www.ytlland.com
www.ytlcommunity.com

YTL LAND & DEVELOPMENT BERHAD 1116-M

11th Floor
Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

YTL LAND & DEVELOPMENT BERHAD 1116-M

annual report **2011**

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YTL LAND & DEVELOPMENT BERHAD 1116-M

annual report
2011

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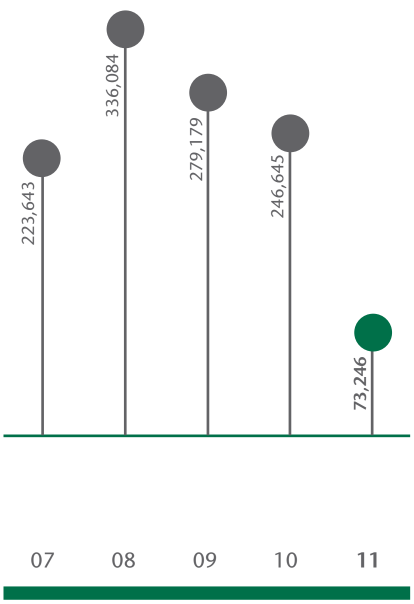
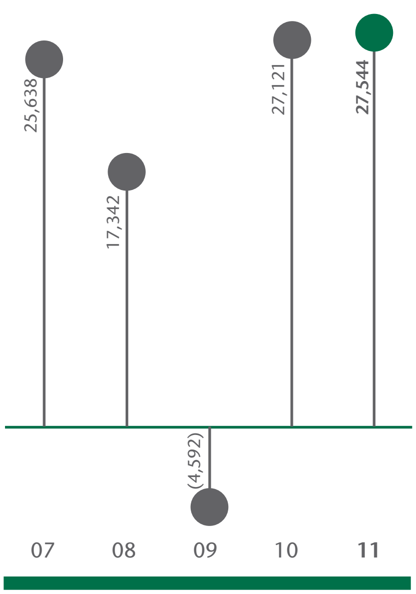
Form of Proxy

Financial Highlights

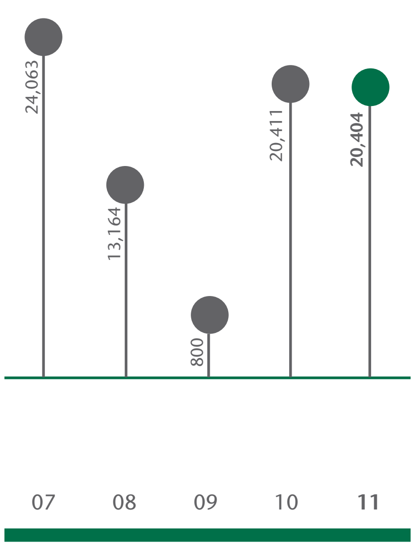
	2011	2010	2009	2008	2007
Revenue (RM'000)	**73,246**	246,645	279,179	336,084	223,643
Profit/(Loss) before taxation (RM'000)	**27,544**	27,121	(4,592)	17,342	25,638
Profit after tax (RM'000)	**20,404**	20,411	800	13,164	24,063
Profit attributable to Owners of the Parent (RM'000)	**18,065**	18,621	3,606	10,322	19,506
Total equity Attributable to Owners of the Parent (RM'000)	**565,880**	547,815	529,194	525,588	520,669
Earnings per share (sen)	**2.26**	2.37	0.44	1.88	2.39
Total assets (RM'000)	**920,898**	908,539	954,453	932,139	951,587
Net assets per share (RM)	**0.68**	0.70	0.68	0.67	1.38



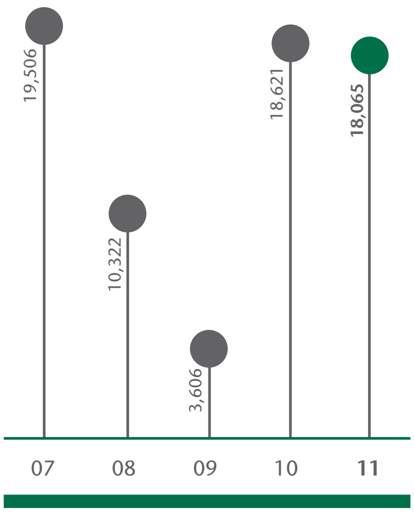
Revenue
(RM'000)



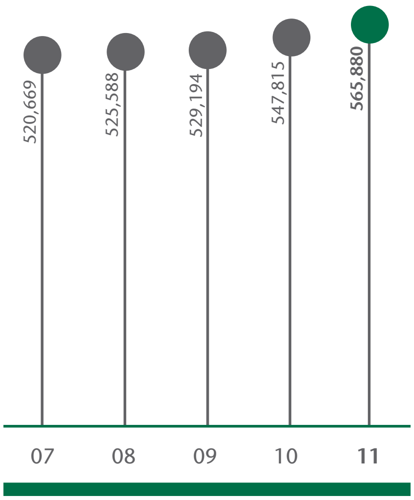
Profit/(Loss) Before Taxation
(RM'000)



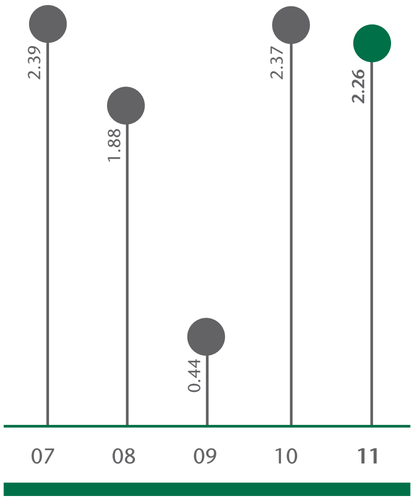
Profit After Taxation
(RM'000)



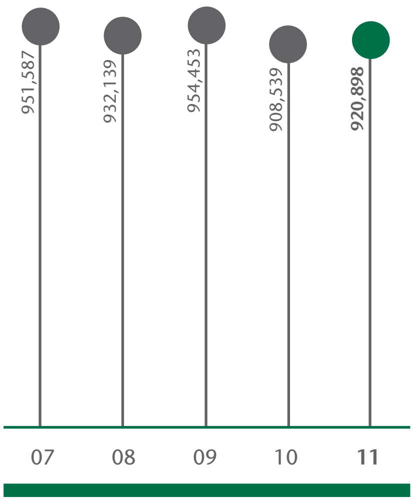
Profit Attributable to Owners of the Parent
(RM'000)



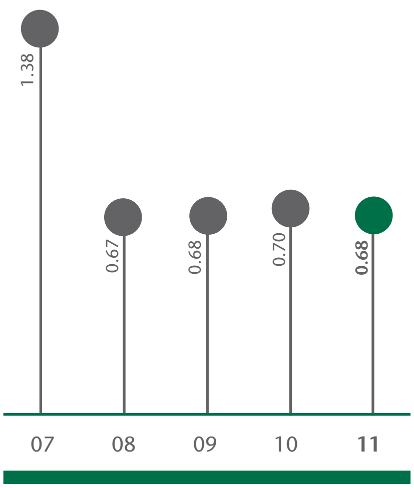
Total Equity Attributable to Owners of the Parent
(RM'000)



Earnings per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)

"On behalf of the Board of Directors of YTL Land & Development Berhad ("YTL L&D" or the "Company"), I have the pleasure of presenting to you the Annual Report and audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2011."

OVERVIEW

The Group achieved a good set of results for the financial year ended 30 June 2011. In March 2011, The Capers, which is the latest phase of YTL L&D's stellar Sentul development, was launched to overwhelming demand that saw all units sold within the first two days of its preview. The demand for this newest phase is a testament of the Group's long-term development strategy of carefully timing its launches to ensure that the capital value and appeal of existing developments are maintained and enhanced. This approach has ensured that its cornerstone communities, which include Pantai Hillpark, Lake Edge and Sentul, have continued to thrive.

Following a robust growth in the Malaysian economy of 7.2% for the 2010 calendar year, gross domestic product (GDP) continued to expand by approximately 4.4% for the first half of 2011. Performance of the residential sector also continued to flourish due to a sharp increase in housing starts in the first quarter of 2011, driven by a strong demand for housing in line with improved household income, easy financing and government initiatives to encourage home ownership *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

In November 2010, the Group embarked on the proposed acquisitions of property development assets from its parent company, YTL Corporation Berhad, with a view to increasing its landbanks and development opportunities. These proposed acquisitions, which are currently pending completion, present a unique opportunity for YTL L&D to acquire projects and additional landbanks in strategic locations in Malaysia and Singapore, in addition to enhancing its asset base and enabling the Group to position itself as a leading property developer in Malaysia with a regional presence.

YTL L&D was once again recognised for its innovative concepts and designs, winning two awards at the 2011 PAM (Malaysian Institute of Architects) Awards in June 2011. Held since the 1990s, the PAM Awards are the premier awards for architecture in Malaysia, honouring contributions made by architects, clients/owners and builders/contractors for architectural design and building excellence. YTL L&D won a Gold award for Centrio in Pantai Hillpark (Multiple Residential-High-rise) and a Silver award for d7 at Sentul East in the commercial building category. d7 also won the Singapore Institute of Architects (SIA) Architectural Design Award with an honourable mention in the commercial building category in May 2011.

FINANCIAL PERFORMANCE

The Group reported a decrease in revenue to RM73.2 million for the financial year ended 30 June 2011, compared to RM246.6 million for the previous financial year ended 30 June 2010, whilst net profit attributable to shareholders was RM18.1 million compared to RM18.6 million last year.

The decline was attributed mainly to lower revenue recognition from the property development and construction segments due to the completion of certain projects during the period under review and the timing difference of new project launches.

CORPORATE DEVELOPMENTS

On 23 November 2010, YTL L&D announced various proposals involving the following key elements:-

- The proposed acquisition from its holding company, YTL Corporation Berhad ("YTL Corp"), of 100% equity interests in Arah Asas Sdn Bhd, Satria Sewira Sdn Bhd, Pinnacle Trend Sdn Bhd, Trend Acres Sdn Bhd and YTL Westwood Properties Pte Ltd and a 70% equity interest in Emerald Hectares Sdn Bhd ("Emerald Asset"), together with the settlement of agreed-upon outstanding inter-company balances;

- The proposed acquisition from YTL Singapore Pte Ltd, a wholly-owned subsidiary of YTL Corp, of 70% equity interests each in Lakefront Pte Ltd and Sandy Island Pte Ltd and the settlement of agreed-upon outstanding inter-company balances (collectively, the "Sentosa Assets");

- The proposed acquisition from Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corp, of a 100% equity interest in Budaya Bersatu Sdn Bhd and the settlement of agreed-upon outstanding inter-company balances; and

- The proposed acquisition from YTL Land Sdn Bhd, a wholly-owned subsidiary of YTL Corp, of 6 parcels of agricultural land in Mukim Bidor, Perak.

The total consideration of RM474.3 million (revised from RM476.1 million, as announced on 6 May 2011, following a reappraisal of some of the assets' market values) for these proposed acquisitions and the settlement of the agreed-upon outstanding inter-company balances is to be satisfied partially by the issuance by the Company of RM253.0 million in 10-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks (ICULS) and the balance RM221.3 million in cash.

Other key proposals include a share premium reduction, which will allow the Company to eliminate its accumulated losses and rationalise its balance sheet via the cancellation of share premium amounts that are unrepresented by available assets, and the provision of financial assistance by YTL L&D in relation to the acquisition of the Emerald Asset and the Sentosa Assets.

Shareholders' approval was received at an extraordinary general meeting on 16 August 2011 and these proposals are currently pending completion upon the receipt of the necessary outstanding consents/approvals.

REVIEW OF OPERATIONS

In March 2011, the Group launched the latest residential phase of its development in Sentul, **The Capers at Sentul East**, which achieved a 100% take-up rate within the first two days of its preview. The Capers is the third residential development to be launched in Sentul East, following The Tamarind and The Saffron, whilst one phase, The Maple, has been launched at Sentul West. These earlier phases were all completed and handed over on schedule and have continued to register strong capital appreciation.

At 36 storeys, the distinctive, futuristic design of The Capers' two towers has altered and given new life to Sentul's evolving skyline. The Capers features 485 units housed in the pair of towers and 5-storey low-rise blocks on the podium floors of the towers. Built-up areas for the tower units range from 695 sq.ft. to 1,567 sq.ft. with 2-bedroom and 3+1-bedroom configurations, whilst the low-rise suites feature 4+1+1-bedroom duplexes with a built-up area of 2,524 sq.ft., and 2+1-bedroom, 3-storey single level suites with a built-up area of 999 sq.ft.

Sentul's commercial phases currently comprise boutique offices, **d6 and d7 at Sentul East**, whilst new developments include the d2 and d5 commercial phases. Sentul's business precinct offers a vibrant new genre of modern offices and has proven highly attractive to buyers drawn to the stylish, cosmopolitan environment.

During the year under review, d7 was handed over ahead of schedule in November 2010. Meanwhile construction works on d6 are well underway and on target for completion in late-2011. Building works on the exterior are essentially complete, whilst architectural works on the building interior and landscaping works on the street front and atrium are progressing on schedule.

Lake Edge, the Group's gated development in Puchong, continues to thrive. Work is well underway on the second phase of **Pavilion Terraces**, which comprises 30 additional units of the highly sought-after 2½ -storey homes launched in November 2009. Pavilion Terraces were first launched in 2004, with 100% of units being sold out within the first few days of the launch. The overwhelming response received for this latest second phase demonstrates the high appreciation of these unconventional offerings, which include a spacious built-up area of 3,186 sq.ft. set within a generous 22 ft. by 100 ft. lot size, and feature a unique water-themed living room housed within a pavilion.

The Group also undertakes consultancy and marketing services for the **Lake Fields** and **Midfields** developments in Sungei Besi, being developed by its sister company, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd. This extensive mixed development has achieved excellent take-up rates for all phases launched to date, including its residential phases, Meadows, Glades and Dale, as well as commercial phases of shop offices, The Trillium and Midfields Square.

The most recently launched residential phase, **Grove**, was sold out on the first day of its preview in June 2011. The 3-storey, 4+1-bedroom lakeside semi-detached homes of Grove comes in two built-up sizes, 4,300 sq.ft. and 5,900 sq.ft., and offers a choice of a sky garden or lift access with a basement car park for up to six cars in addition to one ground-level car park bay.

