YTL LAND & DEVELOPMENT BERHAD 1116-M

the journey continues...

annual report **2012**

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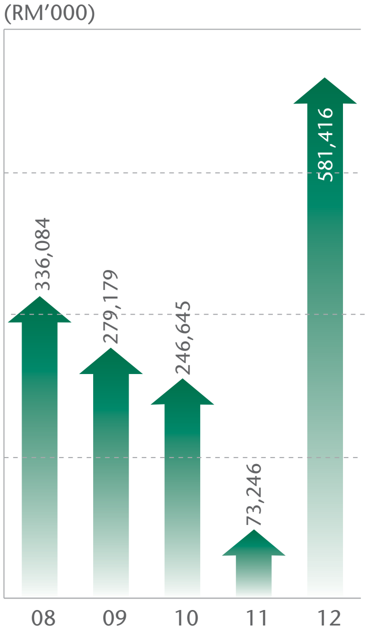
YTL LAND & DEVELOPMENT BERHAD 1116-M

the journey continues...
Annual Report **2012**

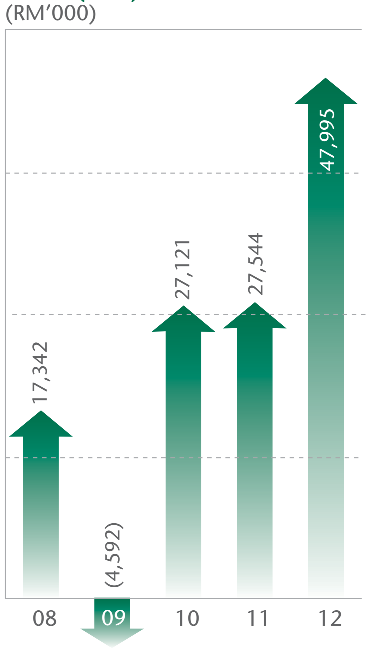
Financial Highlights

	2012	2011	2010	2009	2008
Revenue (RM'000)	581,416	73,246	246,645	279,179	336,084
Profit/(Loss) Before Taxation (RM'000)	47,995	27,544	27,121	(4,592)	17,342
Profit After Taxation (RM'000)	35,030	20,404	20,411	800	13,164
Profit Attributable to Owners of the Parent (RM'000)	25,002	18,065	18,621	3,606	10,322
Total Equity Attributable to Owners of the Parent (RM'000)	952,516	565,880	547,815	529,194	525,588
Earnings per Share (Sen)	3.02	2.26	2.37	0.44	1.88
Total Assets (RM'000)	2,844,793	920,898	908,539	954,453	932,139
Net Assets per Share (RM)	1.15	0.68	0.70	0.68	0.67

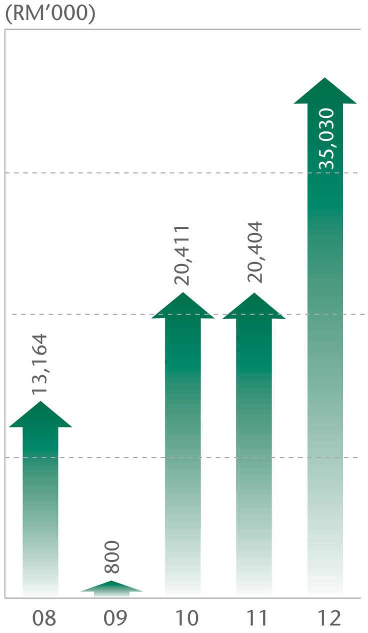
Revenue
(RM'000)



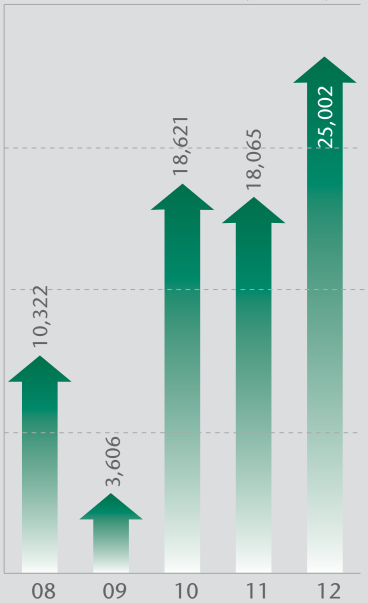
Profit/(Loss) Before Taxation
(RM'000)



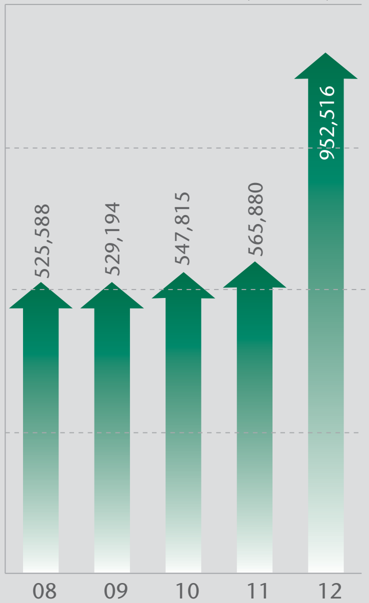
Profit After Taxation
(RM'000)



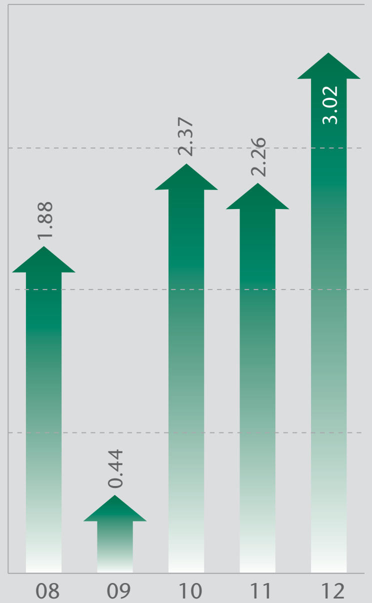
Profit Attributable to Owners of the Parent (RM'000)



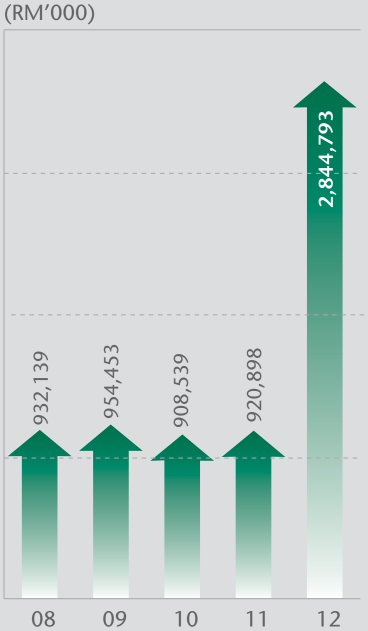
Total Equity Attributable to Owners of the Parent (RM'000)



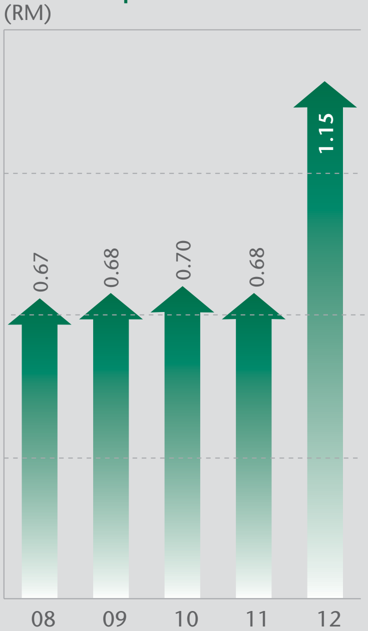
Earnings per Share (Sen)



Total Assets (RM'000)



Net Assets per Share (RM)



Chairman's Statement

DATO' SULEIMAN BIN ABDUL MANAN
Chairman

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 2012.

OVERVIEW

The Group registered a sound improvement in its financial performance for the financial year under review, benefitting from the completion during the year of the corporate proposals announced in November 2010 relating to the acquisitions of new property development assets. These acquisitions increased the Group's landbanks and development opportunities, enabling YTL L&D to acquire assets in strategic locations throughout Malaysia and Singapore, and position itself as a leading property developer with a regional presence.

Progress is well underway on the Group's new development projects, including The Capers, which is the latest residential phase of YTL L&D's Sentul urban regeneration project, whilst phases completed during the year included the Sandy Island and Lakefront developments in Singapore, the iconic d6 commercial office complex at Sentul East and the second phase of the highly sought-after Pavilion Terraces at Lake Edge, Puchong.

With gross domestic product (GDP) growth moderating to 5.1% for the 2011 calendar year compared to 7.2% in 2010, the Malaysian economy has continued to weather the wider global volatility stemming from prolonged sovereign debt and banking sector problems that have created vulnerabilities in various major economies. The first half of 2012 has seen growth hold steady at about 5.1%, driven mainly by the domestic services, manufacturing and construction sectors. The residential and commercial property development sectors, however, have remained robust, with Kuala Lumpur, Penang, Sabah and Selangor, in particular, registering strong housing starts, higher sales and increased property market activity in general *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins & annual reports)*.

Meanwhile, at the Southeast Asia Property Awards 2011 held in November 2011, YTL L&D was awarded Best Developer (Malaysia), and also picked up awards for Best Housing Development (Singapore) and Best Architectural Design (Southeast Asia) for the ground-breaking conceptualisation of its Sandy Island development in Sentosa, Singapore.

FINANCIAL PERFORMANCE

The Group's revenue increased to RM581.4 million for the financial year ended 30 June 2012 compared to RM73.2 million for the last financial year ended 30 June 2011, whilst profit attributable to owners of the parent grew to RM25.0 million this year over RM18.1 million last year. The better performance was due mainly to the effect of the first-time consolidation of results of a Singapore subsidiary acquired during the financial year and the ongoing development of The Capers at Sentul East.

SIGNIFICANT CORPORATE DEVELOPMENTS

During the financial year under review, the Group completed the following corporate proposals announced in November 2010:-

- On 31 October 2011, the Company issued 992.4 million 10-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks (ICULS) at a nominal value of RM0.50 per ICULS.
- On 4 November 2011, YTL L&D completed its acquisitions of the following property development companies for a total consideration of RM209.4 million:-

  (i) 100% equity interests in Satria Sewira Sdn Bhd, Pinnacle Trend Sdn Bhd, Trend Acres Sdn Bhd, YTL Westwood Properties Pte Ltd and Budaya Bersatu Sdn Bhd; and

  (ii) 70% equity interests each in Emerald Hectares Sdn Bhd, Lakefront Pte Ltd ("LFPL") and Sandy Island Pte Ltd ("SIPL").

  The Company subsequently acquired 20% equity interests each in LFPL and SIPL on 8 June 2012 and the remaining 10% equity interest in each company on 15 June 2012. The total consideration for these equity interests amounted to RM42.6 million.

- On 8 November 2011, a share premium reduction amounting to RM93.6 million as at 30 June 2010 was set off against the share premium account of the Company following the lodgement of a sealed order with the Companies Commission of Malaysia. The High Court of Malaya granted an order on 27 October 2011 confirming the share premium reduction of up to RM130.0 million with the credit arising therefrom to be utilised towards setting-off the accumulated losses of the Company and estimated expenses in relation to the share premium reduction. Shareholders' approval for the share premium reduction was obtained at a general meeting on 16 August 2011.

Chairman's Statement

REVIEW OF OPERATIONS

Developments in Malaysia

Progress is well underway on **The Capers at Sentul East**, the latest residential phase of the Sentul urban regeneration project, launched in March 2011. The distinctive, futuristic design of The Capers' two 36-storey towers will add a new dynamism to Sentul's evolving skyline. The Capers features 489 units housed in the pair of towers and 5-storey low-rise blocks on the podium floors of the towers. The tower units offer 2-bedroom and 3+1-bedroom configurations, whilst the low-rise suites feature 4+1-bedroom duplexes and 2+1-bedroom suites.

