,133	-	-
Allowance for doubtful debts written back	(13,020,905)	(844,021)	-	-
Amortisation of investment properties	6,243	8,326	-	-
Depreciation	2,421,237	2,391,051	-	-
Dividend income	-	-	(25,200,000)	-
(Gain)/Loss on disposal of property, plant and equipment	(6,960)	5,918	-	-
Interest expense	9,627,473	11,849,088	-	-
Interest income	(325,295)	(850,350)	-	-
Provision for rectification works	2,772,212	3,069,883	-	-
Share options granted under ESOS	5,434,973	533,400	327,408	-
Bad debts written off	70	-	-	-
Property, plant and equipment written back	(18,941)	-	-	-
Total adjustments	6,890,107	22,785,428	(24,872,592)	-
Operating profit/(loss) before working capital changes	78,343,113	93,328,409	(568,003)	(687,224)
Changes in working capital:				
Property development costs	23,723,300	(51,651,907)	-	-
Inventories	2,218,711	9,128,799	-	-
Receivables	42,515,772	55,740,301	-	21,360,000
Contract work-in-progress	8,709,850	23,803,817	-	-
Payables	(70,208,393)	(56,756,164)	19,901	(141,059)
Directors' account	-	(5,000)	-	-
Subsidiary companies' accounts	-	-	73,555,821	(26,333,014)
Total changes in working capital	6,959,240	(19,740,154)	73,575,722	(5,114,073)
Cash flows from/(used in) operations	85,302,353	73,588,255	73,007,719	(5,801,297)
Utilisation of provision for rectification works	(3,619,286)	(209,741)	-	-
Dividend received	-	-	18,900,000	-
Interest paid	(9,627,473)	(11,849,088)	-	-
Interest received	325,295	850,350	-	-
Recharge of share options under ESOS to subsidiaries received	-	-	5,107,565	948,680
Tax (paid)/refund	(28,454,140)	(25,340,995)	-	34,059
Net cash flows from/(used in) operating activities	43,926,749	37,038,781	97,015,284	(4,818,558)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (cont'd)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Investing activities				
Adjustment on purchase considerations on property, plant and equipment	1,500,000	-	-	-
Land held for property development - net of disposals	(8,494,286)	2,959,206	-	-
Placement of pledged fixed deposits	(20,067)	(12,472)	-	-
Investment properties	(1,330,311)	(6,613)	-	-
Proceeds from disposal of property, plant and equipment	10,000	2,502	-	-
Increase in investment in a subsidiary company	-	-	(82,274,165)	-
Acquisition of a subsidiary (Note 37(c))	-	-	-	(100,000)
Purchase of property, plant and equipment (Note 37(a))	(1,587,736)	(8,255,386)	-	-
Net cash flows from/(used in) investing activities	(9,922,400)	(5,312,763)	(82,274,165)	(100,000)
Financing activities				
Dividends paid	(18,165,472)	-	(18,165,472)	-
Shares buy back (Note 28)	(3,385)	(1,704,881)	(3,385)	(1,704,881)
Proceeds from issue of shares	3,472,080	6,628,438	3,472,080	6,628,438
Short term revolving credit drawn down	(11,860,541)	(7,712,626)	-	-
Repayments of term loans	(7,461,088)	(14,194,750)	-	-
Net cash (used in)/generated from financing activities	(34,018,406)	(16,983,819)	(14,696,777)	4,923,557
Net (decrease)/increase in cash and and cash equivalents	(14,057)	14,742,199	44,342	4,999
Cash and cash equivalents as at 1 January	(22,455,677)	(37,197,876)	140,596	135,597
Cash and cash equivalents as at 31 December (Note 37(b))	(22,469,734)	(22,455,677)	184,938	140,596

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010

1. Corporate information

YNH Property Bhd ("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 registered office of the Company is located at No 55, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are property development, cultivation and sales of oil palm, general contracting, provision of consultancy services, provision of management services and lodging facilities, operation and management of a hotel, property investment, trading of properties and construction materials and supply of ready mix concrete and related construction materials.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 *Financial Instruments: Disclosures*
- FRS 8 *Operating Segments*
- FRS 101 *Presentation of Financial Statements* (Revised)
- FRS 123 *Borrowing Costs*
- FRS 139 *Financial Instruments: Recognition and Measurement*
- 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*
- Amendments to FRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
- Amendments to FRS 132 *Financial Instruments: Presentation*
- Amendments to FRS 139 *Financial Instruments: Recognition and Measurement,* FRS 7 *Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives*
- Improvements to FRSs issued in 2009
- IC Interpretation 9 *Reassessment of Embedded Derivatives*
- IC Interpretation 10 *Interim Financial Reporting and Impairment*
- IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*
- IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

FRS 4 *Insurance Contracts*, IC Interpretation 13 *Customer Loyalty Programmes* and TR *i*-3 *Presentation of Financial Statements of Islamic Financial Institutions* will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group or the Company.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 *Operating Segments*

FRS 8, which replaces FRS 114 *Segment* Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 42 to the financial statements.

FRS 101 *Presentation of Financial Statements* (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

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 classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. (see note 41)

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Amendments to FRS 117 *Leases*

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group and the Company as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated 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 represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to FRS 117 *Leases* (cont'd)

The amendments to FRS 117 *Leases* clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group and the Company have applied this change in accounting policy retrospectively and certain comparatives have been restated.

The following are effects to the statements of financial position as at 31 December 2010 arising from the above change in accounting policy:

	2010 RM
Increase/(decrease) in:	
Group:	
Investment properties	593,198
Land use rights	(593,198)

The following comparatives have been restated:

	As previously stated RM	Adjustments RM	As restated RM
Statements of financial position			
Group:			
31 December 2009			
Investment properties	-	599,441	599,441
Land use rights	599,441	(599,441)	-
1 January 2009			
Investment properties	-	601,154	601,154
Land use rights	601,154	(601,154)	-

FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Impairment of trade receivables

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Company has remeasured the allowance for impairment losses as at that date in accordance with FRS139 and the difference, if any, is recognised as adjustments to the opening balance of retained earnings as at that date. No adjustment was necessary.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	*Effective for annual 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
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 127 *Consolidated and Separate Financial Statements*	1 July 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
IC Interpretation 12 *Service Concession Arrangements*	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
Amendments to FRS 132: *Classification of Rights Issues*	1 March 2010
Amendments to FRS 1: *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 1: *Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters*	1 January 2011
Amendments to FRS 7: *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 2: *Group Cash-settled Share-based Payment Transactions*	1 January 2011
Amendments to FRS *contained in the document entitled "Improvements to FRSs (2010)"*	1 January 2011
IC Interpretation 4: *Determining whether an Arrangement contains a Lease*	1 January 2011
IC Interpretation 18 *Transfer of Assets from Customers*	1 January 2011
TRI - 3 *Guidance on Disclosure of Translation to IFRSs*	1 January 2011
TRI - 4 *Shariah Compliant sale Contracts*	1 January 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)	1 July 2011
IC Interpretation 15 *Agreements for the Construction of Real Estate*	1 January 2012
FRS 124 *Related Party Disclosures*	1 January 2012

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

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

Except for the changes in accounting policies arising from the adoption of IC Interpretation 15, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IC Interpretation 15 are described below.

IC Interpretation 15 *Agreements for the Construction of Real Estate*

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 *Construction Contracts* or FRS 118 *Revenue*.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenue at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

2.4 Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination 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 business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.5. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.5 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
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

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.7 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight-line basis over the estimated useful life.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.6 up to the date of change in use.

2.8 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 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.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.10 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) Loan and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current, except for those having maturity within 12 months after the reporting date which are classified as current.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.10 Financial assets (cont'd)

d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.11 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of financial assets (cont'd)

a) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.13 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 estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense 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.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of 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.

2.14 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.14 Land held for property development and property development costs (cont'd)

ii) Property development costs (cont'd)

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 profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.15 Inventories

Inventories are stated at the 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 estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.17 Financial liabilities (cont'd)

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Employee benefits

a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.19 Employee benefits (cont'd)

b) Employee share option plans (cont'd)

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.20 Lease

a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(g).

2.21 Revenue

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. Revenue is measured at the fair value of consideration received or receivable.

a) Sales of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. 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 2010 (cont'd)

2. **Summary of significant accounting policies** (cont'd)

2.21 Revenue (cont'd)

b) Sales of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.14(ii).

c) Sales 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.

d) Construction contract

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.13.

e) Interest income

Interest income is recognised using the effective interest method.

f) Dividend income

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

g) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

h) Hotel and service apartments operations

Revenue from rental of service apartments and hotel rooms sales of food and beverage and other related income are recognised when the services are rendered.

