YNH

# YNH PROPERTY BHD

(561986-V)

Annual Report 2011

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# NOTICE OF TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth 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 Friday, 29 June 2012 at 11.45 a.m.

**AGENDA**

1. To receive the Audited Financial Statements for the year ended 31 December 2011, together with the Directors' and Auditors' Reports thereon.

2. To sanction the declaration of a final dividend of 2% single tier in respect of the year ended 31 December 2011.

3. To approve payment of Directors' Fees of RM125,680 in respect of the year ended 31 December 2011.

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

   Dato' Dr Yu Kuan Chon, DIMP, PPT,MBBS
   Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT

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."

# NOTICE OF TENTH ANNUAL GENERAL MEETING (cont'd)

**Ordinary Resolution No. 2 -**
**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 2011, the audited Retained Profits and Share Premium Account of the Company were RM3,819,764 and RM34,583,683 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 TENTH ANNUAL GENERAL MEETING (cont'd)

**Ordinary Resolution No. 3 -**
**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 2012, 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**

Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
6 June 2012

# NOTICE OF TENTH 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.

Depositors who appear in the Record of Depositors as at 25 June 2012 shall be regarded as Member of the Company entitled to attend the Tenth Annual General Meeting or appoint one or two proxies to attend and vote on his behalf.

**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 29 June 2011, 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 -**
**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.

**3) Ordinary Resolution No. 3 -**
**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.

**2011 ANNUAL REPORT**

The 2011 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 TENTH 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. Directors who are standing for re-election**

Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, who retire pursuant to the Articles of Association of the Company are standing for re-election at the forthcoming Annual General Meeting.

The details of individual standing for re-election as Directors are set out in the Profile of Directors and Statement of Shareholdings on pages 9 to 11 and page 104 of this Annual Report.

**2. Details of attendance of Directors at Board Meetings**

Five (5) Board Meetings were held during the financial year from 1 January 2011 till 31 December 2011:

23 February 2011
25 April 2011
23 May 2011
26 August 2011
25 November 2011

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 | 5 | 4 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | 5 | 5 |
| Dato' Robert Lim @ Lim Git Hooi, DPMP, JP | 5 | 5 |
| Ching Nye Mi @ Chieng Ngie Chay | 5 | 5 |
| Ding Ming Hea | 5 | 5 |

# 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**
A-09-01, 9th Floor
Lot 163, Jalan Perak
50450 Kuala Lumpur
Telephone No.: 03-21637700
Fax No.: 03-21627770

**Sales Office – Mont' Kiara**
Lot No 36-01
Wisma Rapid
Jalan 30/70A
Desa Seri Hartamas
50480 Kuala Lumpur
Telephone No: 03-62019213
Fax: 03-62018213

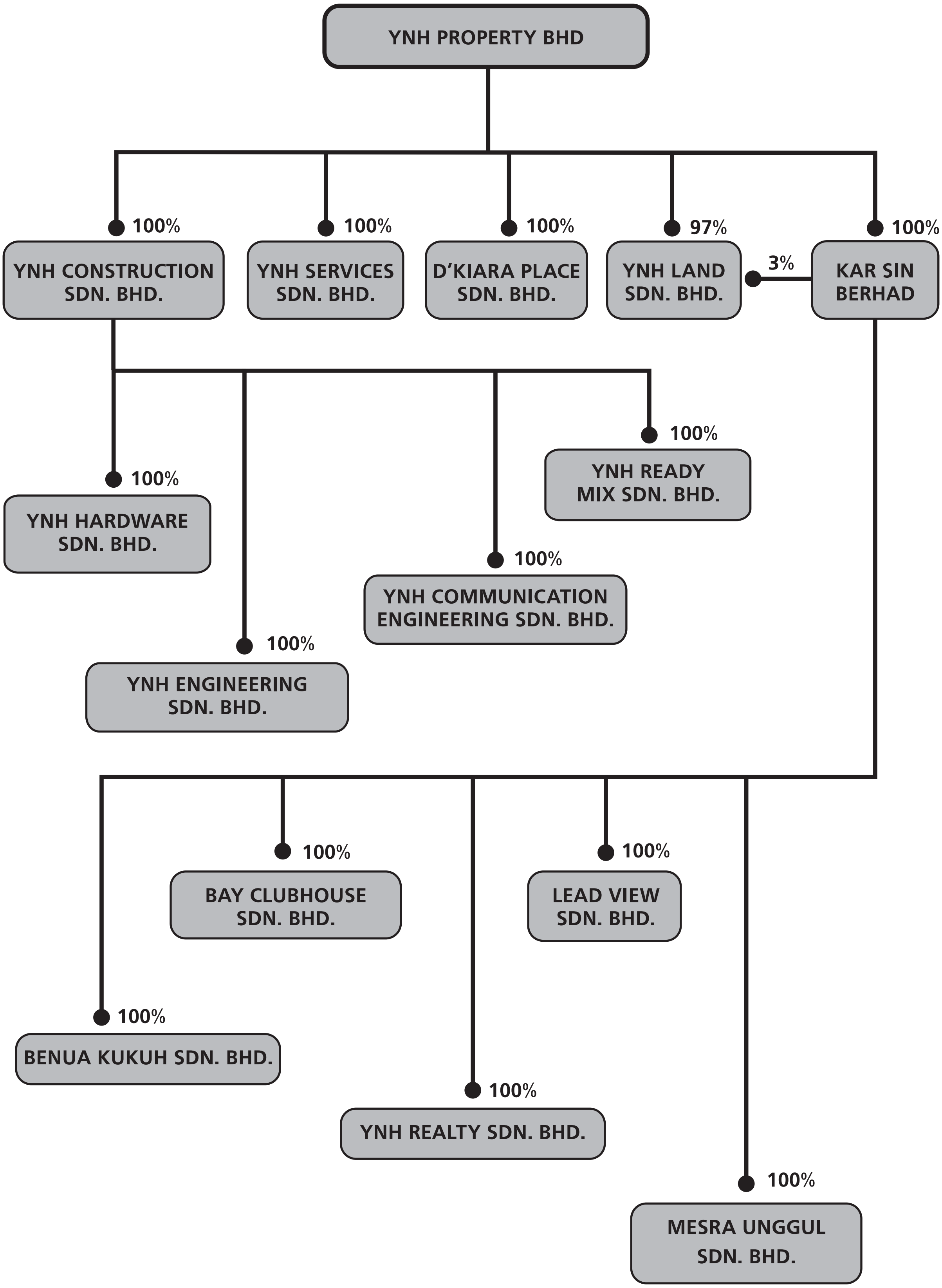
**Sales Office – Ipoh**
10, Jalan Medan Ipoh 3
Bandar Medan Ipoh Baru
31400 Ipoh
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5451945
Fax No.: 05-5451945

**Auditors**
Moore Stephens AC
A-37-1, Level 37
Menara UOA Bangsar
5, Jalan Bangsar Utama 1
59000 Kuala Lumpur, Malaysia.

**Principal Bankers**
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
CIMB 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
50 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 four (4) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2011.

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.

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**DATO' YU KUAN HUAT**, DPMP, PMP, AMP, PPT
54 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 is an Alternate Director to Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2011.

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
73 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 five (5) Board of Directors' Meetings held during the financial year ended 31 December 2011.

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.

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**CHING NYE MI @ CHIENG NGIE CHAY**
65 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 five (5) Board of Directors' Meetings held during the financial year ended 31 December 2011.

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**
48 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 five (5) Board of Directors' Meetings held during the financial year ended 31 December 2011.

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

Dear Valued Shareholders,

I am pleased to report that YNH Property Bhd ("YNHP" or the "Company") had another good year with YNHP Group registering total revenue of RM214.0 million in Financial Year Ended ("FYE") 31 December 2011 and the Profit Before Taxation ("PBT") of RM65.2 million for FYE 2011.

Further, on behalf of the Board of Directors of, YNHP we present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2011.

The year under review was a challenging year as the economies all over the world had been affected by the massive economic problem suffered by Greece which affected the whole of Europe and also other parts of the world.

Despite the challenging environment, the Company had launched a couple of projects in the Klang Valley and also in Seri Manjung in financial year ended 31 December 2011. The Company launched in the first quarter of 2011, the Fraser Residence Kuala Lumpur (188 Suites), a 446 service apartment development which will be managed by Fraser Hospitality Pte. Ltd (a wholly owned company of the Fraser & Neave Group).

In addition, with the construction of the AEON Shopping Mall in Seri Manjung, YNHP also launched both the commercial shoplots and residential houses in Manjung. The Group's other current on-going projects in Perak includes Pusat Perniagaan Manjung Point 3, Taman Megah, Taman Sejati II, Taman Permata and Taman Seri Melor.

**Review Of Operations and Prospect For The Year 2012**

For the year 2011, sales contribution were mainly derived from sales of commercial properties at Pusat Perniagaan Manjung Point 3, Progressive sales of Fraser Residence Kuala Lumpur, progressive sales of inventories in Ceriaan Kiara (Mont Kiara, Kuala Lumpur) and progressive sales of development projects in Manjung Point Township.

Despite the challenging global climate, sales from the Company's projects such as Fraser Residence Kuala Lumpur (188 Suites), Kiara 163 project to be launched soon and referred in the subsequent paragraph, Manjung Commercial Shoplots, Manjung Point Residence (Seri Manjung, Perak) will continue to contribute strongly to the Group's income. As such, the Board is optimistic of the Group's prospect for 2012.

Fraser Residence Kuala Lumpur is located within the Golden Triangle of Kuala Lumpur city centre. This development consist of a two block service apartment of 446 units with elevated car park podium, facilities and Food & Beverage 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 years. Currently, after our launch in February 2011, we have already secured sales of more than 70%. The construction of the building is already at level 16.

The Board is also optimistic of our Kiara 163 mix development project, a 6 acres freehold development property, which is located in Mont' Kiara, Kuala Lumpur, beside the McDonald's outlet at Plaza Mont' Kiara.

The proposed mix development project comprise of:

1. 2 Blocks of 42 storey of Service Apartment (584 units) with facilities and multi-storey car parks,
2. 1 Block of Office tower,
3. 1 Block of shopping mall and basement car parks.

## CHAIRMAN'S STATEMENT (cont'd)

The Kiara 163 development has a total GDV of approximately RM1.2 billion and is now open for registration and thus far the response have been very good. The Company is confident that with the prime location of this project, it will be a success. The Board is confident that Kiara 163 development 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 named as AEON Seri Manjung. This development is on a piece of freehold land measuring approximately 30 acres at a total Gross Development Cost ("GDC") of approximately RM135.1 million and is expected to improve the value of the properties, both existing and also future developments in our Manjung Township.

YNHP has also entered into a Master Collaboration Agreement 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 also 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 2013 and this project will contribute positively to the Group's future earnings. The estimated GDC is within the budget of RM51 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.

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 be comprised of office tower and shopping mall. Contributions from this project which includes rental income is expected to contribute positively to the Group's future earnings.

**Acknowledgement**

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 continued 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. Five (5) Board Meetings were held during the financial year ended 31 December 2011. Details of attendance of Directors at the Board Meetings are presented in the Statement Accompanying the Notice of the Tenth 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.

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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

**2. Board balance** (cont'd)

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) New Public Rulings in 2011
(b) Updates of 2011 New and Revised Financial Reporting Standards and New Bursa Listing Requirements
(c) 2012 Budget and Recent Tax Developments

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP also attended an external training on Corporate Governance Guide Towards Boardroom Excellence during the Financial year.

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.

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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

**7. The AGM** (cont'd)

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 RM140,000.00 during the year 2011 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 2011, the Group has also contributed an amount of RM30,000.00 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.

**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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

**11. Internal control** (cont'd)

The Statement on Internal Control furnished on page 21 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 22 to 23 of the Annual Report.

**b) Nominating Committee**

The members of the Nominating Committee are:-

| | | |
|---|---|---|
| Chairman | : | Dato' Robert Lim @ Lim Git Hooi, DPMP, JP<br>*(Senior Independent Non-Executive Director)* |
| Members | : | Ching Nye Mi @ Chieng Ngie Chay<br>*(Independent Non-Executive Director)* |

**Terms of Reference**

**Composition**

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

**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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

**13. Board Committees** (cont'd)

**b) Nominating Committee** (cont'd)

**Functions** (cont'd)

The functions of the Nominating Committee shall include the following: (cont'd)

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<br>*(Senior Independent Non-Executive Director)* |
| Members | : | Ching Nye Mi @ Chieng Ngie Chay<br>*(Independent Non-Executive Director)* |
| | | Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT<br>*(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.

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.

# CORPORATE GOVERNANCE STATEMENT (cont'd)

**13. Board Committees** (cont'd)

**c) Remuneration Committee** (cont'd)

**Functions** (cont'd)

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 2011.

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 2011 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) |
|---|---|---|
| RM100,001 to RM150,000 | - | 1 |
| RM150,001 to RM200,000 | - | 2 |
| 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 2011 | |
|---|---|---|
| | Executive Directors RM | Non-Executive Directors RM |
| Fees | - | 119,700 |
| Salaries & other emoluments | 12,329,263 | 329,604 |
| Benefits-in-kind | 1,200 | - |
| **TOTAL** | **12,330,463** | **449,304** |

**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 2011 amounted to RM5,000.

**7. Variation in Results**

There was no materials variance between the audited results for the financial year ended 31 December 2011 and unaudited results previously released for the financial quarter ended 31 December 2011.

**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 2011 or entered into since the end of the previous financial year.

**10. Revaluation of Landed Properties**

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

# STATEMENT ON INTERNAL CONTROL

***Introduction***

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

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

***Responsibilities***

The Board has overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the 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, but not absolute assurance against material misstatement or loss. 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 2011, the Internal Audit Function reviewed the property development segment covering the following areas:

    - Follow Up Audit On Human Resources and Credit Management Function, which focused on the implementation status of the agreed recommendations.
    - Review of Procedures For Recurrent Related Party Transactions ("PPRT"), to ensure adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner to ensure that the RRPT are conducted at arm's length and on normal commercial terms and that such transactions are not prejudicial to the interest of the shareholders of the Company.
    - Review Fraser Place Kuala Lumpur Expenditure, to ensure purchases are proper charges to the Company and have been procured in accordance with established procedures, payments are properly supported and authorised in accordance with pre-agreed procedures and all transactions are correctly recorded.

The Group has a Management Information System that generates comprehensive management reports on a monthly 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 the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

# AUDIT COMMITTEE REPORT

## MEMBERS OF THE COMMITTEE

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

**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.

**Attendance of Meetings**

During the financial year, a total of five (5) 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 | 5/5 |
| Ching Nye Mi @ Chieng Ngie Chay | 5/5 |
| Ding Ming Hea | 5/5 |

# AUDIT COMMITTEE REPORT (cont'd)

**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 2011 were RM23,500.

# DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

| | Group RM | Company RM |
|---|---|---|
| Profit for the year | 44,287,712 | 9,109,807 |
| Profit attributable to: | | |
| Owners of the Company | 44,287,712 | 9,109,807 |

## DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

(i) a final single tier dividend of 3% (3 sen per ordinary share) amounting to RM12,272,315 in respect of the financial year ended 31 December 2010 approved at the Annual General Meeting on 29 June 2011, which was paid on 26 September 2011; and

(ii) an interim single tier dividend of 1.5% (1.5 sen per ordinary share) amounting to RM6,136,468 in respect of the financial year ended 31 December 2011, which was paid on 25 November 2011.

The directors have recommended a final single tier dividend of 2% (2 sen per ordinary share) amounting to RM8,189,243 based on 409,462,129 ordinary shares for the current financial year ended 31 December 2011, subject to shareholders' approval at the forthcoming Annual General Meeting to be held at a date to be determined later.

The financial statements for the current financial year do not reflect the final dividend. Such dividend, if approved will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012. The actual net amount payable will depend on the number of ordinary shares in issue on the entitlement date.

## RESERVES AND PROVISIONS

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

# DIRECTORS' REPORT (cont'd)

## BAD AND DOUBTFUL DEBTS

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 to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## CURRENT ASSETS

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 to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## VALUATION METHODS

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.

## CONTINGENT AND OTHER LIABILITIES

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.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

# DIRECTORS' REPORT (cont'd)

## ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## ISSUE OF SHARES

During the financial year, the Company increased its issued and paid up share capital by way of the issuance of 3,714,000 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 respect with the existing ordinary shares of the Company.

