



YNH PROPERTY BHD

(561986-V)

(Incorporated in Malaysia)

Interim Financial Statements

31 March 2011

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 31 March 2011

	Note	As at 31.03.2011 RM	As at 31.12.2010 RM
NON-CURRENT ASSETS			
Property, plant and equipment	8	74,403,022	74,867,887
Deferred tax assets		14,128,562	14,091,809
Investment properties		2,369,724	1,923,509
Goodwill on consolidation		17,621,512	17,621,512
Land held for future development		265,321,804	278,924,420
		<u>373,844,624</u>	<u>387,429,137</u>
CURRENT ASSETS			
Development property		326,946,383	332,849,604
Inventories		54,521,469	56,992,037
Trade and other receivables	9	283,946,648	286,165,805
Other current assets		13,859,056	12,352,676
Income tax recoverable		18,889,976	23,836,408
Term deposits and fixed income trust fund		497,970	28,492,371
Cash and bank balances		11,628,736	12,771,750
		<u>710,290,238</u>	<u>753,460,651</u>
TOTAL ASSETS		<u>1,084,134,862</u>	<u>1,140,889,788</u>

Condensed Consolidated Statement of Financial Position as at 31 March 2011 (Contd.)

	Note	As at 31.03.2011 RM	As at 31.12.2010 RM
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		407,960,129	405,748,129
Share premium account		33,014,881	32,174,321
Treasury shares		(721,815)	(719,722)
Share option reserve		6,289,341	5,434,973
Reserves		328,704,134	312,924,938
Total equity		<u>775,246,670</u>	<u>755,562,639</u>
Non-Current Liabilities			
Deferred tax liabilities		47,920,016	47,883,264
Loan and borrowings	21	<u>1,240,927</u>	<u>2,796,837</u>
		<u>49,160,943</u>	<u>50,680,101</u>
CURRENT LIABILITIES			
Trade and other payables		42,393,735	64,676,604
Other current liabilities	23	21,095,634	57,762,194
Provision for rectification works	24	4,186,810	6,534,552
Loan and borrowings	21	189,860,161	198,617,592
Income tax payable		2,190,909	7,056,106
		<u>259,727,249</u>	<u>334,647,048</u>
TOTAL LIABILITIES		<u>308,888,192</u>	<u>385,327,149</u>
TOTAL EQUITY AND LIABILITIES		<u>1,084,134,862</u>	<u>1,140,889,788</u>
		-	-
NTA per share (RM)		<u>1.86</u>	<u>1.82</u>
Net asset per share (RM)		<u>1.90</u>	<u>1.86</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
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Condensed Consolidated Statement of Comprehensive Income
For the Three Months Period Ended 31 March 2011

	Note	3 months ended		3 months ended	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
		RM	RM	RM	RM
Revenue		55,260,818	93,806,738	55,260,818	93,806,738
Cost of sales		(21,956,209)	(64,249,773)	(21,956,209)	(64,249,773)
Gross profit		33,304,609	29,556,965	33,304,609	29,556,965
Other operating income		1,040,379	544,721	1,040,379	544,721
Administrative and general expenses		(10,115,102)	(6,357,812)	(10,115,102)	(6,357,812)
Profit from operations		24,229,886	23,743,874	24,229,886	23,743,874
Finance costs	18	(2,798,666)	(3,186,343)	(2,798,666)	(3,186,343)
Profit before taxation	18	21,431,220	20,557,531	21,431,220	20,557,531
Income tax expense	19	(5,652,024)	(5,800,617)	(5,652,024)	(5,800,617)
Total comprehensive income for the period		15,779,196	14,756,914	15,779,196	14,756,914
Earnings per share (sen)					
Basic	27 (a)	3.88	3.70	3.88	3.70
Diluted	27 (b)	3.79	3.65	3.79	3.65

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Statement of Changes in Equity
For the Three Months Period Ended 31 March 2011**