2.22 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.22 Income taxes (cont'd)

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except: loss; and

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and which the temporary differences can be utilised.

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.22 Income taxes (cont'd)

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of an asset or a service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

2. Summary of significant accounting policies (cont'd)

2.27 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which 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 FRS140 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

3. Significant accounting judgement and estimation (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 statement of comprehensive income 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 property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 19.

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 statement of comprehensive income 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.

The carrying amounts of assets and liabilities arising from construction contract activities are disclosed in Note 23.

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.

(iii) Impairment of goodwill

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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

3. Significant accounting judgement and estimation (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(iv) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill and brands are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2010 was RM17,621,512 (2009 - RM17,621,512) as disclosed in Note 18.

(v) 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 as at December 2010 was RM10,274,696 (2009 - RM10,421,956) as disclosed in Note 17.

4. Revenue

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Revenue comprise the following:				
Sales of				
- development properties	71,113,731	177,292,953	-	-
- land held for property development	25,385,827	7,166,846	-	-
- completed property units	100,730,084	2,263,673	-	-
- ready mixed concrete	5,582,808	4,159,654	-	-
Dividend income from a subsidiary	-	-	25,200,000	-
Income from estates	4,585,176	4,161,129	-	-
Revenue from room sales, food and beverages	13,405,431	1,262,719	-	-
Proceeds from contract work	37,255,695	48,715,092	-	-
Rental income	1,649,840	1,561,996	-	-
	259,708,592	246,584,062	25,200,000	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

5. Cost of sales

	Group 2010 RM	Group 2009 RM
Property development costs (Note 19)	60,826,003	113,117,131
Costs of land held for property development sold (Note 16)	-	2,959,206
Cost of inventories sold	51,709,207	1,760,176
Cost of production	5,799,900	4,149,395
Profit attributed to joint development partners	5,486,969	133,418
Construction contract costs	14,921,212	8,707,369
Estates costs	1,777,275	1,219,170
Hotel and other operation costs	8,212,861	3,704,281
	148,733,427	135,750,146

6. Finance costs

	Group 2010 RM	Group 2009 RM
Finance costs comprise interest expenses on:		
- term loans	544,654	2,185,692
- bank overdraft	1,940,485	3,111,455
- short term revolving credit	5,779,697	6,551,941
- others	1,362,637	-
	9,627,473	11,849,088
Interest expense capitalised in qualifying assets:		
- Property development costs (Note 19)	(1,386,279)	(1,492,825)
Total finance costs	8,241,194	10,356,263

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 14% (2009 - 13%) per annum to expenditure on such assets.

7. Profit/(Loss) before tax

The following items have been included in arriving at profit/(loss) before tax from continuing operations:

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Allowance for doubtful debts	-	6,622,133	-	-
Auditors' remuneration				
- statutory audit				
- continuing	178,400	126,300	42,500	32,500
- over provision in prior year	(9,018)	-	(2,000)	-
- other services	11,000	11,000	5,000	5,000
Amortisation of investment properties	6,243	8,326	-	-
Bad debts written off	70	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

7. Profit/(Loss) before tax (cont'd)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Depreciation	2,421,237	2,391,051	-	-
Non-executive directors' remuneration (Note 9)	566,736	226,200	566,736	226,200
Employees benefits expense (Note 8)	27,124,615	21,302,140	-	-
Loss on disposal of property, plant and equipment	-	5,918	-	-
Provision for rectification works	2,772,212	3,069,883	-	-
Rental of land	246,000	56,950	-	-
Rental of plant and machinery	2,523,749	778,652	-	-
Rental of premises	355,900	209,150	-	-
and crediting:				
Allowance for doubtful debts written back	13,020,905	844,021	-	-
Gain on disposal of property, plant and equipment	6,960	-	-	-
Property, plant and equipment written back	18,941	-	-	-
Rental income from properties	4,723,151	1,561,996	-	-
Interest income	325,295	850,350	-	-

8. Employees benefits expense

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Salaries, bonus and other staff related costs	19,954,017	18,707,056	-	-
Employees Provident Fund	1,972,117	2,061,684	-	-
Share options granted under ESOS	5,107,565	533,400	-	-
Socso	90,916	-	-	-
	27,124,615	21,302,140	-	-

Included in employee benefits expenses of the Group and Company are executive directors' remuneration amounting to RM12,017,985 (2009 - RM10,506,144) and RMNil (2009 - RMNil) respectively.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

9. Directors' remuneration

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	8,364,815	8,040,240	-	-
Bonus (current year)	1,575,886	1,340,040	-	-
EPF	1,013,208	1,125,864	-	-
Share option granted under ESOS	1,064,076	-	-	-
Total executive directors' remuneration (excluding benefit in kind) (Note 8)	12,017,985	10,506,144	-	-
Estimated money value of benefit in kind	1,200	-	-	-
Total executive directors' remuneration (including benefit in kind)	12,019,185	10,506,144	-	-
Non-Executive:				
Fee	231,828	226,200	231,828	226,200
Share option granted under ESOS	327,408	-	327,408	-
Other emoluments	7,500	-	7,500	-
Total non-executive directors' emoluments	566,736	226,200	566,736	226,200
Total directors' remuneration	12,585,921	10,732,344	566,736	226,200

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of directors	
	2010	2009
Executive directors:		
RM5,000,001 - RM5,500,000	-	2
RM5,500,001 - RM6,000,000	-	-
RM6,000,001 - RM6,500,000	2	-
Non-executive directors:		
RM50,001 - RM100,000	-	3
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	3	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

10. Income tax expense

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current tax:				
- Malaysian income tax	22,178,873	23,767,282	6,229,543	-
- Over provided in prior years	(2,010,076)	(1,077,550)	-	(98,489)
	20,168,797	22,689,732	6,229,543	(98,489)
Deferred tax (Note 17):				
- Relating to origination and reversal of temporary differences	(2,384,303)	(4,070,222)	(81,852)	-
- Under provided in prior years	1,338,090	11,834	-	-
	(1,046,213)	(4,058,388)	(81,852)	-
	19,122,584	18,631,344	6,147,691	(98,489)

Current income tax is calculated at the statutory tax rate of 25% of the assessable profit for the year.

A reconciliation of income tax expense applicable to profit/(loss) before tax 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 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Profit/(Loss) before tax	71,453,006	70,542,981	24,304,589	(687,224)
Taxation at applicable statutory tax rate	17,863,252	17,635,745	6,076,147	(171,806)
Expenses not deductible for tax purposes	605,249	2,063,315	71,544	171,806
Utilisation of previously unrecognised tax losses	(9,708)	-	-	-
Attributable profit on development property not recognised but chargeble for tax purposes	1,033,892	-	-	-
Deferred tax asset recognised on attributable asset on property development	(1,033,892)	-	-	-
Current tax under provided in prior years in relation to Deferred tax assets not recognised	1,806,777	-	-	-
Current tax over provided in prior years	(2,010,076)	(1,077,550)	-	(98,489)
Deferred tax under provided in prior years	1,338,090	11,834	-	-
Others	(471,000)	(2,000)	-	-
Tax expense for the year	19,122,584	18,631,344	6,147,691	(98,489)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the parent (after adjusting for interest expense on convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2010	**2009**
	RM	**RM**
Profit net of tax attributable to owners of the parent used in the computation of basic and diluted earnings per share	52,330,422	51,911,637
	Number of shares	
Weighted average number of ordinary shares for basis earnings per share computation*	399,861,046	380,853,399
Effect of dilution		
- share option	6,383,550	-
Weighted average number of ordinary shares for diluted earnings per share computation	406,244,596	380,853,399

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

12. 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
2010								
Cost								
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)
At 31 December 2009 and 1 January 2010	57,204,612	10,762,460	10,579,811	2,550,261	70,004	7,379,753	551,079	89,097,980
Additions	-	306,140	159,510	177,907	-	810,391	133,788	1,587,736
Adjustment on purchase considerations	-	-	-	-	-	(1,500,000)	-	(1,500,000)
Disposals/Written off	-	-	(3,068,343)	(26,061)	-	(772,422)	-	(3,866,826)
At 31 December 2010	57,204,612	11,068,600	7,670,978	2,702,107	70,004	5,917,722	684,867	85,318,890
Accumulated depreciation								
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)
At 31 December 2009 and 1 January 2010	-	1,023,363	6,889,196	1,769,084	70,002	1,730,178	430,670	11,912,493
Charge for the year	-	133,981	1,353,676	296,967	-	562,566	74,047	2,421,237
Disposals/Written off	-	-	(3,028,407)	(86,490)	-	(767,830)	-	(3,882,727)
At 31 December 2010	-	1,157,344	5,214,465	1,979,561	70,002	1,524,914	504,717	10,451,003
Net carrying amount								
At 31 December 2009	57,204,612	9,739,097	3,690,615	781,177	2	5,649,575	120,409	77,185,487
At 31 December 2010	57,204,612	9,911,256	2,456,513	722,546	2	4,392,808	180,150	74,867,887