## DIRECTORS

The directors in office since the date of the last report are:

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS
DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT
DATO' LIM GIT HOOI @ ROBERT LIM, DPMP, JP
CHING NYE MI @ CHIENG NGIE CHAY
DING MING HEA

## DIRECTORS' INTEREST

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 | | | |
|---|---|---|---|---|---|
| | **Note** | **At 1.1.2011** | **Bought** | **Sold** | **At 31.12.2011** |
| **Direct interest** | | | | | |
| Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS | * | 70,587,135 | 834,000 | - | 71,421,135 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | * | 47,541,277 | 240,000 | - | 47,781,277 |
| Dato' Lim Git Hooi @ Robert Lim, DPMP, JP | | 301,108 | 160,000 | - | 461,108 |
| Ching Nye Mi @ Chieng Ngie Chay | | 707,973 | - | - | 707,973 |
| Ding Ming Hea | | 773,247 | - | - | 773,247 |
| **Indirect interest** | | | | | |
| Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS | ** | 61,428,029 | 240,000 | - | 61,668,029 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | ** | 84,339,340 | 834,000 | - | 85,173,340 |
| Ching Nye Mi @ Chieng Ngie Chay | *** | 550,024 | - | - | 550,024 |

# DIRECTORS' REPORT (cont'd)

**DIRECTORS' INTEREST** (cont'd)

| Name | Exercise price | Grant date | Expiry date | Number of ESOS: Balance as at 1.1.2011 | Exercised | Balance as at 31.12.2011 |
|---|---|---|---|---|---|---|
| Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS | 1.38 | 5.1.2010 | 4.8.2014 | 3,900,000 | - | 3,900,000 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | 1.38 | 5.1.2010 | 4.8.2014 | 3,900,000 | - | 3,900,000 |
| Dato' Lim Git Hooi @ Robert Lim, DPMP, JP | 1.38 | 5.1.2010 | 4.8.2014 | 640,000 | (160,000) | 480,000 |
| Ching Nye Mi @ Chieng Ngie Chay | 1.38 | 5.1.2010 | 4.8.2014 | 800,000 | - | 800,000 |
| Ding Ming Hea | 1.38 | 5.1.2010 | 4.8.2014 | 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.*

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of the emoluments received or due and receivable by the directors as disclosed in Note 9 to the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 35 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to 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 Employees' Share Option Scheme.

**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 RM1.92 per share. The total consideration paid for the repurchase including transaction costs was RM3,846. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2011, the Company held as treasury shares a total of 365,978 of its 409,462,129 issued ordinary shares. Such treasury shares are held at a carrying amount of RM723,568 and further relevant details are disclosed in Note 25 to the financial statements.

# DIRECTORS' REPORT (cont'd)

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 29 June 2009, shareholders approved the Employees' Share Option Scheme 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 Employees' Share Option Scheme comprises five Directors, Dato' Lim Git Hooi @ Robert Lim, 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.

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

The salient features and other terms of the Employees' Share Option Scheme and movements of share option during the financial year are disclosed in Note 28 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. No options were granted to employees during the financial year. 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 options to subscribe for ordinary shares of the Company pursuant to the Employees' Share Option Scheme as at 31 December 2011 are as follows:

| Expiry date | Exercise price (RM) | Number of options |
|---|---|---|
| 4 August 2014 | 1.38 | 32,840,000 |

## AUDITORS

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2012.

**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, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 32 to 94 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 2011 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 44 to the financial statements has 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 and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2012.

**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 the Company, do solemnly and sincerely declare that the financial statements as set out on pages 32 to 94 are to the best of my knowledge and belief, 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 at
Kuala Lumpur in the Federal Territory
on 25 April 2012.

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

Before me

**TENGKU FARIDDUDIN BIN TENGKU SULAIMAN**
No. W533
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 2011 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 information, as set out on pages 32 to 94.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*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 of financial statements that give a true and fair view 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 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 2011 and of their financial performance and cash flows for the year then ended.

# INDEPENDENT AUDITORS' REPORT

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

**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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Reporting Resposibilities**

The supplementary information set out in Note 44 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

**Other Matters**

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

**MOORE STEPHENS AC**
Chartered Accountants
AF 001826

**LEE KONG WENG**
2967/07/13 (J)
Chartered Accountant

Kuala Lumpur
25 April 2012

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 December 2011

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2011** | **2010** | **2011** | **2010** |
| | **Note** | **RM** | **RM** | **RM** | **RM** |
| Revenue | 4 | 214,085,528 | 260,050,364 | 25,000,000 | 25,200,000 |
| Cost of sales | 5 | (94,113,989) | (159,334,830) | - | - |
| **Gross profit** | | 119,971,539 | 100,715,534 | 25,000,000 | 25,200,000 |
| Other income | | 11,514,440 | 17,600,584 | 70 | - |
| Administrative expenses | | (35,412,026) | (31,642,515) | (8,954,875) | (895,411) |
| Selling and marketing expenses | | (3,438,967) | (1,008,504) | - | - |
| Other operating expenses | | (12,809,307) | (5,970,899) | (731,026) | - |
| | | (51,660,300) | (38,621,918) | (9,685,901) | (895,411) |
| Profit from operations | | 79,825,679 | 79,694,200 | 15,314,169 | 24,304,589 |
| Finance costs | 6 | (14,601,627) | (8,241,194) | - | - |
| **Profit before tax** | 7 | 65,224,052 | 71,453,006 | 15,314,169 | 24,304,589 |
| Tax expense | 10 | (20,936,340) | (19,122,584) | (6,204,362) | (6,147,691) |
| **Profit for the year, representing total comprehensive income for the year** | | 44,287,712 | 52,330,422 | 9,109,807 | 18,156,898 |
| **Profit attributable to:** | | | | | |
| Owners of the Company | | 44,287,712 | 52,330,422 | 9,109,807 | 18,156,898 |
| **Total comprehensive income attributable to:** | | | | | |
| Owners of the Company | | 44,287,712 | 52,330,422 | 9,109,807 | 18,156,898 |
| **Earnings per share attributable to owners of the parent (sen per share)** | 11 | | | | |
| - Basic | | 10.84 | 13.09 | | |
| - Dilluted | | 10.61 | 12.88 | | |

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

## STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

| | Note | Group 2011 RM | Group 2010 RM (restated) | Group As at 1.1.2010 RM (restated) | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 12 | 78,888,658 | 74,867,887 | 77,185,487 | - | - |
| Investments in subsidiaries | 13 | - | - | - | 427,069,336 | 426,270,174 |
| Investment properties | 14 | 85,882,292 | 75,402,669 | 72,692,322 | - | - |
| Land held for property development | 15 | 285,647,732 | 278,924,420 | 292,952,627 | - | - |
| Deferred tax assets | 16 | 12,892,633 | 14,091,809 | 13,368,135 | - | 81,852 |
| Goodwill on consolidation | 17 | 17,621,512 | 17,621,512 | 17,621,512 | - | - |
| | | 480,932,827 | 460,908,297 | 473,820,083 | 427,069,336 | 426,352,026 |
| **Current assets** | | | | | | |
| Property development costs | 18 | 315,184,493 | 259,370,444 | 262,849,044 | - | - |
| Inventories | 19 | 38,156,016 | 56,992,037 | 58,319,234 | - | - |
| Receivables and deposits | 20 | 295,062,241 | 286,165,805 | 286,990,805 | 80,321,840 | 86,169,690 |
| Other current assets | 21 | 41,861,742 | 12,352,676 | 45,394,682 | 2,077 | 2,077 |
| Tax recoverable | | 6,886,054 | 23,836,408 | 14,862,421 | 147,278 | 140,274 |
| Term deposits and fixed income fund | 23 | 20,633,747 | 28,492,371 | 471,948 | - | - |
| Cash and bank balances | 24 | 15,895,941 | 12,771,750 | 28,377,290 | 188,183 | 184,938 |
| | | 733,680,234 | 679,981,491 | 697,265,424 | 80,659,378 | 86,496,979 |
| **TOTAL ASSETS** | | 1,214,613,061 | 1,140,889,788 | 1,171,085,507 | 507,728,714 | 512,849,005 |

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011 (cont'd)

| | Note | Group 2011 RM | Group 2010 RM (restated) | Group As at 1.1.2010 RM (restated) | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity attributable to owner of the Company** | | | | | | |
| Share capital | 25 | 409,462,129 | 405,748,129 | 403,232,129 | 409,462,129 | 405,748,129 |
| Share premium | 25 | 34,583,683 | 32,174,321 | 40,009,809 | 34,583,683 | 32,174,321 |
| Treasury shares | 25 | (723,568) | (719,722) | (9,507,905) | (723,568) | (719,722) |
| Other reserves | 26 | 34,304,694 | 32,013,027 | 26,578,054 | 7,726,640 | 5,434,973 |
| Retained earnings | 27 | 312,353,578 | 286,346,884 | 252,181,934 | 3,819,764 | 12,990,975 |
| **Total equity** | | 789,980,516 | 755,562,639 | 712,494,021 | 454,868,648 | 455,628,676 |
| **Non-current liabilities** | | | | | | |
| Borrowings | 29 | - | 2,796,837 | 11,274,712 | - | - |
| Deferred tax liabilities | 16 | 46,952,848 | 47,883,264 | 48,205,803 | - | - |
| | | 46,952,848 | 50,680,101 | 59,480,515 | - | - |
| **Current liabilities** | | | | | | |
| Payables and accruals | 30 | 60,692,091 | 64,676,604 | 135,430,739 | 52,860,066 | 57,220,329 |
| Other current liabilities | 31 | 2,479,926 | 57,762,194 | 52,878,672 | - | - |
| Provision for rectification works | 32 | 1,278,297 | 6,534,552 | 7,381,626 | - | - |
| Tax payable | | 684,997 | 7,056,106 | 6,367,460 | - | - |
| Borrowings | 29 | 312,544,386 | 198,617,592 | 197,052,474 | - | - |
| | | 377,679,697 | 334,647,048 | 399,110,971 | 52,860,066 | 57,220,329 |
| **Total liabilities** | | 424,632,545 | 385,327,149 | 458,591,486 | 52,860,066 | 57,220,329 |
| **TOTAL EQUITY AND LIABILITIES** | | 1,214,613,061 | 1,140,889,788 | 1,171,085,507 | 507,728,714 | 512,849,005 |

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

# STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

| | | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | ← Non-distributable | | → | Distributable | | |
| | Note | Share capital RM | Share premium RM | Share option reserve RM | Capital reserve RM | Retained earnings RM | Treasury shares RM | Total equity RM |
| **Group** | | | | | | | | |
| **2011** | | | | | | | | |
| At 1 January 2011 | | 405,748,129 | 32,174,321 | 5,434,973 | 26,578,054 | 286,346,884 | (719,722) | 755,562,639 |
| Profit for the year, representing total comprehensive income for the year | | - | - | - | - | 44,287,712 | - | 44,287,712 |
| **Transactions with owners** | | | | | | | | |
| Issue of ordinary shares: | | | | | | | | |
| - Pursuant to ESOS | 25 | 3,714,000 | 1,411,320 | - | - | - | - | 5,125,320 |
| ESOS exercised | | - | 998,042 | (998,042) | - | - | - | - |
| ESOS lapsed | | - | - | (127,765) | - | 127,765 | - | - |
| Share options granted under ESOS | 26 | - | - | 3,417,474 | - | - | - | 3,417,474 |
| Share buy back | 25 | - | - | - | - | - | (3,846) | (3,846) |
| Dividends | 33 | - | - | - | - | (18,408,783) | - | (18,408,783) |
| **Total transactions with owners** | | 3,714,000 | 2,409,362 | 2,291,667 | - | (18,281,018) | (3,846) | (9,869,835) |
| At 31 December 2011 | | 409,462,129 | 34,583,683 | 7,726,640 | 26,578,054 | 312,353,578 | (723,568) | 789,980,516 |
| **2010** | | | | | | | | |
| At 1 January 2010 | | 403,232,129 | 40,009,809 | - | 26,578,054 | 252,181,934 | (9,507,905) | 712,494,021 |
| Profit for the year, representing total comprehensive income for the year | | - | - | - | - | 52,330,422 | - | 52,330,422 |
| **Transactions with owners** | | | | | | | | |
| Issue of ordinary shares: | | | | | | | | |
| - Pursuant to ESOS | 25 | 2,516,000 | 956,080 | - | - | - | - | 3,472,080 |
| Share options granted under ESOS | 26 | - | - | 5,434,973 | - | - | - | 5,434,973 |
| Share buy back | 25 | - | - | - | - | - | (3,385) | (3,385) |
| Dividends | 33 | - | - | - | - | (18,165,472) | - | (18,165,472) |
| Share dividends | 33 | - | (8,791,568) | - | - | - | 8,791,568 | - |
| **Total transactions with owners** | | 2,516,000 | (7,835,488) | 5,434,973 | - | (18,165,472) | 8,788,183 | (9,261,804) |
| At 31 December 2010 | | 405,748,129 | 32,174,321 | 5,434,973 | 26,578,054 | 286,346,884 | (719,722) | 755,562,639 |

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

| | Note | Share capital RM | Attributable to owners of the Company — Non-distributable: Share premium RM | Share option reserve RM | Distributable: Retained earnings RM | Treasury shares RM | Total equity RM |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **2011** | | | | | | | |
| At 1 January 2011 | | 405,748,129 | 32,174,321 | 5,434,973 | 12,990,975 | (719,722) | 455,628,676 |
| Profit for the year, representing total comprehensive income for the year | | - | - | - | 9,109,807 | - | 9,109,807 |
| **Transaction with owners** | | | | | | | |
| Issue of ordinary shares: | | | | | | | |
| - Pursuant to ESOS | 25 | 3,714,000 | 1,411,320 | - | - | - | 5,125,320 |
| ESOS exercised | | - | 998,042 | (998,042) | - | - | - |
| ESOS lapsed | | - | - | (127,765) | 127,765 | - | - |
| Share options granted under ESOS | 26 | - | - | 3,417,474 | - | - | 3,417,474 |
| Share buy back | 25 | - | - | - | - | (3,846) | (3,846) |
| Dividends | 33 | - | - | - | (18,408,783) | - | (18,408,783) |
| **Total transactions with owners** | | 3,714,000 | 2,409,362 | 2,291,667 | (18,281,018) | (3,846) | (9,869,835) |
| At 31 December 2011 | | 409,462,129 | 34,583,683 | 7,726,640 | 3,819,764 | (723,568) | 454,868,648 |
| **2010** | | | | | | | |
| At 1 January 2010 | | 403,232,129 | 40,009,809 | - | 12,999,549 | (9,507,905) | 446,733,582 |
| Profit for the year, representing total comprehensive income for the year | | - | - | - | 18,156,898 | - | 18,156,898 |
| **Transaction with owners** | | | | | | | |
| Issue of ordinary shares: | | | | | | | |
| - Pursuant to ESOS | 25 | 2,516,000 | 956,080 | - | - | - | 3,472,080 |
| Share options granted under ESOS | 26 | - | - | 5,434,973 | - | - | 5,434,973 |
| Share buy back | 25 | - | - | - | - | (3,385) | (3,385) |
| Dividends | 33 | - | - | - | (18,165,472) | - | (18,165,472) |
| Share dividends | 33 | - | (8,791,568) | - | - | 8,791,568 | - |
| **Total transactions with owners** | | 2,516,000 | (7,835,488) | 5,434,973 | (18,165,472) | 8,788,183 | (9,261,804) |
| At 31 December 2010 | | 405,748,129 | 32,174,321 | 5,434,973 | 12,990,975 | (719,722) | 455,628,676 |

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2011

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | | |
| Profit before tax | | 65,224,052 | 71,453,006 | 15,314,169 | 24,304,589 |
| Adjustments for:- | | | | | |
| Impairment loss on: | | | | | |
| - investments in subsidiaries | | - | - | 8,954,875 | - |
| - trade receivables | | 1,898,473 | - | - | - |
| - other receivables | | 443,445 | - | - | - |
| Reversal of impairment loss on trade receivables | | (169,660) | (13,020,905) | - | - |
| Depreciation of investment properties | | 11,506 | 6,243 | - | - |
| Bad debts written off | | - | 70 | - | - |
| Deposits written off | | 57,133 | - | - | - |
| Depreciation of property, plant and equipment | | 1,851,191 | 2,421,237 | - | - |
| Dividend income | | - | - | (25,000,000) | (25,200,000) |
| Gain on disposal of property, plant and equipment | | (46,174) | (6,960) | - | - |
| Interest expense | | 14,601,627 | 8,241,194 | - | - |
| Interest income | | (247,617) | (325,295) | - | - |
| Property, plant and equipment written back | | - | (18,941) | - | - |
| Property, plant and equipment written off | | 61,291 | - | - | - |
| Provision for rectification works | | 120,339 | 2,772,212 | - | - |
| Reversal of provision for rectification works | | (4,988,175) | (3,104,564) | - | - |
| Share options granted under ESOS | | 3,417,474 | 5,434,973 | 205,872 | 327,408 |
| **Operating profit/(loss) before working capital changes carried down** | | 82,234,905 | 73,852,270 | (525,084) | (568,003) |

## STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2011 (cont'd)

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **Operating profit/(loss) before working capital changes brought down** | | 82,234,905 | 73,852,270 | (525,084) | (568,003) |
| Change in property development costs | | (38,768,443) | 23,723,300 | - | - |
| Change in inventories | | 18,406,021 | 2,218,711 | - | - |
| Change in receivables | | (11,230,623) | 42,515,772 | (3,750,000) | - |
| Change in contract work-in-progress | | (84,686,538) | 8,709,850 | - | - |
| Change in payables | | (3,984,513) | (70,208,393) | (2,967) | 19,901 |
| **Cash (used in)/generated from operations** | | (38,029,191) | 80,811,510 | (4,278,051) | (548,102) |
| Utilisation of provision for rectification works | | (388,419) | (514,722) | - | - |
| Dividend received | | - | - | 18,750,000 | 18,900,000 |
| Interest paid | | (14,601,627) | (8,241,194) | - | - |
| Interest received | | 247,617 | 325,295 | - | - |
| Recharge of share options under ESOS to subsidiaries received | | - | - | 5,107,565 | - |
| Tax refunded | | 10,534,880 | - | 120,486 | - |
| Tax paid | | (20,623,215) | (28,454,140) | - | - |
| **Net cash (used in)/from operating activities** | | (62,859,955) | 43,926,749 | 19,700,000 | 18,351,898 |
| **Cash flows from investing activities** | | | | | |
| Adjustment on purchase considerations on property, plant and equipment | | - | 1,500,000 | - | - |
| Land held for property development - net of disposals and revocation | | (25,655,571) | (8,494,286) | - | - |
| Placement of pledged fixed deposits | | (13,308) | (20,067) | - | - |
| Additions in investment properties | | (7,391,597) | (1,330,311) | - | - |
| Proceeds from disposal of property, plant and equipment | | 97,000 | 10,000 | - | - |
| Increase in investment in a subsidiary | | - | - | (11,650,000) | (77,166,600) |
| Repayment from subsidiaries | | - | - | 5,240,554 | 73,555,821 |
| Purchase of property, plant and equipment | 34 | (6,766,958) | (1,587,736) | - | - |
| **Net cash used in investing activities carried down** | | (39,730,434) | (9,922,400) | (6,409,446) | (3,610,779) |

## STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December 2011 (cont'd)

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **Net cash used in investing activities brought down** | | (39,730,434) | (9,922,400) | (6,409,446) | (3,610,779) |
| **Cash flows from financing activities** | | | | | |
| Dividends paid | | (18,408,783) | (18,165,472) | (18,408,783) | (18,165,472) |
| Shares buy back | 25 | (3,846) | (3,385) | (3,846) | (3,385) |
| Proceeds from issue of shares | | 5,125,320 | 3,472,080 | 5,125,320 | 3,472,080 |
| Drawdown/(Repayment) of short term revolving credit | | 98,059,763 | (11,860,541) | - | - |
| Repayments of term loans | | (3,892,888) | (7,461,088) | - | - |
| Net cash from/(used in) financing activities | | 80,879,566 | (34,018,406) | (13,287,309) | (14,696,777) |
| **Net (decrease)/increase in cash and cash equivalents** | | (21,710,823) | (14,057) | 3,245 | 44,342 |
| Cash and cash equivalents at beginning of the year | | (22,469,734) | (22,455,677) | 184,938 | 140,596 |
| **Cash and cash equivalents at end of the year** | 34 | (44,180,557) | (22,469,734) | 188,183 | 184,938 |

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

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011

## 1. CORPORATE INFORMATION

YNH Property Bhd 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 and principal place of business of the Company is located at No. 38, Jalan PPMP 7, Pusat Perniagaan Manjung Point 1, 32040 Seri Manjung, 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 related construction materials.

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

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 25 April 2012.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act, 1965.

**New and revised FRSs, Amendments to FRS, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted**

On 1 January 2011, the Group and the Company adopted the following new and revised FRSs, Amendments to FRS, IC Interpretations and TR:

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations (Revised)
FRS 127 Consolidated and Separate Financial Statements (Revised)
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)
Improving Disclosures about Financial Instruments (Amendments to FRS 7)
Additional Exemptions for First-time Adopters (Amendments to FRS 1)
Amendments to FRS 2 Share-based Payment
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 138 Intangible Assets
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"
IC Interpretation 4 Determining whether an Arrangement contains a Lease
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
TR i-4 Shariah Compliant Sale Contracts

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 2. BASIS OF PREPARATION (cont'd)

### (a) Statement of compliance (cont'd)

The adoption of the above FRSs, Amendments to FRS, IC Interpretations and TR does not have any effect on the financial statements of the Group and of the Company except for those discussed below.

***FRS 3, Business Combinations (Revised) and FRS 127, Consolidated and Separate Financial Statements (Revised)***
The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree's net identifiable assets. The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by minority shareholders instead of by the parent even if the losses exceed the non-controlling interests in the subsidiary's equity. The Group has applied the changes of revised FRS 3 and FRS 127 prospectively. There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

***Amendments to FRS 101 [Improvements to FRSs (2010)]***
The amendment clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. There is no financial impact on the financial statements of the Group for the current financial year other than the presentation of statement of changes in equity.

***MFRS Framework, new and revised FRSs, Amendments to FRSs and IC Interpretation issued but not yet effective***

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein referred as "Transitioning Entities"). The adoption of the MFRS Framework by Transitioning Entities is deferred by another year and hence, will be mandatory only for annual financial period beginning on or after 1 January 2013.

The Group and the Company, which are transitioning entities, elected to continue preparing their financial statements in accordance with the FRS framework for annual financial periods beginning before 1 January 2013. As such, the Group and the Company will prepare their first financial statements using the MFRS framework for the financial year ending 31 December 2013. In presenting its first MFRS financial statements, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework, new and reissued FRSs, Amendments to FRSs and IC Interpretation issued but not yet effective.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 2. BASIS OF PREPARATION (cont'd)

### (a) Statement of compliance (cont'd)

At the date of authorisation of these financial statements, MASB has also issued the following revised FRS, Amendments to FRSs and IC Interpretation that are not yet effective and have not been early adopted in preparing these financial statements:

| | | For financial periods beginning on or after |
|---|---|---|
| FRS 124 | Related Party Disclosures (Revised) | 1 January 2012 |
| Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1) | | 1 January 2012 |
| Disclosures – Transfers of Financial Assets (Amendments to FRS 7) | | 1 January 2012 |
| IC Interpretation 19 | Extinguishing Financial Liabilities with Equity Instruments | 1 July 2011 |
| Deferred tax: Recovery of Underlying Assets (Amendments to FRS 112) | | 1 January 2012 |
| Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14) | | 1 July 2011 |

The Group and the Company will adopt the above FRS, Amendment to FRSs and IC Interpretation for financial year beginning on 1 January 2012 but do not expect the adoption to have any significant impact on the financial statements of the Group and of the Company upon their initial application.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

### (c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

### (d) Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgement, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting principles that have significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Revenue and cost of sales recognition (Note 4 and 5) – the Group recognises property development revenue and cost of sales by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion of development costs incurred for work performed to-date bears to the estimated total property development costs. Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profit/(loss) recognised.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 2. BASIS OF PREPARATION (cont'd)

### (d) Significant accounting judgements and estimates (cont'd)

(ii) Tax expense (Note 10) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.

(iii) Useful life of property, plant and equipment (Note 12) – the cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years based on past experience with similar assets. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation charges.

(iv) Classification between investment properties and property, plant and equipment – the Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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.

(v) Operating lease arrangement - 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.

(vi) Deferred tax assets (Note 16) – deferred tax assets are recognised for deductible temporary differences in respect of expenses, unutilised tax losses and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group.

(vii) Impairment of goodwill (Note 17) – significant judgement is used in the estimation of the present value of future cash flows generated by the cash-generating units which involve uncertainties and are based on assumptions used and judgement made regarding estimates of future cash flows and discount rate.

(viii) Inventories (Note 19) – the saleability of inventories are reviewed by management on a periodic basis. This review involves comparison of the carrying value of the inventory items with the respective net realisable value. The purpose is to ascertain whether a write down to net realisable value is required to be made.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2011 (cont'd)

## 2. BASIS OF PREPARATION (cont'd)

### (d) Significant accounting judgements and estimates (cont'd)

(ix) Impairment loss on receivables (Note 20) – the Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

(x) Construction contracts (Note 22) – significant judgement is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the works that are recoverable from the customers. In making judgements, the Group evaluates based on past experience and work of specialists.

(xi) Provision for rectification works (Note 32) – the Group recognised provision for rectification works on completed contracts. It is expected that most of these costs will be incurred when one year after the completion of construction contracts. Based on management's past experience, the provision is computed at 0.2% (2010: 2%) on the total contract sum of completed contracts.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the company and all of its subsidiaries which are disclosed in Note 13 made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Subsidiaries are consolidated using the purchase method, from the date of acquisition being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Where the present ownership interests in the acquiree entitles the holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

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

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

**(a) Basis of Consolidation** (cont'd)

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised FRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

**(b) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

**(i) Development properties**

Revenue from development properties sold is recognised on the percentage of completion method when the outcome of the property development projects can be reliably estimated. The stage of completion is measured by the proportion that development costs incurred for work performed to-date bear to the estimated total development costs for units sold. Where foreseeable losses on development properties are anticipated, full allowance of those losses is made in the financial statements.

Revenue from the sale of completed development properties and land held for development are measured at fair value of the consideration received or receivable net of trade discounts and rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of properties can be estimated reliably, and there is no continuing management involvement with the properties.

**(ii) Construction contract**

Revenue from construction contracts is recognised on the percentage of completion method when the outcome of the construction contracts can be reliably estimated. The stage of completion is measured by reference to the certified work done to-date or by the proportion that contract costs incurred for work performed to-date bear to the estimated total construction costs. Where foreseeable losses on construction contracts are anticipated, full allowance of those losses is made in the financial statements.

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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (b) Revenue recognition (cont'd)

#### (iii) Goods sold

Revenue from sales of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

#### (iv) Services

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.

#### (v) 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.

#### (vi) Dividend income

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

#### (vii) Interest income

Interest income is recognised using the effective interest method.

### (c) Employee benefits

#### (i) Short Term Employee Benefits

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

#### (ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense as incurred.

#### (iii) Employees' share option scheme

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 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Employee benefits (cont'd)

#### (iii) Employees' share option scheme (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 premium if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

### (d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

### (e) Leases

#### (i) Finance lease – the Group as lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease is capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

#### (ii) Operating lease – the Group as lessee

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

#### (iii) Operating lease – the Group as lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (f) Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. 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 be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

### (g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. Leasehold land is depreciated over the period of 98 years. All other property, plant and equipment are depreciated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

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

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (g) Property, plant and equipment (cont'd)

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

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

### (h) 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, if any. Depreciation is provided for on a straight-line basis over the estimated useful life.

Freehold land is not depreciated. Long term leasehold interest is depreciated over the lease period of 79 years. The completed buildings included in investment properties are depreciated over an estimated useful life of 50 years. Investment property under construction is not depreciated as the asset is not yet available for use. The residual values, useful lives and depreciation method are reviewed at each reporting date.

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.

Investment property under construction is classified as investment property.

### (i) Subsidiaries

A subsidiary is an entity in which the Company has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable are taken into account.

Investments in subsidiaries, which are eliminated on consolidation, are stated at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

### (j) Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (k) 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.

### (l) Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

### (m) 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. Costs consist of land, construction costs and other development costs including related overheads and capitalised borrowing costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in profit or loss by reference to the stage of completion of development activities at the reporting date.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of 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 defect liability period, is recognised as an expense immediately. Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Accrued billings within other current assets represent the excess of revenue recognised in profit or loss over billings to purchasers. Progress billings within other current liabilities represent the excess of billings to purchasers over revenue recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (n) 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.

### (o) Construction contracts

Construction contracts are measured at contract cost plus profit recognised to date less progress billing and recognised losses. Contract cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

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 the cost incurred on construction contract plus profit recognised to date less recognised losses exceeds progress billings, the balance is classified as amounts due from customers on contracts. When progress billings exceed cost incurred plus recognised profits to date less recognised losses, the balance is classified as amounts due to customers on contracts.

### (p) 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 have categorised financial assets in loans and receivables.

#### (i) Loans 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.

The Group and the Company classify the following financial assets as loans and receivables:
- cash and cash equivalents, except for bank overdraft; and
- trade and other receivables, including amount owing by subsidiaries and deposits.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (p) Financial assets (cont'd)

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.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

### (q) 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.

#### (i) 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.

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.

### (r) 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. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (s) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of 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.

### (t) 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 treasure shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

### (u) 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 statements 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.

#### (i) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables including amounts owing to subsidiaries, deposits and accruals, 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. Loans and 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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (v) 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.

### (w) 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.

### (x) 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.

### (y) 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 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 4. REVENUE

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| Sale of: | | | | |
| - development properties | 133,648,456 | 118,600,757 | - | - |
| - land held for property development | 1,193,750 | - | - | - |
| - completed property units | 45,312,355 | 100,730,084 | - | - |
| - ready mixed concrete | 1,153,751 | 5,582,807 | - | - |
| Dividend income from a subsidiary | - | - | 25,000,000 | 25,200,000 |
| Income from estates | 5,303,749 | 4,585,177 | - | - |
| Revenue from room sales, food and beverages | 19,999,161 | 13,747,202 | - | - |
| Proceeds from contract work | 5,782,807 | 15,154,497 | - | - |
| Rental income | 1,691,499 | 1,649,840 | - | - |
| | 214,085,528 | 260,050,364 | 25,000,000 | 25,200,000 |

## 5. COST OF SALES

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Property development costs (Note 18) | 46,499,758 | 62,153,241 |
| Cost of land held for property development sold (Note 15) | 483,002 | - |
| Cost of completed property units | 18,948,369 | 50,670,723 |
| Cost of production | 1,234,334 | 5,799,900 |
| Profit attributed to joint development partners | - | 5,198,215 |
| Construction contract costs | 5,243,708 | 14,921,212 |
| Estates costs | 1,178,626 | 1,777,275 |
| Hotel and other operation costs | | |
| - rental of premises | 10,947,577 | 10,512,889 |
| - other costs | 9,578,615 | 8,301,375 |
| | 94,113,989 | 159,334,830 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 6. FINANCE COSTS

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Interest expenses: | | |
| - term loans | 314,564 | 544,654 |
| - bank overdrafts | 4,795,104 | 1,940,485 |
| - short term revolving credit | 8,106,363 | 5,779,697 |
| - others | 2,748,262 | 1,362,637 |
| | 15,964,293 | 9,627,473 |
| Interest expense capitalised in qualifying assets: | | |
| - investment properties (Note 14) | (1,362,666) | (1,386,279) |
| | 14,601,627 | 8,241,194 |

Borrowing costs capitalised in the qualifying assets during the year arose on the general borrowing pool and have been calculated by applying a capitalisation rate of 5.54% (2010: 5.53%) per annum to expenditure on such assets.