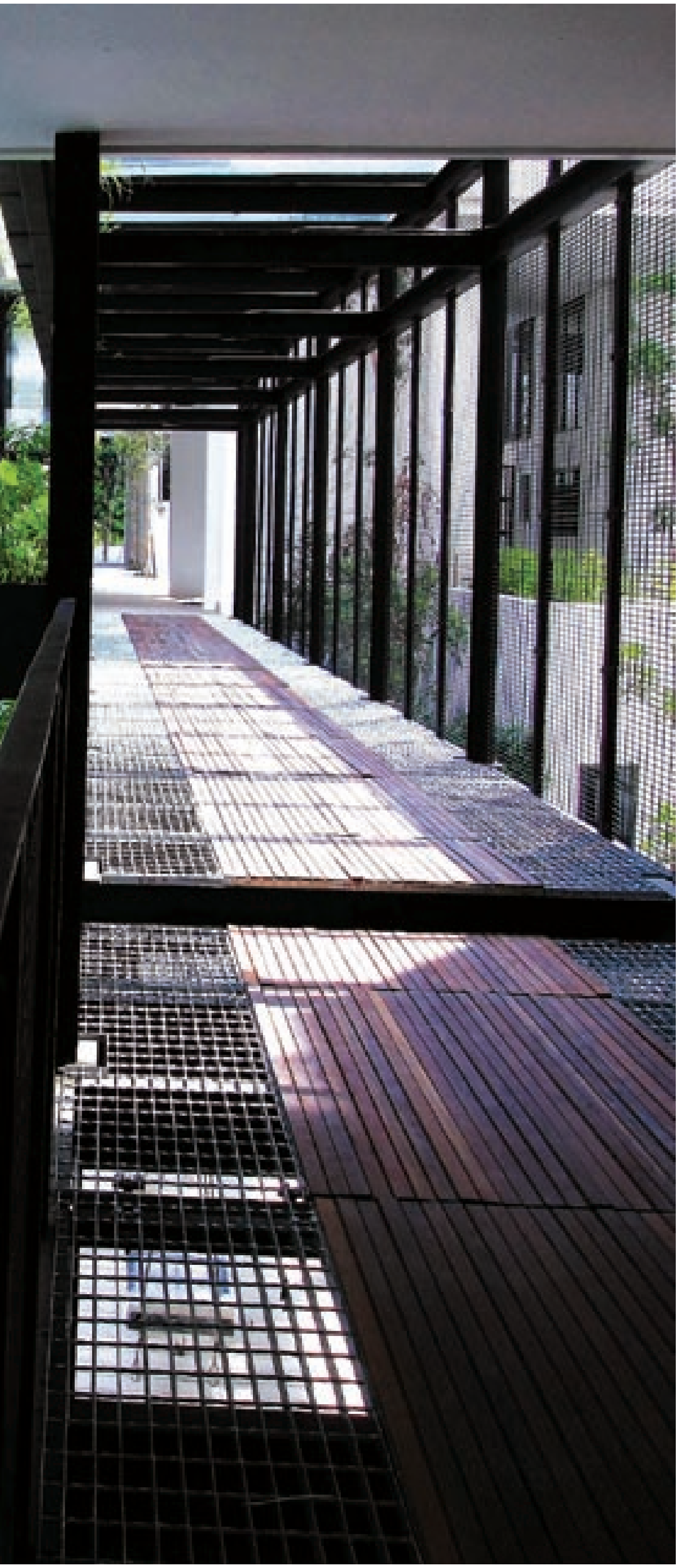
CORPORATE RESPONSIBILITY & SUSTAINABILITY INITIATIVES

The Group believes that effective corporate responsibility can deliver benefits to its businesses and, in turn, to its shareholders, by enhancing reputation and business trust, risk management, relationships with regulators, staff motivation and retention, customer loyalty, the goodwill of local communities and long-term shareholder value.

The Group remains committed to its promise of developing truly branded homes with innovative and sustainable living concepts, built to the strictest of standards, for the well-being of all homeowners within the Group's communities.

This is evident in the design of Centrio at the Group's Pantai Hillpark development, which incorporates a number of sustainable design strategies, such as rain-water harvesting and building orientation to ensure maximum user comfort with reduced environmental impact. This was followed through in the construction of Centrio, by using green materials and methodology. Shera boards at external areas reduced construction time by being more durable and easier to install than timber decks. ALC (Autoclaved Lightweight Concrete) brick was used for internal walls to reduce loading and improve insulation, with a relatively low environmental impact by saving energy during transportation (at one fifth the weight of regular concrete). Other structures such as the bridges, canopies, swing meeting cubes and trellises were constructed in steel. Centrio is a development that has been designed to be sustainable and also built sustainably.

Social responsibility and environmental sustainability are key values of the Group and YTL L&D places a high priority on acting responsibly in every aspect of its business. The Group is also part of the wider network of the YTL group of companies under the umbrella of its parent company, YTL Corp, which has a long-standing commitment to creating successful, profitable and sustainable businesses which, in turn, benefit the surrounding community through the creation of sustained value for shareholders, secure and stable jobs for the Group's employees, support for the arts and culture in Malaysia and contributions to promote education for the benefit of future generations.



The Group's statements on corporate governance and internal control, which elaborate further on its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The Malaysian economy is expected to sustain its growth momentum, with GDP projected to grow by approximately 5-5.5% for the full 2011 calendar year. Performance of the residential sector is forecast to remain strong due to continuing growth in housing demand and a favourable financing environment *(source: Ministry of Finance economic updates; Bank Negara Malaysia quarterly bulletins and annual reports)*.

Supported by the success of its launches to date and the ongoing appeal to buyers of its homes, the Group remains committed to its long-term vision of developing communities that deliver sustainable capital appreciation and sought-after addresses to its home-owners. The development of new phases will continue to be prudently timed to meet market demands, incorporating the design and lifestyle concepts and value that buyers have come to expect from the Group's homes.

YTL L&D's proposed acquisition of property development assets from its parent company also opens new avenues for the Group's future growth, development and positioning as a leading property developer in Malaysia and the region.

APPRECIATION

The Board of Directors of YTL L&D wishes to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff for their dedication and commitment to the Group.

DATO' SULEIMAN BIN ABDUL MANAN
DPMS

NOTICE IS HEREBY GIVEN THAT the Seventy-First Annual General Meeting of YTL Land & Development Berhad ("the Company") will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 29th day of November, 2011 at 11.00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon; **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping **Resolution 1**

   ii) Dato' Hamidah Binti Maktar **Resolution 2**

3. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   i) "THAT Dato' Suleiman Bin Abdul Manan, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 3**

   ii) "THAT Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 4**

   iii) "THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 5**

4. To approve the payment of Directors' fees amounting to RM430,000 for the financial year ended 30 June 2011; **Resolution 6**

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolutions:-

6. PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 8**

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 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 maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 30 November 2010, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account 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 30 June 2011, the audited Accumulated Losses and Share Premium Account of the Company were RM97,776,104 and RM270,911,630 respectively; and

iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-

    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 such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR of Bursa Securities and all other relevant governmental/regulatory authorities." **Resolution 9**

8. PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 4 November 2011 subject to the following:-

i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholder mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." **Resolution 10**

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
4 November 2011

Notes:

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The original instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Note A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Explanatory Notes on the resolutions under Special Business

Resolution pursuant to Section 132D of the Companies Act, 1965

Resolution 8 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Seventieth Annual General Meeting held on 30 November 2010 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Seventy-First Annual General Meeting to be held on 29 November 2011.

Resolution 8, if passed, will enable the Directors to allot and issue ordinary shares at any time from unissued share capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's issued share capital for the time being without convening a general meeting which will be both time and cost consuming. The S132D Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Resolution pertaining to the Renewal of Authority To Buy-Back Shares of the Company

For Resolution 9, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 10, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Seventy-First Annual General Meeting of the Company.

BOARD OF DIRECTORS

Chairman

Dato' Suleiman Bin Abdul Manan
DPMS

Managing Director

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon DEng (Kingston), BSc (Hons) Civil Engineering, FFB, F Inst D, MBIM, RIM

Directors

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
PSM, SPDK, DSNS, JSM, DNS, PGBP, PMC
PhD (Sociology), MA & BA (Hons), D.Agr.Sc. (Hon), D. Mgmt. (Hon)

Dato' Cheong Keap Tai

Dato' Yeoh Seok Kian
DSSA
BSc (Hons) Bldg, MCIOB, FFB

Dato' Yeoh Seok Hong
DSPN, JP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Sri Michael Yeoh Sock Siong
DIMP, SSAP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Dato' Hamidah Binti Maktar
DIMP
BA (Hons)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

BUSINESS OFFICE

10th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

REGISTRAR

YTL Corporation Berhad
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

SOLICITORS

Lee, Perara & Tan
Izral Partnership
SL Chee & Wong

AUDIT COMMITTEE

Eu Peng Meng @ Leslie Eu
(Chairman and Independent Non-Executive Director)

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
(Independent Non-Executive Director)

Dato' Cheong Keap Tai
(Independent Non-Executive Director)

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (7.10.1973)

DATO' SULEIMAN BIN ABDUL MANAN

Malaysian, aged 73 was appointed to the Board on 18 December 1991 and is the Non-Executive Chairman of the Company. Dato' Suleiman obtained his education from the Malay College, Kuala Kangsar, University Malaya and L'Institut International D'Administration Publique, Paris. He was a member of the Malaysian Administrative and Foreign Service for 13 years. After resigning from the Civil Service in 1972, he was appointed Deputy General Manager of Malaysian Shipyard & Engineering (1972-1975), Managing Director of Malaysian Rubber Development Corporation (1975-1982), Group Managing Director of Kumpulan Perangsang Selangor (1982-1986). He became an entrepreneur and entered the corporate world in 1987. He built Lot 10 Shopping Centre, Star Hill Centre and JW Marriott Hotel. He took control of YTL Land & Development Berhad and became its Chairman and privatised KTM lands into the Sentul Raya new township. He relinquished control of the Company in April 2001 but remained as Chairman with minority interest. He is also currently on the board of Sentul Raya Golf Club Berhad and a few other private companies.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 57, was appointed to the Board on 10 May 2001 as an Executive Director and has been the Managing Director since then. Tan Sri Francis studied at Kingston University, UK, where he obtained a Bachelor of Science (Hons) in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. He became the Managing Director of YTL Corporation Berhad Group in 1988 which under his stewardship, has grown from a single listed entity into a force comprising six listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust. He is presently Managing Director of YTL Corporation Berhad, YTL Power International Berhad and YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman and Managing Director of YTL e-Solutions Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad, and YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Besides the listed entities in YTL Group, Tan Sri Francis also sits on the board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council. He is also a member of The Nature Conservancy Asia Pacific Council, the Asia Business Council and Trustee of the Asia Society. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD.

He was ranked by both Fortune Magazine and Business Week Magazine as Asia's 25 Most Powerful and Influential Business Personalities. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and CNBC Asia Pacific named him Malaysia CEO of the Year in 2005.

He was appointed as a member of Barclays Asia-Pacific Advisory Committee in 2005. In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II. In 2008, he was appointed Chairman for South East Asia of the International Friends of the Louvre and he also received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London. He was named one of Asia's Top Executives in 2008 by Asiamoney.

He is the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010.

TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, aged 71, was appointed to the Board on 12 June 2006 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Tan Sri Datuk Seri Panglima Dr. Abu Hassan holds a PhD in Sociology from Michigan State University, U.S.A., a MA and Bachelor of Arts (Hons) Second Class Upper from University of Malaya ("UM"), a D.Agr.Sc. (Honorary) from Kinki University, Japan and D. Mgmt. (Honorary) from Open University Malaysia.

He served as Tutor in the Faculty of Arts of UM from 1969 to 1971. This was followed by 23 years of service with University Kebangsaan Malaysia where he held various positions as Lecturer, Department Head to Professor in the Department of Anthropology & Sociology, Dean of the Faculty of Social Sciences & Humanities, and Deputy Vice Chancellor of Student Affairs. From 1994 to 2005, Tan Sri Datuk Seri Panglima Dr. Abu Hassan who was a Distinguished Fullbright Hays scholar, served as the Founding and First Vice Chancellor of University Malaysia Sabah. While serving as Vice Chancellor, he also held distinguished appointments both nationally and internationally. Nationally, he was Chairman of the Malaysian Vice Chancellors Committee, Chairman of the Malaysian Examination Council, member of the Malaysian

National Higher Education Council and board member of National Productivity Corporation. On the international front, he represented Malaysia as Chairman of the Council of the University Mobility of Asia Pacific, Chairman of the Malaysian-Australian Vice Chancellors Committee, board member of the Association of Commonwealth Universities as well as board member of the Association of South East Asian Institutions of Higher Learning. He was the Chairman of both Permai Policlinic Sdn Bhd and Malaysian-American Commission on Educational Exchange. Tan Sri Datuk Seri Panglima Dr. Abu Hassan is a director of YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad, as well as Chairman of Management and Science University Foundation and Meteor Doc. Sdn Bhd.

DATO' CHEONG KEAP TAI

Malaysian, aged 63, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a member of the Malaysian Institute of Certified Public Accountants, member of Malaysian Institute of Taxation and Licensed Tax Agent and a member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director and Partner of PricewaterhouseCoopers until his retirement in December 2003. He is currently also a director of YTL Corporation Berhad, YTL e-Solutions Berhad, Gromutual Berhad and several private limited companies.

DATO' YEOH SEOK KIAN

Malaysian, aged 54, has been an Executive Director of the Company since 10 May 2001. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He is presently the Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad and an Executive Director of YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the board of several other public companies such as YTL Industries Berhad, The Kuala Lumpur Performing Arts Centre and private utilities company, Wessex Water Limited, as well as YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' YEOH SEOK HONG

Malaysian, aged 52, was appointed to the Board on 10 May 2001 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other notable achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. Besides being actively involved in the construction activities of the YTL Group, he is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and is currently overseeing the building of the fourth generation (4G) Worldwide Interoperability for Microwave Access (WiMAX) network by YTL Communications Sdn Bhd. He is also a director of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the Board of YTL Industries Berhad and YTL Foundation, and utilities companies, Wessex Water Limited, Wessex Water Services Limited and PowerSeraya Limited.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 51, was appointed to the Board on 10 May 2001 as an Executive Director. He graduated from Bradford University, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He is also a director of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the board of other public companies such as YTL Industries Berhad, Sentul Raya Golf Club Berhad and private utilities company, Wessex Water Limited.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 46, was appointed to the Board on 10 May 2001 as an Executive Director. He graduated from King's College, University of London with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves on the Board of YTL Corporation Berhad, YTL Power International Berhad and YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited, as well as PowerSeraya Limited.

DATO' HAMIDAH BINTI MAKTAR

Malaysian, aged 57, was appointed to the Board on 17 March 1998 as an Executive Director. She obtained her BA Honours from the University of Malaya. She joined Nestle Malaysia Sdn Bhd in 1977 and in 1984 joined Matsushita Sales & Service as the Marketing Manager. In 1987, she left to join BP Malaysia as the Corporate Communications Manager. In 1989, at BP Malaysia, Dato' Hamidah was appointed the Retail District Manager for Peninsular Malaysia and in 1991, she was promoted to undertake both local and regional responsibilities as Business Support Manager for Malaysia and Singapore and Regional Brand Manager for South East Asia. She was made the EXCO member or Top Management Team of BP Malaysia and represented South East Asia for the BP Brand Global Panel in the Reimaging of BP worldwide. In 1994, she left the multinational to join Landmarks Berhad as the Managing Director of Sungei Wang Plaza. Dato' Hamidah joined the Company in 1996 as Group General Manager and was redesignated to Group Director of Operations in March 1997. In 1998, she was appointed Managing Director designate to undertake the restructuring exercise of the group until its completion in May 2001. She is currently on the board of Sentul Raya Golf Club Berhad and a few other private companies.

EU PENG MENG @ LESLIE EU

Malaysian, aged 76, was appointed to the Board on 15 June 2001 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee. Mr Leslie Eu graduated with a Bachelor of Commerce degree from the Republic of Ireland. He is a Fellow of the Chartered Institute of Logistics and Transport and was one of the founding directors of Global Maritime Ventures Berhad. He has been in the shipping business for more than 40 years. He was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a board member of Lembaga Pelabuhan Kelang from 1970 to 1999 and Lloyd's Register of Shipping (Malaysia) Bhd from 1983 to 2009. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the board of several public companies such as YTL Corporation Berhad and YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 5 Board meetings were held and the details of attendance are as follows:-

	Attendance
Dato' Suleiman Bin Abdul Manan	5
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Cheong Keap Tai	5
Dato' Yeoh Seok Kian	3
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Mark Yeoh Seok Kah	4
Dato' Hamidah Binti Maktar	4
Eu Peng Meng @ Leslie Eu	5

Notes:

Family Relationship with Director and/or Major Shareholder
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah are siblings. Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah, is a deemed major shareholder of the Company. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

Conflict of Interest
None of the Directors has any conflict of interest with the Company.

Conviction of Offences
None of the Directors has been convicted of any offences in the past ten (10) years.

Statement of Directors' Responsibilities

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2011, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1965 and Financial Reporting Standards in Malaysia.