Attributable to Equity Holders of the Company							
	Non-distributable			Distributable		Total RM	
	Share capital RM	Share Option Reserve RM	Share Premium RM	Capital Reserve RM	Treasury Shares RM		Retained profits RM
As at 1 January 2010	403,232,129		40,009,810	26,578,054	(9,507,906)	252,157,828	712,469,915
Purchase of treasury shares	-	-	-	-	(1,652)	-	(1,652)
Share option granted under ESOS	-	298,800	-	-	-	-	298,800
Profit for the period	-	-	-	-	-	14,756,915	14,756,915
As at 31 March 2010	403,232,129	298,800	40,009,810	26,578,054	(9,509,558)	266,914,743	727,523,978
As at 1st January 2011	405,748,129	5,434,973	32,174,321	26,578,054	(719,722)	286,346,884	755,562,639
Transactions with owners							
Issue of ordinary shares under ESOS	2,212,000	840,560					3,052,560
Share option granted under ESOS		854,368					854,368
Purchase of treasury shares					(2,093)		(2,093)
Total comprehensive income for the period						15,779,196	15,779,196
As at 31 March 2011	407,960,129	7,129,901	32,174,321	26,578,054	(721,815)	302,126,080	775,246,670

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.

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Condensed Consolidated Statement of Cash Flow
For the Three Months Period Ended 31 March 2011

	3 months ended 31.03.2011 RM	3 months ended 31.03.2010 RM
Profit before taxation	<u>21,431,220</u>	<u>20,557,531</u>
Net cash (used in)/generated from operating activities	(21,893,190)	(6,600,732)
Net cash used in investing activities	(2,724)	2,938,362
Net cash used in financing activities	<u>(2,458,551)</u>	<u>(6,705,445)</u>
Net decrease in cash and cash equivalents	(24,354,465)	(10,367,815)
Cash and cash equivalents at beginning of financial period	(22,469,734)	(22,726,703)
Cash and cash equivalents at end of financial period	<u>(46,824,199)</u>	<u>(33,094,518)</u>

Cash and cash equivalents at end of financial period comprise the following:

Fixed deposits	497,970	473,039
Less: pledged fixed deposits	(497,970)	(457,542)
	-	15,497
* Cash and bank balances	11,628,736	19,181,266
Bank overdraft (included within short term borrowing in Note 21)	<u>(58,452,935)</u>	<u>(52,291,281)</u>
	<u>(46,824,199)</u>	<u>(33,094,518)</u>

* Included in cash at banks of the Group are amounts of RM 9,326,300.38 held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2011

1. BASIS OF PREPARATION

The quarterly condensed financial report has been prepared in accordance with:

- (i) The requirement of the Financial Reporting Standards ("FRS") Standard 134: Interim Financial Reporting; and
- (ii) Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad

and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the quarterly condensed financial report. These explanatory notes attached to the quarterly condensed financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

The significant accounting policies adopted for the quarterly condensed financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2010.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not materially affected by seasonal or cyclical factors.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2011.

5. CHANGES IN ESTIMATES

The Group has not submitted any financial forecast or projections to any authority during the current quarter and prior financial year ended 31 December 2010.

There were no changes in estimates that have had a material effect in the current quarter results.

6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 March 2011 and the date of this interim report except the followings:

(a) Employee Share Option Scheme ("ESOS")

During the financial period ended 31 March 2011, the Company issued 2,212,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at exercise prices of RM1.38 per ordinary share.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2011

6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES (Contd.)

(b) Treasury Shares

During the financial period ended 31 March 2011, the Company has repurchased 1,000 of its issued ordinary shares from the open market at an average price of RM 2.09 per share. The total consideration paid for the repurchase including transaction costs was RM2,093 and this was financed by internally generated funds. Total treasury shares repurchased as at 31 March 2011 is 364,978 ordinary shares of RM 1 each, representing a cumulative 1.2 % of the total paid up share capital of the company as at 31 march 2011. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. No further transaction on repurchase of the Company's share were made subsequent to the quarter ended 31

(c) Capital Management

The Group's objectives of managing capital are to safeguard the group's ability to continue in operation as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For capital management purposes, the Group consider shareholders' equity to be the key component in the Group's capital structure. The Group monitors capital base on gearing ratio. The ratio is calculated on total borrowings to total capital and net debts. The Group's strategy is to maintain a gearing ratio of 20%-40%. The gearing ratio as at 31 March 2011, which are within the Group's objectives for capital management, are as follows:

	31.03.2011	31.12.2010
	RM	RM
Total borrowing	191,101,088	201,414,429
Trade and other payables	63,489,369	64,676,604
Less: Term deposits	(497,970)	(28,492,371)
Less: cash and bank balances	(11,628,736)	(12,771,750)
Net debts	<u>242,463,751</u>	<u>224,826,912</u>
Equity attributable to the owners of parents	<u>775,246,670</u>	<u>755,562,639</u>
Capital and net debts	<u>1,017,710,421</u>	<u>980,389,551</u>
Gearing ratio	<u>24%</u>	<u>23%</u>

The details of the issuance and repayment of debts and equity instrument in the current quarter ended 31 March 2011 are as follows:

	31.03.2011
	RM
Issue of ESOS	3,052,560
Repayment of revolving credit	(3,960,916)
Drawdown of revolving credit	-
Repayment of term loan	(1,555,910)
Dividend payment	-

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7. DIVIDENDS PAID

No dividend was paid out during the financial period ended 31 March 2011.

8. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

9. TRADE AND OTHER RECEIVABLES

	As at 31.03.2011	As at 31.12.2010
	RM	RM
Trade receivables	62,257,212	61,926,309
Other receivables	221,689,436	224,239,496
	<u>283,946,648</u>	<u>286,165,805</u>

The ageing analysis for the trade receivables are as follows:

	As at 31.03.2011	As at 31.12.2010
	RM	RM
Nither past due nor impaired	18,084,408	18,330,653
1-30 days	18,607,438	17,873,682
31-60 days	5,400,700	4,922,902
61-90 days	5,268,455	6,276,109
91-120 days	3,255,781	1,397,207
121-150 days	3,150,065	541,651
>150 days	8,025,355	12,119,095
	43,707,794	43,130,646
Impaired	465,010	465,010
	<u>62,257,212</u>	<u>61,926,309</u>

The management is of the opinion that no further provision for doubtful debts is required for those trade receivables which are more than 150 days as most of the receivables are government loan debtors.

Included in other receivables and deposits are security deposits for various joint venture projects amounting to RM208,963,483.

10. SUBSEQUENT EVENTS

There is no material subsequent event from the end of the current quarter to the date of the interim financial statement.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2011

11. CHANGES IN COMPOSITION OF THE GROUP

There is no change in the composition of the Group for the period ended 31 March 2011 and the date of this interim financial report.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company wholly-owned subsidiary Kar Sin Berhad ("KSB"), have on 21 January 2010, been served with a writ of summons and statement of claim by the Inland Revenue Board ("IRB") for back taxes for the years of assessment 1998 and 1999 amounting to RM1.059 million and RM3.336 million respectively. The IRB are further seeking penalties amounting RM150,164 and RM517,112 for late payment of the above said taxes.

KSB has entered its appearance vide its solicitors, Messrs Raja, Darryl & Loh, to contest the abovesaid claims. In this connection, KSB has previously appealed against the income tax assessments raised for the years of assessment 1998 and 1999 and the Special Commissioners of IRB have set 3 and 4 November 2010 as the hearing dates. Tentative outcome of the hearing is in the middle of June 2011.

YNH Construction Sdn Bhd ("YNHC"), a wholly-owned subsidiary of the Company, have on 25 January 2010, been served with a writ of summons and statement of claim by the Inland Revenue Board ("IRB") for back taxes for the year of assessment 1999 amounting to RM998,678.38. The IRB are further seeking penalties amounting to RM154,795.14 for late payment of the above said taxes.

YNHC has entered its appearance vide its solicitors, Messrs Raja, Darryl & Loh, to contest the above said claims. In this connection, YNHC has previously appealed against the income tax assessment raised for the year of assessment 1999 and the Special Commissioners of IRB have set 1 and 2 November 2010 as the hearing dates. Tentative outcome of the hearing is in the middle of June 2011.

13. CAPITAL COMMITMENTS

There was no capital commitment for the interim financial statement ended 31 March 2011 and as at the date of this report except the following:

Contracted but not provided for	RM <u>11,158,294</u>
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14. PERFORMANCE REVIEW

The Group's cumulative turnover for the current financial period ended 31 March 2011 has reached RM55,260,818 (year 2010-RM93,806,738) and cumulative profit before taxation is reported at RM21,431,200 (year 2010-RM20,557,531). The Group's profit before taxation had increased by a marginal RM873,689 as compared to previous year corresponding financial period. The Group's performance for this quarter mainly derived from the recognition of progressive sales of its inventories in Ceriaan Kiaran (Mont Kiara, Kuala Lumpur), sales of its development properties in Taman Manjung Baru (Seri Manjung), Taman Sejati II, Taman Permata and commercial properties at Manjung Point Seksyen 5.