The Group's freehold land and buildings with a net carrying amount of RM31,473,168 (2009 - RM31,584,796) are mortgaged to secure the Group's bank loans.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

13. Land use rights

	Group 2010 RM	Group 2009 RM
Cost:		
At 1 January	656,666	650,053
Effect of adopting amendments to FRS 117	(656,666)	(650,053)
At 31 December (restated)	-	-
Accumulated amortisation:		
At 1 January	57,225	48,899
Effect of adopting amendments to FRS 117	(57,225)	(48,899)
At 31 December (restated)	-	-
Net carrying amount	-	-

14. Investments in subsidiaries

	Company 2010 RM	Company 2009 RM
Unquoted share, at cost	421,162,609	343,996,009
ESOS granted to employees of subsidiaries	5,107,565	-
	426,270,174	343,996,009

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

Name of company	Principal activities	Proportion of ownership interest 2010 %	Proportion of ownership interest 2009 %
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	100
YNH Land Sdn Bhd	Property investment and development	97*	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

14. Investments in subsidiaries (cont'd)

Name of company	Principal activities	Proportion of ownership interest 2010 %	2009 %
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	3*	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

* YNH Land Sdn Bhd ceased to be a direct subsidiary of Kar Sin Berhad upon the allotment of shares to YNH Property Bhd during the year.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

15. Investment properties

As of 1 January 2010, investment properties owned by the Group include land held under long-leasehold interests. As at 31 December 2009, investment properties were presented at cost less accumulated amortisation under land use rights.

The movements of investment properties are as follows:

Group	2010 RM Completed investment property	2010 RM Investment property under construction (IPUC) at fair value	2010 RM Total	2009 RM Completed investment property
Cost:				
At 1 January	-	-	-	-
Effect of adopting amendments to FRS117	656,666	-	656,666	650,053
As restated	656,666	-	656,666	650,053
Additions	-	1,330,311	1,330,311	6,613
At 31 December	656,666	1,330,311	1,986,977	656,666
Accumulated amortisation:				
At 1 January	-	-	-	-
Effect of adopting amendments to FRS117	57,225	-	57,225	48,899
As restated	57,225	-	57,225	48,899
Additions	6,243	-	6,243	8,326
At 31 December	63,468	-	63,468	57,225
Net carrying amounts	593,198	1,330,311	1,923,509	599,441

Included in the Group's investment properties is a land held under long-leasehold interests, which expires on 29 September 2081.

IPUC comprises 19 units double storey shophouses, which have reached approximately 70% completion as at year end.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

16. Land held for property development

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Cost				
2010				
At 1 January 2010	221,997,850	57,592,740	13,362,037	292,952,627
Additions	2,436,747	-	6,057,539	8,494,286
Transfer from property development costs (Note 19)	-	-	16,777,461	16,777,461
Transfer to property development costs (Note 19)	(6,335,254)	(25,008,349)	(7,064,837)	(38,408,440)
Transfer to inventories	-	-	(891,514)	(891,514)
At 31 December 2010	218,099,343	32,584,391	28,240,686	278,924,420
2009				
At 1 January 2009	226,699,961	56,234,391	12,310,940	295,245,292
Reclassification	5,892,684	3,508,349	2,068,840	11,469,873
Transfer to property development costs (Note 19)	(7,855,828)	(2,150,000)	(797,504)	(10,803,332)
Disposals (Note 5)	(2,738,967)	-	(220,239)	(2,959,206)
At 31 December 2009	221,997,850	57,592,740	13,362,037	292,952,627

Freehold land and leasehold land of the Group with carrying values of RM80,124,917 (2009 - RM69,544,045) and RM8,293,049 (2009 - RM27,883,667) 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 2010 RM	Group 2009 RM
Freehold land	72,514,803	94,368,999
Leasehold land	140,142	14,330,141
	72,654,945	108,699,140

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

17. Deferred tax assets/(liabilities)

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
As at 1 January	(34,837,668)	(38,896,056)	-	-
Recognised in profit or loss (Note 10)	1,046,213	4,058,388	81,852	-
As at 31 December	(33,791,455)	(34,837,668)	81,852	-
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	(47,883,264)	(48,205,803)	-	-
Deferred tax assets	14,091,809	13,368,135	81,852	-
	(33,791,455)	(34,837,668)	81,852	-

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

	At 1 January RM	Recognised in profit or loss RM	At 31 December R M
At 31 December 2010			
Property, plant and equipment	(531,771)	(89,049)	(620,820)
Fair value adjustment on consolidation	(48,205,803)	560,948	(47,644,855)
Total	(48,737,574)	471,899	(48,265,675)
At 31 December 2009			
Property, plant and equipment	(575,981)	44,210	(531,771)
Fair value adjustment on consolidation	(49,079,618)	873,815	(48,205,803)
Total	(49,655,599)	918,025	(48,737,574)

Deferred tax assets of the Group

	At 1 January RM	Recognised in profit or loss RM	At 31 December RM
At 31 December 2010			
Interest attributable to property development cost	3,203,920	1,863,641	5,067,561
Allowance for doubtful debts	2,855,690	(2,562,400)	293,290
Unabsorbed capital allowances	760,082	174,954	935,036
Unrealised profit on development properties	5,053,887	(1,027,796)	4,026,091
Provision for rectification works	1,845,407	(211,769)	1,633,638
Property development costs	180,920	852,974	1,033,894
Unutilised business loss	-	125,856	125,856
Employee share options	-	1,358,854	1,358,854
Total	13,899,906	574,314	14,474,220

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

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

Deferred tax assets of the Group (cont'd)

	At 1 January RM	Recognised in profit or loss RM	At 31 December RM
At 31 December 2009			
Interest attributable to property development cost	1,706,461	1,497,459	3,203,920
Allowance for doubtful debts	1,926,951	928,739	2,855,690
Unabsorbed capital allowances	652,212	107,870	760,082
Unrealised profit on development properties	5,343,548	(289,661)	5,053,887
Provision for rectification works	1,130,371	715,036	1,845,407
Property development costs	-	180,920	180,920
Total	10,759,543	3,140,363	13,899,906

	Group 2010 RM	Group 2009 RM
Deferred tax assets have not been recognised in respect of the following items:		
Reinvestment allowance	2,201,000	2,201,000
Unutilised tax losses	4,703,710	-
Unabsorbed capital allowances	3,691,068	1,841,692
Deferred tax assets	10,595,778	4,042,692
Deferred tax liabilities - property, plant and equipment	(2,087,963)	(2,761,984)
	8,507,815	1,280,708
Deferred tax assets not recognised at tax rate of 25%	2,126,954	320,177

The unutilised tax losses and unabsorbed capital allowances of the subsidiaries are available for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these items as it may not be probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets of the Company

	At 1 January RM	Recognised in profit or loss RM	At 31 December RM
At 31 December 2010			
Employee share options	-	81,852	81,852

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

18. Goodwill on consolidation

	Group 2010 RM	2009 RM
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 value-in-use calculations.

The calculation of value in use for the CGUs are most sensitive to the following assumptions:

Budgeted gross margin - Gross margins are based on average values achieved in five years preceding the start of the budget period.

Growth rates - Growth rates are based on Company's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Pre-tax discount rates - Discount rates reflect the current market assessment of the risks specific to the CGUs. This is the benchmark used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for the CGUs, regard has been given to the yield on a ten-year government bond at the beginning of the budgeted year.