MEMBERS

Eu Peng Meng @ Leslie Eu
(Chairman/Independent Non-Executive Director)

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
(Member/Independent Non-Executive Director)

Dato' Cheong Keap Tai
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

Primary Purposes

The Committee shall:

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for YTL Land & Development Berhad and its subsidiaries ("Group").

2. Assist to improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and the audit function to strengthen the confidence of the public in the Group's reported results.

3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

4. Enhance the independence of both the external and internal auditors' function through active participation in the audit process.

5. Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.

6. Review existing practices and recommend to Management to formalise an ethics code for all executives and members of the staff of the Group.

7. Create a climate of discipline and control to reduce incidence of fraud.

Membership

1. The Committee shall be appointed by the Board from amongst their number and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.

2. At least one member of the Audit Committee:-

   a) must be a member of the Malaysian Institute of Accountants; or

   b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

      i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

      ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

   c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

Authority

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

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

The Committee shall, amongst others, discharge the following functions:-

1. Review the following and report the same to the Board of the Company:-
   a) the audit plan with the external auditors;
   b) the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operational risks;
   c) the audit report with the external auditors;
   d) the assistance given by the employees of the Company to the external auditors;
   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 of Directors, focussing particularly on:-
      - changes in or implementation of major accounting policy changes
      - significant and unusual events
      - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group
      - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
   h) any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the 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;
   j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and
   k) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external and internal auditors.
2. Recommend the nomination of a person or persons as external auditors and the external audit fee.
3. Promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of Bursa Securities Main Market Listing Requirements ("Main LR").
4. Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Meetings

1. To form a quorum in respect of a meeting of the Committee, the majority of members present must be Independent Directors.

2. The Committee shall meet at least five (5) times a year, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda shall be sent to all members of the Committee and any other persons who may be required/invited to attend. All meetings to review the quarterly results and annual financial statements, shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.

3. Notwithstanding item 2 above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter which should be brought to the attention of the Directors or shareholders.

4. The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

5. The Committee may invite any Board member or any member of the Management within the Company who the Committee thinks fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.

6. The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.

7. The Committee may establish any regulations from time to time to govern its administration.

Retirement And Resignation

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Main LR, the Company must fill the vacancy within 3 months.

Minutes

1. The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

2. Minutes of each meeting shall also be distributed to the members of the Committee prior to each meeting.

3. Detailed minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.

4. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee and of the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2011 in discharging its duties:-

1. Review of the external auditors' scope of work and their audit plan.
2. Reviewing with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
3. Review of audit reports presented by internal auditors on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.
4. Review of the quarterly results and annual financial statements to ensure compliance with the Main LR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.
5. Review of the related party transactions entered into by the Group.
6. Review of the adequacy and competency of the internal audit function and the profiles of the internal auditors.
7. Review of the Audit Committee Report and Statement on Internal Control and recommend to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT ACTIVITIES

The activities of the internal audit function during the year under review include:-

1. Developing the annual internal audit plan and proposing this plan to the Audit Committee.
2. Conducting scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary.
3. Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Presenting audit findings to the Audit Committee for consideration.
5. Conducting recurrent related party transactions reviews to assess accuracy and completeness of reporting.

Costs amounting to approximately RM66,000 were incurred in relation to the internal audit function for the financial year ended 30 June 2011.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of 6 Audit Committee meetings were held and the details of attendance are as follows:-

	Attendance
Eu Peng Meng @ Leslie Eu	6
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	6
Dato' Cheong Keap Tai	6

The Board of Directors ("Board") of YTL Land & Development Berhad ("YTL L&D" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL L&D Group"). In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the measures and best practices recommended in the Malaysian Code on Corporate Governance ("Code").

The YTL L&D Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL L&D Group's achievements and strong financial profile to date. The YTL L&D Group's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL L&D Group, whilst taking into account the interests of all stakeholders.

This section of the Annual Report details the measures implemented by the YTL L&D Group to strengthen its compliance with the Principles and Best Practices of Corporate Governance as set out in Parts 1 and 2 of the Code, respectively.

BOARD STRUCTURE

YTL L&D is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL L&D Group's operations. This broad spectrum of skills and experience ensures the YTL L&D Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the YTL L&D Group and have adopted the six primary responsibilities as listed in the Code, which facilitate the discharge of the Board's stewardship responsibilities.

The Board currently has 10 Directors, comprising 6 executive members and 4 non-executive members, 3 of whom are independent. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent.

The positions and responsibilities of the Chairman and the Managing Director are held by separate members of the Board. The Chairman is primarily responsible for the orderly conduct and effectiveness of the Board, whilst the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL L&D Group, consistent with the primary aim of enhancing long-term shareholder value.

The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the Company. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board.

The Executive Directors are collectively accountable for the running and management of the YTL L&D Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL L&D Group conducts its business.

Together, the Directors believe that the structure of the Board satisfactorily reflects the interests of its shareholders and is able to provide clear effective leadership to the YTL L&D Group. The composition of the Board reflects the wide range of business, commercial and financial experience essential in the management and direction of a corporation of this size. A brief description of the background of each Director is presented in the Profile of the Board of Directors in this Annual Report.

To date, the Board has not found it necessary to designate a senior independent non-executive to whom concerns may be conveyed, mainly because full deliberation of issues affecting the YTL L&D Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the YTL L&D Group operates, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. All Directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Throughout the financial year under review, the Directors attended various briefings, conferences, seminar programmes and speaking engagements covering areas that included corporate governance, leadership, relevant industry updates and global business developments which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL L&D Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2011. Details of each Director's attendance of the Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the YTL L&D Group's business and affairs to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the YTL L&D Group rests firmly with the Board.

Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting, prepared by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of YTL L&D Group.

Board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the YTL L&D Group's operations and detailed information on corporate proposals, major fund-raising exercises and significant acquisitions and disposals. Where necessary or prudent, professional advisers may be on hand to provide further information and respond directly to Directors' queries. In order to maintain confidentiality, Board papers on issues that are deemed to be price-sensitive may be handed out to Directors during the Board meeting.

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations.

APPOINTMENT & RE-ELECTION OF DIRECTORS

The appointment of Directors is undertaken by the Board as a whole. The Managing Director recommends candidates suitable for appointment to the Board, and the final endorsement lies with the entire Board to ensure that the required mix of skills, experience and expertise of members of the Board is sufficient to address the issues affecting the YTL L&D Group. In its deliberations, the Board is required to take into account the integrity, professionalism, skill, knowledge, expertise and experience of the proposed candidate. In accordance with the Board's procedures, deliberations and conclusions in this process reached are recorded by the Company Secretary. During the financial year under review, there were no new appointments to the Board.

In accordance with the Company's Articles of Association, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments. Directors who are over seventy years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129 of the Companies Act 1965. The names and details of Directors seeking re-election at the forthcoming AGM are disclosed in the Notice of AGM and the Profile of the Board of Directors, respectively, in this Annual Report.

In accordance with the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL L&D Group thereby enabling them to discharge their duties effectively.

DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre needed to lead the YTL L&D Group successfully. In general, the remuneration of the directors is reviewed against the performance of the individual and the YTL L&D Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 8 to the Financial Statements in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL L&D Group's standards of corporate governance.

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL L&D Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders value and recognises the importance of timely dissemination of information to shareholders. Accordingly, the Board ensures that shareholders are kept well-informed of any major developments of the YTL L&D Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL L&D Group's financial results but to provide updates on strategies and new developments to ensure mutual understanding of the YTL L&D Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL L&D Group's performance and major development programs. Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL L&D Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL L&D Group, the resolutions being proposed and the business of the YTL L&D Group in general at every AGM and extraordinary general meeting of the Company. The notice of the AGM and a circular to shareholders in relation to the renewal of the Company's share buy-back and recurrent related party transactions mandates are sent to shareholders at least 21 days prior to the AGM in accordance with the Listing Requirements and the Companies Act 1965 in order to enable shareholders to review the YTL L&D Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed.

The Managing Director and Executive Directors takes the opportunity to present a comprehensive review of the progress and performance of the YTL L&D Group, and provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL L&D Group's business operations, strategy and goals. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

During the course of each financial year, the Company ensures prompt and timely release and dissemination of quarterly results, announcements, circulars and notices to enable shareholders to keep abreast of the YTL L&D Group's financial and operational performance and to make informed decisions with regards to significant corporate developments.

THE AUDIT COMMITTEE

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors in compliance with the Code and the Listing Requirements which require all the members of the Audit Committee to be Non-Executive Directors.

The Audit Committee holds quarterly meetings to review matters including the YTL L&D Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 6 times during the financial year ended 30 June 2011. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

FINANCIAL REPORTING

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965 and Financial Reporting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates to present a true and fair assessment of the Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities and the Securities Commission.

The Statement by Directors made pursuant to Section 169 of the Companies Act 1965 is set out in this Annual Report.

INTERNAL CONTROL & INTERNAL AUDIT

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard the investment of its shareholders and the YTL L&D Group's assets. Details of the YTL L&D Group's system of internal control and its internal audit functions are contained in the Statement on Internal Control and the Audit Committee Report in this Annual Report.

RELATIONSHIP WITH THE AUDITORS

The Board has established formal and professional arrangements for maintaining an appropriate relationship with the Company's external auditors, Messrs Ernst & Young. The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders.

ADDITIONAL DISCLOSURE

- **Employee Retention Policies:** The Board believes that maintaining the calibre of its employees is vital to ensure the continued success of the YTL L&D Group and the consequent increase in returns to shareholders. To these ends, the YTL L&D Group has implemented various staff retention and assessment practices, including a Thirteenth Month wage supplement, annual bonuses and biannual reviews of staff performance, as well as an Employees' Share Option Scheme which was approved by shareholders at an extraordinary general meeting in November 2010.

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2011.

This statement was approved by the Board of Directors on 25 August 2011.

During the financial year under review, YTL Land & Development Berhad ("YTL L&D" or "Company") and its subsidiaries ("YTL L&D Group") continued to enhance the YTL L&D Group's system of internal control and risk management, to comply with the applicable provisions of the Malaysian Code on Corporate Governance ("Code") and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board of Directors ("Board") acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard the investment of its shareholders and the assets of the YTL L&D Group, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL L&D Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management. However, the Board recognises that reviewing the YTL L&D Group's system of internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

The Board believes that the YTL L&D Group's system of internal control, financial or otherwise in place for the financial year under review, should provide reasonable assurance regarding the achievement of the objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

PRINCIPAL FEATURES OF THE YTL L&D GROUP'S SYSTEM OF INTERNAL CONTROL

The Board is committed to maintaining a sound internal control structure that includes processes for continuous monitoring and review of effectiveness of control activities, and to govern the manner in which the YTL L&D Group and its staff conduct themselves. The principal features which formed part of the YTL L&D Group's system of internal control can be summarised as follows:-

- **Authorisation Procedures:** The YTL L&D Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL L&D Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interest of shareholders.

- **Authority Levels:** The YTL L&D Group has delegated authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

- The authority of the Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, interest rate risk management, investments, insurance and designation of authorised signatories.

- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL L&D Group's state of affairs are disclosed to shareholders after review and audit by the external auditors.

- **Internal Compliance:** The YTL L&D Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies, as well as changes to legal and regulatory compliance requirements relevant to the YTL L&D Group. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

KEY PROCESSES OF THE YTL L&D GROUP'S SYSTEM OF INTERNAL CONTROL

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:-

- **Internal Audit Function:** The YTL L&D Group's internal audit function is carried out by the YTL Corporation Berhad Group Internal Audit department ("YTLIA") which provides assurance on the efficiency and effectiveness of the internal control systems implemented by management and reports directly to the Audit Committee. A description of the activities of the internal audit function can be found in the Audit Committee Report included in this Annual Report.

  YTLIA provides periodic reports to the Audit Committee, reporting on the outcome of the audits conducted which highlight the effectiveness of the system of internal control and significant risks. The Audit Committee reviews and evaluates the key concerns and issues raised by YTLIA and ensures that appropriate and prompt remedial action is taken by Management.

  None of the weaknesses or issues identified during the review for the financial year has resulted in non-compliance with any relevant policies or procedures, listing requirements or recommended industry practices that would require disclosure in the Company's Annual Report.

  The system of internal control will continue to be reviewed, enhanced and updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through appraisals by YTLIA. The Board is of the view that the current system of internal control in place throughout the YTL L&D Group is effective to safeguard its interests.

- **Senior Management Meetings:** The YTL L&D Group conducts weekly meetings of the senior management which comprises Executive Directors and divisional heads. The purpose of these meetings is to deliberate and decide upon urgent company matters. Decisions can then be effectively communicated to relevant staff levels in a timely manner. From these meetings, the management is able to identify significant operational and financial risks of the business units concerned.

- **Treasury Meetings:** Management meetings are convened to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL L&D Group. These meetings are conducted on a weekly basis to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL L&D Group Managing Director, Executive Directors and senior managers.

- **Site Visits:** The Executive Directors undertake site visits to production and operating units and communicate with various levels of staff to gauge first-hand the effectiveness of strategies discussed and implemented. This is to ensure that Management and the Executive Directors maintain a transparent and open channel of communication for effective operation.

RISK MANAGEMENT

The YTL L&D Group's financial profile is the result of a system of internal control and risk management designed to mitigate risks which arise in the course of business, such as entering into joint venture agreements with land owners when undertaking property development projects. This strategy has helped to keep holding costs low and provided better resilience against severe downswings in the property market. The YTL L&D Group's Sentul development project, for example, is being undertaken as a joint venture with Keretapi Tanah Melayu Berhad.

The Board acknowledges that all areas of the YTL L&D Group's business activities involve some degree of risk. The YTL L&D Group is committed to ensuring that there is an effective risk management framework which allows management to manage risks within defined parameters and standards, and promotes profitability of the YTL L&D Group's operations in order to enhance shareholder value.

Identifying, evaluating and managing the significant risks faced by the YTL L&D Group is an ongoing process which is undertaken at each level of operations. During the financial year under review, this function was exercised through participation of Executive Directors in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

Management is responsible for creating a risk-aware culture within the YTL L&D Group and for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements. Significant changes in the business and the external environment which affect significant risks will be reported by the Management to the Board in developing a risk mitigation action plan. Where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and the internal auditors.

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the YTL L&D Group is able to respond effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and shareholder value.

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs Ernst & Young, have reviewed this Statement on Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2011, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the system of internal controls being instituted throughout the YTL L&D Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL L&D Group's operations and that risks are at an acceptable level throughout the YTL L&D Group's businesses. Nevertheless, reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard shareholders' investments and the YTL L&D Group's assets.

This Statement was approved by the Board of Directors on 4 October 2011.

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature for the financial year ended 30 June 2011

At the last Annual General Meeting of YTL Land & Development Berhad ("YTL L&D") held on 30 November 2010, the Company had obtained a mandate from its shareholders to allow YTL L&D and/or its subsidiaries ("YTL L&D Group") to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL L&D or its subsidiaries ("Recurrent Related Party Transactions").