## 7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Auditors'remuneration | | | | |
| - statutory audit | | | | |
| - current | 170,000 | 178,400 | 40,000 | 42,500 |
| - under/(over) provision in prior year | 14,900 | (9,018) | - | (2,000) |
| - other services | 5,000 | 11,000 | 5,000 | 5,000 |
| Depreciation of investment properties | 11,506 | 6,243 | - | - |
| Bad debts written off | - | 70 | - | - |
| Deposits written off | 57,133 | - | - | - |
| Depreciation of property, plant and equipment | 1,851,191 | 2,421,237 | - | - |
| Impairment loss on: | | | | |
| - investments in subsidiaries | - | - | 8,954,875 | - |
| - trade receivables | 1,898,473 | - | - | - |
| - other receivables | 443,445 | - | - | - |
| Non-executive directors' remuneration (Note 9) | 449,304 | 559,236 | 449,304 | 559,236 |
| Employees benefits expense (Note 8) | 27,025,216 | 27,124,615 | - | - |
| Property, plant and equipment written off | 61,291 | - | - | - |
| Provision for rectification works | 120,339 | 2,772,212 | - | - |
| Reversal of provision for rectification works | (4,988,175) | (3,104,564) | - | - |
| Rental of land | 48,000 | 246,000 | - | - |
| Rental of office equipment | 27,948 | - | - | - |
| Rental of plant and machinery | 1,487,379 | 2,523,749 | - | - |
| Rental of premises | 386,445 | 355,900 | - | - |
| Rental guarantee return | 9,832,538 | 5,970,899 | - | - |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 7. PROFIT BEFORE TAX (cont'd)

Profit before tax is arrived at after charging/(crediting): (cont'd)

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Rental income from properties | (3,823,432) | (4,723,151) | - | - |
| Gain on disposal of property, plant and equipment | (46,174) | (6,960) | - | - |
| Interest income | (247,617) | (325,295) | - | - |
| Property, plant and equipment written back | - | (18,941) | - | - |
| Reversal of impairment loss on trade receivables | (169,660) | (13,020,905) | - | - |

## 8. EMPLOYEES BENEFITS EXPENSE

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Salaries, bonus and other staff related costs | 21,116,817 | 19,954,017 |
| Employees Provident Fund | 2,583,089 | 1,972,117 |
| Share options granted under ESOS | 3,211,602 | 5,107,565 |
| Socso | 113,708 | 90,916 |
| | 27,025,216 | 27,124,615 |

Included in employees benefits expense of the Group are executive directors' remuneration amounting to RM12,329,263 (2010: RM12,017,985).

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 9. DIRECTORS' REMUNERATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| **Executive:** | | | | |
| Salaries and other emoluments | 8,864,352 | 8,364,815 | - | - |
| Bonus | 1,477,392 | 1,575,886 | - | - |
| Employees Provident Fund | 1,318,435 | 1,013,208 | - | - |
| Share option granted under ESOS | 669,084 | 1,064,076 | - | - |
| Total executive directors' remuneration (excluding benefits-in-kind) (Note 8) | 12,329,263 | 12,017,985 | - | - |
| Estimated monetary value of benefits-in-kind | 1,200 | 1,200 | - | - |
| Total executive directors' remuneration (including benefits-in-kind) | 12,330,463 | 12,019,185 | - | - |
| **Non-executive:** | | | | |
| Fee | 119,700 | 114,000 | 119,700 | 114,000 |
| Share option granted under ESOS | 205,872 | 327,408 | 205,872 | 327,408 |
| Other emoluments | 123,732 | 117,828 | 123,732 | 117,828 |
| Total non-executive directors' emoluments | 449,304 | 559,236 | 449,304 | 559,236 |
| | 12,779,767 | 12,578,421 | 449,304 | 559,236 |

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

| | Number of directors | |
|---|---|---|
| | 2011 RM | 2010 RM |
| **Executive directors:** | | |
| RM5,000,001 - RM5,500,000 | - | - |
| RM5,500,001 - RM6,000,000 | - | - |
| RM6,000,001 - RM6,500,000 | 2 | 2 |
| **Non-executive directors:** | | |
| RM50,001 - RM100,000 | - | - |
| RM100,001 - RM150,000 | 2 | - |
| RM150,001 - RM200,000 | 1 | 3 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 10. TAX EXPENSE

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| **Current tax:** | | | | |
| Malaysian - current year | 18,739,400 | 22,178,873 | 6,152,700 | 6,229,543 |
| - prior year | 1,928,182 | (2,010,076) | (30,190) | - |
| | 20,667,582 | 20,168,797 | 6,122,510 | 6,229,543 |
| **Deferred tax:** | | | | |
| Origination and reversal of temporary differences | (619,001) | (2,384,303) | - | (81,852) |
| Under provision in prior year | 887,759 | 1,338,090 | 81,852 | - |
| | 268,758 | (1,046,213) | 81,852 | (81,852) |
| Tax expense | 20,936,340 | 19,122,584 | 6,204,362 | 6,147,691 |

The reconciliation from the tax amount at statutory income tax rate to the Group's and of the Company's tax expense is as follows:

| | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|
| Profit before tax | 65,224,052 | 71,453,006 | 15,314,169 | 24,304,589 |
| Tax at the Malaysian statutory income tax rate of 25% | 16,306,000 | 17,863,252 | 3,828,500 | 6,076,147 |
| Expenses not deductible for tax purposes | 1,130,099 | 605,249 | 2,324,200 | 71,544 |
| Utilisation of previously unrecognised deferred tax assets | (4,200) | - | - | - |
| Utilisation of previously unrecognised tax losses | - | (9,708) | - | - |
| Deferred tax asset not recognised during the year | 688,500 | - | - | - |
| Current tax under provided in prior years in relation to deferred tax assets not recognised | - | 1,806,777 | - | - |
| Under/(Over) provision in prior years | | | | |
| - current tax | 1,928,182 | (2,010,076) | (30,190) | - |
| - deferred tax | 887,759 | 1,338,090 | 81,852 | - |
| Others | - | (471,000) | - | - |
| Tax expense | 20,936,340 | 19,122,584 | 6,204,362 | 6,147,691 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 10. TAX EXPENSE (cont'd)

The under provision of current tax in prior years of the Group included amounts of RM2,915,953 (2010: RM nil) in respect of additional tax assessments for the years of assessment 1998 and 1999 arising from a tax investigation ("Additional Tax Assessment") which the Group had appealed to the Special Commission of Income Tax ("SCIT") previously. On 21 September 2011, the Special SCIT had dismissed the Company's appeal against the Additional Tax Assessment.

The Group has unutilised tax losses and unabsorbed capital allowances of approximately RM5,973,800 (2010: RM5,990,100) and RM7,211,900 (2010: RM4,472,300) respectively, available for set-off against future taxable profits.

## 11. EARNINGS PER SHARE

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

Diluted earnings per share amounts are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the 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 | |
|---|---|---|
| | **2011** **RM** | **2010** **RM** |
| Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share | 44,287,712 | 52,330,422 |
| | **Number of shares** | |
| Weighted average number of ordinary shares for basis earnings per share computation* | 408,415,806 | 399,861,046 |
| Effect of dilution | | |
| - share options | 9,155,342 | 6,383,550 |
| Weighted average number of ordinary shares for dilluted earnings per share computation | 417,571,148 | 406,244,596 |

* 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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 12. PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold land RM | Long term leasehold 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 |
|---|---|---|---|---|---|---|---|---|---|
| **Costs** | | | | | | | | | |
| At 1.1.2011 | 57,204,612 | - | 11,068,600 | 7,670,978 | 2,702,107 | 70,004 | 5,917,722 | 684,867 | 85,318,890 |
| Additions | - | 2,355,862 | 209,316 | 3,696,658 | 32,800 | - | 472,322 | - | 6,766,958 |
| Disposal | - | - | - | (95,000) | (1) | - | - | - | (95,001) |
| Written off | - | - | - | (61,585) | - | - | (390,208) | - | (451,793) |
| At 31.12.2011 | 57,204,612 | 2,355,862 | 11,277,916 | 11,211,051 | 2,734,906 | 70,004 | 5,999,836 | 684,867 | 91,539,054 |
| **Accumulated Depreciation** | | | | | | | | | |
| At 1.1.2011 | - | - | 1,157,344 | 5,214,465 | 1,979,561 | 70,002 | 1,524,914 | 504,717 | 10,451,003 |
| Charge for the year | - | 24,039 | 138,020 | 1,270,651 | 185,122 | - | 1,016,238 | - | 2,634,070 |
| Disposal | - | - | - | (44,175) | - | - | - | - | (44,175) |
| Written off | - | - | - | (57,925) | - | - | (332,577) | - | (390,502) |
| At 31.12.2011 | - | 24,039 | 1,295,364 | 6,383,016 | 2,164,683 | 70,002 | 2,208,575 | 504,717 | 12,650,396 |
| **Net Carrying Amount** | | | | | | | | | |
| At 31.12.2011 | 57,204,612 | 2,331,823 | 9,982,552 | 4,828,035 | 570,223 | 2 | 3,791,261 | 180,150 | 78,888,658 |

The Group's long term leasehold land has remaining unexpired lease period of more than 50 years.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| | Freehold land RM | Long term leasehold 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 |
|---|---|---|---|---|---|---|---|---|---|
| **Costs** | | | | | | | | | |
| At 1.1.2010 | 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) |
| Disposal/Written off | - | - | - | (3,068,343) | (26,061) | - | (772,422) | - | (3,866,826) |
| At 31.12.2010 | 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 1.1.2010 | - | - | 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 |
| Disposal/Written off | - | - | - | (3,028,407) | (86,490) | - | (767,830) | - | (3,882,727) |
| At 31.12.2010 | - | - | 1,157,344 | 5,214,465 | 1,979,561 | 70,002 | 1,524,914 | 504,717 | 10,451,003 |
| **Net Carrying Amount** | | | | | | | | | |
| At 31.12.2010 | 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 RM59,169,126 (2010: RM31,473,168) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 13. INVESTMENTS IN SUBSIDIARIES

| | Company 2011 RM | Company 2010 RM |
|---|---|---|
| Unquoted shares, at cost | 432,812,609 | 421,162,609 |
| ESOS granted to employees of subsidiaries | 3,211,602 | 5,107,565 |
| | 436,024,211 | 426,270,174 |
| Less: Impairment loss | (8,954,875) | - |
| | 427,069,336 | 426,270,174 |

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

| Name of company | Principal activities | Proportion of ownership interest 2011 % | Proportion of ownership interest 2010 % |
|---|---|---|---|
| **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 | 97 | 97 |
| **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 | 3 | 3 |
| YNH Realty Sdn. Bhd. | Property development | 100 | 100 |
| Benua Kukuh Sdn. Bhd. | Property investment | 100 | 100 |
| **Indirect subsidiary 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. | Ceased operations | 100 | 100 |
| YNH Communication Engineering Sdn. Bhd. | Dormant | 100 | 100 |
| YNH Engineering Sdn. Bhd. | Dormant | 100 | 100 |

\# During the year, the Company fully subscribed for a total of 11,650,000 new ordinary shares of RM1 each in the respective subsidiaries in cash.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 14. INVESTMENT PROPERTIES

The movements of investment properties are as follows:

| | 2011 Completed investment property RM | 2011 Investment property under construction (IPUC) RM | 2011 Total RM | 2010 Completed investment property RM | 2010 Investment property under construction (IPUC) RM | 2010 Total RM |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **Cost** | | | | | | |
| At beginning of the year - as previously stated | 656,666 | 1,330,311 | 1,986,977 | 656,666 | - | 656,666 |
| Prior year adjustment (Note 42) | - | 73,479,160 | 73,479,160 | - | 72,092,881 | 72,092,881 |
| At beginning of the year - as restated | 656,666 | 74,809,471 | 75,466,137 | 656,666 | 72,092,881 | 72,749,547 |
| Additions | - | 7,391,597 | 7,391,597 | - | 2,716,590 | 2,716,590 |
| Reclassification upon completion of properties | 2,382,127 | (2,382,127) | - | - | - | - |
| Transfer from land held for property development (Note 15) | - | 888,880 | 888,880 | - | - | - |
| Transfer from property development costs (Note 18) | - | 1,780,652 | 1,780,652 | - | - | - |
| Transfer from inventories | - | 430,000 | 430,000 | - | - | - |
| At end of the year | 3,038,793 | 82,918,473 | 85,957,266 | 656,666 | 74,809,471 | 75,466,137 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

**14. INVESTMENT PROPERTIES** (cont'd)

The movements of investment properties are as follows: (cont'd)

| | 2011 Completed investment property RM | 2011 Investment property under construction (IPUC) RM | 2011 Total RM | 2010 Completed investment property RM | 2010 Investment property under construction (IPUC) RM | 2010 Total RM |
|---|---|---|---|---|---|---|
| **Accumulated amortisation** | | | | | | |
| At beginning of the year | 63,468 | - | 63,468 | 57,225 | - | 57,225 |
| Additions | 11,506 | - | 11,506 | 6,243 | - | 6,243 |
| At end of the year | 74,974 | - | 74,974 | 63,468 | - | 63,468 |
| Net carrying amounts | 2,963,819 | 82,918,473 | 85,882,292 | 593,198 | 74,809,471 | 75,402,669 |
| Estimated fair value | 10,067,000 | 293,128,000 | 303,195,000 | 4,750,000 | 287,000,000 | 291,750,000 |

Included in the Group's investment properties are land held under long-term leasehold interest of RM656,666 (2010: RM656,666) which expires on 29 September 2081.

IPUC comprises 19 units double storey shophouses, commercial building development and a multi purpose sports complex. Included in IPUC are borrowing costs incurred during the year of RM1,362,666 (2010: RM1,386,279).

The Group's freehold land in investment properties with a net carrying amount of RM78,556,901 (2010: RM72,092,881) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

The estimated fair values of the completed investment properties and IPUC were determined by reference to similar properties in the locality and adjusting for stage of completion, location, terrain, size, present market trends and other differences.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 15. LAND HELD FOR PROPERTY DEVELOPMENT

| | Freehold land RM | Leasehold land RM | Development expenditure RM | Total RM |
|---|---|---|---|---|
| **Group** | | | | |
| **Cost** | | | | |
| **2011** | | | | |
| At beginning of the year | 218,099,343 | 32,584,391 | 28,240,686 | 278,924,420 |
| Additions | 58,980,062 | - | 4,758,511 | 63,738,573 |
| Transfer to investment properties (Note 14) | (880,611) | - | (8,269) | (888,880) |
| Transfer from property development costs (Note 18) | 6,819,234 | - | 11,129,758 | 17,948,992 |
| Transfer to property development costs (Note 18) | (33,067,994) | - | (2,924,377) | (35,992,371) |
| Disposal of land (Note 5) | (478,808) | - | (4,194) | (483,002) |
| Revocation of land purchase | (37,600,000) | - | - | (37,600,000) |
| At end of the year | 211,871,226 | 32,584,391 | 41,192,115 | 285,647,732 |
| **2010** | | | | |
| At beginning of the year | 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 18) | - | - | 16,777,461 | 16,777,461 |
| Transfer to property development costs (Note 18) | (6,335,254) | (25,008,349) | (7,064,837) | (38,408,440) |
| Transfer to inventories | - | - | (891,514) | (891,514) |
| At end of the year | 218,099,343 | 32,584,391 | 28,240,686 | 278,924,420 |

Freehold land and leasehold land of the Group with a carrying amount of RM96,789,943 (2010: RM88,417,966) are pledged as security for bank borrowings as mentioned in Note 29.

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 2011 RM | Group 2010 RM |
|---|---|---|
| Freehold land | 31,601,087 | 72,514,803 |
| Leasehold land | - | 140,142 |
| | 31,601,087 | 72,654,945 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 16. DEFERRED TAX ASSETS/(LIABILITIES)

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| **Deferred tax assets** | | | | |
| At 1 January | 14,091,809 | 13,368,135 | 81,852 | - |
| Recognised in profit or loss | (1,199,174) | 723,674 | (81,852) | 81,852 |
| At 31 December | 12,892,635 | 14,091,809 | - | 81,852 |
| **Deferred tax liabilities** | | | | |
| At 1 January | (47,883,264) | (48,205,803) | - | - |
| Recognised in profit or loss | 930,416 | 322,539 | - | - |
| At 31 December | (46,952,848) | (47,883,264) | - | - |

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

The components of deferred tax assets and liabilities as at the reporting date are as follows:-

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| **Deferred tax assets** | | | | |
| Deductible temporary differences in respect of expenses | 2,646,189 | 4,319,676 | - | 81,852 |
| Differences between the carrying amount of property, plant and equipment and its tax base | (1,049,800) | (382,411) | - | - |
| Interest attributable to property development cost | 6,836,400 | 5,067,561 | - | - |
| Unabsorbed capital allowances | 1,146,060 | 935,036 | - | - |
| Unrealised profit on development properties | 3,313,786 | 4,026,091 | - | - |
| Unutilised tax losses | - | 125,856 | - | - |
| | 12,892,635 | 14,091,809 | - | 81,852 |
| **Deferred tax liabilities** | | | | |
| Differences between the carrying amount of property, plant and equipment and its tax base | - | (238,409) | - | - |
| Fair value adjustment on consolidation | (46,952,848) | (47,644,855) | - | - |
| | (46,952,848) | (47,883,264) | - | - |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 16. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Investment tax allowance | 2,201,000 | 2,201,000 |
| Deductible temporary differences in respect of expenses | 371,400 | - |
| Unutilised tax losses | 5,973,800 | 5,486,700 |
| Unabsorbed capital allowances | 2,627,700 | 732,200 |
| Deferred tax assets | 11,173,900 | 8,419,900 |

The investment tax allowance, 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.