19. Property development costs

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
2010				
Cumulative property development costs				
At 1 January 2010	246,764,855	10,372,628	197,005,036	454,142,519
Cost incurred during the year	1,772,045	(1,884,929)	86,345,238	86,232,354
Transfer from land held for property development to property development costs (Note 16)	6,335,254	25,008,349	7,064,837	38,408,440
Transfer to land held for property development (Note 16)	-	-	(16,777,461)	(16,777,461)
Reversal of completed projects	(17,889,636)	(29,099)	(147,212,502)	(165,131,237)
Unsold units transferred to inventories	(3,743,421)	(1,030,027)	(44,356,203)	(49,129,651)
At 31 December 2010	233,239,097	32,436,922	82,068,945	347,744,964

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

19. Property development costs (cont'd)

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
2010				
Cumulative costs recognised in profit or loss				
At 1 January 2010	(17,095,583)	(1,279,462)	(100,825,549)	(119,200,594)
Recognised during the year (Note 5)	(2,098,867)	1,250,363	(59,977,499)	(60,826,003)
Reversal of completed projects	17,889,636	29,099	147,212,502	165,131,237
At 31 December 2010	(1,304,814)	-	(13,590,546)	(14,895,360)
Property development costs at 31 December 2010	231,934,283	32,436,922	68,478,399	332,849,604
2009				
Cumulative property development costs				
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 16)	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)
At 31 December 2009	246,764,855	10,372,628	197,005,036	454,142,519
Cumulative costs recognised in profit or loss				
At 1 January 2009	(26,331,199)	(2,297,600)	(159,479,880)	(188,108,679)
Recognised during the year (Note 5)	(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
At 31 December 2009	(17,095,583)	(1,279,462)	(100,825,549)	(119,200,594)
Property development costs at 31 December 2009	229,669,272	9,093,166	96,179,487	334,941,925

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

	Group 2010 RM	2009 RM
Rental of equipment	1,366,080	2,365,547
Interest expenses (Note 6)	1,386,279	1,492,825

The Group's freehold land with a net carrying amount of RM98,487,509 (2009 - RM82,826,506) are mortgaged to secure the Group's bank loans.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

20. Inventories

	Group 2010 RM	Group 2009 RM
Cost		
Building materials and consumables	651,750	532,406
Properties held for sale	56,097,154	57,707,696
Raw materials	118,205	60,753
Stationery and housekeeping supply	124,928	18,379
	56,992,037	58,319,234

The Group's inventories amounting to RM2,203,981 (2009 - RM38,855,670) are mortgaged to secure the Group's bank loans.

21. Trade and other receivables

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current				
Trade receivables				
Third parties				
- non interest bearing	-	25,380,850	-	-
- interest bearing	61,926,309	23,786,684	-	-
	61,926,309	49,167,534	-	-
Less: Allowance for impairment	(465,010)	(12,777,762)	-	-
Trade receivables, net	61,461,299	36,389,772	-	-
Other receivables				
Other receivables	3,655,139	6,690,981	-	-
Refundable deposits	221,049,367	244,618,205	-	-
	224,704,506	251,309,186	-	-
Less: Allowance for impairment	-	(708,153)	-	-
	224,704,506	250,601,033	-	-
Amounts owing by subsidiary companies (Note 24)	-	-	86,169,690	102,587,598
	224,704,506	250,601,033	86,169,690	102,587,598
Total trade and other receivables	286,165,805	286,990,805	86,171,767	102,589,675
Term deposits and fixed income trust fund (Note 26)	28,492,371	471,948	-	-
Cash and bank balances (Note 27)	12,771,750	28,377,290	184,938	140,596
Total loans and receivables	327,429,926	315,840,043	86,356,705	102,730,271

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

21. Trade and other receivables (cont'd)

(a) Trade receivables

Trade receivables are interest bearing at 10% (2009 - 10%) per annum and are generally on credit terms ranging from 14 to 180 (2009 - 14 to 180) days. Credit terms for sales of commercial properties range from 14 to 270 (2009 - 14 to 270) days. They are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Included in interest bearing trade receivables is an amount of RMNil (2009 - RM1,070,800) owing by persons connected with the directors.

Also included in interest bearing trade receivables is an amount of RM4,740,892 (2009 - RMNil) owing by certain directors of the Company, which is under normal credit term.

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.

Ageing analysis of trade receivables	Group 2010 RM	Group 2009 RM
Neither past due nor impaired	18,330,653	8,847,972
1 to 30 days past due not impaired	17,873,682	7,301,013
31 to 60 days past due not impaired	4,922,902	5,437,831
61 to 90 days past due not impaired	6,276,109	3,529,028
91 to 120 days past due not impaired	1,397,207	980,628
121 to 150 days past due not impaired	541,651	934,934
More than 121 days past due not impaired	12,119,095	9,358,366
	43,130,646	27,541,800
Impaired	465,010	12,777,762
	61,926,309	49,167,534

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company. None of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Company has trade receivables amounting to RM43,130,646 (2009 - RM27,541,800) that are past due at the reporting date but not impaired. These trade receivables that are past due but not impaired are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

21. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group individually impaired 2010 RM	2009 RM
Trade receivables nominal amount	465,010	12,777,762
Less: Allowance for impairment	(465,010)	(12,777,762)
	-	-

Movement in allowance accounts:

	2010 RM	2009 RM
At 1 January	12,777,762	6,999,651
Charged for the year	-	6,622,133
Reversal of impairment losses	(12,312,752)	(844,022)
At 31 December	465,010	12,777,762

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Included in deposits of the Group are security deposits for joint venture transactions amounting to RM213,577,998 (2009 - RM237,162,392) of which RM212,712,902 (2009 - RM237,014,392) 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 RM1,282,350 (2009 - RM2,377,950) have been paid for the acquisitions of freehold land for which the transactions remain incomplete at reporting date.

Also included in deposits of the Group are mobilisation deposits of RM2,314,000 (2009 - RM2,368,166) 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.

Movement in allowance accounts:

	2010 RM	2009 RM
As at 1 January	708,153	708,153
Reversal of impairment losses	(708,153)	-
As at 31 December	-	708,153

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

21. Trade and other receivables (cont'd)

(b) Other receivables (cont'd)

In the previous financial year, the Group had provided an allowance of RM 708,153 for impairment for a deposit paid for the purchase of a vacant land. The deposit paid for the purchase of land was RM713,153. The Group had terminated the purchase of the land in the current year and the deposit had been forfeited. As such, the allowance for impairment has been reversed in the current financial year.

22. Other current assets

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Prepaid expenses and deposits	1,941,435	1,249,178	2,077	2,077
Accrued billings in respect of property development cost	3,711,813	33,074,007	-	-
Amounts due from customers for contract works (Note 23)	6,699,428	11,071,497	-	-
	12,352,676	45,394,682	2,077	2,077

23. Amounts due for contract works

	Group	
	2010 RM	2009 RM
Construction contract cost incurred todate	202,944,477	150,909,442
Attributable profits	31,565,903	58,022,438
	234,510,380	208,931,880
Less: Progress billings received and receivable	(234,963,027)	(200,674,678)
	(452,647)	8,257,202
Presented as:		
Gross amounts due from customers for contract work (Note 22)	6,699,428	11,071,497
Gross amounts due to customers for contract work (Note 34)	(7,152,075)	(2,814,295)
	(452,647)	8,257,202

24. Amounts owing by/(to) subsidiaries

Company

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

25. 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 (2009 - RM6,654,056) 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.

26. Term deposits and fixed income trust fund

	Group	
	2010 RM	**2009 RM**
Short term deposits with (Note 37(b)):		
- Licensed fund management company	15,776	15,420
- Licensed banks	28,476,595	456,528
	28,492,371	471,948

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

	Maturities		Interest rates	
	2010 Days	**2009 Days**	**2010 %**	**2009 %**
Licensed fund management company				
- Fixed income trust fund	30 - 31	30 - 31	1.90 - 2.80	2.00
Licensed banks				
- Short term deposit	4	-	2.80	-
- Fixed deposits	30 - 365	30 - 365	2.25 - 2.75	2.00 - 3.70

The fixed deposits amounting to RM476,596 (2009 - RM456,528) are pledged as security for bank guarantee facilities granted to the Group.

Included in fixed deposits is an amount of RM134,455 (2009 - RM121,627) held in trust by a director of a subsidiary.