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR"), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2011 pursuant to the said shareholder mandate are as follows:-

Companies in the YTL L&D Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Bayumaju Development Sdn Bhd, Pakatan Perakbina Sdn Bhd, PYP Sendirian Berhad, Sentul Raya Sdn Bhd, Syarikat Kemajuan Perumahan Negara Sdn Bhd, YTL L&D	Subsidiaries[e] of YTL Corporation[b] ("YTL Corporation Group")	Progress billings for construction contracts from Related Party; Car parking fees paid to Related Party; Provision of construction materials by Related Party; Provision of hotel related services by Related Party; Rental received from Related Party for Lot 183, Seksyen 83, Sentul Park, Kuala Lumpur premises; Project management and marketing agent fees paid by Related Party; Rental of premises at Starhill Gallery and Lot 10 Shopping Centre, Kuala Lumpur from Related Party; Rentals received or paid for use of residential premises.	YTLSH[a] YTL Corporation[b] Tan Sri Yeoh Tiong Lay[c] Yeoh Siblings[d]	^Major Shareholder/ ^Person Connected[1] ^Major Shareholder/ ^Person Connected[2] ^Major Shareholder / ^Person Connected [1][2][3] Directors [1][2][3]	79,020

Definitions:-

(a) YTLSH	–	Yeoh Tiong Lay & Sons Holdings Sdn Bhd
(b) YTL Corporation	–	YTL Corporation Berhad
(c) Tan Sri Yeoh Tiong Lay	–	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
(d) Yeoh Siblings	–	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong & Dato' Mark Yeoh Seok Kah
(e) Subsidiaries of YTL Corporation	–	Excluding YTL L&D, YTL e-Solutions Berhad, YTL Power International Berhad, YTL Cement Berhad and their subsidiaries
^ Major Shareholder/ Person Connected	–	As defined in Paragraph 1.01 of the Main LR

Notes:-

(1) YTLSH is a Major Shareholder of YTL L&D Group and YTL Corporation Group. YTLSH is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(2) YTL Corporation is a Major Shareholder of YTL L&D Group and YTL Corporation Group. YTL Corporation is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(3) Tan Sri Yeoh Tiong Lay is a Major Shareholder of YTLSH, YTL Corporation Group and YTL L&D Group. Tan Sri Yeoh Tiong Lay is a Person Connected with the Yeoh Siblings.

Analysis of Shareholdings as at 30 September 2011

Class of shares : Ordinary shares of RM0.50 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	1,057	5.55	18,096	0.00
100 – 1,000	8,298	43.56	4,221,694	0.51
1,001 – 10,000	7,367	38.67	33,565,302	4.05
10,001 – 100,000	2,121	11.13	62,057,418	7.49
100,001 to less than 5% of issued shares	206	1.08	194,285,645	23.44
5% and above of issued shares	2	0.01	534,800,834	64.51
Total	**19,051**	**100.00**	**828,948,989**	**100.00**

THIRTY LARGEST SHAREHOLDERS (without aggregating securities from different securities accounts belonging to the same person)

	Name	No. of Shares	%#
1	YTL Corporation Berhad	477,870,593	57.65
2	Mayban Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Bara Aktif Sdn Bhd (DLR 072)	56,930,241	6.87
3	Mayban Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Dato' Mohamed Zainal Abidin bin Abdul Kadir (DLR 072)	35,617,470	4.30
4	Mayban Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd (DLR 072)	19,428,946	2.34
5	Mayban Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)	14,871,794	1.79
6	Citigroup Nominees (Asing) Sdn Bhd – Goldman Sachs International	12,634,300	1.52
7	Pemasaran Simen Negara Sdn Bhd	10,424,532	1.26
8	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	0.97
9	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	7,169,600	0.86
10	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	0.77
11	Bara Aktif Sdn Bhd	4,200,000	0.51
12	Mayban Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Raja Dato' Wahid Bin Raja Kamaral Zaman (DLR 072)	3,896,438	0.47
13	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.41
14	CIMB Group Nominees (Tempatan) Sdn Bhd – AMTrustee Berhad for CIMB Islamic Dali Equity Theme Fund	2,296,000	0.28
15	YTL Corporation Berhad	2,119,300	0.26
16	Eagletron Venture Corp.	1,981,600	0.24

	Name	No. of Shares	%#
17	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Lee Kwong Joo (E-KLC)	1,784,300	0.22
18	AMSEC Nominees (Tempatan) Sdn Bhd – Ambank (M) Berhad (Hedging)	1,618,700	0.20
19	Affin Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (TAN6986M)	1,569,500	0.19
20	AMSEC Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for AMBank (M) Berhad for Lee Kwong Joo (SMART)	1,414,500	0.17
21	HSBC Nominees (Asing) Sdn Bhd – TNTC for DBS Global Property Securities Fund (RBC as Trustee)	1,372,600	0.17
22	HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Lee Kwong Joo	1,289,200	0.16
23	Lim Kian Huat	1,219,800	0.15
24	UOBM Nominees (Asing) Sdn Bhd – Exempt An for Societe Generale Bank & Trust, Singapore Branch (Cust Asset)	1,165,000	0.14
25	CIMB Group Nominees (Tempatan) Sdn Bhd – BHLB Trustee Berhad for ING Blue Chip (50160 TR01)	1,135,100	0.14
26	Wong Keat Keong	1,034,600	0.12
27	RHB Investment Bank Berhad – Exempt An CLR for DBS Vickers Securities (Singapore) Pte Ltd	1,000,000	0.12
28	Datin Ramona Suleiman Nee Lee Lai Wah	989,022	0.12
29	Dato' Suleiman Bin Abdul Manan	952,153	0.11
30	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/C for Liau Siang Ie (E-KLC)	898,900	0.11
	Total	**684,740,489**	**82.62**

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%#**	**Indirect**	**%#**
YTL Corporation Berhad	479,989,993	57.90	–	–
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	17,856,300	2.15	479,989,993(1)	57.90
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	497,846,293(2)	60.06
Bara Aktif Sdn Bhd	61,130,241	7.37	–	–
Dato' Mohamed Zainal Abidin bin Abdul Kadir	35,688,752	4.31	80,559,187(3)	9.72
Raja Dato' Wahid bin Raja Kamaral Zaman	3,896,438	0.47	61,130,241(4)	7.37

(1) *Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.*

(2) *Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd & YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.*

(3) *Deemed interests by virtue of interests held by Bara Aktif Sdn Bhd & MZK Realty Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(4) *Deemed interests by virtue of interests held by Bara Aktif Sdn Bhd pursuant to section 6A of the Companies Act, 1965.*

\# *Based on the issued and paid-up share capital of the Company of RM422,060,394.50 comprising 844,120,789 ordinary shares net of 15,171,800 treasury shares retained by the Company as per Record of Depositors.*

Statement of Directors' Interests in the Company and related corporations as at 30 September 2011

The Company
YTL Land & Development Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Suleiman Bin Abdul Manan	1,054,941	0.13	1,454,148(1)(3)	0.18
Dato' Yeoh Seok Kian	61,538	0.01	–	–

Holding Company
YTL Corporation Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	0.94	–	–
Dato' Yeoh Seok Kian	30,483,085	0.34	2,109,980(3)	0.02
Dato' Yeoh Seok Hong	25,686,095	0.29	19,864,810(3)	0.22
Dato' Sri Michael Yeoh Sock Siong	26,153,345	0.29	12,885,305(3)	0.14
Dato' Mark Yeoh Seok Kah	17,942,040	0.20	3,116,775(3)	0.03
Dato' Hamidah Binti Maktar	755,000	0.01	–	–

	No. of Share Options	
Name	Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	2,000,000(2)
Dato' Yeoh Seok Kian	17,500,000	–
Dato' Yeoh Seok Hong	15,000,000	2,000,000(3)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Mark Yeoh Seok Kah	15,000,000	–

Ultimate Holding Company
Yeoh Tiong Lay & Sons Holdings Sdn Bhd

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	12.28	–	–
Dato' Yeoh Seok Kian	5,000,000	12.28	–	–
Dato' Yeoh Seok Hong	5,000,000	12.28	–	–
Dato' Sri Michael Yeoh Sock Siong	5,000,000	12.28	–	–
Dato' Mark Yeoh Seok Kah	5,000,000	12.28	–	–

Related Corporations
YTL Cement Berhad

	No. of Shares Held				No. of Share Options
Name	**Direct**	**%**	**Indirect**	**%**	**Direct**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.43	–	–	1,400,000
Dato' Yeoh Seok Kian	618,754	0.13	83,200(3)	0.02	350,000
Dato' Yeoh Seok Hong	225,634	0.05	45,123(3)	0.01	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388(3)	0.24	1,000,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(3)	0.03	–

	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36	–	–
Dato' Yeoh Seok Kian	618,754	0.13	100,000(3)	0.02
Dato' Yeoh Seok Hong	225,634	0.05	45,123(3)	0.01
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.26	1,109,388(3)	0.23
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(3)	0.03

YTL e-Solutions Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(3)	0.14

YTL Power International Berhad

	No. of Shares Held				No. of Share Options
Name	Direct	%	Indirect	%	Direct
Dato' Suleiman Bin Abdul Manan	–	–	1,230(3)	*	–
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.20	–	–	14,000,000
Dato' Yeoh Seok Kian	5,021,360	0.07	1,545,941(3)	0.02	6,000,000
Dato' Yeoh Seok Hong	22,510,268	0.31	3,281,179(3)	0.04	5,000,000
Dato' Sri Michael Yeoh Sock Siong	4,601,744	0.06	1,019,291(3)	0.01	6,000,000
Dato' Mark Yeoh Seok Kah	7,665,920	0.10	1,093,601(3)	0.01	6,000,000
Dato' Hamidah Binti Maktar	3,895	*	–	–	–

	No. of Warrants 2008/2018 Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.41	–	–
Dato' Yeoh Seok Kian	1,632,962	0.14	450,000(3)	0.04
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.13	298,956(3)	0.03
Dato' Hamidah Binti Maktar	1,600	*	–	–

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

	No. of Shares Held	
Name	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

Infoscreen Networks PLC

	No. of Shares Held	
Name	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	*

YTL Corporation (UK) PLC

	No. of Shares Held	
Name	**Direct**	**%**
Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

YTL Construction (Thailand) Limited

	No. of Shares Held	
Name	**Direct**	**%**
Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	0.01
Dato’ Yeoh Seok Kian	1	0.01
Dato’ Yeoh Seok Hong	1	0.01
Dato’ Sri Michael Yeoh Sock Siong	1	0.01
Dato’ Mark Yeoh Seok Kah	1	0.01

Samui Hotel 2 Co. Ltd

	No. of Shares Held	
Name	**Direct**	**%**
Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*
Dato’ Mark Yeoh Seok Kah	1	*

* *Negligible*

(1) *Deemed interests by virtue of interests held by Investma Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*
(2) *Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.*
(3) *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.*

Other than as disclosed above, none of the other Directors held any interest in shares of the company or its related corporations.

List of Properties as at 30 June 2011

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2011 RM'000	Date of Acquisition
CT 21247, Lot 1839, Mukim of Ampang, District of Gombak	Freehold	0.483 acres	2 storey detached house for residential use	1,078.23	17	–	5,193	2002
HSD 23805-23812, PT 10579-10586, Mukim of Lumut, Daerah Manjung, Perak	Leasehold	102.050 acres	Future development land	–	–	Year 2105	14,603	2006
HSD 13902, PT 8561, Mukim Lumut, Daerah Manjung, Perak	Leasehold	93.500 acres	Future development land	–	–	Year 2097	7,412	1997
Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	37.592 acres	Park land	–	–	–	26,168	1995
		46.986 acres	Future development land	–	–	–	62,362	1995
		65.346 acres	Mixed residential and commercial development	–	–	–	206,222	1995
		2.349 acres	Commercial development	–	–	–	4,037	2004
Lot 742 & 743 & 4000 Part Lot No. 939 to 942, Mukim of Sungei Petai, Daerah Alor Gajah, Malacca	Leasehold	185.038 acres	Future development land	–	–	Year 2048	4,383	1995
Lot 3543, HSD 68386, Mukim of Kuala Lumpur	Leasehold	37.92 acres	Future development land	–	–	Year 2090	25,174	1990
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.255 acres	Future development land	–	–	–	73,637	1992

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The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services.

The principal activities of the subsidiaries are disclosed 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'000	Company RM'000
Profit/(loss) net of tax	20,404	(4,154)
Attributable to:		
Owners of the parent	18,065	(4,154)
Non-controlling interests	2,339	–
	20,404	(4,154)

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

DIRECTORS

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

Dato' Suleiman Bin Abdul Manan
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Seok Kian
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Mark Yeoh Seok Kah
Dato' Hamidah Binti Maktar
Eu Peng Meng @ Leslie Eu

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under YTL Corporation Berhad Group Employee Share Options Scheme ("ESOS 2001"), the details of which are disclosed in the financial statements of YTL Corporation Berhad, the holding company.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than the benefits disclosed as directors' remuneration in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965, except that certain directors received remuneration from the Company's related companies.

DIRECTORS' INTERESTS

The following directors who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 134 of the Companies Act, 1965, interests in the shares of the Company and related corporations, as stated below:

The Company

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Dato' Suleiman Bin Abdul Manan	361,988	952,153	(259,200)	1,054,941
Dato' Yeoh Seok Kian	–	61,538	–	61,538
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,598,940(1)(3)	187,018	(331,810)	1,454,148(1)(3)

	Number of Irredeemable Convertible Preference Shares 2001/2011 (ICPS-A) of RM0.50 each#			
	As at 1.7.2010	Acquired	Converted/ Disposed	As at 30.6.2011
Direct interests:				
Dato' Suleiman Bin Abdul Manan	3,713,400	–	(3,713,400)	–
Dato' Yeoh Seok Kian	240,000	–	(240,000)	–
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,089,794(2)(3)	–	(1,089,794)	–

Shares expired on 24 April 2011 and removed from the Official List of Bursa Malaysia Securities Berhad on 25 April 2011.

DIRECTORS' INTERESTS (continued)

Holding company
YTL Corporation Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2010^	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	–	–	84,094,530
Dato' Yeoh Seok Kian	30,483,085	–	–	30,483,085
Dato' Yeoh Seok Hong	25,686,095	–	–	25,686,095
Dato' Sri Michael Yeoh Sock Siong	26,153,345	–	–	26,153,345
Dato' Mark Yeoh Seok Kah	17,942,040	–	–	17,942,040
Dato' Hamidah Binti Maktar	255,000	–	–	255,000
Indirect interests:				
Dato' Yeoh Seok Kian	1,609,980(3)	500,000	–	2,109,980(3)
Dato' Yeoh Seok Hong	19,864,810(3)	250,000	(250,000)	19,864,810(3)
Dato' Sri Michael Yeoh Sock Siong	12,885,305(3)	–	–	12,885,305(3)
Dato' Mark Yeoh Seok Kah	3,116,775(3)	–	–	3,116,775(3)

	Number of share options over ordinary shares of RM0.10 each			
	As at 1.7.2010^	Granted	Exercised	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	–	–	25,000,000
Dato' Yeoh Seok Kian	17,500,000	–	–	17,500,000
Dato' Yeoh Seok Hong	15,000,000	–	–	15,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–	–	15,000,000
Dato' Mark Yeoh Seok Kah	15,000,000	–	–	15,000,000
Dato' Hamidah Binti Maktar	500,000	–	–	500,000
Indirect interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000(4)	–	–	2,000,000(4)
Dato' Yeoh Seok Hong	2,000,000(3)	–	–	2,000,000(3)

^ *Opening balance adjusted pursuant to the subdivision of 1 ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each on 29 April 2011.*

DIRECTORS' INTERESTS (continued)

Ultimate holding company
Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000

Related company
YTL Cement Berhad

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Indirect interests:				
Dato' Yeoh Seok Kian	83,200(3)	–	–	83,200(3)
Dato' Yeoh Seok Hong	45,123(3)	–	–	45,123(3)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(3)	–	–	1,109,388(3)
Dato' Mark Yeoh Seok Kah	135,200(3)	–	–	135,200(3)

	Number of Irredeemable Convertible Unsecured Loan Stocks (ICULS) of RM1.00 nominal value each			
	As at 1.7.2010	Acquired	Converted/ Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Indirect interests:				
Dato' Yeoh Seok Kian	100,000(3)	–	–	100,000(3)
Dato' Yeoh Seok Hong	45,123(3)	–	–	45,123(3)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(3)	–	–	1,109,388(3)
Dato' Mark Yeoh Seok Kah	135,200(3)	–	–	135,200(3)

DIRECTORS' INTERESTS (continued)

	Number of share options over ordinary shares of RM0.50 each			
	As at 1.7.2010	Granted	Exercised	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' Sri Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000