15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off balance sheet financial instruments as at the date of this report.

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16. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group recorded a profit before taxation of RM 21,431,220 for the three months period, compared to RM20,557,531 in the preceding financial period ended 31 March 2010. As such, there is no material change in profit before taxation.

17. COMMENTARY ON PROSPECTS

The global economic climate remains challenging after almost 3 years from the 2008 global financial crisis. Notwithstanding the challenging environment, the Company had been achieving strong demand for its projects such as Manjung Point Seksyen 5, Taman Seri Melor, Taman Sejati III and Taman Pantai Remis in Seri Manjung as well as the balance units in Ceriaan Kiara in Mont Kiara KL. Sales from both the township projects in Manjung and also Klang Valley will continue to contribute to the Group's income.

Taking into consideration of the existing contribution from existing projects, the Board is optimistic of the Group's prospect for the subsequent financial period, of course, subject always to change in the economic conditions.

The Board is further encouraged that another project in the Company's pipeline is Fraser Residence in Kuala Lumpur city centre. The Company intends to develop a two block of service apartment of 446 units with elevated car park podium, facilities and F&B shops at ground floor and one level of lower ground car park on the said development. This prime mixed development is located off Jalan Sultan Ismail and also Jalan Ampang, Kuala Lumpur. The Fraser Residence KL development has a Gross Development Value (GDV) of approximately RM 650 million and is expected to contribute positively to the Group's earnings for the next 3 years. Construction of basement and piling is currently in progress.

This Fraser Residence KL project will follow the same concept of Fraser Place KL, our first successful partnership that YNH Property Bhd had forged with Frasers Hospitality Pte Ltd (the hospitality arm of the Fraser & Neave group of companies). Fraser Residence KL will be a fully furnished development managed by Fraser & Neave group.

Furthermore, the Board is also optimistic of our Kiara 163 mixed development project held under D'Kiara Place Sdn Bhd ("DKP"), a wholly owned subsidiary company of YNH Property Bhd. DKP is the registered and beneficial owner of the 6 acres freehold development property located in Mont' Kiara, Kuala Lumpur, besides McDonald outlet at Plaza Mont' Kiara and opposite One Mont' Kiara. The approved development order is for the proposed commercial development comprising of:

- i) 2 Blocks of 42 storey of Service Apartment (584 units) with facilities and multi-storey car park,
- ii) 1 Office Tower,
- iii) 1 shopping mall and basement car park.

The Kiara 163 project had a total GDV of approximately RM1.0 billion with 60% of the GDV comprising of service apartments which are planned to be sold fully furnished and also managed by a reputable manager, with a similar concept like Fraser Place KL. The retail shopping mall will also be one of the main attraction of the development where residents/ tenants have seamless live, work and play lifestyle.

The Company had secured unbilled sales of approximately RM200 million for the commercial portion of Kiara 163 development. This Kiara 163 project is expected to contribute positively to YNH group's earnings in the next 5 years due to the prime location and good product mix. This project is slated to begin after the launch of Fraser Residence Kuala Lumpur.

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17. COMMENTARY ON PROSPECTS (Contd.)

Another prestigious project planned for the immediate future by YNH group is the Menara YNH development, whereby, the project is located on one of the most exclusive addresses in Kuala Lumpur city centre, the Jalan Sultan Ismail, which is located in the Golden Triangle area where most prestigious 5 star hotels and upmarket office spaces are located. The commercial development sits on a 130,826 sq ft (approximately 3 acres) of land with a wide frontage of 320 feet along Jalan Sultan Ismail. The location of Menara YNH also offers easy accessibility and close proximity to efficient public transport facilities such as the Putra Light Rail Transport and the K.L Monorail station. It is also located within walking distance to all major hotels and shopping centres. This Menara YNH has a GDV of approximately RM2.1 billion. Approved development order had already been obtained for this development, comprising office tower and shopping mall.