Meanwhile, the completion of the latest phase of Sentul's commercial precinct has created an added vibrancy to the development. Comprising boutique offices, **d6 at Sentul East** was completed in December 2011, and features 3 distinct options – duplex Sky Offices with glass skylights and an internal courtyard, Garden Offices with a landscaped garden terrace and Boutique Office Suites with a spacious, column-free interior.

Future developments at Sentul include the **d2** and **d5** commercial phases, offering innovative design concepts that dovetail with the Sentul master plan. 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.

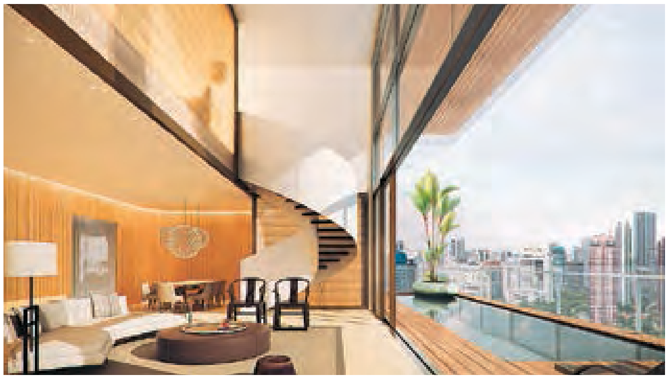
The second phase of **Pavilion Terraces** has also been completed, comprising 30 units of the highly sought-after 2½-storey homes at **Lake Edge**, the Group's gated development in Puchong. These unconventional offerings include a spacious built-up area of 3,186 sq.ft. set within a generous 22 ft. by 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. The extensive mixed development at Lake Fields has achieved excellent take-up rates for all residential phases launched to date, including **Dale** and **Reed**, both of which comprise 3-storey terrace houses, and **Grove**, which consists of 98 units of semi-detached homes, as well as its commercial phase of shop offices, The Trillium.

Developments in Singapore

In December 2011, the Group completed work on **Sandy Island** and the villas were handed over to homeowners in early 2012. Sandy Island, the Group's maiden residential project in Singapore, is located at Sentosa Cove, and consists of 18 waterfront villas. Designed by the Italian architect Claudio Silvestrin, the entire development is nestled within the lush greenery of an island oasis concept, with each villa featuring a private yacht berth.

Chairman's Statement



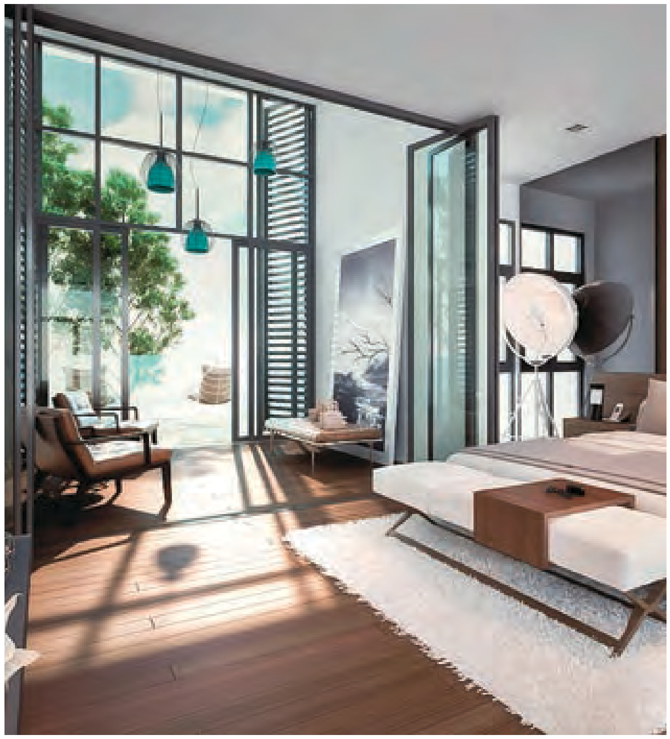
Kasara, the Lake, is YTL L&D's second residential project in Sentosa Cove, consisting of 13 lakefront villas with cantilevered pools and outdoor decks offering unobstructed views of the Serapong Lake. The sold-out project was completed in December 2011 and the villas were handed over to homeowners in mid-2012.

YTL L&D's premium residential project in the city is an upcoming luxury condominium on **Orchard Boulevard**, one of the most prestigious residential addresses in Singapore. Located in close proximity to the world-famous Orchard Road shopping district and opposite the future Orchard Boulevard MRT station, this freehold development is being designed by multi-award-winning Italian architect and designer, Antonio Citterio. Renowned for designing the Bulgari hotels and resort in Milan, London and Bali, Citterio has holistically designed the architecture, interior and furnishings of each apartment. The overall concept has also been developed to complement the lush landscape of the surrounding tree-lined Orchard Boulevard. Construction is scheduled to commence in late-2012, and the 25-storey block with 77 exclusive residences is expected to be completed by 2015.

CORPORATE SOCIAL RESPONSIBILITY

Social responsibility and environmental sustainability are key values of the Group and YTL L&D places a high priority on acting responsibly in the conduct 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 Corporation Berhad, which has a long-standing commitment to creating successful, profitable and sustainable businesses that 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 remains committed to developing truly branded homes with innovative and sustainable living concepts, built to strict standards, for the well-being of all homeowners within the Group's communities.



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

Malaysia's GDP growth for the full 2012 calendar year is expected to remain on its current trajectory to average between 4.5% and 5.0%, driven mainly by private consumption and investment. The residential sector is expected to remain buoyant, with relatively low interest rates and other favourable financing conditions continuing to sustain housing demand *(source: Ministry of Finance economic updates; Bank Negara Malaysia quarterly bulletins and annual reports)*.

The constantly-evolving terrain of the property markets and demands of increasingly discerning homeowners and investors continue to work to the advantage of developers like YTL L&D, with a sustained reputation for conceptualising, developing and delivering high-quality homes with a demonstrated record of capital appreciation. To these ends, the Group remains committed to its long-term vision of developing communities that offer sustainable capital appreciation and sought-after addresses to its homeowners.

Going forward, following the significant expansion of the Group's landbanks and other property development assets this year, YTL L&D will be able to capitalise on new avenues for growth, development and positioning as a leading property developer.

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 of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventy-Second 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 27th day of November, 2012 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 2012 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) Dato' Yeoh Seok Kian **Resolution 1**

   (ii) Dato' Yeoh Seok Hong **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 2012; **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 shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 29 November 2011 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 2012, the audited Accumulated Losses and Share Premium Account of the Company were RM12,732,000 and RM177,445,000 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;

Notice of Annual General Meeting

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 5 November 2012 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
5 November 2012

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 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. An 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 20 November 2012. Only a depositor whose name appears on the General Meeting Record of Depositors as at 20 November 2012 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 to 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 Seventy-First Annual General Meeting held on 29 November 2011 ("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-Second Annual General Meeting to be held on 27 November 2012.

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 Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 5 November 2012 which is despatched together with the Company's Annual Report 2012.

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 5 November 2012 which is despatched together with the Company's Annual Report 2012.

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-Second Annual General Meeting of the Company.

Corporate Information

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
DBS Bank Ltd
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank Malaysia Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (7.10.1973)

Profile of the Board of Directors

DATO' SULEIMAN BIN ABDUL MANAN

Malaysian, aged 74 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 58, 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 Land & Development Berhad, YTL e-Solutions Berhad, Starhill Real Estate Investment Trust and YTL Cement Berhad (which was delisted on 16 April 2012). He is presently Managing Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Cement 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.

Profile of the Board of Directors

TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, aged 72, 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 64, 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, Partner and Chairman of the Governance Board of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director, Partner and Chairman of the Governance Board 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 55, 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, both listed on the Main Market of Bursa Malaysia Securities Berhad and an Executive Director of YTL Cement 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 of 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 53, 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 and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Cement 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 YTL PowerSeraya Pte Limited.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 52, 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 a director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad and YTL Cement 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 47, 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 and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Cement Berhad. He is a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited, as well as YTL PowerSeraya Pte Limited. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

DATO' HAMIDAH BINTI MAKTAR

Malaysian, aged 58, 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.

Profile of the Board of Directors

EU PENG MENG @ LESLIE EU

Malaysian, aged 77, 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 Dublin 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 50 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, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Cement 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	5
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	5
Dato' Mark Yeoh Seok Kah	4
Dato' Hamidah Binti Maktar	5
Eu Peng Meng @ Leslie Eu	5

Notes:

1. **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.

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

3. **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 the Companies Act, 1965 ("the Act") and Bursa Malaysia Securities Berhad Main Market Listing Requirement 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.

In preparing the financial statements for the financial year ended 30 June 2012, the Directors have:

- considered the applicable approved accounting standards in Malaysia;
- used appropriate accounting policies and applied them consistently; and
- made judgements and estimates that are reasonable and prudent.

The Directors 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 the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act and applicable Financial Reporting Standards in Malaysia.

Audit Committee Report

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 of Directors ("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 Company and 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 Company and 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. Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.

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

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

8. Instil discipline and control to reduce incidence of fraud.

Composition

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 First 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 First 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.

5. In the event of any vacancy in the Committee resulting in the non-compliance of sub-paragraph 15.09(1) of the Bursa Securities Main Market Listing Requirements ("Main LR"), the Company must fill the vacancy within three (3) months.

Authority

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

1. have explicit 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 and the Group;

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;

6. be able to convene meetings with the internal auditors without the presence of other directors and employees of the Company, whenever deemed necessary; and

7. to meet with the external auditors at least twice a year without the presence of the other directors and employees of the Company.

Functions And Duties

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

1. **Financial Reporting**

   (a) Review the quarterly financial results and annual financial statements prior to its recommendation to the Board for approval, focusing particularly on:-

   - changes in or implementation of major accounting policies and practices;
   - 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 Company and the Group;
   - compliance with applicable approved accounting standards, other statutory and legal requirements and the going concern assumption.

2. **External Audit**

   (a) Review the audit plan, scope of audit and audit report with the external auditors;

   (b) Review 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 Company and the Group's operations and efforts and processes taken to reduce the Company and the Group's operational risks;

   (c) Recommend the nomination of a person or persons as external auditors and the audit fee;

   (d) Review any letter of resignation from the external auditors of the Company;

   (e) Review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

   (f) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors.

3. **Internal Audit**

   (a) Review 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;

   (b) Review the internal audit programme, 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;

   (c) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the internal auditors.

4. **Related Party Transactions**

   (a) Review any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Company/Group including any transaction, procedure or course of conduct that raises questions of management integrity.

Audit Committee Report

5. **Employees Share Option Scheme ("ESOS")**
   (a) Verify allocation of share options to the eligible employees pursuant to the criteria set out in the By-Laws of the ESOS in accordance to the Main LR.

6. **Other Matters**
   (a) Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company/Group and ensure the effective discharge of the Committee's duties and responsibilities;

   (b) 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 the Main LR.

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 discretion of the Chairman of the Committee. 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 financial results and annual financial statements, shall be held prior to such quarterly financial 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 and internal 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/Group whom 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.

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 or the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

SUMMARY OF 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 2012 in discharging its functions:-

1. **Financial Reporting**
   (a) Reviewed the quarterly financial results and annual financial statements to ensure compliance with the Main LR, Financial Reporting Standards and other statutory and regulatory requirements prior to its recommendation to the Board for approval.

2. **External Audit**

   (a) Reviewed the external auditors' scope of work and their audit plan and recommended the proposed audit fee to the Board for approval;

   (b) Reviewed 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. **Internal Audit**

   (a) Reviewed the internal auditors' audit plan to ensure adequate scope and coverage of activities of the Company and the Group;

   (b) Reviewed with the internal auditors, the internal audit reports on their findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management;

   (c) Reviewed the adequacy and competency of the internal audit function and the profiles of the internal auditors.