## 17. GOODWILL ON CONSOLIDATION

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| At beginning/end of the year | 17,621,512 | 17,621,512 |

The carrying amounts of goodwill allocated to the Group's cash generating unit ("CGU") are based on the CGU's excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. The goodwill was allocated to the Group's property development segment.

The recoverable amount of a Cash Generating Unit ("CGU") is determined based on value-in-use calculations using 5 years of cash flow projections from financial budgets and projections approved by management.

The calculation of value-in-use for the CGU is most sensitive to the following key assumptions:

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

(b) Growth rates – Growth rates are based on Company's estimates calculated based on sector and industry trends, general market and economic conditions, planned and existing projects and other available information for the next 5 years and assuming no growth for the subsequent years.

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

No impairment loss was required for the goodwill assessed as its recoverable amount was in excess of its carrying amount.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of goodwill to materiality exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 18. PROPERTY DEVELOPMENT COSTS

| | Freehold land RM | Leasehold land RM | Development expenditure RM | Total RM |
|---|---|---|---|---|
| **Group** | | | | |
| **2011** | | | | |
| **Cumulative property development costs** | | | | |
| At beginning of the year | | | | |
| - as previously stated | 233,239,097 | 32,436,922 | 82,068,945 | 347,744,964 |
| Prior year adjustment (Note 42) | (73,479,160) | - | - | (73,479,160) |
| At beginning of the year - as restated | 159,759,937 | 32,436,922 | 82,068,945 | 274,265,804 |
| Cost incurred during the year | 1,460,223 | 12,454,015 | 72,592,771 | 86,507,009 |
| Transfer from land held for property development (Note 15) | 33,067,994 | - | 2,924,377 | 35,992,371 |
| Transfer to investment properties (Note 14) | (1,537,884) | - | (242,768) | (1,780,652) |
| Transfer to land held for property development (Note 15) | (6,819,234) | - | (11,129,758) | (17,948,992) |
| Adjustment on completion of projects | (2,105,938) | - | (15,366,647) | (17,472,585) |
| Unsold units transferred to inventories | (63,724) | - | (392,205) | (455,929) |
| At end of the year | 183,761,374 | 44,890,937 | 130,454,715 | 359,107,026 |
| **Cumulative costs recognised in profit or loss** | | | | |
| At beginning of the year | (1,304,814) | - | (13,590,546) | (14,895,360) |
| Recognised during the year (Note 5) | (13,485,539) | (4,611,066) | (28,403,153) | (46,499,758) |
| Adjustment on completion of projects | 2,105,938 | - | 15,366,647 | 17,472,585 |
| At end of the year | (12,684,415) | (4,611,066) | (26,627,052) | (43,922,533) |
| | 171,076,959 | 40,279,871 | 103,827,663 | 315,184,493 |

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2011 (cont'd)

## 18. PROPERTY DEVELOPMENT COSTS (cont'd)

| | Freehold land RM | Leasehold land RM | Development expenditure RM | Total RM |
|---|---|---|---|---|
| **2010** | | | | |
| **Cumulative property development costs** | | | | |
| At beginning of the year | | | | |
| - as previously stated | 246,764,855 | 10,372,628 | 197,005,036 | 454,142,519 |
| Prior year adjustment | (72,092,881) | - | - | (72,092,881) |
| At beginning of the year | | | | |
| - as previously stated | 174,671,974 | 10,372,628 | 197,005,036 | 382,049,638 |
| Cost incurred during the year | 385,766 | (1,884,929) | 86,345,238 | 84,846,075 |
| Transfer from land held for property development (Note 15) | 6,335,254 | 25,008,349 | 7,064,837 | 38,408,440 |
| Transfer to land held for property development (Note 15) | - | - | (16,777,461) | (16,777,461) |
| Adjustment on completion of 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 end of the year | 159,759,937 | 32,436,922 | 82,068,945 | 274,265,804 |
| **Cumulative costs recognised in profit or loss** | | | | |
| At beginning of the year | (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) |
| Adjustment on completion of projects | 17,889,636 | 29,099 | 147,212,502 | 165,131,237 |
| At end of the year | (1,304,814) | - | (13,590,546) | (14,895,360) |
| Property development costs at end of the year | 158,455,123 | 32,436,922 | 68,478,399 | 259,370,444 |

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

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Rental of equipment | 1,751,459 | 1,366,080 |
| Depreciation of property, plant and equipment | 782,879 | - |

The Group's freehold and leasehold land with a net carrying amount of RM53,552,646 (2010: RM31,508,349) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 19. INVENTORIES

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| **Cost** | | |
| Building materials and consumables | 639,685 | 651,750 |
| Properties held for sale | 37,376,054 | 56,097,154 |
| Raw materials | - | 118,205 |
| Stationery and housekeeping supply | 140,277 | 124,928 |
| | 38,156,016 | 56,992,037 |

The Group's inventories amounting to RM2,203,981 (2010: RM2,203,981) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

## 20. RECEIVABLES AND DEPOSITS

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **Trade** | | | | | |
| Trade receivables | | 77,863,865 | 61,926,309 | - | - |
| Less: Allowance for impairment loss | | (2,193,823) | (465,010) | - | - |
| | (a) | 75,670,042 | 61,461,299 | - | - |
| **Non-trade** | | | | | |
| Dividend receivables | | - | - | 3,750,000 | - |
| Other receivables | | 5,872,384 | 3,655,139 | - | - |
| Less: Allowance for impairment loss | | (443,445) | - | - | - |
| | (b) | 5,428,939 | 3,655,139 | 3,750,000 | - |
| Deposits | (c) | 213,963,260 | 221,049,367 | - | - |
| Amounts owing by subsidiaries | (d) | - | - | 76,571,840 | 86,169,690 |
| | | 219,392,199 | 224,704,506 | 80,321,840 | 86,169,690 |
| | | 295,062,241 | 286,165,805 | 80,321,840 | 86,169,690 |

(a) Trade receivables

Trade receivables are non-interest bearing and generally on credit terms ranging from 14 to 180 (2010: 14 to 180) days. Credit terms for sales of commercial properties range from 14 to 270 (2010: 14 to 270) days.

Included in trade receivables are:
(i) an amount of RM1,612,862 (2010: RM nil) owing by a company related to a director;
(ii) an amount of RMnil (2010: RM4,740,892) owing by certain directors of the Company; and
(iii) retention sums amounting to RM999,878 (2010: RM3,045,649) held by stakeholders.

The amounts owing by a company related to a director and certain directors are in respect of purchase of properties from the Group and is within the normal credit term granted to customers.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 20. RECEIVABLES AND DEPOSITS (cont'd)

(a) Trade receivables

Ageing analysis of trade receivables

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Neither past due nor impaired | 52,576,948 | 18,330,653 |
| 1 to 30 days past due not impaired | 10,676,382 | 17,873,682 |
| 31 to 60 days past due not impaired | 3,721,296 | 4,922,902 |
| 61 to 90 days past due not impaired | 2,186,241 | 6,276,109 |
| 91 to 120 days past due not impaired | 1,568,176 | 1,397,207 |
| 121 to 150 days past due not impaired | 1,016,284 | 541,651 |
| More than 121 days past due not impaired | 3,924,715 | 12,119,095 |
| | 23,093,094 | 43,130,646 |
| Impaired | 2,193,823 | 465,010 |
| | 77,863,865 | 61,926,309 |

Receivables that are neither past due nor impaired
Trade receivables that are neither past due nor impaired comprises property purchasers mostly with end financing facilities from reputable end-financiers and the government whilst the other debtors are creditworthy customers with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired
The Group has trade receivables amounting to RM23,093,094 (2010: RM43,130,646) that are past due at the reporting date but not impaired because there have been no significant changes in the credit quality of the debtors and the amounts are still considered recoverable. These trade receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired
The movements of the allowance accounts used to record the impairment loss are as follows:

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| At beginning of the year | 465,010 | 12,777,762 |
| Charge for the year (Note 7) | 1,898,473 | - |
| Reversal of impairment losses (Note 7) | (169,660) | (12,312,752) |
| At end of the year | 2,193,823 | 465,010 |

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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 20. RECEIVABLES AND DEPOSITS (cont'd)

(b) Non-trade receivables

The movements of the allowance accounts used to record the impairment loss on other receivables are as follows:

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| At beginning of the year | - | 708,153 |
| Charge for the year (Note 7) | 443,445 | - |
| Reversal of impairment losses (Note 7) | - | (708,153) |
| At end of the year | 443,445 | - |

Included in deposits of the Group are:

(i) security deposits for joint venture and turnkey contract transactions amounting to RM208,056,262 (2010: RM213,577,998) of which RM208,026,261 (2010: RM212,712,902) 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;

(ii) deposits of RM2,307,926 (2010: RM1,282,350) paid for the acquisitions of development land for which the transactions remain incomplete at the reporting date; and

(iii) mobilisation deposits of RM2,332,700 (2010: RM2,314,000) 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.

(c) Included in other receivables are advances of RM2,876,619 (2010: RMnil) paid to sub-contractors.

(d) These amounts are non-trade in nature, unsecured, interest free, expected to be settled in cash and are repayable on demand.

## 21. OTHER CURRENT ASSETS

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Prepayments | 2,046,231 | 1,941,435 | 2,077 | 2,077 |
| Accrued billings in respect of property development cost | 20,166,310 | 3,711,813 | - | - |
| Amounts due from customers for contract works (Note 22) | 19,649,201 | 6,699,428 | - | - |
| | 41,861,742 | 12,352,676 | 2,077 | 2,077 |

Included in the prepayments is the aggregate costs of RM1,967,606 (2010: RM1,889,606) incurred to construct certain properties for a local council in consideration of the eventual alienation of a parcel of land to a subsidiary of the Company.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 22. AMOUNT DUE FROM/(TO) CUSTOMERS ON CONTRACTS

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Construction contract cost incurred todate | 103,368,304 | 202,944,477 |
| Attributable profits | 6,861,519 | 31,565,903 |
| | 110,229,823 | 234,510,380 |
| Less: Progress billings received and receivable | (93,060,548) | (234,963,027) |
| | 17,169,275 | (452,647) |
| Presented as: | | |
| Gross amounts due from customers on contracts (Note 21) | 19,649,201 | 6,699,428 |
| Gross amounts due to customers on contracts (Note 31) | (2,479,926) | (7,152,075) |
| | 17,169,275 | (452,647) |

Included in progress billings are retention sums of RM2,764,518 (2010: RM4,228,095).

## 23. TERM DEPOSITS AND FIXED INCOME FUND

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Cash deposits with (Note 34(b)): | | |
| - Fixed income fund | | |
| - redeemable at call | 5,277 | 5,160 |
| - redeemable upon 7 days notice | 134,521 | 10,616 |
| - Licensed banks | 20,493,949 | 28,476,595 |
| | 20,633,747 | 28,492,371 |

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

| | Maturities | | Interest rates | |
|---|---|---|---|---|
| | 2011 Days | 2010 Days | 2011 % | 2010 % |
| Licensed fund management company | | | | |
| - Fixed income trust fund | Not applicable | Not applicable | 2.22 - 2.93 | 2.30 |
| Licensed banks | | | | |
| - Short term deposits | 4 | 4 - 5 | 1.58 | 2.75 |
| - Fixed deposits | 30 - 365 | 30 - 365 | 2.35 - 3.15 | 2.25 - 2.80 |

The fixed deposits amounting to RM489,904 (2010: RM476,596) are pledged as security for bank guarantee facilities granted to the Group.

Included in fixed deposits is an amount of RM134,455 (2010:RM134,455) held in trust by a director of the Company.

## 24. CASH AND BANK BALANCES

**Group**

Included in cash at banks of the Group are amounts of RM7,520,763 (2010: RM10,393,604) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 25. 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 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 |
| At 31 December 2010 | 405,748,129 | (363,978) | 405,748,129 | 32,174,321 | 437,922,450 | (719,722) |
| Issue of ordinary shares: | | | | | | |
| - Pursuant to ESOS | 3,714,000 | - | 3,714,000 | 1,411,320 | 5,125,320 | - |
| ESOS exercised | - | - | - | 998,042 | 998,042 | - |
| Share buy back | - | (2,000) | - | - | - | (3,846) |
| As at 31 December 2011 | 409,462,129 | (365,978) | 409,462,129 | 34,583,683 | 444,045,812 | (723,568) |

| | Number of ordinary shares of RM 1 each | | Amount | |
|---|---|---|---|---|
| **Authorised share capital** | **2011** | **2010** | **2011** | **2010** |
| 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 2011 (cont'd)

## 25. 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 year, the Company issued 3,714,000 (2010: 2,516,000) ordinary shares at an average issue price of RM1.38 (2010: RM1.38) per ordinary share for cash, pursuant to the Company's ESOS. The share premium of RM1,411,320 (2010: RM956,080) 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 (2010: 2,000) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the year. The total amount paid to acquire the shares was RM3,846 (2010: RM3,385) 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.

In the previous year, the Company distributed a final dividend by way of distribution of treasury shares as share dividend at the ratio of 1 treasury share of every 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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 26. OTHER RESERVES

| | Share option reserve RM | Capital reserve RM | Total RM |
|---|---|---|---|
| **Group** | | | |
| **Transaction with owners:** | | | |
| At 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 |
| Share options granted under ESOS | 3,417,474 | - | 3,417,474 |
| ESOS exercised | (998,042) | - | (998,042) |
| ESOS lapsed | (127,765) | - | (127,765) |
| At 31 December 2011 | 7,726,640 | 26,578,054 | 34,304,694 |
| **Company** | | | |
| **Transaction with owners:** | | | |
| At 1 January 2010 | - | - | - |
| Share options granted under ESOS | 5,434,973 | - | 5,434,973 |
| At 31 December 2010 | 5,434,973 | - | 5,434,973 |
| Share options granted under ESOS | 3,417,474 | - | 3,417,474 |
| ESOS exercised | (998,042) | - | (998,042) |
| ESOS lapsed | (127,765) | - | (127,765) |
| At 31 December 2011 | 7,726,640 | - | 7,726,640 |

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

**(a) Share option reserve**

Share option reserve represents the equity-settled share options granted to employees (Note 28). 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.

**(b) Capital reserve**

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

## 27. 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 at 31 December 2011 and 2010 under the single tier system.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 28. EMPLOYEE BENEFITS

**Employees' share option scheme ("ESOS")**

Eligible employees of the Group participate in an equity-settled, share-based compensation plan, i.e. Employees' Share Options Scheme ("ESOS") operated by the Company to acquire ordinary shares of the Company.

The Company's ESOS is governed by the bye-laws approved by its shareholders at an Extraordinary General Meeting held on 29 June 2009. The Company had on 5 January 2010, granted 39,840,000 new shares to the eligible employees of the Group. The existing ESOS was implemented on 5 January 2010 to be in force for a period of 5 years which will expiring on 4 August 2014.

The salient features of the ESOS are as follows:

(a) 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;

(b) Any natural person who is employed full-time by and on the payroll of the Company 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;

(c) The subscription price for each new share shall be based on the weighted average of the market price of the Company 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 the Company share, whichever is the higher;

(d) 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;

(e) 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 option period shall be automatically terminated; and

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

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 28. EMPLOYEE BENEFITS (cont'd)

**Movement of share option during the year**

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

| | 2011 | | 2010 | |
|---|---|---|---|---|
| | No | WAEP (RM) | No | WAEP (RM) |
| Outstanding at 1 January | 37,129,000 | 1.38 | - | - |
| - Granted | - | | 39,840,000 | 1.38 |
| - Exercised | (3,714,000) | 1.38 | (2,516,000) | 1.38 |
| - Lapsed | (575,000) | 1.38 | (195,000) | 1.38 |
| Outstanding at 31 December | 32,840,000 | 1.38 | 37,129,000 | 1.38 |
| Exercisable at 31 December | 8,936,000 | 1.38 | 5,257,000 | 1.38 |

The weighted average fair value of options granted in the previous year was RM1.38.

The weighted average share price at the date of exercise of the options exercised during the year was RM1.38 (2010: RM1.38).

The exercise price for options outstanding at the end of the year was RM1.38 (2010: RM1.38). The weighted average remaining contractual life for these options is 3 years (2010: 4 years).