27. Cash and bank balances

Group

Included in cash at banks of the Group are amounts of RM10,393,604 (2009 - RM20,946,415) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

28. Share capital, share premium and treasury shares

	Group and Company					
	Number of ordinary shares of RM 1 each		Amount			
	Share capital (issued and fully paid)	Treasury shares	Share capital (issued and fully paid) RM	Share premium RM	Total share capital and share premium RM	Treasury shares RM
At 1 January 2009	397,436,729	(22,413,890)	397,436,729	75,988,530	473,425,259	(45,695,462)
Issue of ordinary shares:						
- Pursuant to ESOS	5,795,400	-	5,795,400	833,038	6,628,438	-
ESOS exercised, transferred to share premium	-	-	-	1,080,679	1,080,679	-
Share buy back	-	(1,556,000)	-	-	-	(1,704,881)
Share dividends	-	19,161,835	-	(37,892,438)	(37,892,438)	37,892,438
At 31 December 2009 and 1 January 2010	403,232,129	(4,808,055)	403,232,129	40,009,809	443,241,938	(9,507,905)
Issue of ordinary shares:						
- Pursuant to ESOS	2,516,000	-	2,516,000	956,080	3,472,080	-
Share buy back	-	(2,000)	-	-	-	(3,385)
Share dividends	-	4,446,077	-	(8,791,568)	(8,791,568)	8,791,568
As at 31 December 2010	405,748,129	(363,978)	405,748,129	32,174,321	437,922,450	(719,722)

	Number of ordinary shares of RM 1 each		Amount	
Authorised share capital	**2010**	**2009**	**2010**	**2009**
At 1 January and 31 December	500,000,000	500,000,000	500,000,000	500,000,000

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

28. Share capital, share premium and treasury shares (cont'd)

(a) Share capital

The holders of ordinary shares (except treasury 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.

(b) Ordinary shares issued pursuant to ESOS

During the financial year, the Company issued 2,516,000 (2009 - 5,795,400) ordinary shares at an average issue price of RM1.38 (2009 - RM1.14) per ordinary share for cash, pursuant to the Company's ESOS. The share premium of RM956,080 (2009 - RM833,083) 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.

(c) 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.

(d) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 2,000 (2009 - 1,556,000) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year. The total amount paid to acquire the shares was RM3,385 (2009 - RM1,704,881) and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing 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. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

On 30 September 2010, 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 ninety (90) existing ordinary shares of RM1 each held. A total of 4,446,007 treasury shares were distributed to the entitled shareholders in relation to the share dividend.

29. Other reserves

Group	Share option reserve RM	Capital reserve RM	Total RM
Transaction with owners:			
At 1 January 2009	1,675,626	26,578,054	28,253,680
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)
At 31 December 2009 and 1 January 2010	-	26,578,054	26,578,054
Share options granted under ESOS	5,434,973	-	5,434,973
At 31 December 2010	5,434,973	26,578,054	32,013,027

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

29. Other reserves (cont'd)

	Share option reserve RM	Capital reserve RM	Total RM
Company			
Transaction with owners:			
At 1 January 2009	1,675,626	-	1,675,626
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)
At 31 December 2009 and 1 January 2010	-	-	-
Share options granted under ESOS	5,434,973	-	5,434,973
At 31 December 2010	5,434,973	-	5,434,973

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

Share option reserve

Share option reserve represents the equity-settled share options granted to employees (Note 31). This reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

Distributable capital reserve

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

30. Retained earnings

The Company has elected for the irrecoverable option under the Finance Act 2007 to disregard the 108 balance as at 31 December 2007. Hence, the Company will be able to distribute dividends out of its entire retained earnings as 31 December 2010 and 2009 under the single tier system.

31. Employee benefits

Employee share option plan ("ESOS")

Eligible employees of the Group participate in an equity-settled, share-based compensation plan, i.e. Employee Share Options Plan ("ESOS") operated by the holding company, YNH Property Bhd ("YNHPB") to acquire ordinary shares of YNHPB.

The YNHPB's ESOS is governed by the bye-laws approved by its shareholders at an Extraordinary General Meeting held on 29 June 2009. YNHPB 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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

31. Employee benefits (cont'd)

Employee share option plan ("ESOS") (cont'd)

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.

Movement of share option during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2010		2009	
	No	WAEP (RM)	No	WAEP (RM)
Outstanding at 1 January	-	-	22,456,400	1.47
- Granted	39,840,000	1.38	-	-
- Exercised	(2,516,000)	1.38	(5,795,400)	1.14
- Lapsed	(195,000)	1.38	(16,661,000)	1.58
Outstanding at 31 December	37,129,000	1.38	-	-
Exercisable at 31 December	5,257,000	1.38	-	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

31. Employee benefits (cont'd)

Movement of share options during the financial year

The weighted average fair value of options granted during the financial year was RM1.38 (2009 - RMNil).

The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.38 (2009 - RM1.14).

The range of exercise prices for options outstanding at the end of the year was RM1.38 (2009 - RMNil). The weighted average remaining contractual life for these options is 4 years (2009 - Nil).

Fair value of share option granted

The fair value of the share options granted during the year is estimated by an external valuer using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the option pricing models for the years ended 31 December 2010 and 2009:

	Black-Scholes	
	2010	**2009**
Dividend yield (%)	7.26%	-
Expected volatility (%)	38.8% - 47.2%	-
Risk free interest rate (%)	2.3% - 3.8%	-
Expected life of option	4 years	-
Weighted average share price (RM)	1.79	-

The expected life of the options 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 over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

32. Borrowings

		Group	
	Maturity	**2010 RM**	**2009 RM**
Non-current			
Secured:			
Term loans			
- RM loan at 0.6% +BLR	2012	2,796,837	11,274,712
Current			
Secured:			
Bank overdrafts (Note 37(b))	on demand	63,257,259	50,848,387
Revolving credits	on demand	131,499,491	143,360,032
Term loans			
- RM loan at 0.6% +BLR	2012	3,860,842	2,844,055
		198,617,592	197,052,474
Total loans and borrowings		201,414,429	208,327,186

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

32. Borrowings (cont'd)

Bank overdrafts

Bank overdrafts are denominated in Ringgit Malaysia, bear interest ranging from BLR + 0.6% to BLR + 1.75% and are secured by the following:

(i) Legal charges over certain property, plant and equipment, land held for property development, development properties and inventories of the subsidiary companies; and

(ii) Corporate guarantee from the Company and joint and several guarantees by certain directors of the Company.

Revolving credits

Revolving credits are denominated in Ringgit Malaysia, bear interest ranging from bank's cost of fund + 1.25% to bank cost of fund + 1.75% and are secured by the following:

(i) Legal charges over certain property, plant and equipment, land held for property development, development properties and inventories of the subsidiary companies; and

(ii) Third legal charge over land held for property development in the name of the joint venture partner; and

(iii) Corporate guarantee from the Company and joint and several guarantees by certain directors of the Company.

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

				Amounts outstanding	
	Repayment terms	**Interest rate**	**Securities**	**2010 RM**	**2009 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
(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*#	5,858,398	8,775,669
(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*	799,260	5,343,077
				6,657,679	14,118,767

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

32. Borrowings (cont'd)

The remaining maturities of the loan and borrowings as at 31 December 2010 are as follows:

	Group	
	2010 RM	2009 RM
On demand or within one year	198,617,592	197,052,474
More than 1 year and less than 2 years	2,796,837	3,061,562
More than 2 years and less than 5 years	-	8,213,150
	201,414,429	208,327,186

33. Trade and other payables

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current				
Trade payables				
Third parties	4,945,865	11,672,548	-	-
Other payables				
Other payables	54,128,822	119,509,898	32,506	40,096
Deposits	1,650,084	777,846	-	-
Accruals	3,951,833	3,455,447	49,910	22,418
Amounts owing to directors	-	15,000	-	-
Amount owing to a subsidiary company (Note 24)	-	-	57,137,913	-
	59,730,739	123,758,191	57,220,329	62,514
Total trade and other payables (Note 41)	64,676,604	135,430,739	57,220,329	62,514
Loans and borrowings (Note 32)	201,414,429	208,327,186	-	-
Total financial liabilities carried at amortised cost	266,091,033	343,757,925	57,220,329	62,514

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 (2009 - 30 to 60) days.

(b) Other payables

Included in other payables are unsecured advances to the Group amounting to RM28,350,307 (2009 - RM83,122,063) which are owing to persons connected with certain directors of the subsidiaries.

The amounts owing are non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

34. Other current liabilities

	Group	
	2010 RM	2009 RM
Progress billings in respect of property development costs	50,610,119	50,064,377
Amounts due to customers for contract works (Note 23)	7,152,075	2,814,295
	57,762,194	52,878,672

35. Provision for rectification works

	Group	
	2010 RM	2009 RM
At 1 January	7,381,626	4,521,484
Provision during the year	2,772,212	3,069,883
Utilisation of provision during the year	(3,619,286)	(209,741)
At 31 December	6,534,552	7,381,626

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.

36. Dividends

	Group and Company	
	2010 RM	2009 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- final single tier dividend for 2009: 1.5 sen (2008: Nil) per share	6,007,938	-
- final dividend in kind (treasury shares)	8,791,568	24,987,665
- interim single tier dividend for 2010: 3 sen (2009: Nil) per share	12,157,534	-
- interim dividend in kind (treasury shares)	-	12,904,773
	26,957,040	37,892,438
Proposed but not recognised as at 31 December:		
- Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- final single tier dividend for 2010: 3 sen (2009 - Nil) per share	12,172,444	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

36. Dividends (cont'd)

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial year ended 31 December 2010, of 3% on 405,748,129 ordinary shares, amounting to a dividend payable of RM12,172,444 will be proposed for shareholders' approval. The financial statements 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 2011. The actual net amount payable will depend on the number of ordinary shares in issue on the entitlement date.