The Group has intention to keep 50% of the Menara YNH referred above as investment property and it will be used as the Group's future corporate headquarter.

The Group has also entered into a series of joint venture projects for the development of a few pieces of land strategically located near Mont' Kiara, Hartamas, Kuala Lumpur city centre, Ipoh city and Seri Manjung town. These developments are at planning stage and have an estimated gross development value of RM 1.8 billion and are expected to contribute to the Group's earnings for the next 15 to 20 years.

In addition, 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 twenty to thirty years.

The Company had also in the 4th quarter of 2008 acquired 95 acres of strategic development landbank in Genting Highlands. The Genting landbank is located strategically next to the Genting Highland Resort and was acquired for RM16.05 million. The advantage of this landbank is that the purchase consideration is very low and it comes with infrastructure. The land has already been converted to building title. The proximity to the existing Genting Highland Resort is an advantage as the proposed development will complement the existing infrastructure. Other plus point for this development is that it is located in a cool environment and yet is 45 minutes from the KL city centre as the existing highway is already completed from the KL city centre to the existing resort.

The proposed development for this 95 acres landbank comprises commercial, bungalows, condominium, retail and etc for both local and foreign investors. The estimated gross development value for this future development is RM1.96 billion and expected to contribute to the Group's earnings in the next 20 years.

18. PROFIT BEFORE TAXATION

This is arrived at after charging:

	3 months ended
	31.03.2011
	RM
Short term revolving interest	1,391,109
Overdraft interest	<u>1,407,557</u>
and crediting:	
Interest income	<u>36,244</u>

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19. INCOME TAX EXPENSE

	3 months ended 31.03.2011	3 months ended 31.03.2010	3 months ended 31.03.2011	3 months ended 31.03.2010
	RM	RM	RM	RM
Tax expense for the period:				
Malaysian income tax	(5,278,500)	(3,940,000)	(5,278,500)	(3,940,000)
Deferred tax liabilities	(373,524)	(1,860,617)	(373,524)	(1,860,617)
	<u>(5,652,024)</u>	<u>(5,800,617)</u>	<u>(5,652,024)</u>	<u>(5,800,617)</u>

Included in taxation recoverable of the Group are amount recoverable from provision of additional tax assessments and tax penalties amounting to RM 2,495,777 and RM 3,336,207 for Years of Assessment 1998 and 1999 respectively arising from tax investigations of Kar Sin Bhd and YNH Construction Sdn Bhd. The Company, in consultation with their lawyers, is of the opinion that the additional tax provisions should be discharged in full.

20. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and no other sales of properties for the quarter ended 31 March 2011 except for the sales of development properties in the ordinary course of business.

21. LOAN AND BORROWINGS

	As at 31.03.2011	As at 31.12.2010
	RM	RM
Short term borrowing:		
Secured	189,860,161	198,617,592
Long term borrowing:		
Secured	1,240,927	2,796,837
	<u>191,101,088</u>	<u>201,414,429</u>

All of the above borrowings are denominated in Ringgit Malaysia. Included in short term borrowing is RM 58,452,935 (2010-RM 63,257,259) bank overdraft.

22. PROFIT FORECAST

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

23. OTHER CURRENT LIABILITIES

Included in other payables is an amount of RM 21,095,634 (2010-RM 50,610,119) being accrued billing take up in the account.

24. PROVISION FOR RECTIFICATION

	As at 31.03.2011	As at 31.12.2010
	RM	RM
Opening	6,534,552	7,381,626
Provision during the period/year	-	2,772,212
Utilisation during the period/year	(2,347,742)	(3,619,286)
Closing	<u>4,186,810</u>	<u>6,534,552</u>

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25. CHANGES IN MATERIAL LITIGATION

As at the date of this report, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of YNH Property Bhd and its subsidiaries.

26. DIVIDEND PAYABLE

The Board has recommended a final single tier dividend of 3% in respect of the financial year ended 31 December 2010, (2009-Nil) on 407,960,129 ordinary shares, amounting to a dividend payable of RM 12,172,444 which will be proposed for shareholders' approval. The actual amount of dividend payable will depend on the issued share capital of the entitlement date. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2011.