Related company
YTL Power International Berhad

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	–	–	14,945,040
Dato' Yeoh Seok Kian	5,021,360	–	–	5,021,360
Dato' Yeoh Seok Hong	22,510,268	–	–	22,510,268
Dato' Sri Michael Yeoh Sock Siong	4,601,744	–	–	4,601,744
Dato' Mark Yeoh Seok Kah	6,665,920	1,000,000	–	7,665,920
Dato' Hamidah Binti Maktar	3,895	–	–	3,895
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,230(3)	–	–	1,230(3)
Dato' Yeoh Seok Kian	1,445,941(3)	–	–	1,445,941(3)
Dato' Yeoh Seok Hong	3,281,179(3)	–	–	3,281,179(3)
Dato' Sri Michael Yeoh Sock Siong	1,019,291(3)	–	–	1,019,291(3)
Dato' Mark Yeoh Seok Kah	1,093,601(3)	–	–	1,093,601(3)

	Number of warrants 2008/2018			
	As at 1.7.2010	Acquired	Exercised/ Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	–	–	4,860,175
Dato' Yeoh Seok Kian	1,632,962	–	–	1,632,962
Dato' Sri Michael Yeoh Sock Siong	1,496,502	–	–	1,496,502
Dato' Mark Yeoh Seok Kah	1,000,000	–	(1,000,000)	-
Dato' Hamidah Binti Maktar	1,600	–	–	1,600
Indirect interests:				
Dato' Yeoh Seok Kian	450,000(3)	–	–	450,000(3)
Dato' Sri Michael Yeoh Sock Siong	298,956(3)	–	–	298,956(3)

DIRECTORS' INTERESTS (continued)

	Number of share options over ordinary shares of RM0.50 each			
	As at 1.7.2010	Granted	Exercised	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,000,000	–	–	14,000,000
Dato' Yeoh Seok Kian	6,000,000	–	–	6,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	6,000,000	–	–	6,000,000
Dato' Mark Yeoh Seok Kah	6,000,000	–	–	6,000,000

Related company
YTL e-Solutions Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Indirect interests:				
Dato' Sri Michael Yeoh Sock Siong	1,905,500(3)	–	–	1,905,500(3)

Related company
*Infoscreen Networks Plc**

	Number of ordinary shares of £0.01 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100

Related company
*YTL Corporation (UK) Plc**

	Number of ordinary shares of £0.25 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* *Incorporated in England & Wales.*

DIRECTORS' INTERESTS (continued)

Related company
Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

Related company
YTL Construction (Thailand) Limited @

	Number of ordinary shares of THB100 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

Related company
Samui Hotel 2 Co., Ltd @

	Number of ordinary shares of THB10 each			
	As at 1.7.2010	Acquired	Disposed	As at 30.6.2011
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	1	–	1
Dato' Mark Yeoh Seok Kah	–	1	–	1

@ *Incorporated in Thailand.*

(1) Deemed interests under Section 6A of the Companies Act, 1965 through holdings by Investma Sdn. Bhd.
(2) Deemed interests under Section 6A of the Companies Act, 1965 through holdings by DSM Resources Sdn. Bhd.
(3) Deemed interests under Section 134(12)(c) of the Companies Act, 1965 through holdings by spouse and/or children.
(4) Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of ESOS 2001.

Other than as disclosed above, the Directors who held office at the end of the financial year did not have interests in shares of the Company or its related corporations during the financial year.

SHARE CAPITAL

During the financial year, the Company issued 42,893,704 new ordinary shares of RM0.50 each upon conversion of 167,287,216 ICPS-A at a conversion ratio of one new ordinary share of RM0.50 each for every 3.90 ICPS-A of RM0.50 each.

TREASURY SHARES

There has been no repurchase of the Company's issued ordinary shares since the financial year ended 30 June 2008.

As at 30 June 2011, the Company held 15,171,700 treasury shares out of its 844,120,789 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM22,200,000 and further details are disclosed in Note 34 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS 2011")

At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of an employees' share option scheme for employees and Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation. The ESOS 2011 was implemented on 1 April 2011.

As at the date of this report, no options has been granted under ESOS 2011.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance has been made for doubtful debts; and

    (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

    (i) it necessary to write off any bad debts or allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

    (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

OTHER STATUTORY INFORMATION (continued)

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Significant event during the financial year is disclosed in Note 42 to the financial statements.

ULTIMATE HOLDING COMPANY

The Company regards Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia, as its ultimate holding company.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 4 October 2011.

Dato' Suleiman Bin Abdul Manan

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Statement by Directors Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Suleiman Bin Abdul Manan and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE, being two of the directors of YTL Land & Development Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 52 to 108 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 30 June 2011 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 109 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 4 October 2011.

Dato' Suleiman Bin Abdul Manan

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Statutory Declaration Pursuant to Section 169(16) of the Companies Act, 1965

I, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE, being the director primarily responsible for the financial management of YTL Land & Development Berhad, do solemnly and sincerely declare that the financial statements set out on pages 52 to 108 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Subscribed and solemnly declared by the
abovenamed Tan Sri Dato' (Dr) Francis Yeoh Sock Ping,
CBE, FICE at Kuala Lumpur in the Federal Territory
on 4 October 2011

Before me,

Tan Seok Kett
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL Land & Development Berhad, which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the income statements, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 108.

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 are 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 ("Act") 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 have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with 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 Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
2716/01/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
4 October 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	3	**73,246**	246,645	–	–
Cost of sales	4	**(63,063)**	(215,025)	–	–
Gross profit		**10,183**	31,620	–	–
Other income		**40,540**	22,725	**1,335**	1,563
Administration expenses		**(23,077)**	(25,821)	**(5,398)**	(6,065)
Operating profit/(loss)		**27,646**	28,524	**(4,063)**	(4,502)
Finance costs	5	**(100)**	(1,402)	**(91)**	(5)
Share of results of jointly controlled entity		**(2)**	(1)	–	–
Profit/(loss) before tax	6	**27,544**	27,121	**(4,154)**	(4,507)
Income tax expenses	9	**(7,140)**	(6,710)	–	–
Profit/(loss) net of tax, representing total comprehensive income/(expense) for the year		**20,404**	20,411	**(4,154)**	(4,507)
Attributable to:					
Owners of the parent		**18,065**	18,621	**(4,154)**	(4,507)
Non-controlling interests		**2,339**	1,790	–	–
		20,404	20,411	**(4,154)**	(4,507)
Earnings per 50 sen share					
Basic (sen)					
Before mandatory conversion of ICPS-A	10	**2.26**	2.37		
After mandatory conversion of ICPS-A	10	*	2.25		
Diluted (sen)	10	*	2.25		

* Not applicable as there was no outstanding ICPS-A as at end of the current financial year.

No statement of comprehensive income presented as there is no other comprehensive income recognised during the financial year.

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	**33,826**	34,202	**6,574**	6,830
Prepaid land lease payments	12	**–**	59	**–**	–
Investment in subsidiaries	13	**–**	–	**274,832**	274,832
Investment in a jointly controlled entity	14	**22,897**	22,899	**22,900**	22,900
Investment property	15	**32,900**	28,623	**–**	–
Land held for property development	16	**545,652**	532,101	**15,031**	14,151
Goodwill on consolidation	17	**12,183**	12,183	**–**	–
Deferred tax assets	18	**2,897**	6,535	**–**	–
		650,355	636,602	**319,337**	318,713
Current assets					
Inventories	19	**65,250**	45,103	**–**	–
Property development costs	20	**48,611**	58,289	**–**	–
Trade and other receivables	21	**18,276**	34,599	**304**	14
Other current assets	22	**11,924**	18,131	**19**	7
Income tax assets		**6,552**	2,508	**1,982**	1,982
Amounts due from subsidiaries	23	**–**	–	**235,755**	223,511
Amounts due from related companies	24	**5,303**	1,263	**2**	3
Amount due from a jointly controlled entity	24	**3,797**	3,357	**3,797**	3,357
Fixed deposits with licensed banks	25	**92,200**	91,353	**13,236**	30,885
Cash and bank balances	26	**18,630**	17,334	**90**	369
		270,543	271,937	**255,185**	260,128
Total assets		**920,898**	908,539	**574,522**	578,841

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Equity and liabilities					
Current liabilities					
Provisions	27	**4,656**	9,497	–	–
Trade and other payables	28	**36,571**	15,013	**1,375**	1,535
Other current liabilities	29	**12,942**	10,064	–	–
Amounts due to immediate holding company	24	**216**	61	**112**	53
Amounts due to related companies	24	**10,076**	22,807	**39**	39
Borrowings	30	**12,534**	28,725	–	64
Current tax payable		–	3,346	–	–
		76,995	89,513	**1,526**	1,691
Non-current liabilities					
Borrowings	30	**157,214**	151,176	–	–
Other non-current liability	32	**67,696**	67,696	–	–
Deferred tax liabilities	18	**44,391**	45,956	–	–
		269,301	264,828	–	–
Total liabilities		**346,296**	354,341	**1,526**	1,691
Net assets		**574,602**	554,198	**572,996**	577,150
Equity attributable to owners of the parent					
Share capital	33	**422,060**	484,257	**422,060**	484,257
Share premium		**270,912**	208,715	**270,912**	208,715
Treasury shares	34	**(22,200)**	(22,200)	**(22,200)**	(22,200)
Accumulated losses		**(104,892)**	(122,957)	**(97,776)**	(93,622)
		565,880	547,815	**572,996**	577,150
Non-controlling interests		**8,722**	6,383	–	–
Total equity		**574,602**	554,198	**572,996**	577,150
Total equity and liabilities		**920,898**	908,539	**574,522**	578,841

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

Group	Ordinary shares (Note 33) RM'000	ICPS-A (Note 33) RM'000	Share premium RM'000	Treasury shares (Note 34) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	<—— Attributable to owners of the parent ——							
	<——Share capital——>							
At 30 June 2009	398,779	90,796	203,397	(22,200)	(141,578)	529,194	4,593	533,787
Total comprehensive income for the year	–	–	–	–	18,621	18,621	1,790	20,411
Conversion of ICPS-A to ordinary shares	1,834	(7,152)	5,318	–	–	–	–	–
At 30 June 2010	400,613	83,644	208,715	(22,200)	(122,957)	547,815	6,383	554,198
Total comprehensive income for the year	–	–	–	–	18,065	18,065	2,339	20,404
Conversion of ICPS-A to ordinary shares	21,447	(83,644)	62,197	–	–	–	–	–
At 30 June 2011	**422,060**	–	**270,912**	**(22,200)**	**(104,892)**	**565,880**	**8,722**	**574,602**

Company	Ordinary shares (Note 33) RM'000	ICPS-A (Note 33) RM'000	Share premium RM'000	Treasury shares (Note 34) RM'000	Accumulated losses RM'000	Total RM'000
	<—— Attributable to owners of the parent ——					
	<——Share capital——>					
At 30 June 2009	398,779	90,796	203,397	(22,200)	(89,115)	581,657
Total comprehensive expense for the year	–	–	–	–	(4,507)	(4,507)
Conversion of ICPS-A to ordinary shares	1,834	(7,152)	5,318	–	–	–
At 30 June 2010	400,613	83,644	208,715	(22,200)	(93,622)	577,150
Total comprehensive expense for the year	–	–	–	–	(4,154)	(4,154)
Conversion of ICPS-A to ordinary shares	21,447	(83,644)	62,197	–	–	–
At 30 June 2011	422,060	–	270,912	(22,200)	**(97,776)**	**572,996**

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

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Operating activities				
Profit/(loss) before tax	**27,544**	27,121	**(4,154)**	(4,507)
Adjustments for:				
Depreciation of property, plant and equipment	**514**	611	**264**	371
Amortisation of prepaid land lease payments	–	4	–	–
Interest income	**(2,752)**	(2,009)	**(683)**	(963)
Interest expense	**100**	1,402	**91**	5
Bad debt written off	–	25	–	–
Allowance/(reversal) of impairment loss on receivables				
– subsidiaries	–	–	**(43)**	–
– third party	–	1,000	–	1,000
Loss on disposal of property, plant and equipment	–	123	–	123
Gain on fair value adjustments of investment property	**(4,277)**	–	–	–
Gain on disposal of land	**(2,165)**	–	–	–
Net provision of damages claims	**1,655**	3,336	–	–
Share of results of a jointly controlled entity	**2**	1	–	–
Total adjustments	**(6,923)**	4,493	**(371)**	536
Operating cash flows before working capital changes	**20,621**	31,614	**(4,525)**	(3,971)
Changes in working capital				
Decrease/(increase) in property development costs	**9,678**	(17,969)	–	–
(Increase)/decrease in inventories	**(20,147)**	14,037	–	–
Changes in working capital carried forward	**(10,469)**	(3,932)	–	–

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

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Operating activities (cont'd.)				
Changes in working capital brought forward	**(10,469)**	(3,932)	–	–
Decrease/(increase) in receivables	**16,323**	17,474	**(290)**	105
Decrease/(increase) in other current assets	**6,207**	–	**(12)**	–
Increase/(decrease) in payables	**15,062**	(7,569)	**(160)**	726
Increase in other current liabilities	**2,878**	–	–	–
Increase/(decrease) in amount due to immediate holding company	**155**	(490)	**59**	(6)
(Increase)/decrease in amount due from subsidiaries	–	–	**(12,201)**	3,907
(Decrease)/increase in amount due to related companies	**(16,771)**	(40,088)	**1**	29
Increase in amount due from jointly controlled entity	**(440)**	(3,357)	**(440)**	(3,357)
Total changes in working capital	**12,945**	(37,962)	**(13,043)**	1,404
Cash flows from/(used in) operations	**33,566**	(6,348)	**(17,568)**	(2,567)
Income tax paid	**(12,457)**	(10,832)	–	–
Net cash flows from/(used in) operating activities	**21,109**	(17,180)	**(17,568)**	(2,567)
Investing activities				
Interest received	**2,752**	2,009	**683**	963
Investment in a jointly controlled entity	–	(22,900)	–	(22,900)
Increase in prepaid land lease payments	–	(20)	–	–
Land held for property development	**(13,851)**	47,462	**(880)**	(745)
Purchase of property, plant and equipment	**(79)**	(63)	**(8)**	(3)
Proceeds from disposal of property, plant and equipment	–	158	–	158
Proceeds from disposal of land	**2,465**	–	–	–
Net cash flows (used in)/from investing activities	**(8,713)**	26,646	**(205)**	(22,527)

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Financing activities					
Repayment of term loan		**(10,000)**	(14,286)	–	–
Hire purchase repayment		**(153)**	(228)	**(64)**	(74)
Interest paid		**(100)**	(1,402)	**(91)**	(5)
Net cash flows used in financing activities		**(10,253)**	(15,916)	**(155)**	(79)
Net increase/(decrease) in cash and cash equivalents		**2,143**	(6,450)	**(17,928)**	(25,173)
Cash and cash equivalents at beginning of year		**108,687**	115,137	**31,254**	56,427
Cash and cash equivalents at end of year		**110,830**	108,687	**13,326**	31,254
Cash and cash equivalents consist of the following:					
Fixed deposits with licensed banks	25	**92,200**	91,353	**13,236**	30,885
Cash and bank balances	26	**18,630**	17,334	**90**	369
		110,830	108,687	**13,326**	31,254

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company is located at 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 4 October 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis, unless otherwise disclosed in the accounting policies section.