4. **Related Party Transactions**

   (a) Reviewed the related party transactions entered into by the Company/Group in compliance with the Main LR;

   (b) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature within the Company/Group prior to its recommendation to the Board for approval for inclusion in the circular to the shareholders in relation to the proposed renewal of shareholder mandate and new shareholder mandate for RRPT.

5. **Annual Report**

   (a) Reviewed the Audit Committee Report and Statement on Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTION

The objective of the Internal Audit ("IA") is to help management evaluate the effectiveness and efficiency of the internal control systems. The IA is part of the Company and the Group's governance system, and according to the Malaysian Code of Corporate Governance, the IA is in charge of supervising internal control activities. IA's goal is to focus mainly on risk-based audits related to operations and compliance that are aligned with the risks of the Company and the Group to ensure that the relevant controls addressing those risks are reviewed.

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

1. Developed the annual internal audit plan and proposed the plan to the Committee.

2. Conducted scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommended improvements where necessary.

3. Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.

4. Presented audit findings to the Committee for consideration.

5. Conducted recurrent related party transactions reviews to assess accuracy and completeness of reporting.

Cost amounting to RM100,537 was incurred in relation to the internal audit function for the financial year ended 30 June 2012.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of five (5) Audit Committee meetings were held and the details of attendance are as follows:-

	Attendance
Eu Peng Meng @ Leslie Eu	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Cheong Keap Tai	5

Statement on Corporate Governance

for the financial year ended 30 June 2012

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, which was issued in 2000 and revised in 2007 ("Code"). The Directors are also cognisant of the revised Malaysian Code on Corporate Governance 2012 issued by the Securities Commission Malaysia in March 2012 and will determine the measures to be adopted by the Board to comply with the relevant revisions.

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.

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 profitability 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 2012. 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.

Statement on Corporate Governance

for the financial year ended 30 June 2012

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 5 times during the financial year ended 30 June 2012. 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 2012.

This statement was approved by the Board of Directors on 16 August 2012.

Statement on Internal Control

for the financial year ended 30 June 2012

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 Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance, which was issued in 2000 and revised in 2007 ("Code"). The Directors are also cognisant of the revised Malaysian Code on Corporate Governance 2012 issued by the Securities Commission Malaysia in March 2012 and will determine the measures to be adopted by the Board of Directors ("Board") to comply with the relevant revisions.

The 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 Internal Audit department within the YTL Corporation Berhad Group ("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, where possible, 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.

Statement on Internal Control

for the financial year ended 30 June 2012

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 2012, 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 2012.

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature

for the financial year ended 30 June 2012

At the last Annual General Meeting of YTL Land & Development Berhad ("YTL L&D") held on 29 November 2011, 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 2012 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, Lakefront Pte Ltd, Pakatan Perakbina Sdn Bhd, Sandy Island Pte Ltd, Sentul Raya Sdn Bhd, Syarikat Kemajuan Perumahan Negara Sdn Bhd, YTL L&D, YTL Westwood Properties Pte Ltd	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; Management fees paid to Related Party.	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)]	176,185

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature

for the financial year ended 30 June 2012

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
Sentul Raya Sdn Bhd, Sandy Island Pte Ltd	Persons connected with Yeoh Siblings[(d)] and/or Tan Sri Yeoh Tiong Lay[(c)]	Progress billings for sale of properties to Related Party	Tan Sri Yeoh Tiong Lay[(c)]	^Major Shareholder/ ^Person Connected [(1)(2)(3)]	51,960
			Yeoh Siblings[(d)]	Directors [(1)(2)(3)]	
			Persons Connected with Tan Sri Yeoh Tiong Lay[(c)] and Yeoh Siblings[(d)]	^Persons Connected	

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 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 Share/Irredeemable Convertible Unsecured Loan Stock (ICULS) Holdings

as at 28 September 2012

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	1,238	6.07	20,391	0.00
100 – 1,000	8,310	40.76	4,224,055	0.51
1,001 – 10,000	8,104	39.75	38,105,630	4.60
10,001 – 100,000	2,507	12.29	72,905,665	8.79
100,001 to less than 5% of issued shares	228	1.12	179,083,827	21.60
5% and above of issued shares	2	0.01	534,800,834	64.50
Total	**20,389**	**100.00**	**829,140,402**	**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	57.63
2	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Bara Aktif Sdn Bhd (DLR 072)	56,930,241	6.87
3	Maybank 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	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd (DLR 072)	18,428,946	2.22
5	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)	14,871,794	1.79
6	Pemasaran Simen Negara Sdn Bhd	10,424,532	1.26
7	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	0.97
8	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	7,269,600	0.88
9	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	0.77
10	Bara Aktif Sdn Bhd	4,200,000	0.51
11	Maybank 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
12	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.41
13	YTL Corporation Berhad	2,119,300	0.26
14	Eagletron Venture Corp.	1,981,600	0.24
15	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	1,880,100	0.23
16	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (E-KLC)	1,754,300	0.21

Analysis of Share/Irredeemable Convertible Unsecured Loan Stock (ICULS) Holdings

as at 28 September 2012

	Name	No. of Shares	%#
17	Affin Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (TAN6986M)	1,674,900	0.20
18	ECML Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (001)	1,644,500	0.20
19	Ong Swee Lian	1,600,000	0.19
20	HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo	1,189,200	0.14
21	UOBM Nominees (Asing) Sdn Bhd – Exempt An for Societe Generale Bank & Trust, Singapore Branch (Cust Asset)	1,165,000	0.14
22	Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund C021 for College Retirement Equities Fund	1,133,600	0.14
23	Wong Keat Keong	1,034,600	0.12
24	Lim Kian Huat	1,001,600	0.12
25	Maybank Securities Nominees (Asing) Sdn Bhd – UOB-Kay Hian Pte Ltd for Tan Chwee Huat	1,000,000	0.12
26	Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	939,200	0.11
27	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	872,700	0.11
28	CIMB Commerce Trustee Berhad – Exempt An for Employees Provident Fund (PCM)	871,900	0.11
29	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	870,100	0.10
30	Er Hock Lai	768,400	0.09
	Total	**670,866,914**	**80.91**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%#**	**Indirect**	**%#**
YTL Corporation Berhad	479,989,993	57.89	–	–
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	17,856,300	2.15	479,989,993(1)	57.89
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	497,846,293(2)	60.04
Bara Aktif Sdn Bhd	61,130,241	7.37	–	–
Dato' Mohamed Zainal Abidin bin Abdul Kadir	35,688,752	4.30	79,559,187(3)	9.60
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 RM422,156,201.00 comprising 844,312,402 ordinary shares net of 15,172,000 treasury shares retained by the Company as per Record of Depositors.*

Type of Securities : **Irredeemable Convertible Unsecured Loan Stocks 2011/2021(ICULS 2011/2021)**
Voting rights : One vote per ICULS 2011/2021 holder on a show of hands or one vote per ICULS 2011/2021 on a poll in respect of meeting of ICULS 2011/2021 holders

DISTRIBUTION OF ICULS 2011/2021 HOLDINGS

Size of holding	No. of ICULS 2011/2021 Holders	%	No. of ICULS 2011/2021	%
Less than 100	23	0.58	982	0.00
100 – 1,000	955	24.29	619,570	0.06
1,001 – 10,000	2,254	57.32	8,866,502	0.89
10,001 – 100,000	605	15.39	15,573,583	1.57
100,001 to less than 5% of issued ICULS	93	2.37	90,313,286	9.11
5% and above of issued ICULS	2	0.05	876,498,240	88.37
Total	**3,932**	**100.00**	**991,872,163**	**100.00**

THIRTY LARGEST ICULS 2011/2021 HOLDERS

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

	Name	No. of ICULS 2011/2021	%
1	YTL Corporation Berhad	781,731,629	78.81
2	Maybank Investment Bank Berhad – IVT for Maybank Investment Bank Berhad (Dealer CC)	94,766,611	9.55
3	Onn Kok Puay (Weng Guopei)	18,069,400	1.82
4	Onn Ping Lan	10,724,100	1.08
5	Lucky Star Pte Ltd	7,769,100	0.78
6	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	4,812,960	0.49
7	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	4,361,760	0.44
8	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,841,320	0.39
9	JF Apex Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Teo Kwee Hock (Margin)	2,347,900	0.24
10	Ng Ho Fatt	2,113,500	0.21
11	Citigroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Koh Kim Teck (471848)	2,078,000	0.21
12	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,059,500	0.21
13	Lim Kian Huat	2,000,000	0.20
14	Foong Wye Soon	1,600,000	0.16

Analysis of Share/Irredeemable Convertible Unsecured Loan Stock (ICULS) Holdings

as at 28 September 2012

	Name	No. of ICULS 2011/2021	%
15	YTL Corporation Berhad	1,271,580	0.13
16	Maybank Securities Nominees (Asing) Sdn Bhd – Pledged Securities Account for Onn Ping Lan	1,200,000	0.12
17	Eagletron Venture Corp.	1,188,960	0.12
18	Maybank Nominees (Tempatan) Sdn Bhd – H'ng Siew Tuan	1,134,000	0.11
19	JF Apex Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Teo Siew Lai (Margin)	1,109,800	0.11
20	Chan Jinn Wern	1,100,000	0.11
21	Affin Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (Tan6986M)	941,700	0.09
22	ECML Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (001)	848,700	0.09
23	HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo	773,520	0.08
24	Swaldex Sdn Bhd	700,000	0.07
25	UOBM Nominees (Asing) Sdn Bhd – Exempt An for Societe Generale Bank & Trust, Singapore Branch (Cust Asset)	699,000	0.07
26	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lo Su Loke	660,000	0.07
27	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB for Teo Ah Seng (PB)	650,000	0.07
28	MKW Jaya Sdn Bhd	625,000	0.06
29	Chan Choi Ee	620,000	0.06
30	Soo Choon Swee	518,573	0.05
	Total	**952,316,613**	**96.00**

Statement of Directors' Interests

in the Company and related corporations as at 28 September 2012

The Company
YTL Land & Development Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Suleiman Bin Abdul Manan	2,788	*	373,148[(1)(2)]	0.05
Dato' Yeoh Seok Kian	61,538	0.01	–	–

	No. of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 Held			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Yeoh Seok Kian	37,000	*	–	–

Holding Company
YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.28	–	–
Dato' Yeoh Seok Kian	55,481,889	0.54	4,244,248[(2)]	0.04
Dato' Yeoh Seok Hong	44,535,079	0.43	23,549,759[(2)]	0.23
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.52	19,332,622[(2)]	0.19
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597[(2)]	0.04
Dato' Hamidah Binti Maktar	755,333	0.01	–	–

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	2,000,000[(2)]
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–
Dato' Yeoh Seok Kian	5,000,000	–
Dato' Yeoh Seok Hong	5,000,000	3,000,000[(2)]
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–
Dato' Mark Yeoh Seok Kah	5,000,000	–
Dato' Hamidah Binti Maktar	1,000,000	–
Eu Peng Meng @ Leslie Eu	1,000,000	–

Statement of Directors' Interests

in the company and related corporations as at 28 September 2012

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 e-Solutions Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(2)	0.14

YTL Power International Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Suleiman Bin Abdul Manan	–	–	1,230(2)	*
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	945,040	0.01	–	–
Dato' Yeoh Seok Kian	6,386,760	0.09	–	–
Dato' Yeoh Seok Hong	27,510,268	0.38	3,281,179(2)	0.05
Dato' Sri Michael Yeoh Sock Siong	7,601,744	0.10	1,019,291(2)	0.01
Dato' Mark Yeoh Seok Kah	7,665,920	0.11	1,093,601(2)	0.02
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	0.42	–	–
Dato' Yeoh Seok Kian	632,962	0.05	–	–
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.13	298,956(2)	0.03
Dato' Hamidah Binti Maktar	1,600	*	–	–

Name	No. of Share Options Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–
Dato' Yeoh Seok Kian	5,000,000	–
Dato' Yeoh Seok Hong	5,000,000	500,000(2)
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–
Dato' Mark Yeoh Seok Kah	5,000,000	–

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

Infoscreen Networks PLC

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

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

Name	No. of Shares Held 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

Statement of Directors' Interests

in the company and related corporations as at 28 September 2012

Samui Hotel 2 Co. Ltd

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

Swiss Water System AG

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	12,250	31.90

* *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 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.