**Fair value of share option granted**

The fair value of the share options granted in the previous year was estimated 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 year ended 31 December 2010:

| | **Black-Scholes 2010** |
|---|---|
| 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) | 2 |

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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 29. BORROWINGS

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| **Non current** | | |
| Secured: | | |
| Term loans | | |
| - RM loan at 0.6% +BLR | - | 2,796,837 |
| **Current** | | |
| Secured: | | |
| Bank overdrafts (Note 34(b)) | 80,220,341 | 63,257,259 |
| Revolving credits | 229,559,254 | 131,499,491 |
| Term loans | - | |
| - RM loan at 0.6% +BLR | 2,764,791 | 3,860,842 |
| | 312,544,386 | 198,617,592 |
| | 312,544,386 | 201,414,429 |

**Bank overdrafts**

Bank overdrafts are denominated in Ringgit Malaysia, bear interest ranging from 7.40% to 8.30% (2010: 6.40% to 8.35%) and are secured by the following:

(i) legal charges over certain property, plant and equipment, land held for property development, investment properties, development properties and inventories of the subsidiaries; and
(ii) corporate guarantee from the Company; and
(iii) jointly and severally guarantees by certain directors of the Company.

**Revolving credits**

Revolving credits are denominated in Ringgit Malaysia, bear interest ranging from 4.44% to 5.50% (2010: 4.44% to 4.99%) and are secured by the following:

(i) legal charges over certain property, plant and equipment, land held for property development, investment properties, development properties and inventories of the subsidiaries; and
(ii) legal charge over land held for property development in the name of a joint venture partner; and
(iii) corporate guarantee from the Company; and
(iv) jointly and severally guarantees by certain directors of the Company.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 29. BORROWINGS (cont'd)

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

| | Repayment terms | Interest rate | Securities | Amounts outstanding 2011 RM | 2010 RM |
|---|---|---|---|---|---|
| (i) | Repayment by 60 monthly instalment of RM41,082 commencing one month after date of full disbursement | 1.75% 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 | 1.25% above banker's lending rate | Third party charge over a freehold property or the Group*# | 2,764,770 | 5,858,398 |
| (iii) | Repayable by 36 monthly instalments of RM634,000 each commencing thirty months after date of full disbursement | 2.00% above banker's cost of funds | First legal charge over a freehold development property of the Group* | - | 799,260 |
| | | | | 2,764,791 | 6,657,679 |

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

The remaining maturities of the borrowings are as follows:

| | Group 2011 RM | 2010 RM |
|---|---|---|
| On demand or within one year | 312,544,386 | 198,617,592 |
| More than 1 year and less than 2 years | - | 2,796,837 |
| | 312,544,386 | 201,414,429 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 30. PAYABLES AND ACCRUALS

| | Note | Group 2011 RM | Group 2010 RM | Company 2011 RM | Company 2010 RM |
|---|---|---|---|---|---|
| **Trade** | | | | | |
| Trade payables | (a) | 12,714,106 | 4,945,865 | - | - |
| **Non-trade** | | | | | |
| Other payables | (b) | 39,174,353 | 54,128,822 | 32,039 | 32,506 |
| Deposits | | 1,652,017 | 1,650,084 | - | - |
| Accruals | | 7,110,215 | 3,951,833 | 47,410 | 49,910 |
| Amount owing to a director | | 41,400 | - | - | - |
| Amount owing to a subsidiary | (c) | - | - | 52,780,617 | 57,137,913 |
| | | 47,977,985 | 59,730,739 | 52,860,066 | 57,220,329 |
| | | 60,692,091 | 64,676,604 | 52,860,066 | 57,220,329 |

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 60 days (2010: 30 to 60 days).

(b) Other payables

Included in other payables are unsecured advances to the Group amounting to RM16,360,080 (2010: RM28,350,307) which are owing to persons connected with certain directors of the Company.

The amounts owing are non-interest bearing, expected to be settled in cash and are repayable on demand.

(c) This amount is non-trade in nature, unsecured, interest free, expected to be settled in cash and is repayable on demand.

## 31. OTHER CURRENT LIABILITIES

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| Progress billings in respect of property development costs | - | 50,610,119 |
| Amounts due to customers on contracts (Note 22) | 2,479,926 | 7,152,075 |
| | 2,479,926 | 57,762,194 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 32. PROVISION FOR RECTIFICATION WORKS

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| At beginning of the year | 6,534,552 | 7,381,626 |
| Provision during the year (Note 7) | 120,339 | 2,772,212 |
| Utilitisation of provision during the year | (388,419) | (514,722) |
| Reversal of provision during the year (Note 7) | (4,988,175) | (3,104,564) |
| At end of the year | 1,278,297 | 6,534,552 |

A provision is recognised for expected rectification works on completed contracts. 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 0.2% (2010: 2.0%) on the total contracted sum of completed contracts.

## 33. DIVIDENDS

| | Group/Company | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Recognised during the financial year: | | |
| Dividends on ordinary shares: | | |
| - final single tier dividend for 2010: 3% (2009: 1.5%) per share | 12,272,315 | 6,007,938 |
| - final dividend in kind (treasury shares) | - | 8,791,568 |
| - interim single tier dividend for 2011: 1.5% (2010: 3%) per share | 6,136,468 | 12,157,534 |
| | 18,408,783 | 26,957,040 |
| Proposed but not recognised as at 31 December: | | |
| - Dividends on ordinary shares, subject to shareholders' approval at the AGM: | | |
| - final single tier dividend for 2011: 2% (2010: 3%) per share | 8,189,243 | 12,172,444 |

The directors have recommended a final single tier dividend of 2% (2 sen per ordinary share) amounting to RM8,189,243 based on the number of outstanding ordinary shares in issue as at the reporting date, for the year ended 31 December 2011, subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"). 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 year ending 31 December 2012. The actual net amount payable will depend on the number of ordinary shares in issue on the entitlement date.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 34. NOTES TO STATEMENTS OF CASH FLOWS

### (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 end of the year

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM |
| Term deposits and fixed income fund | 20,633,747 | 28,492,371 | - | - |
| Cash and bank balances | 15,895,941 | 12,771,750 | 188,183 | 184,938 |
| Bank overdrafts (Note 29) | (80,220,341) | (63,257,259) | - | - |
| | (43,690,653) | (21,993,138) | 188,183 | 184,938 |
| Fixed deposits pledged (Note 23) | (489,904) | (476,596) | - | - |
| | (44,180,557) | (22,469,734) | 188,183 | 184,938 |

## 35. RELATED PARTY DISCLOSURES

(a) For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The Company has a related party relationship with its subsidiaries, key management personnel, companies related to directors and persons connected to directors. Companies related to directors refer to companies in which certain directors of the Company have substantial financial interests.

(b) Related party transactions and balances are as follows:

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Rental of equipment and transportation from: | | |
| - a company related to directors | 3,890,793 | 3,528,322 |
| Purchase of construction materials from: | | |
| - a company related to directors | 5,698,683 | 1,807,298 |
| Rental of property from: | | |
| - a company related to directors | 47,520 | - |
| Rental of equipment to: | | |
| - a company related to directors | 360,000 | - |
| Sales of properties to: | | |
| - directors | 7,227,058 | 40,325,200 |
| - a company related to directors | 2,488,800 | - |
| Legal service from a firm related to directors | 2,903,783 | 1,940,798 |
| Legal service from a firm belonging to a director | 35,901 | 20,031 |
| Guarantee return payable to: | | |
| - directors | 5,749,464 | 2,871,731 |
| - persons related to directors | 2,038,164 | 1,615,855 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 35. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions and balances are as follows: (cont'd)

| | Company 2011 RM | Company 2010 RM |
|---|---|---|
| Dividend income from a subsidiary (gross) | 25,000,000 | 25,200,000 |

Companies 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' Dr. 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.

Information regarding outstanding balances arising from related party transactions as at the reporting date is disclosed in Notes 20 and 30.

(c) Compensation of key management personnel

| | Group 2011 RM | Group 2010 RM |
|---|---|---|
| **Executive** | | |
| Salaries and other emoluments | 8,864,352 | 8,364,815 |
| Employees Provident Fund | 1,318,435 | 1,013,208 |
| Bonus | 1,477,392 | 1,575,886 |
| Share options granted under option | 669,084 | 1,064,076 |
| Estimated monetary value of benefits-in-kind | 1,200 | 1,200 |
| | 12,330,463 | 12,019,185 |
| **Non-executive** | | |
| Salaries and other emoluments | 123,732 | 117,828 |
| Share options granted under option | 205,872 | 327,408 |
| Directors' fees | 119,700 | 114,000 |
| | 449,304 | 559,236 |
| | 12,779,767 | 12,578,421 |

Directors' interest in employees' share option scheme
In the previous year:

(i) 15,600,000 share options were granted to two of the Company's executive directors under the existing ESOS plan at an exercise price of RM1.38 each; and

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 35. RELATED PARTY DISCLOSURES (cont'd)

(c) Compensation of key management personnel (cont'd)

Directors' interest in employees' share option scheme (cont'd)
In the previous year: (cont'd)

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

These directors exercised their options for 160,000 (2010: 160,000) ordinary shares of the Company at the price of RM1.38 each, with a total cash consideration of RM220,800 (2010: RM220,800) 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 9,880,000 (2010: 10,040,000).

## 36. 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 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.

### (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 maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on its subsidiaries' credit facilities.

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 Group uses ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the year is disclosed in Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2011 (cont'd)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (a) Credit risk (cont'd)

Financial guarantee
The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM312,544,386 (2010: RM201,414,429) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on its repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely the subsidiaries will default within the guarantee period.

### (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.

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

| | Carrying amount RM | Total Contractual Cash flows RM | On demand or within one year RM | One to five years RM |
|---|---|---|---|---|
| **2011** | | | | |
| **Group** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 60,692,091 | 60,692,091 | 60,692,091 | - |
| Borrowings | 312,544,386 | 312,544,386 | 312,544,386 | - |
| | 373,236,477 | 373,236,477 | 373,236,477 | - |
| **Company** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 52,860,066 | 52,860,066 | 52,860,066 | - |

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2011 (cont'd)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

| | Carrying amount RM | Total Contractual Cash flows RM | On demand or within one year RM | One to five years RM |
|---|---|---|---|---|
| **2010** | | | | |
| **Group** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 64,676,604 | 64,676,604 | 64,676,604 | - |
| Borrowings | 201,414,429 | 201,830,339 | 198,964,202 | 2,866,137 |
| | 266,091,033 | 266,506,943 | 263,640,806 | 2,866,137 |
| **Company** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 57,220,329 | 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's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets mainly include cash deposits with licensed banks. Deposits are placed for better yield returns than cash at banks and to satisfy conditions for bank guarantee.

The Group's interest bearing financial liabilities comprise bank overdrafts, revolving credits and term loans.

The fixed deposits placed with licensed banks at fixed rate exposes the Group to fair value interest rate risk. The bank overdrafts, revolving credits and term loans totaling RM312,544,386 (2010: RM201,414,429) at floating rate expose the Group to cash flow interest rate risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Company also actively reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of asset.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (c) Interest rate risk (cont'd)

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.

| | Increase/ (decrease) in basis points | Effect on profit net of tax RM |
|---|---|---|
| **2011** | | |
| **Group** | | |
| - Ringgit Malaysia | 25 | (586,021) |
| - Ringgit Malaysia | (25) | 586,021 |
| **2010** | | |
| **Group** | | |
| - Ringgit Malaysia | 25 | (377,652) |
| - Ringgit Malaysia | (25) | 377,652 |

## 37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

### (a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

### (b) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The carrying amounts of financial assets and liabilities recognised in the statements of financial position approximate their fair values.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 38. 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 shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010.

During the year, the Group monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. The gearing equity ratios at 31 December 2011 and 2010 were as follows:

| | | Group | |
|---|---|---|---|
| | Note | 2011 RM | 2010 RM |
| Borrowings | 29 | 312,544,386 | 201,414,429 |
| Trade and other payables | 30 | 60,692,091 | 64,676,604 |
| Less: Term deposits and fixed income fund | 34 (b) | (20,633,747) | (28,492,371) |
| Less: Cash and bank balances | 34 (b) | (15,895,941) | (12,771,750) |
| Net debts | | 336,706,789 | 224,826,912 |
| Equity attributable to the owners of the Company | | 789,980,516 | 755,562,639 |
| Total capital and net debts | | 1,126,687,305 | 980,389,551 |
| Gearing ratio | | 30% | 23% |

## 39. SEGMENT INFORMATION

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

### (a) The property development segment

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

### (b) 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 decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss before tax which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group 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.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 39. SEGMENT INFORMATION (cont'd)

| | Property Development | | Hotel and Hospitality | | Adjustment and elimination | | Notes | Per consolidated financial statements | |
|---|---|---|---|---|---|---|---|---|---|
| | 2011 RM | 2010 RM | 2011 RM | 2010 RM | 2011 RM | 2010 RM | | 2011 RM | 2010 RM |
| **Revenue:** | | | | | | | | | |
| External customers | 192,394,868 | 244,653,321 | 21,690,660 | 15,397,043 | - | - | | 214,085,528 | 260,050,364 |
| Inter-segment | - | - | 72,063 | 92,442 | (72,063) | (92,442) | A | - | - |
| | 192,394,868 | 244,653,321 | 21,762,723 | 15,489,485 | (72,063) | (92,442) | - | 214,085,528 | 260,050,364 |
| **Results:** | | | | | | | | | |
| Interest income | 243,558 | 325,295 | 736,199 | 161,104 | (732,140) | (161,104) | B | 247,617 | 325,295 |
| Depreciation | 1,008,966 | 1,845,434 | 856,911 | 582,046 | - | - | | 1,862,697 | 2,427,480 |
| Finance costs | 14,749,231 | 8,402,298 | 584,536 | - | (732,140) | (161,104) | B | 14,601,627 | 8,241,194 |
| Other non-cash expenses | 5,680,722 | 7,890,691 | 199,010 | 316,494 | - | - | C | 5,879,731 | 8,207,185 |
| Segment profit/(loss) | 79,752,438 | 84,090,618 | 73,241 | (4,396,418) | (14,601,627) | (8,241,194) | D | 65,224,052 | 71,453,006 |
| **Assets:** | | | | | | | | | |
| Additions to non-current assets other than financial instruments and deferred tax assets | 77,705,993 | 12,798,612 | 191,135 | - | - | - | E | 77,897,128 | 12,798,612 |
| Segment assets | 1,730,343,311 | 2,536,698,943 | 32,874,486 | 18,225,009 | (548,604,736) | (1,414,034,164) | | 1,214,613,061 | 1,140,889,788 |
| **Liabilities:** | | | | | | | | | |
| Segment total liabilities | 711,218,796 | 704,795,383 | 23,627,068 | 17,696,706 | (310,213,319) | (337,164,940) | | 424,632,545 | 385,327,149 |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 39. 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 The following item is deducted from segment interest income/finance costs to arrive at "Interest income/Finance costs" presented in the notes to the financial statements:

| | 2011 RM | 2010 RM |
|---|---|---|
| Inter-segment interest | 732,140 | 161,104 |

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

| | Note | 2011 RM | 2010 RM |
|---|---|---|---|
| Impairment loss on trade and other receivables | 20 | 2,341,918 | - |
| Share-based payments | 28 | 3,417,474 | 5,434,973 |
| Provisions | 32 | 120,339 | 2,772,212 |
| | | 5,879,731 | 8,207,185 |

D The following item is deducted from segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income:

| | 2011 RM | 2010 RM |
|---|---|---|
| Finance costs | 14,601,627 | 8,241,194 |

E Additions to non-current assets other than financial instruments and deferred tax assets consist of:

| | 2011 RM | 2010 RM |
|---|---|---|
| Land held for property development | 63,738,573 | 8,494,286 |
| Property, plant and equipment | 6,766,958 | 1,587,736 |
| Investment properties | 7,391,597 | 2,716,590 |
| | 77,897,128 | 12,798,612 |

Geographical information
The Group's operations are located only in Malaysia.

Major customer information
There is no single customer with revenue equal or more than 10% of the Group revenue.