The financial statements are presented in Ringgit Malaysia ("RM"), and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

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

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

FRS 3: Business Combinations (revised)
FRS 7: Financial Instruments: Disclosures
FRS 101: Presentation of Financial Statements (revised)
FRS 123: Borrowing Costs
FRS 127: Consolidated and Separate Financial Statements (revised)
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time adoption of financial reporting standards and
 FRS 127 Consolidated and separate financial statements: Cost of an investment in a subsidiary,
 jointly-controlled entity or associate
Amendments to FRS 2: Share-based payment - Vesting conditions and cancellations
Amendments to FRS 2: Share-based Payment
Amendment to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7: Financial Instruments: Disclosures
Amendment to FRS 107: Statement of Cash Flows
Amendment to FRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110: Events After the Reporting Period
Amendment to FRS 116: Property, Plant and Equipment

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

Amendment to FRS 117: Leases
Amendment to FRS 118: Revenue
Amendment to FRS 119: Employee Benefits
Amendment to FRS 123: Borrowing Costs
Amendment to FRS 127: Consolidated and Separate Financial Statements
Amendment to FRS 128: Investments in Associates
Amendment to FRS 131: Interests in Joint Ventures
Amendment to FRS 132: Financial instruments: Presentation
Amendment to FRS 134: Interim Financial Reporting
Amendment to FRS 136: Impairment of Assets
Amendment to FRS 138: Intangible Assets
Amendment to FRS 140: Investment Property
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13: Customer Loyalty Programmes
IC Interpretation 17: Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Adoption of the above new and revised FRSs, amendments to FRSs and IC Interpretations did not have any significant financial impact on the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 July 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk (including sensitivity analysis to market risk).

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 June 2011.

FRS 101 Presentation of Financial Statements (Revised)

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

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies (continued)

FRS 101 Presentation of Financial Statements (Revised) (continued)

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 40).

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

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions. However, the adoption of FRS 139 does not have an impact on the Group's opening balance.

2.3 Basis of consolidation

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

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

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.4. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Goodwill

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

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

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

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

2.5 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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

2.6 Jointly controlled entity

A jointly controlled entity is a non-subsidiary company in which the Group has joint control over its economic activities under a contractual arrangement.

The Group's interests in jointly controlled entity are accounted for by the equity method of accounting based on the audited financial statements of the jointly controlled entity made up to the end of the financial year. Under this method of accounting, the Group's interest in the post-acquisition profit or loss of the jointly controlled entity is included in the consolidated results while dividend received is reflected as a reduction of the interests in the consolidated statement of financial position, which include any unsecured receivables where settlement is neither planned nor likely to occur in the foreseeable future.

Unrealised profits and losses arising on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interests in the relevant jointly controlled entity except where unrealised losses provide evidence of an impairment of the asset transferred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment and depreciation

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

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

Freehold land and Sentul Park situated on the freehold land are not depreciated. Leasehold land are depreciated over the period of the respective leases which range from 21 years to 60 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	1%
Furniture, fixtures and fittings	10%
Office equipment and plant	10% – 20%
Renovations	10%
Motor vehicles	12.5%
Other equipment	10%
Infrastructure works	2%

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

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

2.8 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investment properties (continued)

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

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 gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

2.9 Land held for property development and property development costs

(a) 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.

(b) Property development costs

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Construction contracts

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

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

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

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

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

2.11 Impairment of non-financial assets

The carrying amounts of the Group's assets, other than investment property, property development costs and inventories of the completed properties for resale, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For assets that have an indefinite useful life, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of non-financial assets (continued)

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

2.12 Inventories of completed properties for resale

Inventories of completed properties for resale are stated at lower of cost and net realisable value.

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

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

2.13 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 classify them as loans and receivables. The Group and the Company do not have any held-to-maturity investments, available-for-sale financial assets and financial assets at fair value through profit or loss.

(a) 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 assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Impairment of financial assets

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

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

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

2.15 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value.

2.16 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.

The Group and the Company determine the classification of their financial liabilities at initial recognition as other financial liabilities. The Group and the Company do not have any financial liabilities at fair value through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Financial liabilities (continued)

(a) Other financial liabilities

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

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

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

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

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

2.17 Leases

(a) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

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

(b) As lessor

Leases where the Group or the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each 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 finance cost.

The provision for damages claims is recognised for expected damages claims based on the terms of the applicable sale and purchase agreements.

2.19 Share capital

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

Dividends to equity holders are recognised in equity in the period in which they are declared.

2.20 Treasury shares

Shares repurchased by the Company are held as treasury shares and are accounted for on the cost method. The amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity. Should such shares be cancelled, reissued or disposed of, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves, as appropriate. Where the treasury shares are subsequently distributed as dividends to equity holders, the cost of the treasury shares is applied as reduction of the share premium account or the distributable retained profits or both.

2.21 Borrowing costs

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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 as an expense when the absences occur.

(b) Defined contribution plans

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

(c) Share-based compensation

The YTL Corporation Berhad Group ESOS 2001, an equity-settled, share-based compensation plan, allows the Group's Executive Directors and employees to acquire ordinary shares of the immediate holding company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in amount due to immediate holding company over the vesting period and taking into account the probability that the options will vest.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss over the remaining vesting period.

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

2.23 Foreign currency

(a) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Foreign currency (continued)

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

2.24 Revenue

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

(a) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.9(b).

(b) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.10.

(c) Management fees

Management fees are recognised when services are rendered.

2.25 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Income taxes

(a) Current tax

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

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

(b) Deferred tax

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Income taxes (continued)

(b) Deferred tax (continued)

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

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

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

2.27 Significant accounting judgements and estimates

(a) Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year end and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of these assets may result in revision of future depreciation charges.

(ii) Property development

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

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new or revised FRSs, amendments to FRSs and IC Interpretations ("IC Int") have been issued but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters &
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7: Improving Disclosures about Financial Instruments
IC Interpretation 4 Determining whether an Arrangement contains a Lease
IC Interpretation 18 Transfers of Assets from Customers
Improvements to FRSs (2010) issued in November 2010

Effective for financial periods beginning on or after 1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012
FRS 124 Related Party Disclosures
IC Interpretation 15 Agreements for the Construction of Real Estate

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial periods. However, the adoption of Amendments to FRS 1, IC Int 4, 18, 19 and Amendments to IC Int 14 are not relevant to the Group and the Company's operations. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

IC Interpretation 15 Agreements for the Construction of Real Estate

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

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

3. REVENUE

	Group 2011 RM'000	Group 2010 RM'000
Management fees	**886**	618
Revenue from construction contract	**9,145**	77,525
Revenue from sales of properties	**63,215**	168,502
	73,246	246,645

4. COST OF SALES

	Group 2011 RM'000	Group 2010 RM'000
Cost of inventories sold (Note 19)	**7,056**	14,995
Construction cost	**8,985**	76,536
Property development costs (Note 20)	**47,022**	123,494
	63,063	215,025

5. FINANCE COSTS

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Interest expenses on:				
– hire purchase	**5**	14	**1**	5
– term loan	**6,591**	5,463	**–**	–
– others	**95**	12	**90**	–
	6,691	5,489	**91**	5
Less: Interest expense capitalised in qualifying assets				
– Land held for property development (Note 16)	**–**	(3,987)	**–**	–
– Property development costs (Note 20)	**(6,591)**	(100)	**–**	–
	100	1,402	**91**	5

6. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included at arriving at profit/(loss) before tax:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Auditors' remuneration				
– current year	**186**	178	**50**	50
– under provision in prior year	**6**	30	**–**	10
Allowance/(reversal) of impairment loss on receivables				
– subsidiaries	**–**	–	**(43)**	–
– third party	**–**	1,000	**–**	1,000
Amortisation of prepaid land lease payments (Note 12)	**–**	4	**–**	–
Bad debts written off	**–**	25	**–**	–
Depreciation	**514**	611	**264**	371
Employee benefits expense (Note 7)	**5,046**	3,126	**661**	633
Directors' remuneration (Note 8)				
Executive directors	**1,272**	1,187	**245**	377
Non-executive directors	**950**	939	**914**	905
Gain from fair value adjustments of investment property (Note 15)	**(4,277)**	–	**–**	–
Gain on disposal of land	**(2,165)**	–	**–**	–
Interest income	**(2,752)**	(2,009)	**(683)**	(963)
Loss on disposal of property, plant and equipment	**–**	123	**–**	123
Management fees from subsidiaries	**–**	–	**(600)**	(600)
Provision of damages claims (Note 27)	**3,418**	3,336	**–**	–
Reversal of provisions (Note 27)	**(1,763)**	–	**–**	–
Rental expenses				
– building	**1,281**	1,283	**1,151**	1,151
– equipment	**11**	11	**9**	9
Rental income	**(1,360)**	(1,539)	**–**	–

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages and salaries	**4,050**	2,571	**476**	468
Social security costs	**30**	22	**4**	4
Pension costs				
– defined contribution plans	**456**	292	**50**	51
ESOS expenses	**10**	(19)	**–**	(8)
Other staff related expenses	**500**	260	**131**	118
	5,046	3,126	**661**	633

8. DIRECTORS' REMUNERATION

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	**5**	137	**5**	137
Fees	**240**	240	**240**	240
Benefits-in-kind	**10**	49	**10**	49
	255	426	**255**	426
Non-executive directors:				
Salaries and other emoluments	**574**	565	**574**	565
Fees	**190**	190	**190**	190
Bonus	**150**	150	**150**	150
Benefits-in-kind	**215**	226	**215**	226
	1,129	1,131	**1,129**	1,131
Directors of subsidiaries				
Executive directors:				
Salaries and other emoluments	**987**	770	**–**	–
Fees	**40**	40	**–**	–
Benefits-in-kind	**54**	76	**–**	–
	1,081	886	**–**	–

8. DIRECTORS' REMUNERATION (continued)

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of subsidiaries (continued)				
Non-executive directors:				
Fees	**30**	30	**–**	–
Other emoluments	**6**	4	**–**	–
	36	34	**–**	–
	2,501	2,477	**1,384**	1,557
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 6)	**1,272**	1,187	**245**	377
Total non-executive directors' remuneration excluding benefits-in-kind (Note 6)	**950**	939	**914**	905
Total directors' remuneration excluding benefits-in-kind	**2,222**	2,126	**1,159**	1,282

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

	Number of directors	
	2011	**2010**
Executive directors:		
RM1 – RM50,000	**5**	5
RM50,001 – RM100,000	**1**	–
RM200,001 – RM300,000	**–**	1
Non-executive directors:		
RM50,001 – RM100,000	**3**	3
RM800,001 – RM1,000,000	**1**	1

9. INCOME TAX EXPENSES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current income tax:				
Malaysian income tax	**8,181**	11,635	–	–
(Over)/under provision in prior years	**(3,114)**	150	–	–
	5,067	11,785	–	–
Deferred tax (Note 18):				
Relating to reversal of temporary differences	**(1,085)**	(2,708)	–	–
Under/(over) provision in prior years	**3,158**	(2,367)	–	–
	2,073	(5,075)	–	–
Income tax expenses	**7,140**	6,710	–	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit/(loss) for the year.

Reconciliations of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit/(loss) before tax	**27,544**	27,121	**(4,154)**	(4,507)
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	**6,886**	6,780	**(1,038)**	(1,127)
Effects of expenses not deductible for tax purposes	**186**	2,137	**1,038**	1,116
Deferred tax assets not recognised during the year	**24**	10	–	11
Under/(over) provision of deferred tax in prior years	**3,158**	(2,367)	–	–
(Over)/under provision of tax expense in prior years	**(3,114)**	150	–	–
Income tax expense for the year	**7,140**	6,710	–	–

10. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

The basic EPS of the Group has been computed based on the profit attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year before and after mandatory conversion of ICPS-A, excluding treasury shares held by the Company.

(b) Fully diluted EPS

The fully diluted EPS of the Group has been computed based on the profit attributable to owners of the parent divided by the adjusted weighted average number of ordinary shares, assuming the full conversion of ICPS-A in issue during the year into potential ordinary shares.

	Group	
	2011	**2010**
Profit attributable to owners of the parent (RM'000)	**18,065**	18,621
Weighted average number of ordinary shares in issue ('000)	**797,917**	784,320
Assume full conversion of ICPS-A ('000)	–	42,894
	797,917	827,214
Basic EPS (sen)		
Before mandatory conversion of ICPS-A (sen)	**2.26**	2.37
After mandatory conversion of ICPS-A (sen)	*	2.25
Fully diluted EPS (sen)	*	2.25

* Not applicable as all ICPS-A was fully converted into ordinary shares upon maturity during current financial year.

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovations RM'000	Motor vehicles RM'000	Infrastructure works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2011										
Cost										
At 1 July 2010	6,644	–	2,823	2,074	3,469	2,195	4,692	4,258	18,642	44,797
Additions	–	–	–	–	79	–	–	–	–	79
Transfer	–	142	–	–	–	–	–	–	–	142
At 30 June 2011	6,644	142	2,823	2,074	3,548	2,195	4,692	4,258	18,642	45,018
Accumulated depreciation										
At 1 July 2010	–	–	339	1,974	3,159	1,570	3,213	340	–	10,595
Charge for the year	–	4	27	27	99	154	118	85	–	514
Transfer	–	83	–	–	–	–	–	–	–	83
At 30 June 2011	–	87	366	2,001	3,258	1,724	3,331	425	–	11,192
Net carrying amount										
At 30 June 2011	6,644	55	2,457	73	290	471	1,361	3,833	18,642	33,826
As at 30 June 2010										
Cost										
At 1 July 2009	6,644	–	2,823	2,063	3,437	2,175	5,258	4,258	18,642	45,300
Additions	–	–	–	11	32	20	–	–	–	63
Disposal	–	–	–	–	–	–	(566)	–	–	(566)
At 30 June 2010	6,644	–	2,823	2,074	3,469	2,195	4,692	4,258	18,642	44,797
Accumulated depreciation										
At 1 July 2009	–	–	312	1,947	3,053	1,415	3,287	255	–	10,269
Charge for the year	–	–	27	27	106	155	211	85	–	611
Disposal	–	–	–	–	–	–	(285)	–	–	(285)
At 30 June 2010	–	–	339	1,974	3,159	1,570	3,213	340	–	10,595
Net carrying amount										
At 30 June 2010	6,644	–	2,484	100	310	625	1,479	3,918	18,642	34,202

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM401,264 (2010: RM558,003) held under hire purchase arrangements.

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	Freehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
As at 30 June 2011							
Cost							
At 1 July 2010	3,036	2,823	139	366	1,080	1,404	8,848
Addition	–	–	–	8	–	–	8
At 30 June 2011	3,036	2,823	139	374	1,080	1,404	8,856
Accumulated depreciation							
At 1 July 2010	–	338	76	261	480	863	2,018
Charge for the year	–	27	13	29	55	140	264
At 30 June 2011	–	365	89	290	535	1,003	2,282
Net carrying amount							
At 30 June 2011	3,036	2,458	50	84	545	401	6,574
As at 30 June 2010							
Cost							
At 1 July 2009	3,036	2,823	139	363	1,646	1,404	9,411
Addition	–	–	–	3	–	–	3
Disposal	–	–	–	–	(566)	–	(566)
At 30 June 2010	3,036	2,823	139	366	1,080	1,404	8,848
Accumulated depreciation							
At 1 July 2009	–	311	63	228	608	722	1,932
Charge for the year	–	27	13	33	157	141	371
Disposal	–	–	–	–	(285)	–	(285)
At 30 June 2010	–	338	76	261	480	863	2,018
Net carrying amount							
At 30 June 2010	3,036	2,485	63	105	600	541	6,830

As at the end of previous financial year, included in property, plant and equipment of the Company was a motor vehicle with net book value of RM202,086 held under hire purchase arrangement.

12. PREPAID LAND LEASE PAYMENTS

	Group 2011 RM'000	Group 2010 RM'000
Short term leasehold land		
At beginning of the financial year	**59**	43
Additions during the year	**–**	20
Amortisation for the year (Note 6)	**–**	(4)
Transfer to leasehold land (Note 11)	**(59)**	–
At end of the financial year	**–**	59

13. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares:		
– At cost	**265,699**	265,699
– At valuation	**222,296**	222,296
	487,995	487,995
Less: Accumulated impairment losses	**(213,163)**	(213,163)
	274,832	274,832

The directors had revalued the Company's investment in subsidiaries based on the fair value of the subsidiaries' net assets in 1995.