Schedule of Share Buy-Back

for the financial year ended 30 June 2012

Save as disclosed below, there were no purchases for other months during the financial year:-

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
August 2011	100	0.945	0.945	1.3553	135.53
February 2012	100	1.130	1.130	1.5404	154.04
TOTAL	**200**	**0.945**	**1.130**	**1.44785**	**289.57**

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2012, a total of 15,171,900 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

List of Properties

for the financial year ended 30 June 2012

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 2012 RM'000	Date of Acquisition
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427 acres	Future development land	–	–	–	1,208,341	22.11.2007
Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	37.592 acres	Park land	–	–	–	26,082	1995
		46.986 acres	Future development land	–	–	–	65,252	1995
		65.346 acres	Mixed residential and commercial development	–	–	–	212,179	1995
		2.349 acres	Commercial development	–	–	–	4,771	2004
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.255 acres	Future development land	–	–	–	108,978	1992
Lot 101, Section 63 (Grant No. 11238), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.978 acre	Future development land	–	–	–	93,700	11.4.2008
Lot 353, HSD 68386, Mukim Kuala Lumpur	Leasehold	37.92 acres	Future development land	–	–	Year 2090	80,191	1990
Lot 535, Section 0067 (Grant No. 27127), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.50 acre	Future development land	–	–	–	62,214	25.1.2008
H.S.(D) 2099, PT No. 2136/120, Mukim Bentong, Pahang	Freehold	206 acres	Future development land	–	–	–	55,153	1996
Lot 203665, 27000, 27001 & 39079, 25167, 26999, 34588, 36453, 40080, 40993, 58545 & 57401, 236653-236677, 236707-236743, 236744-236894, 99964, Mukim Ulu Kinta, Daerah Kinta, Perak	Leasehold	154.56 acres	Future development land	–	–	Year 2096	40,529	1990
H.S.(D) 2097, PT No. 2134/118, Mukim Bentong, Pahang	Freehold	102 acres	Future development land	–	–	–	32,420	1997
Lot 534, Section 0067 (Grant No. 30470) Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.25 acre	Future development land	–	–	–	24,280	25.1.2008

Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2012.

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 12 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	35,030	(8,580)
Attributable to:		
Owners of the parent	25,002	(8,580)
Non-controlling interests	10,028	–
	35,030	(8,580)

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

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

DIVIDENDS

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 Employees Share Options Scheme ("ESOS 2001"), the details of which are disclosed in the financial statements of YTL Corporation Berhad, the immediate holding company.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than 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 1.7.2011	**Acquired**	**Disposed**	**As at 30.6.2012**
Direct interests:				
Dato' Suleiman Bin Abdul Manan	1,054,941	–	(700,000)	354,941
Dato' Yeoh Seok Kian	61,538	–	–	61,538
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,454,148[(1)(2)]	–	(1,081,000)	373,148[(1)(2)]

	Number of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2011/2021 of RM0.50 each			
	As at 31.10.2011‡	**Acquired**	**Converted/ disposed**	**As at 30.6.2012**
Direct interests:				
Dato' Yeoh Seok Kian	–	37,000	–	37,000

‡ *ICULS issued on 31.10.2011.*

Directors' Report

DIRECTORS' INTERESTS (CONTINUED)

Immediate holding company
YTL Corporation Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2011	**Acquired**	**Disposed**	**As at 30.6.2012**
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	40,594,111	–	124,688,641
Dato' Yeoh Seok Kian	30,483,085	21,531,187	–	52,014,272
Dato' Yeoh Seok Hong	25,686,095	16,065,542	–	41,751,637
Dato' Sri Michael Yeoh Sock Siong	26,153,345	24,145,907	–	50,299,252
Dato' Mark Yeoh Seok Kah	17,942,040	15,884,040	(15,000,000)	18,826,080
Dato' Hamidah Binti Maktar	255,000	500,000	–	755,000
Indirect interests:				
Dato' Yeoh Seok Kian	2,109,980(2)	1,869,003	–	3,978,983(2)
Dato' Yeoh Seok Hong	19,864,810(2)	2,213,090	–	22,077,900(2)
Dato' Sri Michael Yeoh Sock Siong	12,885,305(2)	5,239,029	–	18,124,334(2)
Dato' Mark Yeoh Seok Kah	3,116,775(3)	638,473	–	3,755,248(2)

	Number of share options over ordinary shares of RM0.10 each^			
	As at 1.7.2011	**Granted**	**Exercised**	**As at 30.6.2012**
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(3)	–	(2,000,000)	–
Dato' Yeoh Seok Hong	2,000,000(2)	–	(2,000,000)	–

^ Options granted pursuant to the ESOS 2001 which expired on 29.11.2011.

DIRECTORS' INTERESTS (CONTINUED)

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

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
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$^{\Delta}$

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	2,246,775	(4,289,698)	–
Dato' Yeoh Seok Kian	618,754	653,310	(1,272,064)	–
Dato' Yeoh Seok Hong	225,634	110,604	(336,238)	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	1,620,408	(2,886,042)	–
Dato' Mark Yeoh Seok Kah	187,200	91,764	(278,964)	–
Indirect interests:				
Dato' Yeoh Seok Kian	83,200[(2)]	49,019	(132,219)	–
Dato' Yeoh Seok Hong	45,123[(2)]	22,119	(67,242)	–
Dato' Sri Michael Yeoh Sock Siong	1,109,388[(2)]	543,817	(1,653,205)	–
Dato' Mark Yeoh Seok Kah	135,200[(2)]	66,274	(201,474)	–

Directors' Report

DIRECTORS' INTERESTS (CONTINUED)

Related company
YTL Cement Berhad$^{\Delta}$

	Number of ICULS 2005/2015 of RM1.00 each			
	As at 1.7.2011	Acquired	Converted/ disposed	As at 30.6.2012
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(2)	–	(100,000)	–
Dato' Yeoh Seok Hong	45,123(2)	–	(45,123)	–
Dato' Sri Michael Yeoh Sock Siong	1,109,388(2)	–	(1,109,388)	–
Dato' Mark Yeoh Seok Kah	135,200(2)	–	(135,200)	–

	Number of share options over ordinary shares of RM0.50 each#			
	As at 1.7.2011	Granted	Exercised	As at 30.6.2012
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)	–

$^{\Delta}$ *Securities of YTL Cement Berhad were removed from Official List of Bursa Malaysia Securities Berhad on 16.4.2012.*

Options granted pursuant to the 2001 YTL Cement Berhad Employees Share Option Scheme which expired on 29.11.2011.

DIRECTORS' INTERESTS (CONTINUED)

Related company
YTL Power International Berhad

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	7,000,000	(21,000,000)	945,040
Dato' Yeoh Seok Kian	5,021,360	3,000,000	1,634,600	6,386,760
Dato' Yeoh Seok Hong	22,510,268	5,000,000	–	27,510,268
Dato' Sri Michael Yeoh Sock Siong	4,601,744	3,000,000	–	7,601,744
Dato' Mark Yeoh Seok Kah	7,665,920	3,000,000	(3,000,000)	7,665,920
Dato' Hamidah Binti Maktar	3,895	–	–	3,895
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,230(2)	–	–	1,230(2)
Dato' Yeoh Seok Kian	1,445,941(2)	313,000	(1,758,941)	–
Dato' Yeoh Seok Hong	3,281,179(2)	–	–	3,281,179(2)
Dato' Sri Michael Yeoh Sock Siong	1,019,291(2)	–	–	1,019,291(2)
Dato' Mark Yeoh Seok Kah	1,093,601(2)	–	–	1,093,601(2)

	Number of warrants 2008/2018			
	As at 1.7.2011	Acquired	Exercised/ disposed	As at 30.6.2012
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	–	(1,000,000)	632,962
Dato' Sri Michael Yeoh Sock Siong	1,496,502	–	–	1,496,502
Dato' Hamidah Binti Maktar	1,600	–	–	1,600
Indirect interests:				
Dato' Yeoh Seok Kian	450,000(2)	–	(450,000)	–
Dato' Sri Michael Yeoh Sock Siong	298,956(2)	–	–	298,956(2)

Directors' Report

DIRECTORS' INTERESTS (CONTINUED)

Related company
YTL Power International Berhad

	Number of share options over ordinary shares of RM0.50 each				
	As at 1.7.2011°	Granted+	Exercised°	Lapsed°	As at 30.6.2012+
Direct interests:					
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,000,000	7,000,000	(7,000,000)	(7,000,000)	7,000,000
Dato' Yeoh Seok Kian	6,000,000	5,000,000	(3,000,000)	(3,000,000)	5,000,000
Dato' Yeoh Seok Hong	5,000,000	5,000,000	(5,000,000)	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	6,000,000	5,000,000	(3,000,000)	(3,000,000)	5,000,000
Dato' Mark Yeoh Seok Kah	6,000,000	5,000,000	(3,000,000)	(3,000,000)	5,000,000
Indirect interests:					
Dato' Yeoh Seok Hong	–	500,000	–	–	500,000(2)

° *Options granted pursuant to the 2001 YTL Power International Berhad Employees Share Option Scheme ("YTLPI ESOS") which expired on 29.11.2011.*

+ *Options granted pursuant to the 2011 YTLPI ESOS which was implemented on 1.4.2011.*

Related company
YTL e-Solutions Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Indirect interests:				
Dato' Sri Michael Yeoh Sock Siong	1,905,500(2)	–	–	1,905,500(2)

Related corporation
Infoscreen Networks Plc*

	Number of ordinary shares of £0.01 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100

DIRECTORS' INTERESTS (CONTINUED)

Related company
YTL Corporation (UK) Plc*

	Number of ordinary shares of £0.25 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* *Incorporated in England & Wales.*

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

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

Related corporation
YTL Construction (Thailand) Limited@

	Number of ordinary shares of THB100 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
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

DIRECTORS' INTERESTS (CONTINUED)

Related corporation
Samui Hotel 2 Co., Ltd[@]

	Number of ordinary shares of THB10 each			
	As at 1.7.2011	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	–	1	–	1

[@] *Incorporated in Thailand.*

Related corporation
Swiss Water System AG[∞]

	Number of ordinary shares of CHF100 each			
	As at 5.6.2012[§]	Acquired	Disposed	As at 30.6.2012
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	12,250	–	–	12,250

∞ *Incorporated in Switzerland.*
§ *Became a related corporation on 5.6.2012.*
(1) *Deemed interests under Section 6A of the Companies Act, 1965 through holdings by Investma Sdn. Bhd.*
(2) *Deemed interests under Section 134(12)(c) of the Companies Act, 1965 through holdings by spouse and/or children.*
(3) *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.*

SHARE CAPITAL

During the financial year, the Company issued 191,613 new ordinary shares of RM0.50 each upon conversion of 505,860 ICULS of RM0.50 each at a conversion price of RM1.32 per share.

TREASURY SHARES

During the financial year, the Company repurchased 200 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM1.45 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2012, the Company held as treasury shares a total of 15,171,900 of its 844,312,402 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM22,199,762 and further relevant details are disclosed in Note 33 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 have 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their 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) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to 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.

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

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

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

(f) In the opinion of the directors:

  (i) no contingent 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.

Directors' Report

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 2012.