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

37. 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	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
These comprise:				
Fixed income trust fund	15,776	15,420	-	-
Deposits with licensed banks	28,476,595	456,528	-	-
Cash and bank balances	12,771,750	28,377,290	184,938	140,596
Bank overdrafts (Note 32)	(63,257,259)	(50,848,387)	-	-
	(21,993,138)	(21,999,149)	184,938	140,596
Fixed deposits pledged	(476,596)	(456,528)	-	-
	(22,469,734)	(22,455,677)	184,938	140,596

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

38. Related party transactions

a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2010 RM	**2009 RM**
Rental of equipment and transportation from:		
- A company related to a director	3,528,322	3,519,427
Purchase of construction materials from:		
- A company related to a director	1,807,298	1,393,263
Rental of property from:		
- A company related to a director	-	108,000
- Persons related to directors	467,055	-
Sales of properties to:		
- Directors	40,325,200	5,018,800
- Persons related to directors	-	4,784,250
Legal service from a firm related to a director	1,940,798	2,395,155
Guarantee return payable to:		
- Directors	3,247,223	-
- Persons related to directors	467,055	-

Company related to a director:

i) Dato Yu Kuan Huat, DPMP, PMP, AMP, PPT, who is the managing director and major shareholder of YNH Property Bhd, owns 85% equity interest in Kar Sin Hardware Sdn Bhd and 75% equity interest in N.A.B Holdings Sdn Bhd. The nature of transaction is rental of equipment and provision of transportation.

ii) The Group purchased ready mix concrete from Kar Sin Ready Mix Sdn Bhd, a company in which Dato Yu Kuan Huat , DPMP, PMP, AMP, PPT has 50% equity interest and Dato Yu Kuan Chon, DIMP, PPT, MBBS has the balance 50% equity interest in Kar Sin Ready Mix Sdn Bhd.

iii) The guarantee return payable is in respect of purchase guarantee return of Lot 163 (Fraser Place Kuala Lumpur) in which all the purchasers are entitled to a 8% guarantee return for the unit purchased and leased back.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

38. Related party transactions (cont'd)

b) Compensation of key management personel

	Group 2010	2009
Executive		
Salaries and other emoluments	8,364,815	8,040,240
EPF	1,013,208	1,125,864
Bonus	1,575,886	1,340,040
Share options granted under option	1,064,076	-
Non-executive		
Salaries and other emoluments	117,828	112,200
Share options granted under option	327,408	-
Directors' fees	114,000	114,000

Directors' interest in employee share option scheme

During the financial year:

7,800,000 (2009 - Nil) share options were granted to two of the Company's executive directors under the new ESOS plan at an exercise price of RM1.38 (2009 - Nil) each.

2,400,000 (2009 - Nil) share options were granted to three of the Company's non-executive directors under the new ESOS plan at an exercise price of RM1.38 (2009 - Nil) each.

These directors exercised their options for 160,000 (2009 - Nil) ordinary shares of the Company at the price of RM1.38 each, with a total cash consideration of RM220,800 (2009 - Nil) paid to the Company.

At the reporting date, the total number of outstanding share options granted by the Company to the above-mentioned directors under the ESOS plan amounts to 10,040,000 (2009 - Nil).

39. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Financial Controller. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

39. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and amounts owing from related parties. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The Group does not have any significant credit risk exposure to any individual customer or groups of customers. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets and liabilities in the statement of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 21. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

39. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	64,676,604	-	64,676,604
Borrowings	198,617,592	2,796,837	201,414,429
	263,294,196	2,796,837	266,091,033
Company			
Financial liabilities:			
Trade and other payables	57,220,329	-	57,220,329

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

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.

Sensitivity analysis for the interest rate risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in RM interest rate, with all other variables held constant.

	2010	
	Increase/ (decrease) in basis points	Effect on profit net of tax RM
Group		
- Ringgit Malaysia	25	(377,652)
- Ringgit Malaysia	(25)	377,652

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

40. Fair value of financial instruments

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	21
Trade and other payables (current)	33
Borrowings (current)	32
Borrowings (non- current)	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The carrying amounts of borrowings are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

41. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

During the financial year, the Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing equity ratios at 31 December 2010 and 2009 were as follows:

		Group	
	Note	2010 RM	2009 RM
Borrowings	32	201,414,429	208,327,186
Trade and other payables	33	64,676,604	135,430,739
Less: Term deposits and fixed income trust fund	37(b)	(28,492,371)	(471,948)
Less: Cash and bank balances	37(b)	(12,771,750)	(28,377,290)
Net debts		224,826,912	314,908,687
Equity attributable to the owners of the parent		755,562,639	712,494,021
Capital and net debts		980,389,551	1,027,402,708
Gearing ratio		23%	31%

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

42. Segment information

For management purposes, the Group is organised into business units based on two reportable operating segments as follows:

I. The property development segment

The property development segment is in the business of constructing, developing residential and commercial properties. This reportable segment has been formed by aggregating the property construction/development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

II. The hotel and hospitality segment

Hotel and hospitality segment is the operation of and management of a hotel and its related business.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments were on an arm's length basis in a manner similar to transactions with third parties.

42. Segment information (cont'd)

	Property Development		Hotel and Hospitality		Adjustment and elimination		Notes	Per consolidated financial statements	
	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM		2010 RM	2009 RM
31 December 2010									
Revenue:									
External customers	282,690,511	363,014,368	15,055,271	2,824,715	(38,037,190)	(119,255,021)		259,708,592	246,584,062
Inter-segment	-	-	92,442	70,572	(92,442)	(70,572)	A	-	-
	282,690,511	363,014,368	15,147,713	2,895,287	(38,129,632)	(119,325,593)		259,708,592	246,584,062
Results:									
Interest income	325,295	2,304,983	161,104	123,008	(161,104)	(1,577,641)		325,295	850,350
Dividend income	1,400,000	700,000	-	-	(1,400,000)	(700,000)		-	-
Depreciation and amortisation	1,839,191	2,109,193	582,046	281,858	-	-		2,421,237	2,391,051
Finance costs	9,788,577	10,517,367	-	-	(1,547,383)	(161,104)		8,241,194	10,356,263
Other non-cash expenses	11,653,031	7,915,026	316,494	-	-	-	B	11,969,525	7,915,026
Segment profit/(loss)	99,513,001	74,537,775	(4,396,418)	(958,156)	(23,663,577)	(3,036,638)	C	71,453,006	70,542,981
Assets:									
Additions to non-current assets	11,412,333	19,713,192	-	18,680	-	-	D	11,412,333	19,731,872
Segment assets	2,536,698,943	1,597,746,274	18,225,009	18,273,464	(1,414,034,164)	(444,934,231)	E	1,140,889,788	1,171,085,507
Segment liabilities	704,795,383	721,422,205	17,696,706	12,895,630	(337,164,940)	(275,726,349)	F	385,327,149	458,591,486

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2010 (cont'd)

42. Segment information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2010 RM	2009 RM
Share-based payments	31	5,434,973	533,400
Provisions	35	6,534,552	7,381,626

C The following items are added to/(deducted from) segment profit to arrive at "Profit before tax from continuing operations" presented in the consolidated statement of comprehensive income:

	2010 RM	2009 RM
Profit from inter-segment sales	92,442	70,572
Finance costs	8,241,194	10,356,263

D Additions to non-current assets consist of:

	2010 RM	2009 RM
Land held for future development	8,494,286	11,469,873
Property, plant and equipment	1,587,736	8,255,386
Investment properties	1,330,311	6,613

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2010 RM	2009 RM
Deferred tax assets	14,091,809	13,368,135
Tax recoverable	23,836,408	14,862,421

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2010 RM	2009 RM
Deferred tax liabilities	47,883,264	48,205,803
Taxation	7,056,106	6,367,460
Borrowings	201,414,429	208,327,186

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

43. Contingent liabilities

Group

a) A subsidiary company, Kar Sin Berhad 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 events is not ascertainable.

b) On 8, July 2010, A.T. Engineering Consultants ("Plaintiff") served a Writ of Summons and Statement of Claim on a subsidiary company, D'Kiara Sdn Bhd, claiming:

(a) balance outstanding professional fee of RM644,615;
(b) interest of 8% per annum on the said sum from the date of the Writ of Summons; and
(c) cost

The subsidiary company has filed Statement of Defences which inter-alia stated that the subsidiary company has fully paid all the outstanding fees owed to the Plaintiff. The matter was settled out of court subsequent to the year end where the subsidiary company agreed to pay a sum of RM80,000 to the Plaintiff.