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

Name of subsidiaries	Principal activities	Effective equity interest 2011 %	Effective equity interest 2010 %
Held by the Company:			
Sentul Raya Sdn. Bhd.	Property development and property investment	**70**	70
Mayang Sari Sdn. Bhd.	Inactive	**100**	100
YTL Land & Development (MM2H) Sdn. Bhd.	Dormant	**100**	100
* Amanresorts Sdn. Bhd.	Inactive	**100**	100
* Pakatan Perakbina Sdn. Bhd.	Property development and building construction	**100**	100
* Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Property development and related services	**100**	100
* Bayumaju Development Sdn. Bhd.	Property development	**100**	100

13. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiaries	Principal activities	Effective equity interest 2011 %	2010 %
Held through subsidiaries:			
Sentul Raya Golf Club Berhad	Inactive	**70**	70
Sentul Raya City Sdn. Bhd.	Inactive	**70**	70
Sentul Park Management Sdn. Bhd.	Park management	**70**	70
SR Property Management Sdn. Bhd.	Provision of property management services	**100**	100
Lot Ten Security Sdn. Bhd.	Inactive	**100**	100
Boom Time Strategies Sdn. Bhd.	Inactive	**100**	100
* Noriwasa Sdn. Bhd.	Dormant	**100**	100
* Udapakat Bina Sdn. Bhd.	Property development and related services	**100**	100
* PYP Sendirian Berhad	Property development and related services	**100**	100

** Audited by firms of auditors other than Ernst & Young.*

14. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Unquoted investment, at cost	**22,900**	22,900	**22,900**	22,900
Share of post acquisition losses	**(3)**	(1)	–	–
	22,897	22,899	**22,900**	22,900

Details of the jointly controlled entity are as follows:-

Name of Company	Place of incorporation	Principal activity	Effective equity interest 2011 %	2010 %
PDC Heritage Hotel Sdn. Bhd.	Malaysia	Property development	**50**	50

The financial statements of the above jointly controlled entity are audited by a firm other than Ernst & Young.

14. INVESTMENT IN A JOINTLY CONTROLLED ENTITY (continued)

a) The aggregate amounts of each of the current asset, non-current assets, current liabilities, income and expenses related to the Group's interests in the jointly controlled entity are as follows:

	Group	
	2011 RM'000	2010 RM'000
Assets and liabilities:		
Current asset	*	*
Non-current assets	**15,237**	15,025
Total assets	**15,237**	15,025
Current liabilities	**(1,900)**	(1,686)
Net assets	**13,337**	13,339
Income and expenses:		
Income	–	–
Expenses	**(2)**	(1)

** Representing RM1.*

15. INVESTMENT PROPERTY

	Group	
	2011 RM'000	2010 RM'000
At beginning of the financial year	**28,623**	28,623
Gain from fair value adjustments recognised in profit or loss (Note 6)	**4,277**	–
At end of the financial year	**32,900**	28,623

The investment property of the Group is stated at fair value based on a professional valuation in June 2011 by the registered valuers, Azmi & Co Sdn. Bhd., on an open market value basis.

16. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of the financial year				
Cost				
Freehold land	**169,979**	169,179	**–**	–
Leasehold land	**162,990**	220,631	**10,036**	10,036
	332,969	389,810	**10,036**	10,036
Development expenditure	**199,132**	189,753	**4,115**	3,370
	532,101	579,563	**14,151**	13,406
Cost incurred during the year:				
Freehold land	**–**	800	**–**	–
Development expenditure	**33,247**	10,234	**880**	745
	33,247	11,034	**880**	745
Transfer from property development costs (Note 20):				
Development cost	**200**	393	**–**	–
Freehold land	**(2,849)**	–	**–**	–
Leasehold land	**–**	(57,641)	**–**	–
Development cost	**(16,747)**	(1,184)	**–**	–
	(19,596)	(58,825)	**–**	–
Disposal of land	**(300)**	–	**–**	–
Write off to profit or loss	**–**	(64)	**–**	–
At end of the financial year	**545,652**	532,101	**15,031**	14,151

Land held for property development comprises land which are in the process of being prepared for development but are not expected to be developed for sale within the normal operating cycle.

In the previous financial year, interest capitalised in land held for property development of the Group was RM3,987,243 as disclosed in Note 5 to the financial statements.

17. GOODWILL ON CONSOLIDATION

	Group	
	2011	2010
	RM'000	RM'000
At beginning/end of the financial year	**12,183**	12,183

Impairment test of goodwill is carried out on an annual basis by comparing the carrying amount of goodwill with the recoverable amount of each cash-generating unit ("CGU").

The recoverable amount of the CGUs are determined based on value in use calculations using cash flow projections from financial budgets approved by the management.

(i) Allocation of goodwill
The entire goodwill of the Company arose from its property development business.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

– Budgeted gross margin
Budgeted gross margin is estimated based on the gross margin of actual projects on hand.

– Discount rate
The discount rates used are pre-tax and reflect specific risks relating to the industry.

(ii) Sensitivity to changes in assumptions
With regard to the assessment of value in use of the Group's CGUs, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the units to materially differ from their recoverable amounts.

18. DEFERRED TAX

	Group	
	2011	2010
	RM'000	RM'000
At beginning of the financial year	**39,421**	44,496
Recognised in profit or loss (Note 9)	**2,073**	(5,075)
At end of the financial year	**41,494**	39,421

	Group	
	2011	2010
	RM'000	RM'000
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(2,897)**	(6,535)
Deferred tax liabilities	**44,391**	45,956
	41,494	39,421

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

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Land held for property development RM'000	Total RM'000
At 1 July 2010	260	45,831	46,091
Recognised in profit or loss	(101)	(1,578)	(1,679)
At 30 June 2011	159	44,253	44,412
At 1 July 2009	273	48,681	48,954
Recognised in profit or loss	(13)	(2,850)	(2,863)
At 30 June 2010	260	45,831	46,091

18. DEFERRED TAX (continued)

Deferred tax assets of the Group:

	Unabsorbed losses in subsidiaries RM'000	Accruals and payables RM'000	Total RM'000
At 1 July 2010	(114)	(6,556)	(6,670)
Recognised in profit or loss	–	3,752	3,752
At 30 June 2011	(114)	(2,804)	(2,918)
At 1 July 2009	(114)	(4,344)	(4,458)
Recognised in profit or loss	–	(2,212)	(2,212)
At 30 June 2010	(114)	(6,556)	(6,670)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unused tax losses	**207**	207	**–**	–
Unabsorbed capital allowances	**286**	286	**–**	–
Other deductible temporary differences	**94**	93	**94**	93
	587	586	**94**	93

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group and of the Company is subject to agreement of the Inland Revenue Board.

19. INVENTORIES

	Group	
	2011 RM'000	2010 RM'000
Properties held for sale		
– At cost	**33,466**	10,603
– At net realisable value	**31,784**	34,500
	65,250	45,103

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM7,055,954 (2010: RM14,995,605) as disclosed in Note 4 to the financial statements.

20. PROPERTY DEVELOPMENT COSTS

	Group 2011 RM'000	2010 RM'000
Property development costs at beginning of the financial year:		
Freehold and leasehold land, at cost	**31,671**	9,245
Development and construction costs	**168,500**	178,976
	200,171	188,221
Cost incurred during the year:		
Development and construction costs	**45,084**	83,148
Transfer from land held for property development (Note 16):		
Freehold land	**2,849**	–
Leasehold land	**–**	57,641
Development cost	**16,747**	1,184
	19,596	58,825
Reversal of development costs for completed projects:		
Freehold land	**(3,232)**	–
Leasehold land	**(1,175)**	(35,215)
Development cost	**(116,037)**	(94,298)
	(120,444)	(129,513)
Transfer to land held for property development (Note 16):		
Development cost	**(200)**	(393)
Transfer of unsold units to inventories		
Development cost	**(27,136)**	(117)
Costs recognised in profit or loss:		
At beginning of the financial year	**141,882**	147,901
Recognised during the year (Note 4)	**47,022**	123,494
Reversal of completed projects	**(120,444)**	(129,513)
At end of the financial year	**68,460**	141,882
Property development costs at end of the financial year	**48,611**	58,289

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM6,591,490 (2010: RM99,961) as disclosed in Note 5 to the financial statements.

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables				
Trade receivables	**5,214**	19,922	–	–
Stakeholder amounts held by solicitors	**2,998**	5,581	–	–
	8,212	25,503	–	–
Other receivables				
Deposits	**2,170**	1,933	**11**	11
Other receivables	**8,934**	8,203	**1,293**	1,003
	11,104	10,136	**1,304**	1,014
Less: Allowance for impairment	**(1,040)**	(1,040)	**(1,000)**	(1,000)
	10,064	9,096	**304**	14
Total trade and other receivables	**18,276**	34,599	**304**	14
Amounts due from:				
– Subsidiaries (Note 23)	–	–	**235,755**	223,511
– Related companies (Note 24)	**5,303**	1,263	**2**	3
– Jointly controlled entity (Note 24)	**3,797**	3,357	**3,797**	3,357
Fixed deposits with licensed banks (Note 25)	**92,200**	91,353	**13,236**	30,885
Cash and bank balances (Note 26)	**18,630**	17,334	**90**	369
Total loans and receivables	**138,206**	147,906	**253,184**	258,139

(a) Trade receivables

The Group's normal trade credit terms range from 30 days to 90 days (2010: 30 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The ageing analysis of the Group's trade receivables is as follows:

	Group 2011 RM'000
Neither past due nor impaired	**4,931**
1 to 30 days past due not impaired	**1,026**
31 to 60 days past due not impaired	**682**
61 to 90 days past due not impaired	**143**
91 to 120 days past due not impaired	**61**
More than 120 days past due not impaired	**1,369**
	8,212

21. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,281,284 that are past due at the reporting date but not impaired. This includes mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

(b) Other receivables that are impaired

The Group's other receivables that are individually impaired at the reporting date are as follows:

	Group 2011 RM'000	Company 2011 RM'000
Other receivables – nominal amounts	1,040	1,000
Less: Allowance for impairment	(1,040)	(1,000)
	–	–

There has been no movement in the allowance account during the financial year.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amount due from Kuala Lumpur Performing Arts Centre of RM6,400,000 (2010: RM5,500,000) which represents a concentration of credit risk to the Group by virtue of its significant balance.

The other receivables are non-interest bearing, unsecured and are repayable on demand. Other information on financial risk is disclosed in Note 39.

22. OTHER CURRENT ASSETS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Prepayments	24	196	19	7
Accrued billings in respect of property development costs	11,900	17,935	–	–
	11,924	18,131	19	7

23. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries, which are stated after allowance for impairment of RM15,175,688 (2010: RM15,219,080) primarily arose from payments on the subsidiaries' behalf. These amounts are unsecured, interest-free and are repayable on demand.

24. AMOUNTS DUE FROM/(TO) RELATED COMPANIES, HOLDING COMPANY AND JOINTLY CONTROLLED ENTITY

The immediate and ultimate holding companies are YTL Corporation Berhad and Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. respectively, both of which are incorporated in Malaysia. The immediate holding company, YTL Corporation Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. Related companies refer to the subsidiaries of Yeoh Tiong Lay & Sons Holdings Sdn. Bhd..

The amounts due from/(to) holding and related companies and the jointly controlled entity are unsecured, interest free and are repayable on demand.

An amount of RM9,802,000 (2010: RM10,547,000) due to related companies is trade in nature.

25. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	**92,200**	91,353	**13,236**	30,885

The weighted average effective interest rates of deposits at the reporting date were as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Licensed banks	**3.27**	2.62	**3.29**	2.64

The maturity of deposits as at the end of the financial year ranged from 5 days to 31 days (2010: 7 days to 50 days).

26. CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at bank	**18,630**	17,334	**90**	369

Included in cash at banks of the Group are amounts of RM17,238,000 (2010: RM13,218,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

27. PROVISIONS

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	**9,497**	10,633
Provision during the year (Note 6)	**3,418**	3,336
Reversal of provisions (Note 6)	**(1,763)**	–
Utilisation of provision during the year	**(6,496)**	(4,472)
At end of the financial year	**4,656**	9,497

Provisions are in respect of projects undertaken by subsidiaries and are recognised for expected liquidated ascertained damages claims based on the terms of the applicable sale and purchase agreements.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	**2,325**	912	–	–
Other payables	**2,569**	2,950	**61**	108
Accruals	**10,860**	9,979	**1,174**	1,287
Deposits received	**20,677**	1,032	–	–
Provision for losses arising from issue of ICPS-A	**140**	140	**140**	140
Total trade and other payables	**36,571**	15,013	**1,375**	1,535
Amounts due to:				
– Immediate holding company (Note 24)	**216**	61	**112**	53
– Related companies (Note 24)	**10,076**	22,807	**39**	39
Borrowings (Note 30)	**169,748**	179,901	–	64
Total financial liabilities carried at amortised cost	**216,611**	217,782	**1,526**	1,691

The normal credit terms granted to the Group range from 30 days to 90 days.

29. OTHER CURRENT LIABILITIES

	Group 2011 RM'000	Group 2010 RM'000
Progress billings in respect of property development costs	**8,153**	4,731
Amount due to customer on contract (Note a)	**123**	283
Accruals for rectification works	**4,666**	5,050
	12,942	10,064

(a) Amount due to customer on contract

	Group 2011 RM'000	Group 2010 RM'000
Construction costs incurred to date	**527,531**	518,546
Attributable profits	**9,417**	9,257
	536,948	527,803
Less: Progress billings	**(537,071)**	(528,086)
Amount due to customer on contract	**(123)**	(283)

30. BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current				
Term loan	**12,500**	28,572	–	–
Hire purchase payables (Note 31)	**34**	153	–	64
	12,534	28,725	–	64
Non-current				
Term loan	**157,214**	151,142	–	–
Hire purchase payables (Note 31)	–	34	–	–
	157,214	151,176	–	–
Total borrowings				
Term loan	**169,714**	179,714	–	–
Hire purchase payables (Note 31)	**34**	187	–	64
	169,748	179,901	–	64

30. BORROWINGS (continued)

The remaining maturities of the term loan at the reporting date are as follows:

	Group	
	2011	**2010**
	RM'000	**RM'000**
Not later than 1 year	**12,500**	28,572
Later than 1 year and not later than 2 years	**15,000**	28,572
Later than 2 years and not later than 5 years	**120,000**	85,716
Later than 5 years	**22,214**	36,854
	169,714	179,714

The term loan bears interest at rates ranging from 3.55% to 4.47% (2010: 3.20% to 3.55%) per annum and is secured by a corporate guarantee of the Company.

31. HIRE PURCHASE PAYABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Future minimum lease payments:				
Not later than 1 year	**34**	158	–	65
Later than 1 year and not later than 2 years	–	34	–	–
	34	192	–	65
Less: Future finance charges	–	(5)	–	(1)
Present value of hire purchase payables (Note 30)	**34**	187	–	64
Analysis of present value of hire purchase payables:				
Not later than 1 year	**34**	153	–	64
Later than 1 year and not later than 2 years	–	34	–	–
	34	187	–	64

The hire purchase payables bear a flat interest rate at 2.75% (2010: ranging from 2.30% to 2.73%) per annum.

32. OTHER NON-CURRENT LIABILITY

	Group	
	2011	2010
	RM'000	RM'000
Amount due to customer on contract	**67,696**	67,696

The amount represents the balance of the total purchase consideration of not less than RM105,616,000 (2010: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which is to be settled by way of phased development, construction and completion of the Railway Village by a subsidiary, Sentul Raya Sdn. Bhd. ("SRSB") for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB, as amended pursuant to the Supplementary Development Agreement with KTMB dated 21 December 2000.