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 58 to 120 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 2012 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 121 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 2012.

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 58 to 120 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 2012

Before me,

Tan Seok Kett
Commissioner for Oaths

Independent Auditors' Report

to the members of YTL Land & Development Berhad (Incorporated in Malaysia)

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 2012 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 58 to 120.

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 controls 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2012 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 incorporated in Malaysia 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 12 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 121 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 2012

Income Statements

For the financial year ended 30 June 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	3	**581,416**	73,246	**23,600**	600
Cost of sales	4	**(522,787)**	(63,063)	**–**	–
Gross profit		**58,629**	10,183	**23,600**	600
Other income		**43,776**	40,540	**3,678**	735
Administration expenses		**(33,065)**	(23,077)	**(7,302)**	(5,398)
Other expenses		**(12,136)**	–	**(22,102)**	–
Operating profit/(loss)		**57,204**	27,646	**(2,126)**	(4,063)
Finance costs	5	**(8,805)**	(100)	**(6,974)**	(91)
Share of results of jointly controlled entity		**(404)**	(2)	**–**	–
Profit/(loss) before tax	6	**47,995**	27,544	**(9,100)**	(4,154)
Income tax (expenses)/benefits	9	**(12,965)**	(7,140)	**520**	–
Profit/(loss) net of tax		**35,030**	20,404	**(8,580)**	(4,154)
Attributable to:					
Owners of the parent		**25,002**	18,065	**(8,580)**	(4,154)
Non-controlling interests		**10,028**	2,339	**–**	–
		35,030	20,404	**(8,580)**	(4,154)
Earnings per 50 sen share					
Basic (sen)					
Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	10	**3.02**	2.26		
After mandatory conversion of ICULS	10	**2.65**	*		
Diluted (sen)	10	**2.65**	*		

* *Not applicable as the ICULS of the Company were issued during current financial year.*

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

Statements of Comprehensive Income

For the financial year ended 30 June 2012

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit/(loss) net of tax		**35,030**	20,404	**(8,580)**	(4,154)
Foreign currency translation, representing total other comprehensive income for the year, net of tax		**5,242**	–	–	–
Total comprehensive income/(loss) for the year, net of tax		**40,272**	20,404	**(8,580)**	(4,154)
Attributable to:					
Owners of the parent		**29,323**	18,065	**(8,580)**	(4,154)
Non-controlling interests		**10,949**	2,339	–	–
		40,272	20,404	**(8,580)**	(4,154)

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

Statements of Financial Position

As at 30 June 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	**34,558**	33,826	**6,190**	6,574
Investment in subsidiaries	12	**–**	–	**504,738**	274,832
Investment in a jointly controlled entity	13	**22,493**	22,897	**22,900**	22,900
Investment property	14	**32,900**	32,900	**–**	–
Land held for property development	15	**864,976**	545,652	**37,155**	15,031
Goodwill on consolidation	16	**36,530**	12,183	**–**	–
Deferred tax assets	17	**2,667**	2,897	**–**	–
		994,124	650,355	**570,983**	319,337
Current assets					
Inventories	18	**186,274**	65,250	**–**	–
Property development costs	19	**1,231,461**	48,611	**–**	–
Trade and other receivables	20	**85,069**	18,276	**249**	304
Other current assets	21	**55,748**	11,924	**1**	19
Income tax assets		**3,665**	6,552	**768**	1,982
Amounts due from subsidiaries	22	**–**	–	**544,282**	235,755
Amounts due from related companies	23	**952**	5,303	**1**	2
Amount due from a jointly controlled entity	23	**5,405**	3,797	**5,405**	3,797
Cash and cash equivalents	24	**282,095**	110,830	**2,570**	13,326
		1,850,669	270,543	**553,276**	255,185
Total assets		**2,844,793**	920,898	**1,124,259**	574,522

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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Equity and liabilities					
Current liabilities					
Provisions	25	**4,005**	4,656	**–**	–
Trade and other payables	26	**90,064**	36,571	**36,229**	1,375
Other current liabilities	27	**4,143**	12,942	**–**	–
Amount due to subsidiary	22	**–**	–	**28,754**	–
Amounts due to immediate holding company	23	**1,052**	216	**312**	112
Amounts due to related companies	23	**45,340**	10,076	**3**	39
Borrowings	28	**164,477**	12,534	**4,630**	–
Current tax payable		**31,491**	–	**–**	–
		340,572	76,995	**69,928**	1,526
Non-current liabilities					
Borrowings	28	**1,399,134**	157,214	**134,661**	–
Other non-current liability	31	**67,696**	67,696	**–**	–
Deferred tax liabilities	17	**54,838**	44,391	**–**	–
		1,521,668	269,301	**134,661**	–
Total liabilities		**1,862,240**	346,296	**204,589**	1,526
Net assets		**982,553**	574,602	**919,670**	572,996
Equity attributable to owners of the parent					
Share capital	32	**422,156**	422,060	**422,156**	422,060
Share premium	32	**177,445**	270,912	**177,445**	270,912
Treasury shares	33	**(22,200)**	(22,200)	**(22,200)**	(22,200)
Retained earnings/ (accumulated losses)		**15,793**	(104,892)	**(12,732)**	(97,776)
Foreign currency translation reserve	34	**4,321**	–	**–**	–
Equity component of ICULS	30	**355,001**	–	**355,001**	–
		952,516	565,880	**919,670**	572,996
Non-controlling interests		**30,037**	8,722	**–**	–
Total equity		**982,553**	574,602	**919,670**	572,996
Total equity and liabilities		**2,844,793**	920,898	**1,124,259**	574,522

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2012

	Attributable to owners of the parent									
					Distributable	Non-distributable				
	Share capital									
	Ordinary shares (Note 32)	ICPS-A (Note 32)	Share premium (Note 32)	Treasury shares (Note 33)	Retained earnings/ (Accumulated losses)	Foreign currency translation reserve (Note 34)	Equity component of ICULS (Note 30)	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Profit net of tax	–	–	–	–	**25,002**	–	–	**25,002**	**10,028**	**35,030**
Total other comprehensive income for the year	–	–	–	–	–	**4,321**	–	**4,321**	**921**	**5,242**
Total comprehensive income for the year	–	–	–	–	**25,002**	**4,321**	–	**29,323**	**10,949**	**40,272**
Acquisitions of subsidiaries	–	–	–	–	–	–	–	–	**55,018**	**55,018**
Acquisition and premium paid on acquisition of non-controlling interests	–	–	–	–	**2,059**	–	–	**2,059**	**(44,652)**	**(42,593)**
Effect of share premium reduction	–	–	**(93,624)**	–	**93,624**	–	–	–	–	–
Issuance of ICULS	–	–	–	–	–	–	**355,183**	**355,183**	–	**355,183**
Conversion of ICULS to ordinary shares	**96**	–	**157**	–	–	–	**(182)**	**71**	–	**71**
Purchase of treasury shares	–	–	–	*	–	–	–	*	–	*
At 30 June 2012	**422,156**	–	**177,445**	**(22,200)**	**15,793**	**4,321**	**355,001**	**952,516**	**30,037**	**982,553**

* *Less than RM1,000.*

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

Company Statement of Changes in Equity

For the financial year ended 30 June 2012

	Attributable to owners of the parent						
	Share capital						
	Ordinary shares (Note 32) RM'000	ICPS-A (Note 32) RM'000	Share premium (Note 32) RM'000	Treasury shares (Note 33) RM'000	Accumulated losses RM'000	Equity component of ICULS (Note 30) RM'000	Total RM'000
At 30 June 2010	400,613	83,644	208,715	(22,200)	(93,622)	–	577,150
Total comprehensive loss 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
Total comprehensive loss for the year	–	–	–	–	**(8,580)**	–	**(8,580)**
Effect of share premium reduction	–	–	**(93,624)**	–	**93,624**	–	–
Issuance of ICULS	–	–	–	–	–	**355,183**	**355,183**
Conversion of ICULS to ordinary shares	**96**	–	**157**	–	–	**(182)**	**71**
Purchase of treasury shares	–	–	–	*	–	–	–
At 30 June 2012	**422,156**	–	**177,445**	**(22,200)**	**(12,732)**	**355,001**	**919,670**

* *Less than RM1,000.*

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

Statements of Cash Flows

For the financial year ended 30 June 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Operating activities				
Profit/(loss) before tax	**47,995**	27,544	**(9,100)**	(4,154)
Adjustments for:				
Allowance/(reversal) of impairment loss on subsidiaries	**–**	–	**7**	(43)
Bad debts written off	**250**	–	**–**	–
Depreciation of property, plant and equipment	**673**	514	**289**	264
Gain on fair value adjustments of investment property	**–**	(4,277)	**–**	–
Gain on disposal of land	**(550)**	(2,165)	**–**	–
Impairment of				
– investment in subsidiary	**–**	–	**22,102**	–
– goodwill	**12,136**	–	**–**	–
Interest expense	**8,805**	100	**6,974**	91
Interest income	**(2,195)**	(2,752)	**(468)**	(683)
Loss on disposal of property, plant and equipment	**36**	–	**54**	–
Negative goodwill recognised	**(970)**	–	**–**	–
Net provision of damages claims (Note 25)	**255**	1,655	**–**	–
Reversal of provision for losses arising from issue of ICPS-A (Note 26)	**(140)**	–	**(140)**	–
Share of results of a jointly controlled entity	**404**	2	**–**	–
Unrealised gains on foreign exchange	**(3,072)**	–	**(3,070)**	–
Total adjustments	**15,632**	(6,923)	**25,748**	(371)
Operating cash flows before working capital changes	**63,627**	20,621	**16,648**	(4,525)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Operating activities (continued)				
Changes in working capital				
Decrease in property development costs	**392,713**	9,678	–	–
Increase in inventories	**(121,024)**	(20,147)	–	–
(Increase)/decrease in receivables	**(66,502)**	16,323	**55**	(290)
(Increase)/decrease in other current assets	**(38,927)**	6,207	**18**	(12)
(Decrease)/increase in payables	**(4,544)**	15,062	**(86)**	(160)
(Decrease)/increase in other current liabilities	**(8,799)**	2,878	–	–
Increase in amount due to immediate holding company	**836**	155	**200**	59
Increase in amount due from/to subsidiaries	–	–	**(276,713)**	(12,201)
(Decrease)/increase in amount due to related companies	**(1,156,978)**	(16,771)	**178,517**	1
Increase in amount due from jointly controlled entity	**(1,608)**	(440)	**(1,608)**	(440)
Total changes in working capital	**(1,004,833)**	12,945	**(99,617)**	(13,043)
Cash flows (used in)/from operations	**(941,206)**	33,566	**(82,969)**	(17,568)
Income tax (paid)/refunded	**(9,272)**	(12,457)	**1,735**	–
Net cash flows (used in)/from operating activities	**(950,478)**	21,109	**(81,234)**	(17,568)
Investing activities				
Interest received	**2,195**	2,752	**468**	683
Increase in land held for property development	**(27,273)**	(13,851)	**(9,962)**	(880)
Net cash outflow on acquisition of subsidiaries (Note 12)	**(112,995)**	–	–	–
Acquisitions of subsidiaries	–	–	**(152,624)**	–
Acquisitions of non-controlling interests	**(7,513)**	–	**(7,513)**	–
Purchase of property, plant and equipment	**(375)**	(79)	**(22)**	(8)
Proceeds from disposal of property, plant and equipment	**82**	–	**64**	–
Proceeds from disposal of land	**550**	2,465	–	–
Net cash flows used in investing activities	**(145,329)**	(8,713)	**(169,589)**	(205)

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

Statements of Cash Flows
For the financial year ended 30 June 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Financing activities				
Net proceeds from/(repayment of) borrowings	**1,025,884**	(10,000)	**–**	–
Net repayments of hire purchase payables	**(290)**	(153)	**–**	(64)
Interest paid	**(9,290)**	(100)	**(7,460)**	(91)
Net proceeds from rights issue of ICULS	**247,527**	–	**247,527**	–
Purchase of treasury shares	*****	–	*****	–
Net cash flows from/ (used in) financing activities	**1,263,831**	(10,253)	**240,067**	(155)
Net increase/(decrease) in cash and cash equivalents	**168,024**	2,143	**(10,756)**	(17,928)
Effect of exchange rate changes on cash and cash equivalents	**3,241**	–	**–**	–
Cash and cash equivalents at beginning of year	**110,830**	108,687	**13,326**	31,254
Cash and cash equivalents at end of year (Note 24)	**282,095**	110,830	**2,570**	13,326

Note to statements of cash flows				
Analysis of purchase of property, plant and equipment:				
Cash paid	**375**	79	**22**	8
Hire purchase creditor	**882**	–	**–**	–
Total purchase of property, plant and equipment (Note 11)	**1,257**	79	**22**	8

* *Less than RM1,000.*

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

Notes to 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 ("Bursa Securities").