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 40. 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 reporting date but not recognised as liabilities are as follows:

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Future minimum rental payments: | | |
| Not later than 1 year | 6,067,289 | 20,780,115 |
| Later than 1 year and not later than 5 years | - | 6,067,289 |
| | 6,067,289 | 26,847,404 |

### (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 reporting date but not recognised as receivables, is as follows:

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Future minimum rental payments: | | |
| Not later than 1 year | 18,200 | - |
| Later than 1 year and not later than 5 years | - | - |
| | 18,200 | - |

## 41. CAPITAL COMMITMENT

| | Group | |
|---|---|---|
| | 2011 RM | 2010 RM |
| Approved but not contracted for | | |
| - investment properties | 305,000 | - |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 42. PRIOR YEAR ADJUSTMENT

During the year ended 31 December 2004, YNH Land Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired a parcel of freehold land in a district of Kuala Lumpur for the purpose of constructing a building for its corporate headquarter which was to be partly occupied and partly leased to third parties. The land was classified as property, plant and equipment in the consolidated financial statements for the year ended 31 December 2004. However, the land was erroneously transferred to property development costs in the consolidated financial statements for the year ended 31 December 2007. The management has represented that its intention to construct the corporate headquarter and leasing the property has not changed since the acquisition of the land. Accordingly, the consolidated statement of financial position for the year ended 31 December 2010 has been restated to correct the error.

The effects of the adjustment are as follows:

| | 2010<br>RM | As at<br>1.1.2010<br>RM |
|---|---|---|
| Increase in investment properties | 73,479,160 | 72,092,881 |
| Decrease in property development cost | (73,479,160) | (72,092,881) |

## 43. COMPARATIVE FIGURES

The comparative figures have been audited by a firm of chartered accountants other than Moore Stephens AC.

The following comparative figures of the Group have been reclassified to conform with current year presentation:

| | As<br>Reclassified<br>RM | As<br>Previously<br>Classified<br>RM |
|---|---|---|
| **Group** | | |
| Statement of comprehensive income | | |
| - Revenue | 260,050,364 | 259,708,592 |
| - Cost of sales | (159,334,830) | (148,733,427) |
| - Other income | 17,600,584 | 12,022,444 |
| - Administrative expenses | (31,642,515) | (42,904,029) |
| - Selling and marketing expenses | (1,008,504) | (399,380) |
| - Other operating expenses | (5,970,899) | - |

The following comparative figures of the Group have been adjusted on a result of prior year adjustment as disclosed in Note 42.

| | | Group | |
|---|---|---|---|
| | As<br>Restated<br>RM | As<br>Previously<br>Stated<br>RM | Prior<br>Year<br>Adjustment<br>RM |
| Statement of financial position | | | |
| - Investment properties | 75,402,669 | 1,923,509 | 73,479,160 |
| - Property development costs | 259,370,444 | 332,849,604 | (73,479,160) |

# NOTES TO THE FINANCIAL STATEMENTS
- 31 December 2011 (cont'd)

## 44. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED PROFIT OR LOSS

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2011 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") 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.

The retained earnings of the Group and of the Company as at 31 December 2011 and 31 December 2010 is analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2011 RM** | **2010 RM** | **2011 RM** | **2010 RM** |
| Total retained profits of the Company and its subsidiaries | | | | |
| - Realised | 447,547,160 | 315,597,338 | 3,819,764 | 12,990,975 |
| - Unrealised | 9,578,847 | 10,065,718 | - | - |
| | 457,126,007 | 325,663,056 | 3,819,764 | 12,990,975 |
| Less: Consolidated adjustments | (144,772,429) | (39,316,172) | - | - |
| Total retained earnings | 312,353,578 | 286,346,884 | 3,819,764 | 12,990,975 |

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purpose.

# LIST OF PROPERTIES

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut, Perak (Old Lot No.1557 & 1932) | | | | | | |
| - Portion for own investment (PT2781-2782) | Planted with palm oil | 27.9423 | Agricultural / for investment | Freehold | 4,991,000 | 2001 |
| - Portion for fixed asset (G28079, PT2722-2780, 2785, 2822-2823) | Planted with palm oil | 138.5100 | Agricultural / for investment | Freehold | 24,961,000 | 2001 |
| Lot 36480 & Lot 36481, Sungai Terap, Perak | Planted with palm oil | 25.3180 | Agricultural / for investment | Leasehold (28.11.2109) | 2,356,000 | 2011 * |
| HS (D) Dgs 11772 PT8073 Mukim Lumut, Perak | Vacant Land and approved for development | 6.9277 | Proposed development – residential | Freehold | 1,620,000 | 2001 |
| Lot 6555 – PT2834-2837 Mukim of Lumut, Perak | Vacant Land and approved for development | 20.000 | Proposed mixed development – commercial and residential | Freehold | 2,533,000 | 2001 |
| Lot 6555-4 acres of PT2797 Mukim Lumut (Hospital Land), Perak | Vacant Land and approved for development | 4.0000 | Proposed development – commercial | Freehold | 709,000 | 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 | 20,195,000 | 2001 |
| PT2796, PT2797, part PT2798, part PT2799, Mukim Lumut, Perak | Vacant land approved for development | 37.9600 | Proposed commercial development | Freehold | 6,754,000 | 2001 |
| Entry No.1577 Lot 712 Mukim Lumut, Perak | Planted with palm oil and approved for development | - | Proposed mixed development – commercial and residential | Freehold | 473,000 | 2001 |
| Entry No. 1380 Lot 1387 Mukim Lumut, Perak | | 4.7750 | | Freehold | | |
| HS (D) Dgs 1203/78 Lot 2740 Mukim Pengkalan Bharu, HS (D) Dgs 1204/78 Lot 2741 Mukim Pengkalan Bharu, Perak | Planted with palm oil and approved for development | 9.6040 | Taman Suria, Pantai Remis – commercial and residential | Freehold / Freehold | 1,080,000 | 2001 |
| Geran 36493, Lot 495 & Geran 36944, Lot 496, Town of Lumut, Daerah Manjung, Perak | Vacant Land and approved for development | 0.7013 | Proposed mixed development – commercial and residential | Freehold | 1,189,000 | 2001 |
| CT 17320 Lot 117 Town of Lumut, Perak | Vacant Land and approved for development | 0.8343 | Proposed mixed development – commercial and residential | Freehold | 528,000 | 2001 |

** Year of Acquisition*

## LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| EMR 379 Lot 380 Mukim Pengkalan Bharu, Perak HS (M) 24/75 Lot 3813 Mukim Pengkalan Bharu, Perak | Vacant Land and approved for development | 1.3713 | Proposed mixed development | Freehold | 316,000 | 2001 |
| HS (D) Dgs 1042/78 Lot 5493 (New lot 13100) Mukim Lumut, Perak | Planted with palm oil and approved for development | 8.6551 | Taman Layar, Kg. Acheh, Sitiawan – commercial and residential | Freehold | 2,711,000 | 2001 |
| EMR 9714 Lot 10054 Mukim Sitiawan, Perak | Planted with palm oil and approved for development | 3.0813 | Proposed mixed development – commercial and residential | Freehold | 360,500 | 2001 |
| EMR 5198 Lot 4622 Mukim Sitiawan, Perak | Planted with palm oil and approved for development | 5.0375 | Proposed mixed development – commercial and residential | Freehold | 921,000 | 2001 |
| Geran 7585 Lot 16050 Mukim Sitiawan, Perak | Planted with palm oil and approved for development | 9.4932 | Taman Sejati III, Sitiawan – commercial and residential | Freehold | 2,140,000 | 2001 |
| Geran 7419 Lot 15655 Mukim Sitiawan, Perak | Planted with palm oil and approved for development | 3.0378 | Proposed development – residential | Freehold | 1,328,000 | 2001 |
| HS(D)Dgs1673/83 PT10382 & (Lot No. 25893 25900) HS(D)Dgs 1680/83 PT10389 Mukim Sitiawan, Perak | Vacant Land | 0.0406 | Proposed mixed development – residential and commercial | 99 years (23.9.2082) | 40,000 | 2001 |
| HS(D)Dgs 830/89 PT625 Bandar Lumut, Perak | Vacant Land | 0.7500 | Proposed development – residential | 60 years (7.6.2049) | 269,000 | 2001 |
| Lot 1983, Lot 1984 (GM1246, GM1247) Mukim Lumut, Daerah Manjung, Perak | Vacant Land | 3.4199 | Agricultural land | Freehold land | 274,000 | 2004 * |
| Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut, Perak (Old Lot No. 1557 & 1932) PT2789-PT2790 | Vacant Land | 50.0042 | Proposed for clubhouse usage | Freehold | 9,045,000 | 2004 * |
| Lot 140, Town of Lumut, Perak | Vacant Land | 0.6875 | Proposed mixed development | Freehold | 160,000 | 2005 * |
| Lot 732, 733, all in Mukim of Sitiawan, Perak | Vacant Land | 0.0166 | Proposed mixed development | Freehold | 83,000 | 2005 * |
| GM 2017 Lot 263 Town of Sitiawan, Perak | Vacant Land and approved for development | 1.0000 | Proposed development – commercial | Freehold | 822,000 | 2001 |

** Year of Acquisition*

# LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| Lot 31776-31780 PT47587-47591 Mukim Sitiawan (Old Lot No. 15173-15177) Perak | Vacant Land and approved for development | 0.1977 | Proposed mixed development – commercial and residential | 99 years (5.5.2088) | 160,000 | 2001 |
| Balance Lot 4818 Mukim Lumut (PT6677, 6678, 4118-4133, 4510-4592, 4673-4778, 4840-4853, PN84692, PN84694) Perak | 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]) | 1,757,000 | 2001 |
| Geran 7270-7273 Lot 14851-14854 Mukim Sitiawan, Perak<br>Geran 7274 Lot 14855 Mukim Sitiawan (Old Lot No. 34043) (Lot 31656) Perak<br>Geran 7276 Lot 14857 Mukim Sitiawan (Old Lot No. 34045) (Lot 21658), Perak | Vacant Land and approved for development | 23.8745 | Taman Limbungan, Kg. Acheh, Sitiawan – commercial and residential | Freehold | 5,520,000 | 2001 |
| GM 375 & 376 Lot 6493 & 6494 Mukim Lumut (Old EMR No. 2424 Lot 4275), Perak | Vacant Land and approved for development | 1.1162 | Proposed development – commercial | Freehold | 694,000 | 2001 |
| EMR 9488 Lot 9187 Mukim Sitiawan, Perak | Vacant Land and approved for development | 1.4364 | Proposed mixed development – commercial and residential | Freehold | 738,000 | 2001 |
| HS (M) 1528 PT1728 Mukim Sitiawan, Perak | Vacant Land and approved for development | 1.2150 | Proposed mixed development – commercial and residential | Freehold | | |
| PT22973-PT22975, Bandar Baru, Sri Manjung, Perak<br>- Commercial Complex | Vacant Land and approved for development | 0.3810 | Commercial Land, Jalan Lumut, Sri Manjung | 99 years (25.2.2101) | 653,000 | 2001 |
| - Shops unit | | 0.0760 | | 99 years (25.2.2101) | | |
| Lot 246 Village of Pekan Gurney, Perak | Vacant Land and approved for development | 2.9000 | Taman Delima, Ayer Tawar – residential | Freehold | 306,000 | 2001 |
| Lot 4818 Mukim Lumut HS (D) Dgs 3618-3663 (Lot 10685)-Hawker Center Perak | Vacant Land and approved for development | 2.2692 | Taman Samudera, Sri Manjung – commercial and residential | 99 years (29.9.2094) | 3,116,000 | 2001 |
| Geran 18770 Lot 3335 Mukim Pengkalan Bharu Perak | Vacant Land and approved for development | 18.2026 | Taman Bintang, Pantai Remis – commercial and residential | Freehold | 2,293,000 | 2001 |
| Geran 9851 Lot 379 Town of Lumut, Perak | Vacant Land and approved for development | 1.7468 | Lumut Ria Condominium, Lumut – residential | Freehold | 2,014,000 | 2001 |
| Lot 6555 – PT 2786 Mukim of Lumut Perak | Vacant Land and approved for development | 0.6458 | Taman Desa, Manjung Point – residential | Freehold | 32,000 | 2001 |

** Year of Acquisition*

## LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| Lot 5,6,182,524,1145-1147 (Trong), Perak | Vacant Land and approved for development | 0.4421 | Taman Seri Trong Perak, Taiping – commercial | Freehold | 48,000 | 2001 |
| Lot 15541, Geran 7305, Mukim of Sitiawan, Perak | Vacant Land | 4.0395 | Proposed mixed development | Freehold | 1,256,000 | 2003 * |
| Geran 21668 Lot 6274 Mukim Beruas, Perak | Planted with palm oil and not approved for development | 75.0000 | Proposed mixed development – commercial and residential | Freehold | 2,659,000 | 2001 |
| Lot 14785-14788 (old lot 26789-26793), PT19589-PT19637 Mukim Sitiawan, Perak | Vacant Land and approved for development | 3.1350 | Proposed mixed development – commercial and residential | Freehold | 4,165,000 | 2001 |
| Lot 17768, PT4860 and Lot 17769, PT4861 & PT4862 Mukim Lumut, Perak | 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, Perak | Vacant Land and approved for development | 2.9749 | Proposed mixed development | Freehold | 1,162,000 | 2004 * |
| Lot 716, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak | Vacant Land and approved for development | 0.0231 | Proposed mixed development | Freehold | 157,000 | 2005 * |
| Lot 717, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak | Vacant Land and approved for development | 0.0214 | Proposed mixed development | Freehold | 150,000 | 2005 * |
| Lot 721, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak | Vacant Land and approved for development | 0.0148 | Proposed mixed development | Freehold | 125,000 | 2005 * |
| Lot 722, undivided 1/3 land under HSM 86/68, Mukim Sitiawan, Perak | Vacant Land and approved for development | 0.0255 | Proposed mixed development | Freehold | 88,000 | 2005 * |
| Lot 188, Mukim Lumut, Daerah Manjung, Perak | Vacant Land and approved for development | 4.5000 | Proposed mixed development | Freehold | 1,912,000 | 2005 * |
| Lot 5614 (GRN61063) and Lot 5615 (GRN61064), Mukim Batang Padang, Perak | Vacant Land approved for development | 14.7438 | Proposed mixed development | Freehold | 600,000 | 2005 * |
| Lot 448 (New lot 13707, Mukim Batu, Daerah Kuala Lumpur | Vacant land approved for development | 6.4870 | Proposed high rise condominium | Freehold | 23,000,000 | 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, Perak | Vacant land approved for development | 48.6197 | Proposed mixed development | Freehold | 23,150,000 | 2007 * |
| Lot 1612, Mukim Pengkalan Baharu , Perak | Vacant land approved for development | 2.6813 | Proposed mixed development | Freehold | 201,000 | 2008 * |
| Lot 1616, Mukim Pengkalan Baharu, Perak | Vacant land approved for development | 7.6061 | Proposed mixed development | Freehold | 1,315,000 | 2008 * |

** Year of Acquisition*

# LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| Lot 15666, Mukim Sitiawan, Perak | Vacant land approved for development | 2.3201 | Proposed mixed development | Freehold | 1,110,000 | 2008 * |
| Lot 15700, Mukim Sitiawan, Perak | Vacant land approved for development | 1.5511 | Proposed mixed development | Freehold | 815,000 | 2008 * |
| PT 11202 & PT 11388, Mukim Bentong, Pahang Darul Makmur, Pahang | Vacant land | 94.8518 | Proposed mixed development and resort development | Freehold | 16,050,000 | 2008 * |
| PT 212710, Mukim Hulu Kinta Daerah Kinta, Perak | Vacant land approved for development | 2.8039 | Proposed commercial development | Leasehold (24.7.2105) | 9,805,000 | 2008 * |
| PT 2788, Mukim Lumut, Daerah Manjung, Perak | Vacant land approved for development | 15.0000 | Proposed mixed development | Freehold | 13,069,000 | 2008 * |
| PT 357017, Mukim Hulu Kinta, Daerah Kinta, Perak | 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 | 5,430,000 | 2008 * |
| PT 6152, Mukim Pengkalan Baharu, Perak | Vacant land approved for development | 2.9208 | Proposed mixed development | Freehold | 609,000 | 2008 * |
| Lot 307443-Lot 307541, Mukim Kampar, Daerah Kampar, Perak | Vacant land approved for development | 3.4590 | Proposed mixed development | Leasehold (10.2.2013) | 1,500,000 | 2009 * |
| Lot 180 (PT 22972), Bandar Baru, Seri Manjung, Mukim Sitiawan, Daerah Manjung, Perak | Vacant land approved for development | 5.1200 | Proposed commercial development | Leasehold (15.6.2099) | 3,178,000 | 2010 * |
| PT6151, Mukim Pengkalan Baru, Perak | Vacant land approved for development | 3.1604 | Proposed mixed development | Freehold | 942,000 | 2011 * |
| Lot 2497-2499, Mukim Kuala Lumpur, Daerah Kuala Lumpur | Vacant land | 2.3937 | Proposed mixed development | Freehold | 32,500,000 | 2011 * |
| Kampar land (combine), Perak | Vacant land | 29.2243 | Proposed mixed development | Freehold | 8,400,000 | 2009 * |
| Lot 40931, Mukim Sitiawan, Perak | Vacant land | 1.4600 | Proposed mixed development | Freehold | 500,000 | 2011 * |
| Lot 12819, Mukim Sitiawan, Perak | Vacant land | 3.8000 | Proposed mixed development | Freehold | 83,000 | 2011 * |
| Lot 1440, Mukim Pengkalan Baharu, Perak | Vacant land | 1.1544 | Proposed mixed development | Freehold | 59,000 | 2011 * |
| Lot 386, Mukim Pengkalan Baharu, Perak | Vacant land | 2.3750 | Proposed mixed development | Freehold | 1,000 | 2011 * |
| Lot 412, Mukim Pengkalan Baharu, Perak | Vacant land | 2.0000 | Proposed mixed development | Freehold | 1,000 | 2011 * |