33. SHARE CAPITAL

	Group/Company			
	2011		2010	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Ordinary shares of RM0.50 each				
At beginning/end of the financial year	**3,000,000**	**1,500,000**	3,000,000	1,500,000
Irredeemable convertible preference shares 2001/2011 ("ICPS-A") of RM0.50 each				
At beginning/end of the financial year	**600,000**	**300,000**	600,000	300,000
Irredeemable convertible preference shares 2003/2008 ("ICPS-B") of RM0.50 each				
At beginning/end of the financial year	**1,400,000**	**700,000**	1,400,000	700,000
Total	**5,000,000**	**2,500,000**	5,000,000	2,500,000

33. SHARE CAPITAL (continued)

	Group/Company			
	2011		2010	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At beginning of the financial year	**801,227**	**400,613**	797,559	398,779
Conversion of ICPS-A to ordinary shares	**42,894**	**21,447**	3,668	1,834
At end of the financial year	**844,121**	**422,060**	801,227	400,613
Irredeemable convertible preference shares 2001/2011 ("ICPS-A") of RM0.50 each				
At beginning of the financial year	**167,287**	**83,644**	181,591	90,796
Conversion of ICPS-A to ordinary shares	**(167,287)**	**(83,644)**	(14,304)	(7,152)
At end of the financial year	–	–	167,287	83,644
Total	**844,121**	**422,060**	968,514	484,257

During the financial year, the Company issued 42,893,704 new ordinary shares of RM0.50 each upon conversion of 167,287,216 ICPS-A at a conversion ratio of one new ordinary share of RM0.50 each for every 3.90 ICPS-A of RM0.50 each. The share premium of RM62,196,756 arose from the issuance of these ordinary shares. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

The ICPSs have no voting rights other than those affecting their rights and privileges. The ICPSs rank pari passu with ordinary shares for distribution of dividend but for return of capital, they rank above all shares in issue.

ICPS-A was fully converted into new ordinary shares of RM0.50 each at a conversion ratio of one new ordinary share of RM0.50 each for every 3.90 ICPS-A of RM0.50 each upon maturity during the current financial year.

<u>Share options</u>

At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of an employees' share option scheme ("ESOS 2011") for employees and Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation.

The main features of ESOS 2011 are as follows:-

(i) ESOS 2011 shall be in force for a period of ten (10) years, effective from 1 April 2011.

(ii) The maximum number of shares to be alloted and issued pursuant to the exercise of the options which may be granted under ESOS 2011 shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of ESOS 2011.

33. SHARE CAPITAL (continued)

(iii) Any employee (including the directors) of the Group shall be eligible to participate in ESOS 2011 if, as at the date of offer of an option ("Offer Date"), the person:-

(a) has attained the age of eighteen (18) years;

(b) is a director or is an employee employed by and on the payroll of a company within the Group; and

(c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.

(iv) The subscription price payable for shares under ESOS 2011 shall be determined by the Board upon the recommendation of the options committee and shall be fixed based on the higher of the following:-

(a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) Market Days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or

(b) the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act, 1965).

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the option during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the option can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the option to be exercised at any earlier or other period.

(vi) The grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion. However, grantees are encouraged to hold the ordinary shares of the Company allocated and issued to him as investments rather than for realisation to yield immediate profit.

As at the end of the financial year, no options have been granted under ESOS 2011.

34. TREASURY SHARES

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

The shareholders of the Company, by an ordinary resolution passed at a general meeting held on 30 November 2010, renewed their approval for the Company's plan to repurchase its own ordinary shares. 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.

There has been no repurchase of the Company's issued ordinary shares since the financial year ended 30 June 2008.

	Group/Company			
	<—— 2011	——>	<—— 2010	——>
	Number of shares '000	RM'000	Number of shares '000	RM'000
At beginning/end of the financial year	**15,172**	**22,200**	15,172	22,200

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Entity	Relationship	Transaction type	Group 2011 RM'000	Group 2010 RM'000
Corporate Promotions Sdn. Bhd.	Subsidiary of ultimate holding company	Provision of advertising, promotion and printing services	**657**	1,134
Katagreeen Development Sdn. Bhd.	Subsidiary of immediate holding company	Rental of premises	**1,151**	–
Starhill Real Estate Investment Trust	Deemed related to immediate holding company	Rental of premises	–	1,151
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	Subsidiary of immediate holding company	Provision of construction works	**50,415**	130,271
		Project management & marketing agent fees receivable	**27,227**	15,160

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

Entity	Relationship	Transaction type	Group 2011 RM'000	Group 2010 RM'000
Sentul Raya Sdn. Bhd.	Subsidiary	Provision of management service to subsidiary	**300**	300
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Subsidiary	Provision of management service to subsidiary	**150**	150
Pakatan Perakbina Sdn. Bhd.	Subsidiary	Provision of Management service to subsidiary	**150**	150

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

Outstanding balances in respect of the above transactions are disclosed in Notes 23 and 24 to the financial statements.

(b) Compensation to key management personnel comprised solely the directors' remuneration as disclosed in Note 8 to the financial statements.

36. COMMITMENTS

Non-cancellable operating lease commitments – Group as lessee

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Future minimum lease payable:				
Not later than 1 year	**1,151**	689	**1,151**	689
Later than 1 year	**1,840**	–	**1,840**	–
	2,991	689	**2,991**	689

Operating lease payments represent rentals payable by the Group and by the Company for use of premises. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

37. CONTINGENT LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Guarantees to financial institutions for credit facilities granted to subsidiaries	*	35,920	*	215,634

* Upon adoption of FRS 139, the financial guarantees provided to financiers for subsidiaries are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystallise. The Group has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's and of the Company's financial instruments are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of financial guarantee are determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

– The likelihood of the guaranteed party defaulting within the guaranteed period;

– The esposure on the portion that is not expected to be recovered due to the guaranteed party's default;

– The estimated loss exposure if the party guaranteed were to default.

Upon the adoption of FRS 139, all unexpired financial guarantees issued were not recognised as no value has been placed on the guarantees provided by the Group as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed party defaulting within the guaranteed period were assessed to be remote.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's operations are subject to a variety of financial risks, including liquidity risk, credit risk and interest rate risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is not the Group's and the Company's policy to engage in speculative transactions.

(a) 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 Company's exposure to liquidity risks arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Liquidity risk (continued)

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

	2011			
	On demand or Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
Trade and other payables	36,571	–	–	36,571
Borrowings	20,120	155,734	23,207	199,061
Amounts due to:				
– Immediate holding company (Note 24)	216	–	–	216
– Related companies (Note 24)	10,076	–	–	10,076
Total undiscounted financial liabilities	66,983	155,734	23,207	245,924
Company				
Trade and other payables	1,375	–	–	1,375
Amounts due to:				
– Immediate holding company (Note 24)	112	–	–	112
– Related companies (Note 24)	39	–	–	39
Total undiscounted financial liabilities	1,526	–	–	1,526

(b) 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 principally from trade, other receivables and inter-company balances. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM197,348,000 (2010: RM215,634,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

(i) Trade and other receivables

Receivable balances are monitored continually with the results that the Group's exposure to credit risk is minimised.

The ageing analysis and information regarding impairment of the Group and of the Company are disclosed in Note 21.

(ii) Inter company balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting date, there was no indication that the amounts due from subsidiaries are not recoverable other than as disclosed in Note 23.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks and interest-bearing loans and borrowings.

The Group's policy is to obtain the most favourable interest rates available.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, there would be no significant impact to the Group's profit net of tax and equity. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

40. 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 the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend policy to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

40. CAPITAL MANAGEMENT (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, total financial liabilities less cash and cash equivalents. Capital includes equity attributable to the owners.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Borrowings (Note 30)	**169,748**	179,901	**–**	64
Trade and other payables (Note 28)	**36,571**	15,013	**1,375**	1,535
Amounts due to immediate holding company (Note 24)	**216**	61	**112**	53
Amounts due to related companies (Note 24)	**10,076**	22,807	**39**	39
Less: Cash and cash equivalents				
– Fixed deposits with licensed banks (Note 25)	**(92,200)**	(91,353)	**(13,236)**	(30,885)
– Cash and bank balances (Note 26)	**(18,630)**	(17,334)	**(90)**	(369)
Net debt/(net cash)	**105,781**	109,095	**(11,800)**	(29,563)
Equity attributable to owners of the parent	**565,880**	547,815	**572,996**	577,150
Capital and net debt	**671,661**	656,910	**561,196**	547,587
Gearing ratio (%)	**16**	17	**–**	–

The Group and the subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 30 June 2011 and 30 June 2010.

41. SEGMENT INFORMATION

(a) Reporting format

The Group is organised into two main business segments:-

(i) Property development & management

(ii) Construction

An analysis by geographical segments has not been presented as the Group operates primarily in Malaysia.

41. SEGMENT INFORMATION (continued)

(b) Business segment

	Construction RM'000	Property development & management RM'000	Total RM'000
At 30 June 2011			
External revenue	**9,145**	**64,101**	**73,246**
Results			
Profit from operations	**160**	**27,486**	**27,646**
Finance cost			**(100)**
Share of results of a jointly controlled entity			**(2)**
Profit before taxation			**27,544**
Income tax expenses			**(7,140)**
Profit net of tax			**20,404**
At 30 June 2010			
External revenue	77,525	169,120	246,645
Results			
Profit from operations	989	27,535	28,524
Finance cost			(1,402)
Share of results of a jointly controlled entity			(1)
Profit before taxation			27,121
Income tax expenses			(6,710)
Profit net of tax			20,411

42. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Proposed Acquisitions and the settlement of outstanding inter-company balances

On 23 November 2010, the following proposals were announced by the Company:-

(a) Proposed acquisition from:-

- the holding company, YTL Corporation Berhad ("YTL Corp") of the equity interests in the following subject companies and the settlement of outstanding inter-company balances as at the latest practicable date preceding the relevant completion date ("Agreed Cut-Off Date"):-

  - 100% equity interest in Arah Asas Sdn. Bhd
  - 100% equity interest in Satria Sewira Sdn. Bhd.
  - 70% equity interest in Emerald Hectares Sdn. Bhd. ("EHSB")
  - 100% equity interest in Pinnacle Trend Sdn. Bhd.
  - 100% equity interest in Trend Acres Sdn. Bhd.
  - 100% equity interest in YTL Westwood Properties Pte Ltd;

- YTL Singapore Pte Ltd, a wholly-owned subsidiary of YTL Corp of 70% equity interest each in Lakefront Pte Ltd ("LFPL") and Sandy Island Pte Ltd ("SIPL") and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date;

- Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd., a wholly-owned subsidiary of YTL Corp of 100% equity interest in Budaya Bersatu Sdn. Bhd. and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date; and

- YTL Land Sdn. Bhd., a wholly-owned subsidiary of YTL Corp of six (6) parcels of agricultural land in Mukim Bidor, Perak Darul Ridzuan ("Bidor Land").

(Hereinafter referred to as "Proposed Acquisitions and the settlement of outstanding inter-company balances")

The total purchase consideration of RM476,053,870 for the Proposed Acquisitions and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date ("Total Consideration") is to be satisfied by the issuance by the Company of RM253,030,390 ten (10)-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks ('ICULS') at 100% of its nominal value of RM0.50 per ICULS ("Proposed Consideration ICULS") and the remaining RM223,023,480 in cash. The Total Consideration was subsequently revised downwards from RM476,053,870 to RM474,289,212 arising from the reappraisal of the market value of each of the lands held by the subject companies and Bidor Land.

(b) Proposed provision of financial assistance by the Company in favour of EHSB, LFPL and SIPL for the purpose of the settlement of outstanding inter-company balances owing by EHSB, LFPL and SIPL as at the Agreed Cut-Off Date;

In addition, subject to the consent of the relevant lenders, the Company will also provide a corporate guarantee of up to SGD28,625,099 (equivalent to RM69,043,739) in respect of LFPL's term loan facility and up to SGD92,722,465 (equivalent to RM223,646,586) in respect of SIPL's term loan facility, being the amounts outstanding as at 15 November 2010;

(Hereinafter referred to as "Proposed Provision of Financial Assistance")

42. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (continued)

Proposed Acquisitions and the settlement of outstanding inter-company balances (continued)

(c) Proposed renounceable rights issue of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of its nominal value of RM0.50 per ICULS to raise gross proceeds of up to RM253.2 million ("Proposed Rights Issue of ICULS"); and

(d) Proposed share premium reduction of up to RM130.0 million under Section 64 of the Companies Act, 1965 to reduce the accumulated losses of the Company and the balance (if any) will be utilised towards setting off part of the estimated expenses for the Proposals (as defined herein) ("Proposed Share Premium Reduction"). As at financial year ended 30 June 2010, the accumulated losses of the Company were approximately RM122.97 million.

(The Proposed Acquisitions and the settlement of outstanding inter-company balances, Proposed Provision of Financial Assistance, Proposed Rights Issue of ICULS and Proposed Share Premium Reduction are collectively referred to as "Proposals").

The Securities Commission had vide its letter dated 8 February 2011, approved the Proposed Consideration ICULS and Proposed Rights Issue of ICULS, subject to the term and conditions stated therein.

On 23 June 2011, the Company and the respective vendors have mutually agreed to extend the period for the fulfilment of the conditions to the relevant acquisition agreements to expire on 23 November 2011.

Bursa Securities Malaysia Berhad ("Bursa Securities") had vide its letter dated 7 July 2011 approved, inter alia, subject to the conditions stated therein the following:-

(a) admission to the official list of Bursa Securities and the listing of and quotation for up to RM506,266,762 nominal value of ICULS to be issued pursuant to the Proposed Acquisitions and the settlement of outstanding inter-company balances of the Subject Companies, and Proposed Rights Issue of ICULS;

(b) listing of up to such number of new ordinary shares of the Company to be issued pursuant to the conversion of ICULS; and

The Proposals were approved by the Company's shareholders at the Extraordinary General Meeting held on 16 August 2011 and are pending completion as at the date of this report.

The basis for the Proposed Rights Issue of ICULS of up to RM248,684,727 nominal value ("Rights ICULS") was fixed on 26 August 2011 at three (3) RM0.50 nominal value of ICULS for every five (5) existing ordinary shares of the Company held on 5 October 2011 at 5.00 p.m. ("Entitlement Date").

The Company had on 26 August 2011 and 28 September 2011, entered into an underwriting agreement and a supplemental underwriting agreement, respectively with Maybank Investment Bank Berhad to underwrite all of the Rights ICULS other than the Rights ICULS representing the entitlement of YTL Corp as at the Entitlement Date, for which YTL Corp had on 23 November 2010, provided an irrevocable written underwriting to subscribe in full for its entitlement of Rights ICULS as at the Entitlement Date.

BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 30 June 2011 into realised and unrealised profits/losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2011 RM'000	Company 2010 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
– Realised	**(546)**	(97,776)
– Unrealised	**208,230**	–
	207,684	(97,776)
Total share of accumulated losses from jointly controlled entity		
– Realised	**(3)**	–
Less: Consolidation adjustments	**(312,573)**	–
Total accumulated losses	**(104,892)**	(97,776)

Notes

Form of Proxy

I/We *(full name as per NRIC/company name in block capitals)* ______________________________

____

NRIC/Company No. *(New)* ______________________ *(Old)* ______________

CDS Account No. *(for nominee companies only)* ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Land & Development Berhad** hereby appoint *(full name as per NRIC in block capitals)* ______________

____

NRIC/Company No. *(New)* ______________________ *(Old)* ______________

of *(full address)* ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 71st Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 29 November 2011 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Hamidah Binti Maktar		
3.	Re-appointment of Dato' Suleiman Bin Abdul Manan		
4.	Re-appointment of Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman		
5.	Re-appointment of Eu Peng Meng @ Leslie Eu		
6.	Approval of the payment of Directors' fees		
7.	Re-appointment of Messrs Ernst & Young as Company Auditors		
8.	Authorisation for Directors to Allot and Issue Shares		
9.	Proposed Renewal of Share Buy-Back Authority		
10.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this ____________ day of __________________, 2011.　　Signature ______________________

Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.*
2. *The original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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Affix Stamp
Here

The Company Secretary

YTL LAND & DEVELOPMENT BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

Fold here