The address of the registered office of the Company is as follows:

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur.

The address of the principal place of business of the Company is as follows:

10th 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 12. 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 2012.

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 the new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2011 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 2011, 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 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
Improvements to FRSs (2010) issued in November 2010
IC Interpretation 4: Determining whether an Arrangement contains a Lease
IC Interpretation 18: Transfers of Assets from Customers

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Adoption of the above amendments to FRSs and IC Interpretations did not have any significant financial impact on the Group and the Company.

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 2.5. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

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

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

2.4 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Goodwill

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

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

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

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

2.6 Subsidiaries

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

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

2.7 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.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 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%
Renovation	10%
Motor vehicles	12.5%
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.

2.9 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 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.

2.11 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Construction contracts (continued)

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.

2.12 Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Inventories of completed properties for resale

Inventories of completed properties for resale are stated at the 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.

2.14 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)

2.15 Impairment of financial assets

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

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

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

2.16 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.

2.17 Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial liabilities (continued)

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.

(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.

2.18 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)

2.19 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 economic resources 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 a finance cost.

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

2.20 Irredeemable convertible unsecured loan stocks ("ICULS")

The ICULS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar instrument. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or cancellation, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity components based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of the ICULS.

The value of the conversion option is not adjusted in subsequent periods, except in times of ICULS conversion into ordinary shares. Upon conversion of the instrument into ordinary shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised in profit or loss.

2.21 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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 earnings or both.

2.23 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.

2.24 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Employee benefits

(c) Share-based compensation

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.

2.25 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.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Foreign currency (continued)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.26 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 2.10(b).

(b) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.11.

(c) Management fees

Management fees are recognised when services are rendered.

(d) Dividend income

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

2.27 Financial guarantee contracts

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Income taxes (continued)

(b) Deferred tax (continued)

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.

2.29 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) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key asumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 16.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Significant accounting judgements and estimates (continued)

(a) Key sources of estimation uncertainty (continued)

(iv) 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.

2.30 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 2012

Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7: Disclosures – Transfers of Financial Assets
Amendments to FRS 112: Deferred tax – Recovery of Underlying Assets
FRS 124: Related Party Disclosures

Effective for financial periods beginning on or after 1 July 2012

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013

Amendments to FRS 1: Government Loan
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
FRS 10: Consolidated Financial Statements
FRS 11: Joint Arrangements
FRS 12: Disclosure of Interests in Other Entities
FRS 13: Fair Value Measurement
FRS 119: Employee Benefits
FRS 127: Separate Financial Statements
FRS 128: Investment in Associates and Joint Ventures
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
Improvements to FRSs (2012) issued in July 2012

Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015

FRS 9: Financial Instruments

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 Standards and interpretations issued but not yet effective (continued)

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 and IC Int 20 are not relevant to the Group's and the Company's operations. These pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

Malaysia Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2015. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company are in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2014.

Notes to the Financial Statements

3. REVENUE

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Management fees	**1,126**	886	–	–
Revenue from construction contract	**5,668**	9,145	–	–
Revenue from sales of properties	**574,622**	63,215	–	–
Management fees from subsidiaries	–	–	**600**	600
Dividend income from subsidiary	–	–	**23,000**	–
	581,416	73,246	**23,600**	600

4. COST OF SALES

	Group 2012 RM'000	Group 2011 RM'000
Construction cost	**5,551**	8,985
Cost of inventories sold (Note 18)	**10,944**	7,056
Property development costs (Note 19)	**506,292**	47,022
	522,787	63,063

5. FINANCE COSTS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Interest expenses on:				
– hire purchase	**34**	5	–	1
– ICULS (Note 30)	**6,974**	–	**6,974**	–
– term loans	**24,197**	6,591	–	–
– others	**21,243**	95	–	90
	52,448	6,691	**6,974**	91
Less: Interest expense capitalised in qualifying assets				
– Land held for property development (Note 15)	**(2,464)**	(2,390)	–	–
– Property development costs (Note 19)	**(41,179)**	(4,201)	–	–
	8,805	100	**6,974**	91

6. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Auditors' remuneration				
– current year	**345**	186	**75**	50
– under provision in prior year	**43**	6	**25**	–
Allowance/(reversal) of impairment loss on receivables				
– subsidiaries	**–**	–	**7**	(43)
Bad debts written off	**250**	–	**–**	–
Depreciation	**673**	514	**289**	264
Employee benefits expense (Note 7)	**8,345**	5,046	**769**	661
Directors' remuneration (Note 8)				
– Executive directors	**3,429**	1,272	**243**	245
– Non-executive directors	**943**	950	**911**	914
Gain from fair value adjustments of investment property (Note 14)	**–**	(4,277)	**–**	–
Gain on disposal of land	**(550)**	(2,165)	**–**	–
Impairment of				
– investment in subsidiary	**–**	–	**22,102**	–
– goodwill (Note 16)	**12,136**	–	**–**	–
Interest income	**(2,195)**	(2,752)	**(468)**	(683)
Loss on disposal of property, plant and equipment	**36**	–	**54**	–
Losses/(gains) on foreign exchange				
– realised	**13**	–	**13**	–
– unrealised	**(3,072)**	–	**(3,070)**	–
Negative goodwill recognised	**(970)**	–	**–**	–
Provision of damages claims (Note 25)	**483**	3,418	**–**	–
Reversal of				
– provisions (Note 25)	**(228)**	(1,763)	**–**	–
– provision for losses arising from issue of ICPS-A (Note 26)	**(140)**	–	**(140)**	–
Rental expenses				
– building	**1,949**	1,281	**1,151**	1,151
– equipment	**34**	11	**9**	9
Rental income	**(1,653)**	(1,360)	**–**	–

Notes to the Financial Statements

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Wages and salaries	**6,881**	4,050	**592**	476
Social security costs	**40**	30	**3**	4
Pension costs				
– defined contribution plans	**746**	456	**41**	50
ESOS expenses	**–**	10	**–**	–
Other staff related expenses	**678**	500	**133**	131
	8,345	5,046	**769**	661

8. DIRECTORS' REMUNERATION

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Directors of the Company				
Executive directors:				
Salaries and other emoluments	**3**	5	**3**	5
Fees	**240**	240	**240**	240
Benefits-in-kind	**10**	10	**10**	10
	253	255	**253**	255
Non-executive directors:				
Salaries and other emoluments	**721**	724	**721**	724
Fees	**190**	190	**190**	190
Benefits-in-kind	**210**	215	**210**	215
	1,121	1,129	**1,121**	1,129
Directors of subsidiaries				
Executive directors:				
Salaries and other emoluments	**3,146**	987	–	–
Fees	**40**	40	–	–
Benefits-in-kind	**54**	54	–	–
	3,240	1,081	–	–
Non-executive directors:				
Fees	**30**	30	–	–
Other emoluments	**2**	6	–	–
	32	36	–	–
	4,646	2,501	1,374	1,384

8. DIRECTORS' REMUNERATION (CONTINUED)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 6)	**3,429**	1,272	**243**	245
Total non-executive directors' remuneration excluding benefits-in-kind (Note 6)	**943**	950	**911**	914
Total directors' remuneration excluding benefits-in-kind	**4,372**	2,222	**1,154**	1,159

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	
	2012	2011
Executive directors:		
RM1 – RM50,000	**5**	5
RM50,001 – RM100,000	**1**	1
Non-executive directors:		
RM50,001 – RM100,000	**3**	3
RM800,001 – RM1,000,000	**1**	1

9. INCOME TAX EXPENSES/(BENEFITS)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	**13,623**	8,181	**–**	–
Foreign tax	**20,217**	–	**–**	–
Over provision in prior years	**(1,042)**	(3,114)	**(520)**	–
	32,798	5,067	**(520)**	–
Deferred tax (Note 17):				
Relating to reversal of temporary differences	**(19,665)**	(1,085)	**–**	–
(Over)/under provision in prior years	**(168)**	3,158	**–**	–
	(19,833)	2,073	**–**	–
Income tax expenses/(benefits) recognised in profit or loss	**12,965**	7,140	**(520)**	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit/(loss) for the year.

The corporate tax rate applicable to the Singapore subsidiaries of the Group is 17% (2011: 17%).

Notes to the Financial Statements

9. INCOME TAX EXPENSES/(BENEFITS) (CONTINUED)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit/(loss) before tax	**47,995**	27,544	**(9,100)**	(4,154)
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	**11,999**	6,886	**(2,275)**	(1,038)
Different tax rates of certain subsidiaries	**(10,368)**	–	–	–
Effects of expenses not deductible for tax purposes	**16,381**	186	**2,275**	1,038
Effects of tax exemptions	**(127)**	–	–	–
Deferred tax assets recognised during the year	**(207)**	–	–	–
Deferred tax assets not recognised during the year	**61**	24	–	–
Income not subject to taxation	**(2)**	–	–	–
(Over)/under provision of deferred tax in prior years	**(168)**	3,158	–	–
Over provision of tax expense in prior years	**(1,042)**	(3,114)	**(520)**	–
Utilisation of previously unrecognised tax losses	**(3,562)**	–	–	–
Income tax expenses/(benefits) recognised in profit or loss	**12,965**	7,140	**(520)**	–

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 ICULS, 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 (after adjusting for interest expense on ICULS) divided by the adjusted weighted average number of ordinary shares, assuming the full conversion of ICULS in issue during the year into ordinary shares.

	Group	
	2012	**2011**
Profit attributable to owners of the parent (RM'000)	**25,002**	18,065
Post-tax effect of interest expense on ICULS (RM'000)	**6,974**	*
Profit attributable to owners of the parent including assumed conversion (RM'000)	**31,976**	18,065
Weighted average number of ordinary shares in issue ('000)	**829,044**	797,917
Assume full conversion of ICULS ('000)	**375,709**	*
Adjusted weighted average number of ordinary shares in issue ('000)	**1,204,753**	797,917
Basic EPS (sen)		
Before mandatory conversion of ICULS (sen)	**3.02**	2.26
After mandatory conversion of ICULS (sen)	**2.65**	*
Fully diluted EPS (sen)	**2.65**	*

* *Not applicable as the ICULS of the Company were issued 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	Renovation RM'000	Motor vehicles RM'000	Infrastructure works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2012										
Cost										
At 1 July 2011	6,644	142	2,823	2,074	3,548	2,195	4,692	4,258	18,642	45,018
Additions	–	–	–	19	36	22	1,180	–	–	1,257
Disposals	–	–	–	–	(5)	–	(397)	–	–	(402)
Acquisition of subsidiaries	–	–	–	397	225	883	–	–	–	1,505
Exchange differences	–	–	–	7	4	16	–	–	–	27
At 30 June 2012	6,644	142	2,823	2,497	3,808	3,116	5,475	4,258	18,642	47,405
Accumulated depreciation										
At 1 July 2011	–	87	366	2,001	3,258	1,724	3,331	425	–	11,192
Charge for the year	–	3	27	52	113	161	232	85	–	673
Disposals	–	–	–	–	(4)	–	(280)	–	–	(284)
Acquisition of subsidiaries	–	–	–	198	167	877	–	–	–	1,242
Exchange differences	–	–	–	4	5	15	–	–	–	24
At 30 June 2012	–	90	393	2,255	3,539	2,777	3,283	510	–	12,847
Net carrying amount										
At 30 June 2012	6,644	52	2,430	242	269	339	2,192	3,748	18,642	34,558
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

Included in property, plant and equipment of the Group is a motor vehicle with net book value of RM907,556 (2011: RM401,264) held under hire purchase arrangement.