** Year of Acquisition*

# LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| Lot 441, Mukim Pengkalan Baharu, Perak | Vacant land | 0.9694 | Proposed mixed development | Freehold | 32,000 | 2011 * |
| Lot 6278, Mukim Lumut, Perak | Vacant land | 2.8046 | Proposed mixed development | Freehold | 212,000 | 2011 * |
| PT10860 (Lot 16001), Mukim Lumut, Perak | Vacant land | 6.2440 | Proposed mixed development | Freehold | 5,168,000 | 2011 * |
| Lot 6555 - PT2842 Mukim of Lumut, Perak | Vacant land | 12.5317 | Residential development | Freehold | 2,688,000 | 2001 * |
| HSD DGS 16751, PT 9040 & PT 9041, Mukim Lumut, Daerah Manjung, Perak | Joint development properties | 40.0000 | Proposed mixed development | Freehold | 115,000 | 2010 * |
| Lot PT 6676, 9445 and Lot 9240 to Lot 9248, Mukim of Lumut, Perak | 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 | 221,000 | 2004 * |
| Lot 4818 (PT4511-4571) Cosmos portion & 16 house, Mukim Lumut, Perak | Development properties | 1.1937 | Proposed development - commercial (Taman Samudera) | Leasehold (19.5.2091) | 1,171,000 | 2001 |
| Lot 4818 - Balance of Phase 9 (Shop unit) Mukim Lumut (PT6398-PT6411, PT6412-PT6421), Perak | Development properties | 0.8434 | Proposed development - commercial (Taman Samudera) | 99 years (19.5.2091) | 183,000 | 2001 |
| Lot 966 EMR 1237, Mukim Sitiawan, Perak | Development properties | 0.8900 | Taman Mutiara - residential | Freehold | 199,000 | 2001 |
| Geran 7444, Lot 15680, Mukim Sitiawan (Balance of land), Perak | Development properties | 0.6771 | Taman Aman Muhibbah III, Sitiawan, residential | Freehold | 200,000 | 2001 |
| Lot 4818 (Balance of commercial) (Plot 1, 22 dsth, and balance of land), Perak | Development properties | 0.9100 | Taman Samudera, residential | Leasehold (19.5.2091) | 72,000 | 2003 * |
| PT 2812-2814 Sri Manjung, Perak | Development properties | 0.3856 | Pusat Perniagaan Manjung Point 1 | Freehold | 152,000 | 2001 |
| Lot 4818 (behind office land - 24 shops land) | Development properties | | Proposed development of commercial units | | 141,000 | 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) | 648,000 | 2001 |
| Lot 4818 (behind office land - LVSB car park & vacant land, PT10411), Perak | Development properties | | Proposed development of commercial units (Taman Samudera) | | 119,300 | 2001 |
| CT 21241 Lot 10466 Mukim Sitiawan, Perak | Development properties | 0.0730 | Commercial development Medan Sejahtera | Freehold | 60,000 | 2002 * |
| HSD 15538, PT5018, Bandar Teluk Intan, Perak | Development properties | 0.1289 | Commercial development Bandar Baru Teluk Intan | Leasehold (24.09.2100) | 327,000 | 2003 * |
| Lot 44, Mukim of Sitiawan Perak | Development properties | 0.3650 | Commercial development - Medan Setiawan | Freehold | 1,394,000 | 2005 * |

** Year of Acquisition*

# LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| EMR 523 Lot 600 Mukim Pengkalan Bharu, Perak | Development properties | 0.1547 | Taman Bahtera – commercial and residential | Freehold | 46,400 | 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, Perak | Development properties | 8.5744 | Proposed mixed development – commercial and residential | Freehold | 970,000 | 1999 |
| Geran 7582 Lot 16047 Mukim Sitiawan, Perak | Development properties | 1.4839 | Taman Sejati IV, Sitiawan – commercial and residential | Freehold | 271,000 | 2001 |
| CT 21662 Lot 11430 (New Lot 5942) Mukim Sitiawan, Perak | Development properties | 0.1075 | Proposed mixed development – commercial and residential | Freehold | 100,800 | 2001 |
| Lot 26805 part of Geran 7255 Lot 14836 Mukim Sitiawan, Perak | Development properties | 1.4316 | Taman Pelabuhan, Kg Acheh, Sitiawan – commercial and residential | Freehold | 257,000 | 2001 |
| Lot 4818-Tangki 14 house land - PT 10353-10361, 10288-10292, Perak | Development properties | 0.4400 | Residential development (Taman Samudera) | Leasehold (19.5.2091) | 12,000 | 2010* |
| PT 27986 part, PT 2799 (part), Mukim of Lumut Daerah Manjung, Perak | Development properties | 12.6000 | Manjung Point Seksyen 5 | Freehold | 2,176,000 | 2001 |
| Plot 1105-1110, Trong Perak | Development properties | 1.0866 | Proposed development – residential | Freehold | 1,000 | 2001 |
| Lot 1883 & Lot 1884, Mukim Batu, Kuala Lumpur | Development properties | 6.0000 | Commercial development Proposed Kiara 163 | Freehold | 121,765,000 | 2008 * |
| PT 2783 - PT 2784 Mukim of Lumut, Perak | Development properties | 16.5300 | Residential development | Freehold | 2,915,000 | 2001 |
| Geran 7256 Lot 14837 Mukim Sitiawan, Perak | Development properties | 4.9424 | Residential development | Freehold | 343,000 | 2001 |
| Lot 12802, Geran 1933, Mukim Sitiawan, Daerah Manjung, Perak | Development properties | 4.8625 | Residential development Taman Seri Melor | Freehold | 223,000 | 2008 * |
| PT28260, Lot 16059 Mukim Sitiawan, Daerah Manjung, Perak | Development properties | 0.0440 | Residential development | Freehold | 1,000 | 2001 |
| Lot 413, Mukim Pengkalan Baharu, Daerah Manjung, Perak | Development properties | 1.1374 | Residential development | Freehold | 684,000 | 2008 * |
| PT 6, Mukim Kuala Lumpur | Development properties | 1.7447 | Fraser Residence Kuala Lumpur | Leasehold (21.03.2078) | 35,224,000 | 2010 * |

** Year of Acquisition*

# LIST OF PROPERTIES (cont'd)

| Location | Description Property | Remaining Land Area @ 31.12.11 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ @ 31.12.11 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|---|---|---|---|---|
| PT 2818, PT2819, PT2803, PT 2804 & PT 2805 (Phase l, ll & lll), Mukim Lumut, Daerah Manjung, Perak | Development properties | 43.0662 | Pusat Perniagaan Manjung Point Seksyen 3 | Freehold | 7,186,000 | 2001 |
| AEON Shopping Center, Mukim Lumut, Daerah Manjung, Perak | Development properties | 31.2402 | AEON Seri Manjung Shopping Center | Freehold | 23,850,000 | 2001 |
| Lot 6509, Mukim Sitiawan, Perak | Development properties | 7.7640 | Proposed mixed development | Freehold | 3,013,000 | 2007 * |
| Lot 15661, Mukim Sitiawan, Perak | Development properties | 3.1087 | Proposed mixed development | Freehold | 40,000 | 2006 * |
| Lot 4947, Mukim Lumut, Perak | Development properties | 4.5499 | Commercial development Taman Permata | Freehold | 503,000 | 2008 * |
| **INVESTMENT PROPERTIES** | | | | | | |
| PT 6706-6724, Daerah Manjung (Fasa 2B), Perak | Shophouses | 0.7019 | Investment property - shophouses | Leasehold land | 2,931,000 | 2010 * |
| Lot 1077, Geran 11310, Section 57, Kuala Lumpur | Vacant Land | 3.0033 | Investment property - Proposed Menara YNH | Freehold | 78,880,000 | 2004 |
| PT 2838, Mukim Lumut, Perak | Vacant Land | 5.0000 | Investment property - Proposed Hotel & petrol station | Freehold | 910,000 | 2001 |
| Plot 276, Pusat Perniagaan Manjung Point Seksyen 1, Seri Manjung, Perak | Multi purpose sports complex | 2.2538 | Investment property - Multi purpose sports complex | Freehold | 2,404,000 | 2001 |
| Lot 10466 Stall & Futsal, Medan Sejahtera ll, Mukim Sitiawan, Perak | Futsal and Foodcourt | 1.0330 | Investment property - Food Stall & Futsal | Freehold | 1,852,000 | 2011 * |
| **GRAND TOTAL** | | 1,154.8791 | | | 601,833,000 | |

** Year of Acquisition*

# STATEMENT OF SHAREHOLDINGS as at 18 May 2012

| | | |
|---|---|---|
| Authorised Capital | : | RM500,000,000.00 |
| Issued and Fully Paid-up Capital | : | RM411,484,151 (Excluding 366,978 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 | 5,529 | 54.03 | 216,904 | 0.05 |
| 100 – 1,000 | 2,563 | 25.05 | 688,899 | 0.17 |
| 1,001 – 10,000 | 1,480 | 14.46 | 4,681,709 | 1.14 |
| 10,001 – 100,000 | 460 | 4.50 | 13,053,229 | 3.17 |
| 100,001 – 20,574,206 (*) | 199 | 1.94 | 343,525,488 | 83.48 |
| 20,574,207 and above (**) | 2 | 0.02 | 49,317,922 | 11.99 |
| TOTAL | 10,233 | 100.00 | 411,484,151 | 100.00 |

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

## SUBSTANTIAL SHAREHOLDERS AS AT 18 MAY 2012

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 | 71,421,135 | 17.36 | 61,668,029 | 14.99 | 133,089,164 | 32.35 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | 47,781,277 | 11.61 | 85,173,340 | 20.70 | 132,954,617 | 32.31 |
| Lembaga Tabung Haji | 25,862,835 | 6.29 | - | - | 25,862,835 | 6.29 |
| Aberdeen Asset Management PLC and its subsidiaries | - | - | 50,862,224 | 12.36 | 50,862,224 | 12.36 |
| Mitsubishi UFJ Financial Group, Inc. | - | - | 50,862,224 | 12.36 | 50,862,224 | 12.36 |
| Aberdeen Asset Management Asia Limited | - | - | 34,960,712 | 8.50 | 34,960,712 | 8.50 |
| Aberdeen International Fund Managers Limited | - | - | 23,455,087 | 5.70 | 23,455,087 | 5.70 |

# STATEMENT OF SHAREHOLDINGS as at 18 May 2012
(cont'd)

## DIRECTORS' INTEREST AS AT 18 MAY 2012

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 | 71,421,135 | 17.36 | 61,668,029 | 14.99 | 133,089,164 | 32.35 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | 47,781,277 | 11.61 | 85,173,340 | 20.70 | 132,954,617 | 32.31 |
| Dato' Robert Lim @ Lim Git Hooi, DPMP, JP | 461,108 | 0.11 | - | - | 461,108 | 0.11 |
| Ching Nye Mi @ Chieng Ngie Chay | 1,430,673 | 0.35 | 550,024 | 0.13 | 1,980,697 | 0.48 |
| 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 | 320,000 | 0.80 | 480,000 | 1.21 |
| 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 2012
(cont'd)

### THIRTY LARGEST REGISTERED HOLDERS AS AT 18 MAY 2012

| Name of Holder | | Holdings | % |
|---|---|---|---|
| 1. | Lembaga Tabung Haji | 25,862,835 | 6.29 |
| 2. | HSBC Nominees (Asing) Sdn Bhd<br>BNP Paribas Secs SVS LUX for Aberdeen Global | 23,455,087 | 5.70 |
| 3. | Yu Kuan Huat | 19,099,288 | 4.64 |
| 4. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Exempt AN for American International Assurance Berhad | 16,550,341 | 4.02 |
| 5. | Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon | 16,463,074 | 4.00 |
| 6. | AIBB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon | 15,658,218 | 3.81 |
| 7. | ECML Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Yu Kuan Chon (001) | 12,401,333 | 3.01 |
| 8. | Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ho Swee Ming | 11,984,216 | 2.91 |
| 9. | ECM Libra Investment Bank Berhad<br>IVT003 for ECM Libra Investment Bank Berhad (Account 3) | 11,329,103 | 2.75 |
| 10. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board | 10,358,598 | 2.52 |
| 11. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Kumpulan Wang Persaraan (Diperbadankan) (Libra) | 9,224,891 | 2.24 |
| 12. | OSK Nominees (Tempatan) Sdn Berhad<br>Pledged Securities Account for Yu Kuan Huat | 9,097,977 | 2.21 |
| 13. | Citigroup Nominees (Tempatan) Sdn Bhd<br>ING Insurance Berhad (INV-IL PAR) | 8,292,172 | 2.02 |
| 14. | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (8076930) | 8,239,347 | 2.00 |
| 15. | Amanahraya Trustees Berhad<br>Amanah Saham Wawasan 2020 | 7,542,149 | 1.83 |
| 16. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen) | 7,135,917 | 1.73 |
| 17. | HSBC Nominees (Asing) Sdn Bhd<br>BNP Paribas Secs SVS Paris for Aberdeen Asian Smaller Companies Investment Trust PLC | 7,000,542 | 1.70 |
| 18. | Mayban Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Huat | 6,919,354 | 1.68 |
| 19. | Ling Mooi Hung | 5,647,015 | 1.37 |
| 20. | Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (Aberdeen) | 5,348,566 | 1.30 |
| 21. | Citigroup Nominees (Asing) Sdn Bhd<br>CBNY for Dimensional Emerging Markets Value Fund | 5,060,459 | 1.23 |
| 22. | Mayban Securities Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Huat (DLR 01C-Margin) | 4,757,720 | 1.16 |
| 23. | HLB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Huat | 4,550,000 | 1.11 |
| 24. | Teh Nai Sim | 4,504,266 | 1.09 |
| 25. | MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (MGN-YKC0008M) | 4,465,155 | 1.09 |
| 26. | AMSEC Nominees (Tempatan) Sdn Bhd<br>Pledged Securites Account for Yu Kuan Chon | 4,186,684 | 1.02 |
| 27. | ECML Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Yu Kuan Chon (001) | 3,674,455 | 0.89 |
| 28. | HSBC Nominees (Asing) Sdn Bhd<br>Exempt AN for BNP Paribas Securities Services (Singapore - SGD) | 3,605,083 | 0.88 |
| 29. | RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securites Account for Yu Kuan Chon (CEB) | 3,456,203 | 0.84 |
| 30. | EB Nominees (Tempatan) Sendirian Berhad<br>Pledged Securities Account for Yu Kuan Huat (STW-SFC) | 3,416,938 | 0.83 |
| | TOTAL | 279,286,986 | 67.87 |

## 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 Tenth Annual General Meeting of the Company to be held on Friday, 29 June 2012 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 Directors:<br>Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS<br>Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | | |
| 4. The re-appointment of Director:<br>Dato' Robert Lim @ Lim Git Hooi, DPMP, JP | | |
| 5. The appointment of Auditors and their remuneration | | |
| **Special Business**<br>6. Ordinary Resolution No. 1 -<br>Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965 | | |
| 7. Oridinary Resolution No. 2 -<br>Proposed Renewal of Share Buy Back Authority | | |
| 8. Oridinary Resolution No. 3 -<br>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.

Depositors who appear in the Record of Depositors as at 25 June 2012 shall be regarded as Member of the Company entitled to attend the Tenth Annual General Meeting or appoint one or two proxies to attend and vote on his behalf.

+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

80 Sen Stamp
(within Malaysia)

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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Website: www.ynhb.com.my