27. EARNING PER SHARE

(a) **Basic**

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

	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM	RM	RM	RM
Net profit for the period	15,779,196	14,756,914	15,779,196	14,756,914
Weighted average number of ordinary shares in issue	406,449,918	398,427,074	406,449,918	398,427,074
Basic earnings per share (sen)	3.88	3.70	3.88	3.70

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27. EARNING PER SHARE (Contd.)

(b) **Diluted**

For the purpose of calculating diluted earning per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effect of dilutive potential ordinary shares from the exercise of share options granted to employees ("ESOS").

	3 months ended 31.03.2011 RM	3 months ended 31.03.2010 RM	3 months ended 31.03.2011 RM	3 months ended 31.03.2010 RM
Adjusted net profit for the period	15,779,196	14,756,914	15,779,196	14,756,914
Weighted average number of ordinary shares in issue	406,449,918	398,427,074	406,449,918	398,427,074
Adjustment for assumed exercise of ESOS	10,161,811	5,691,428	10,161,811	5,691,428
Adjusted weighted number of ordinary shares in issue	416,611,729	404,118,502	416,611,729	404,118,502
Diluted earnings per share (sen)	3.79	3.65	3.79	3.65

28. UPDATE ON MEMORANDUM OF UNDERSTANDING

On 16 November 2009, the Company had executed a master collaboration agreement with Pantai Holdings Berhad to build and lease a private hospital in the Manjung Point township development located in Seri Manjung, Perak. The Ministry of Health has issued a letter stating that the Ministry has no objection in general to the feasibility study submitted for the development of a private hospital in Manjung, Perak.

29. RELATED PARTY TRANSACTION

The Group's related party transactions cumulative period-to-date ended 31 March 2011 are as follows:

Party	Transaction	31.03.2011 RM
Transaction with non-group members	Rental of equipment and transportation payable and purchase of construction material	<u>1,092,472</u>
Transaction with person connected with Directors	Rental paid for service apartment	<u>164,901</u>

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29. RELATED PARTY TRANSACTION (Contd.)

Party	Transaction	31.03.2011 RM
Transaction with person connected with Directors	Legal services provided	<u>57,170</u>
Transaction with Directors	Sales of condominium, office space and commercial units	-
	Rental paid for service apartment and office	<u>1,782,006</u>
Transaction with Directors	Legal services provided	<u>-</u>

The Group's Directors personal compensation for the period under review are as follows:

Type of compensation	31.03.2011 RM
Salaries	2,512,459
Employee share option	<u>218,739</u>
	<u>2,731,198</u>

30. REALISED AND UNREALISED PROFITS

	31.03.2011 RM
Total retained profits of YNH Property and its subsidiaries	
-Realised profits	493,079,144
-Unrealised loss	<u>(37,978,264)</u>
	<u>455,100,880</u>
Consolidation adjustments	<u>(152,974,800)</u>
Total group retained profits as per consolidated accounts	<u>302,126,080</u>

31. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 May 2011.

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32. SEGMENTAL REPORTING

	Property Development		Hotel & Hospitality		Adjustment		Consolidated	
	31.03.2011 RM	30.03.2010 RM	31.03.2011 RM	30.03.2010 RM	31.03.2011 RM	30.03.2010 RM	31.03.2011 RM	30.03.2010 RM
Revenue	59,172,513	97,963,549	5,407,187	849,450	(9,318,882)	(5,006,261)	55,260,818	93,806,738
Results								
Interest income	36,244	53,531	-	-	-	-	36,244	53,531
Depreciation	350,397	605,309	119,723	70,464	-	-	470,120	675,773
Finance cost	2,798,666	5,800,617	-	-	-	-	2,798,666	5,800,617
Profit/(loss) before taxation	22,118,072	23,149,929	(686,852)	(2,592,398)	-	-	21,431,220	20,557,531
Profit/(loss) after taxation	16,531,586	17,423,312	(752,390)	(2,666,398)	-	-	15,779,196	14,756,914
Segment assets	1,538,672,020	1,455,943,710	22,719,001	17,723,923	(477,256,159)	(318,303,161)	1,084,134,862	1,155,364,472
Segment liabilities	749,646,122	727,773,825	36,223,143	12,346,526	(476,981,073)	(312,279,857)	308,888,192	427,840,494