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	Renovation RM'000	Total RM'000
As at 30 June 2012							
Cost							
At 1 July 2011	**3,036**	**2,823**	**139**	**374**	**1,080**	**1,404**	**8,856**
Additions	**–**	**–**	**19**	**3**	**–**	**–**	**22**
Disposals	**–**	**–**	**–**	**(5)**	**(276)**	**–**	**(281)**
At 30 June 2012	**3,036**	**2,823**	**158**	**372**	**804**	**1,404**	**8,597**
Accumulated depreciation							
At 1 July 2011	**–**	**365**	**89**	**290**	**535**	**1,003**	**2,282**
Charge for the year	**–**	**27**	**13**	**28**	**81**	**140**	**289**
Disposals	**–**	**–**	**–**	**(4)**	**(160)**	**–**	**(164)**
At 30 June 2012	**–**	**392**	**102**	**314**	**456**	**1,143**	**2,407**
Net carrying amount							
At 30 June 2012	**3,036**	**2,431**	**56**	**58**	**348**	**261**	**6,190**
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

12. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM'000	2011 RM'000
Unquoted shares in Malaysia:		
– At cost	**325,328**	265,699
– At valuation	**222,296**	222,296
Unquoted shares outside Malaysia, at cost	**192,379**	–
	740,003	487,995
Less: Accumulated impairment losses	**(235,265)**	(213,163)
	504,738	274,832

The details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2012 %	2011 %
Held by the Company:				
*Amanresorts Sdn. Bhd.	Malaysia	Inactive	**100**	100
*Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**100**	100
*Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**100**	–
*Emerald Hectares Sdn. Bhd.	Malaysia	Property development	**70**	–
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**100**	100
*Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development and building construction	**100**	100
*Pinnacle Trend Sdn. Bhd.	Malaysia	Investment holding and property development	**100**	–
*Satria Sewira Sdn. Bhd.	Malaysia	Property development, investment and related activities	**100**	–
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	**70**	70
*Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development and related services	**100**	100

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2012 %	2011 %
Held by the Company: (continued)				
*Trend Acres Sdn. Bhd.	Malaysia	Investment holding and property development	**100**	–
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**100**	100
*Lakefront Pte. Ltd.	Singapore	Real estate development	**100**	–
*Sandy Island Pte. Ltd.	Singapore	Real estate development	**100**	–
*YTL Land & Development Management Pte. Ltd.	Singapore	Provision of financial and management consultancy services	**100**	–
*YTL Westwood Properties Pte. Ltd.	Singapore	Real estate development	**100**	–
Held through subsidiaries:				
Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**100**	100
Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**100**	100
*Noriwasa Sdn. Bhd.	Malaysia	Dormant	**100**	100
*PYP Sendirian Berhad	Malaysia	Property development and related services	**100**	100
Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**70**	70
Sentul Raya City Sdn. Bhd.	Malaysia	Inactive	**70**	70
Sentul Raya Golf Club Berhad	Malaysia	Inactive	**70**	70
SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	**100**	100
*Udapakat Bina Sdn. Bhd.	Malaysia	Property development and related services	**100**	100

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

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries during the financial year

On 4 November 2011, the Company completed the acquisitions from:

- the immediate holding company, YTL Corporation Berhad ("YTL Corp") of the equity interests in the following companies:
  - 100% equity interest in Satria Sewira Sdn. Bhd. ("SSSB")
  - 70% equity interest in Emerald Hectares Sdn. Bhd. ("EHSB")
  - 100% equity interest in Pinnacle Trend Sdn. Bhd. ("PTSB")
  - 100% equity interest in Trend Acres Sdn. Bhd. ("TASB")
  - 100% equity interest in YTL Westwood Properties Pte Ltd ("YTLW");

- 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

- Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd., a wholly-owned subsidiary of YTL Corp of 100% equity interest in Budaya Bersatu Sdn. Bhd. ("BBSB")

for a total consideration of RM209,414,726. Consequently, SSSB, PTSB, TASB, YTLW and BBSB have become wholly-owned subsidiaries of the Company; and EHSB, LFPL and SIPL have become 70%-owned subsidiaries of the Company.

In June 2012, the Company acquired the remaining 30% equity interests each in LFPL and SIPL from their non-controlling interests for a total consideration of RM42,593,385. Consequently, LFPL and SIPL have become wholly-owned subsidiaries of the Company.

On the date of acquisition, the carrying values of the additional interests acquired were RM44,651,878. The difference between the consideration and the book values of the interests acquired of RM2,058,493 is recognised in equity.

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries during the financial year (continued)

Details of the assets, liabilities and net cash outflow arising from the acquisitions are as follows:

	Fair value RM'000	Carrying amount RM'000
Assets:		
Property, plant and equipment	263	263
Land held for property development	279,890	260,968
Property development costs	1,574,660	1,437,298
Trade and other receivables	540	540
Other current assets	4,723	4,723
Cash and cash equivalents	39,629	39,629
Total assets	1,899,705	1,743,421
Liabilities:		
Trade and other payables	22,190	22,190
Amounts due to related companies	1,378,214	1,378,214
Borrowings	228,097	228,097
Current tax payable	10,852	10,852
Deferred tax liabilities	30,510	41
Total liabilities	1,669,863	1,639,394
Total net assets acquired	229,842	104,027
Less: Non-controlling interests	(55,018)	
Group's interest in fair value of net assets acquired	174,824	
Goodwill on acquisition	35,561	
Negative goodwill recognised in profit or loss	(970)	
Total purchase consideration	209,415	
Less: Consideration settled by issue of ICULS	(56,791)	
Consideration settled in cash	152,624	
Cash and cash equivalents of subsidiaries acquired	39,629	
Net cash outflow on acquisition of subsidiaries	(112,995)	

The fair values of the identifiable assets and liabilities were determind on a provisional basis.

From the date of acquisition, the subsidiaries acquired have contributed RM9,010,956 to the Group's profit net of tax. If the combinations had taken place at the beginning of the financial year, the Group's revenue and profit attributable to owners of the Company would have been RM501,336,640 and RM13,260,138 respectively.

13. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unquoted investment, at cost	**22,900**	22,900	**22,900**	22,900
Share of post acquisition losses	**(407)**	(3)	–	–
	22,493	22,897	**22,900**	22,900

Details of the jointly controlled entity are as follows:

Name of Company	Country of incorporation	Principal activity	Effective equity interest 2012 %	2011 %
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.

(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	
	2012 RM'000	2011 RM'000
Assets and liabilities:		
Current asset	**15,638**	*
Non-current assets	–	15,237
Total assets	**15,638**	15,237
Current liabilities	**(2,705)**	(1,900)
Net assets	**12,933**	13,337
Income and expenses:		
Income	**2**	–
Expenses	**(406)**	(2)

* *Representing RM1.*

14. INVESTMENT PROPERTY

	Group	
	2012	2011
	RM'000	RM'000
At beginning of the financial year	**32,900**	28,623
Gain from fair value adjustments recognised in profit or loss (Note 6)	–	4,277
At end of the financial year	**32,900**	32,900

In the previous financial year, the investment property of the Group was stated at fair value based on a professional valuation carried out in June 2011 by a registered valuer on an open market value basis.

For the current financial year, the fair value of the investment property was estimated by the directors based on current market condition and open market value basis as used by the registered valuer in their 2011 report.

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year				
Cost				
Freehold land	**166,830**	169,979	–	–
Leasehold land	**162,990**	162,990	**10,036**	10,036
	329,820	332,969	**10,036**	10,036
Development expenditure	**215,832**	199,132	**4,995**	4,115
	545,652	532,101	**15,031**	14,151
Cost incurred during the year:				
Freehold land	**1,270**	–	–	–
Leasehold land	**22,112**	–	**20,710**	–
Development expenditure	**16,052**	33,247	**1,414**	880
	39,434	33,247	**22,124**	880
Acquisition of subsidiaries (Note 12):				
Freehold land	**264,429**	–	–	–
Development expenditure	**15,461**	–	–	–
	279,890	–	–	–

15. LAND HELD FOR PROPERTY DEVELOPMENT (CONTINUED)

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Transfer from property development costs (Note 19):				
Development cost	–	200	–	–
Transfer to property development costs (Note 19):				
Freehold land	–	(2,849)	–	–
Development cost	–	(16,747)	–	–
	–	(19,596)	–	–
Disposal of land	–	(300)	–	–
At end of the financial year	**864,976**	545,652	**37,155**	15,031

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.

Included in land held for property development of the Group is interest capitalised during the financial year amounting to RM2,463,870 (2011: Nil) as disclosed in Note 5.

16. GOODWILL ON CONSOLIDATION

	Group 2012 RM'000	Group 2011 RM'000
At beginning of the financial year	**12,183**	12,183
Arising from acquisition of subsidiaries (Note 12)	**35,561**	–
Impairment (Note 6)	**(12,136)**	–
Exchange differences	**922**	–
At end of the financial year	**36,530**	12,183

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

16. GOODWILL ON CONSOLIDATION (CONTINUED)

The recoverable amounts 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 Group arose from its property development business.

(ii) Key assumptions

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.

(iii) 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.

17. DEFERRED TAX

	Group	
	2012	**2011**
	RM'000	**RM'000**
At beginning of the financial year	**41,494**	39,421
Recognised in profit or loss (Note 9)	**(19,833)**	2,073
Recognised in equity	**30,510**	–
At end of the financial year	**52,171**	41,494
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(2,667)**	(2,897)
Deferred tax liabilities	**54,838**	44,391
	52,171	41,494

17. DEFERRED TAX (CONTINUED)

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 2011	**159**	**44,253**	**44,412**
Recognised in profit or loss	**29**	**(20,092)**	**(20,063)**
Recognised in equity	**–**	**30,510**	**30,510**
At 30 June 2012	**188**	**54,671**	**54,859**
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

Deferred tax assets of the Group:

	Unabsorbed losses in subsidiaries RM'000	Accruals and payables RM'000	Total RM'000
At 1 July 2011	**(114)**	**(2,804)**	**(2,918)**
Recognised in profit or loss	**–**	**230**	**230**
At 30 June 2012	**(114)**	**(2,574)**	**(2,688)**
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)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unused tax losses	**207**	207	**–**	–
Unabsorbed capital allowances	**286**	286	**–**	–
Other deductible temporary differences	**94**	94	**94**	94
	587	587	**94**	94

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.

18. INVENTORIES

	Group 2012 RM'000	Group 2011 RM'000
Properties held for sale		
– At cost	**161,785**	33,466
– At net realisable value	**24,489**	31,784
	186,274	65,250

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM10,943,701 (2011: RM7,055,954) as disclosed in Note 4.