44. 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	
	2010	**2009**
Future minimum rental payments:		
Not later than 1 year	-	59,250

(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 which 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	
	2010 RM	**2009 RM**
Not later than 1 year	-	1,671,239
Later than 1 year and not later than 5 years	-	2,838,043
	-	4,509,282

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

45. Capital commitment

	Group	
	2010 RM	2009 RM
Approved but not contracted for		
- property, plant and equipment	11,158,294	9,650,089

46. Comparatives

The following comparative amounts as at 31 December 2009 have been reclassified to conform with the current year's presentation:

	As previously stated RM	Adjustments RM	As restated RM
Statements of financial position			
Group			
Trade and other receivables	321,313,990	(34,323,185)	286,990,805
Other current assets	11,071,497	34,323,185	45,394,682
Trade and other payables	185,480,116	(50,049,377)	135,430,739
Other current liabilities	2,829,295	50,049,377	52,878,672

47. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 28 April 2011.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2010 (cont'd)

48. Supplementary information - breakdown of retained profits into realised and unrealised profits

The breakdown of the retained profits of the Group and of the Company as at 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2010 RM	Company 2010 RM
Total retained profits of the Company and its subsidiaries		
- Realised profits	480,532,005	12,990,975
- Unrealised losses	(40,326,007)	-
	440,205,998	12,990,975
Less: Consolidated adjustments	(153,859,114)	-
Retained profits as per financial statements	286,346,884	12,990,975

LIST OF PROPERTIES

Location	Description Property	Remaining Land Area @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (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 (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	2,398,000	2001
Lot 6555 – PT2834-2839 PT 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 – PT2803, 2804, 2805, 2818, 2819, 2820, 2821, Perak	Planted with palm oil and approved for development	100.0000	Proposed mixed development – commercial and residential	Freehold	21,649,000	2001
Portion for future development (PT2791, 2792, 2793) Perak	Planted with palm oil and approved for development	56.1900	Pinggiran Manjung Point – commercial and residential	Freehold	12,164,000	2001
Entry No.1577 Lot 712 Mukim Lumut Entry No. 1380 Lot 1387 Mukim Lumut	Planted with palm oil and approved for development	4.8370 4.7750	Proposed mixed development – commercial and residential	Freehold Freehold	960,000	2001
HS (D) Dgs 1203/78 Lot 2740 Mukim Pengkalan Bharu, HS (D) Dgs 1204/78 Lot 2741 Mukim Pengkalan Bharu	Planted with palm oil and approved for development	4.802 4.802	Taman Suria, Pantai Remis – commercial and residential	Freehold Freehold	1,148,000	2001
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 @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (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	2,855,000	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 *
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 @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (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 Geran 7274 Lot 14855 Mukim Sitiawan (Old Lot No. 34043) (Lot 31656) Geran 7276 Lot 14857 Mukim Sitiawan (Old Lot No. 34045) (Lot 21658)	Vacant Land and approved for development	23.8745	Taman Limbungan, Kg. Acheh, Sitiawan – commercial and residential	Freehold	5,907,000	2001
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	3,844,000	2001
Lot 6555 – PT 2786 Mukim of Lumut	Vacant Land and approved for development	0.6458	Taman Desa, Manjung Point – residential	Freehold	230,000	2001

** Year of Acquisition*

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (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	2001
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	2001
Lot 14785-14788 (old lot 26789-26793), Mukim Sitiawan, PT19589-PT19637	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 448 (New lot 13707, Mukim Batu, Daerah Kuala Lumpur	Vacant land approved for development	6.4870	Proposed high rise condominium	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 *
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	4,623,000	2007 *

** Year of Acquisition*

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (RM)	Year of Acquisition/ Last Revaluation
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	1,281,000	2008 *
Lot 15666, Mukim Sitiawan, Perak	Vacant land approved for development	2.3201	Proposed mixed development	Freehold	1,150,000	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 high rise condominium	Freehold	33,020,000	2008 *
Lot 6254, Mukim Kampar, Perak	Vacant land approved for development	7.0000	Proposed mixed development	Leasehold (2107)	1,785,000	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 and resort development	Freehold	16,203,000	2008 *
PT 212710, Mukim Hulu Kinta Daerah Kinta, Perak	Vacant land approved for development	2.8039	Proposed commercial 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	13,073,000	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	2,604,000	2008 *
PT 6152, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.9208	Proposed mixed development	Freehold	542,000	2008 *
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 180 (PT 22972), Bandar Baru, Seri Manjung, Mukim Sitiawan, Daerah Manjung, Perak	Proposed commercial development	5.1200	Proposed commercial development	Leasehold (15.6.2099)	3,878,000	2010 *

** Year of Acquisition*

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (RM)	Year of Acquisition/ Last Revaluation
HSD DGS 16751, PT 9040 & PT 9041, Mukim Lumut, Daerah Manjung, Perak	Joint development properties	40.0000	Proposed mixed development	Freehold	16,779,000	2010 *
Lot 4753, Mukim Batu, Daeah Kuala Lumpur	Joint development properties	5.1400	Proposed high rise condominium	Freehold	2,364,000	2010 *
Lot 449, Mukim Batu, Tempat Segambut, Daerah Kuala Lumpur	Joint development properties	5.6200	Proposed high rise condominium	Freehold	51,000	2010 *
Lot 400, Mukim Lumut, Daerah Manjung, Perak	Joint development properties	36.0000	Proposed mixed development	Leasehold (15.11.2105)	321,000	2010 *
Lot PT 6676, 9445 and Lot 9240 to Lot 9248, Mukim of Lumut	2 adjoining parcel of commercial land	1.4394	Hotel operation	Freehold	20,171,000	2001
DEVELOPMENT PROPERTIES						
Lot 374, Mukim Pengkalan Baru, Perak	Development properties	0.1929	Proposed development - commercial	Freehold	244,000	2004 *
Lot 4818 (PT4511-4571) Cosmos portion & 16 house, Mukim Lumut, Perak	Development properties	1.1937	Proposed development - commercial	Leasehold (19.5.2091)	1,206,000	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 Sri Manjung	Development properties	0.3856	Proposed development of commercial units	Freehold	152,000	2001
Lot 4818 (behind office land - 24 shops land)	Development properties		Proposed development of commercial units		140,000	2001
Lot 4818 (behind office land - 12 units 2 1/1 house)	Development properties	1.6240	Proposed development of commercial units	Leasehold (19.5.2091)	777,000	2001
Lot 4818 (behind office land - LVSB car park & vacant land)	Development properties		Proposed development of commercial units		1,193,000	2001
CT 21241 Lot 10466 Mukim Sitiawan	Development properties	1.1060	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	1,648,000	2005 *

** Year of Acquisition*

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (RM)	Year of Acquisition/ Last Revaluation
EMR 523 Lot 600 Mukim Pengkalan Bharu	Development properties	0.1547	Taman Bahtera – commercial and residential	Freehold	48,000	2001
PT2800, PT2801, PT2802 (New-Lot 9907, 9908, 9909) (8.33 commercial area and Plot 1-132 residential), Perak	Development properties	12.9000	Manjung Point Township	Freehold	3,476,000	2001
Geran 7593 Lot 16058 Mukim Sitiawan	Development properties	8.5744	Proposed mixed development – commercial and residential	Freehold	1,146,000	1999
Geran 7582 Lot 16047 Mukim Sitiawan	Development properties	1.4839	Taman Sejati IV, Sitiawan – commercial and residential	Freehold	465,000	2001
CT 21662 Lot 11430 Mukim Sitiawan (New Lot 5942)	Development properties	0.1075	Proposed mixed development – commercial and residential	Freehold	241,000	2001
Geran 7372 Lot 15608 Mukim Sitiawan (Title surrendered to PTG for sub-division)	Development properties	0.0500	Taman Sejati II, Sitiawan – commercial and residential	Freehold	130,000	2001
Lot 26805 part of Geran 7255 Lot 14836 Mukim Sitiawan	Development properties	1.4316	Taman Pelabuhan, Kg Acheh, Sitiawan – commercial and residential	Freehold	1,275,000	2001
Lot 4818-Tangki 14 house land - PT 10353-10361, 10288-10292, Perak	Development properties	0.4400	Residential development	Leasehold (19.5.2091)	121,000	2010*
PT 2796-2799, Mukim of Lumut	Development properties	50.5600	Proposed mixed development	Freehold	10,058,000	2001
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	150,810,000	2008 *
Lot 1077, Geran 11310, Section 57, Kuala Lumpur	Development properties	3.0033	Proposed Menara YNH	Freehold	84,208,000	2004
Lot 6555 - PT 2842 Mukim of Lumut	Development properties	12.5317	Residential development	Freehold	3,068,000	2001

** Year of Acquisition*

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.10 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ @ 31.12.10 (RM)	Year of Acquisition/ Last Revaluation
PT 2783 - PT 2784 Mukim of Lumut	Development properties	16.5300	Residential development	Freehold	3,267,000	2001
Geran 7256 Lot 14837 Mukim Sitiawan	Development properties	4.9424	Residential development	Freehold	361,000	2001
Lot 12802, Geran 1933, Mukim Sitiawan, Daerah Manjung	Development properties	4.8625	Residential development	Freehold	4,365,000	2008 *
PT28260, Lot 16059 Mukim Sitiawan, Daerah Manjung	Development properties	0.0440	Residential development	Freehold	6,000	2001
Lot 413, Mukim Pengkalan Baharu, Daerah Manjung	Development properties	1.1374	Commercial development	Freehold	1,760,000	2008 *
PT 6, Mukim Kuala Lumpur	Development properties	1.7447	Service apartment cum 5 star hotel	Leasehold (21.03.2078)	48,052,000	2010 *
Lot 6509, Mukim Sitiawan, Perak	Joint development properties	7.7640	Proposed mixed development	Freehold	3,262,000	2007 *
Lot 15661, Mukim Sitiawan, Perak	Joint development properties	3.1087	Mixed development	Freehold	4,501,000	2006 *
Lot 4947, Mukim Lumut, Perak	Joint development properties	4.5499	Commercial development	Freehold	633,000	2008 *
INVESTMENT PROPERTIES						
PT 6706-6724, Daerah Majung (Fasa 2B), Perak	Commercial shop lot under construction	0.7019	For Investment	Leasehold land	1,923,000	2010 *
JOINT DEVELOPMENT PROPERTIES						
Lot 13079, Mukim Lumut, Perak	Joint development properties	5.9187	Mixed development	Freehold	1,055,000	N/A
Lot 14838, Mukim Sitiawan, Daerah Manjung	Joint development properties	3.8968	Mixed development	Freehold	282,000	N/A
Lot 16061, Mukim Sitiawan, Daerah Manjung	Joint development properties	8.9360	Mixed development	Freehold	13,000	N/A
Lot 2569, Mukim Sitiawan, Daerah Manjung	Joint development properties	4.9026	Mixed development	Freehold	131,000	N/A
Lot 730, Mukim Sitiawan, Daerah Manjung	Joint development properties	5.4688	Mixed development	Freehold	15,000	N/A
Lot 224018, Mukim Hulu Kinta, Ipoh	Joint development properties	0.1500	Mixed development	Freehold	18,000	N/A
Lot 224019, Mukim Hulu Kinta, Ipoh	Joint development properties	0.0300	Commercial development	Leasehold	19,000	N/A
Lot 61113, Mukim Belanja, District of Kinta, Perak Darul Ridzuan	Joint development properties	–	Proposed commercial development		43,000	N/A
GRAND TOTAL		1,177.7937			670,902,000	

** Year of Acquisition*

STATEMENT OF SHAREHOLDINGS as at 18 May 2011

Authorised Capital	:	RM500,000,000.00
Issued and Fully Paid-up Capital	:	RM408,126,151 (Excluding 364,978 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	5,623	51.96	221,073	0.05
100 – 1,000	2,705	25.00	727,287	0.18
1,001 – 10,000	1,728	15.97	5,630,192	1.38
10,001 – 100,000	548	5.06	14,682,338	3.60
100,001 – 20,406,306 (*)	215	1.99	337,347,339	82.66
20,406,307 and above (**)	2	0.02	49,517,922	12.13
TOTAL	10,821	100.00	408,126,151	100.00

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

SUBSTANTIAL SHAREHOLDERS AS AT 18 MAY 2011

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	70,587,135	17.30	61,668,029	15.11	132,255,164	32.41
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	47,781,277	11.71	84,339,340	20.67	132,120,617	32.37
Lembaga Tabung Haji	25,862,835	6.34	-	-	25,862,835	6.34
Aberdeen Asset Management PLC and its subsidiaries	-	-	40,857,224	10.01	40,857,224	10.01
Credit Suisse Group AG	-	-	40,968,111	10.04	40,968,111	10.04
Mitsubishi UFJ Financial Group, Inc.	-	-	40,857,224	10.01	40,857,224	10.01
Aberdeen Asset Management Asia Limited	-	-	30,850,712	7.56	30,850,712	7.56
Aberdeen International Fund Managers Limited	-	-	23,655,087	5.80	23,655,087	5.80

STATEMENT OF SHAREHOLDINGS as at 18 May 2011
(cont'd)

DIRECTORS' INTEREST AS AT 18 MAY 2011

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 (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	70,587,135	17.30	61,668,029	15.11	132,255,164	32.41
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	47,781,277	11.71	84,339,340	20.67	132,120,617	32.37
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	461,108	0.11	-	-	461,108	0.11
Ching Nye Mi @ Chieng Ngie Chay	707,973	0.17	550,024	0.13	1,257,997	0.31
Ding Ming Hea	773,247	0.19	-	-	773,247	0.19

Options in the Company	Options over Ordinary Shares of RM1.00 each at a price of RM1.38 each					
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 18 May 2011
(cont'd)

THIRTY LARGEST REGISTERED HOLDERS AS AT 18 MAY 2011

	Name of Holder	Holdings	%
1.	Lembaga Tabung Haji	25,862,835	6.34
2.	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs SVS LUX for Aberdeen Global	23,655,087	5.80
3.	Yu Kuan Huat	19,045,288	4.67
4.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for American International Assurance Berhad	16,907,343	4.14
5.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon (8050686)	16,239,347	3.98
6.	ECM Libra Investment Bank Berhad IVT003 for ECM Libra Investment Bank Berhad (Account 3)	15,117,603	3.70
7.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	14,899,074	3.65
8.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Swee Ming	14,334,216	3.51
9.	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yu Kuan Chon (001)	14,188,218	3.48
10.	ECML Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yu Kuan Chon (001)	11,933,333	2.92
11.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	10,571,198	2.59
12.	OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account for Yu Kuan Huat	9,097,977	2.23
13.	Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (INV-IL PAR)	8,369,172	2.05
14.	Mayban Nominees (Tempatan) Sdn Bhd Libra Invest Berhad for Kumpulan Wang Persaraan (Diperbadankan) (E00170-220136)	8,054,891	1.97
15.	Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	7,785,449	1.91
16.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	6,919,354	1.70
17.	Ling Mooi Hung	5,647,015	1.38
18.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	5,024,459	1.23
19.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon (MGN-YKC0008M)	4,765,155	1.17
20.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat (DLR 01C-Margin)	4,757,720	1.17
21.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	4,550,000	1.11
22.	Teh Nai Sim	4,504,266	1.10
23.	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs SVS for Aberdeen Asian Smaller Companies Investment Trust PLC	4,390,542	1.08
24.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	4,348,566	1.07
25.	EB Nominees (Tempatan) Sendirian Berhad Pledges Securities Account for Yu Kuan Huat (STW-SEC)	3,416,938	0.84
26.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	3,383,300	0.83
27.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securites Account for Yu Kuan Chon	3,186,684	0.78
28.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for BNP Paribas Securities Services (Singapore - SGD)	2,805,083	0.69
29.	Mayban Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Kumpulan Wang Persaraan (Diperbadankan (FD 1 - 280305)	2,635,917	0.65
30.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Bhd for Amanah Saham Wanita (N14011980040)	2,609,000	0.64
	TOTAL	279,005,030	68.36

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YNH PROPERTY BHD (Company No: 561986-V)

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 Ninth Annual General Meeting of the Company to be held on Wednesday, 29 June 2011 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 Final Dividend		
2. The payment of Directors' Fees		
3. The re-election of Director: Ding Ming Hea		
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. Oridinary Resolution No. 2 - Authority to Allot and Issue Shares Pursuant to the Employees' Share Option Scheme		
8. Oridinary Resolution No. 3 - Proposed Renewal of Share Buy Back Authority		
9. Oridinary 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 initialed.

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.

fold

Stamp

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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