19. PROPERTY DEVELOPMENT COSTS

	Group 2012 RM'000	Group 2011 RM'000
Property development costs at beginning of the financial year:		
Freehold and leasehold land, at cost	**30,113**	31,671
Development and construction costs	**86,958**	168,500
	117,071	200,171
Cost incurred during the year:		
Development and construction costs	**249,169**	45,084
Transfer from land held for property development (Note 15):		
Freehold land	**–**	2,849
Development cost	**–**	16,747
	–	19,596
Reversal of development costs for completed projects:		
Freehold land	**(1,467)**	(3,232)
Leasehold land	**(299,825)**	(1,175)
Development cost	**(535,157)**	(116,037)
	(836,449)	(120,444)
Acquisition of subsidiaries:		
Freehold land	**1,063,501**	–
Leasehold land	**461,105**	–
Development cost	**455,692**	–
	1,980,298	–
Transfer to land held for property development (Note 15):		
Development cost	**–**	(200)

Notes to the Financial Statements

19. PROPERTY DEVELOPMENT COSTS (CONTINUED)

	Group 2012 RM'000	Group 2011 RM'000
Transfer of unsold units to inventories:		
Development cost	**(131,975)**	(27,136)
Costs recognised in profit or loss:		
At beginning of the financial year	**68,460**	141,882
Acquisition of subsidiaries	**460,029**	–
Recognised during the year (Note 4)	**506,292**	47,022
Reversal of completed projects	**(836,449)**	(120,444)
At end of the financial year	**198,332**	68,460
Exchange differences	**51,679**	–
Property development costs at end of the financial year	**1,231,461**	48,611

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM41,179,636 (2011: RM6,591,490) as disclosed in Note 5.

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,188,847,000 (2011: Nil) pledged as security for a borrowing granted to the Group as disclosed in Note 28.

20. TRADE AND OTHER RECEIVABLES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Trade receivables				
Trade receivables	**32,750**	5,214	–	–
Stakeholder amounts held by solicitors	**41,716**	2,998	–	–
	74,466	8,212	–	–
Other receivables				
Deposits	**2,606**	2,170	**11**	11
Other receivables	**9,037**	8,934	**1,238**	1,293
	11,643	11,104	**1,249**	1,304
Less: Allowance for impairment	**(1,040)**	(1,040)	**(1,000)**	(1,000)
	10,603	10,064	**249**	304
Total trade and other receivables	**85,069**	18,276	**249**	304
Amounts due from:				
– Subsidiaries (Note 22)	**–**	–	**544,282**	235,755
– Related companies (Note 23)	**952**	5,303	**1**	2
– Jointly controlled entity (Note 23)	**5,405**	3,797	**5,405**	3,797
Cash and cash equivalents (Note 24)	**282,095**	110,830	**2,570**	13,326
Total loans and receivables	**373,521**	138,206	**552,507**	253,184

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

The Group's normal trade credit terms range from 30 days to 90 days (2011: 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 at the reporting date is as follows:

	2012 RM'000	2011 RM'000
Neither past due nor impaired	**68,830**	4,931
1 to 30 days past due not impaired	**288**	1,026
31 to 60 days past due not impaired	**1,025**	682
61 to 90 days past due not impaired	**15**	143
91 to 120 days past due not impaired	**2,049**	61
More than 120 days past due not impaired	**2,259**	1,369
	74,466	8,212

Receivables that are neither past due nor impaired

Trade 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 RM5,635,788 (2011: 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 2012 RM'000	Company 2012 RM'000
Other receivables – nominal amounts	**1,040**	1,000
Less: Allowance for impairment	**(1,040)**	(1,000)
	–	–

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables that are impaired (continued)

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 RM7,300,000 (2011: RM6,400,000) 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 38.

21. OTHER CURRENT ASSETS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Prepayments	**3,054**	24	**1**	19
Accrued billings in respect of property development costs	**52,694**	11,900	**–**	–
	55,748	11,924	**1**	19

22. AMOUNTS DUE FROM/TO SUBSIDIARIES

The amounts due from/to subsidiaries primarily arose from payments on behalf and are unsecured, interest-free and repayable on demand.

The amounts due from subsidiaries are stated net of allowances for impairment of RM15,183,263 (2011: RM15,175,688).

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

The immediate and ultimate holding companies are YTL Corporation Berhad and Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., respectively, both are incorporated in Malaysia. The immediate holding company, YTL Corporation Berhad is listed on the Main Market of Bursa Securities. 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 RM42,325,000 (2011: RM9,802,000) due to related companies is trade in nature.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits with licensed banks	**20,195**	92,200	**187**	13,236
Cash and bank balances	**261,900**	18,630	**2,383**	90
	282,095	110,830	**2,570**	13,326

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

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Deposits with licensed banks	**2.35**	3.27	**2.99**	3.29

The maturity of deposits as at the end of the financial year ranged from 3 days to 92 days (2011: 5 days to 31 days).

Included in the deposits with licensed banks amounting to RM5,016,000 (2011: Nil) is pledged as a security for a borrowing as disclosed in Note 28.

Included in cash and bank balances of the Group are amounts of RM23,590,000 (2011: RM17,238,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and RM184,303,941 (2011: Nil) held under the Project Account Rules – 1977 Ed, Singapore and therefore restricted from use in other operations.

25. PROVISIONS

	Group	
	2012 RM'000	2011 RM'000
At beginning of the financial year	**4,656**	9,497
Provision during the year (Note 6)	**483**	3,418
Reversal of provisions (Note 6)	**(228)**	(1,763)
Utilisation of provision during the year	**(906)**	(6,496)
At end of the financial year	**4,005**	4,656

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.

Notes to the Financial Statements

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables	**1,032**	2,325	**–**	–
Other payables	**38,887**	2,569	**35,112**	61
Accruals	**49,327**	10,860	**1,117**	1,174
Deposits received	**818**	20,677	**–**	–
Provision for losses arising from issue of ICPS-A	**–**	140	**–**	140
Total trade and other payables	**90,064**	36,571	**36,229**	1,375
Amounts due to:				
– Immediate holding company (Note 23)	**1,052**	216	**312**	112
– Subsidiary (Note 22)	**–**	–	**28,754**	–
– Related companies (Note 23)	**45,340**	10,076	**3**	39
Borrowings (Note 28)	**1,563,611**	169,748	**139,291**	–
Total financial liabilities carried at amortised cost	**1,700,067**	216,611	**204,589**	1,526

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

27. OTHER CURRENT LIABILITIES

	Group	
	2012 RM'000	2011 RM'000
Progress billings in respect of property development costs	**–**	8,153
Amount due to customer on contract (Note a)	**5**	123
Accruals for rectification works	**4,138**	4,666
	4,143	12,942

(a) Amount due to customer on contract

	Group	
	2012 RM'000	2011 RM'000
Construction costs incurred to date	**533,082**	527,531
Attributable profits	**9,534**	9,417
	542,616	536,948
Less: Progress billings	**(542,621)**	(537,071)
Amount due to customer on contract	**(5)**	(123)

28. BORROWINGS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current				
Unsecured:				
Hire purchase payables (Note 29)	**293**	34	**–**	–
ICULS (Note 30)	**4,630**	–	**4,630**	–
Term loans	**159,554**	12,500	**–**	–
	164,477	12,534	**4,630**	–
Non-current				
Secured:				
Term loan (Note a)	**771,324**	–	**–**	–
Unsecured:				
Hire purchase payables (Note 29)	**333**	–	**–**	–
ICULS (Note 30)	**134,661**	–	**134,661**	–
Term loans	**492,816**	157,214	**–**	–
	1,399,134	157,214	**134,661**	–
Total borrowings				
Hire purchase payables (Note 29)	**626**	34	**–**	–
ICULS (Note 30)	**139,291**	–	**139,291**	–
Term loans	**1,423,694**	169,714	**–**	–
	1,563,611	169,748	**139,291**	–

(a) Term loan

The term loan is secured by corporate guarantees from the Company and charges on certain assets of the Group as disclosed in the relevant notes to the financial statements.

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

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Not later than 1 year	**164,477**	12,534	**4,630**	–
Later than 1 year and not later than 2 years	**45,265**	15,000	**4,958**	–
Later than 2 years and not later than 5 years	**1,252,877**	120,000	**28,711**	–
Later than 5 years	**100,992**	22,214	**100,992**	–
	1,563,611	169,748	**139,291**	–

28. BORROWINGS (CONTINUED)

The weighted average effective interest rates per annum for borrowings, excluding hire purchase payables at the reporting date were as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	%	**%**	**%**	**%**
ICULS	**7.49**	–	**7.49**	–
Term loans	**2.50**	4.47	**–**	–

29. HIRE PURCHASE PAYABLES

	Group	
	2012	**2011**
	RM'000	**RM'000**
Future minimum lease payments:		
Not later than 1 year	**316**	34
Later than 1 year and not later than 2 years	**316**	–
Later than 2 years and not later than 5 years	**26**	–
	658	34
Less: Future finance charges	**(32)**	–
Present value of hire purchase payables (Note 28)	**626**	34
Analysis of present value of hire purchase payables:		
Current		
Not later than 1 year	**293**	34
Non-current		
Later than 1 year and not later than 2 years	**307**	–
Later than 2 years and not later than 5 years	**26**	–
	333	–
Present value of hire purchase payables	**626**	34

The hire purchase payable bears a flat interest rate at 2.47% (2011: 2.75%) per annum.

30. ICULS

On 31 October 2011, the Company issued 992,378,023 ten (10)-year 3.0% stepping up to 6.0% ICULS at a nominal value of RM0.50 per ICULS.

The salient terms of the ICULS are as follows:

(i) The ICULS shall bear a coupon rate of 3.0% per annum from date of issue ("Issued Date") up to the fourth anniversary of the Issued Date and 4.5% per annum from the date after the fourth anniversary of the Issued Date up to the seventh anniversary of the Issued Date. Thereafter, the ICULS shall bear a coupon rate of 6.0% per annum to the maturity date. The interest is payable semi-annually in arrears.

(ii) The ICULS are convertible at any time on or after its issuance date into new ordinary shares of the Company at the conversion price, which is fixed on a step-down basis, as follows:

(a) For conversion at any time from the Issued Date up to the fourth anniversary of the Issued Date is RM1.32;

(b) For conversion at any time after the fourth anniversary of the Issued Date up to the seventh anniversary of the Issued Date is RM0.99; and

(c) For conversion at any time after the seventh anniversary of the Issued Date up to the maturity date is RM0.66.

(iii) The ICULS are not redeemable and any ICULS remaining immediately after the maturity date shall be mandatorily converted into ordinary shares at the conversion price.

(iv) The new ordinary shares issued from the conversion of ICULS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of the Company.

The ICULS, a compound instrument, have been split between the liability component and the equity component as follows:

	Group/Company	
	2012 RM'000	2011 RM'000
Liability component (Note a)	139,291	–
Equity component (Note b)	355,001	–
	494,292	–
(a) Liability component of ICULS		
Liability component at the date of issue	139,848	–
Interest expense recognised during the year (Note 5)	6,974	–
Interest paid during the financial year	(7,460)	–
Conversion of ICULS to ordinary shares	(71)	–
Liability component at end of the financial year	139,291	–
(b) Equity component of ICULS		
Equity component at initial recognition	355,183	–
Conversion of ICULS to ordinary shares	(182)	–
Equity component at end of the financial year	355,001	–

Interest expense on the ICULS is calculated on the effective yield basis by applying the effective interest rate of 7.49% per annum for an equivalent non-convertible loan stock to the liability component of the ICULS.

Notes to the Financial Statements

31. OTHER NON-CURRENT LIABILITY

	Group	
	2012	**2011**
	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 (2011: 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.

32. SHARE CAPITAL AND SHARE PREMIUM

	Group/Company			
	2012		**2011**	
	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

32. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

	Group/Company			
	2012		2011	
	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	**844,121**	**422,060**	801,227	400,613
Conversion of ICPS-A to ordinary shares	–	–	42,894	21,447
Conversion of ICULS to ordinary shares	**192**	**96**	–	–
At end of the financial year	**844,313**	**422,156**	844,121	422,060
Irredeemable convertible preference shares 2001/2011 ("ICPS-A") of RM0.50 each				
At beginning of the financial year	–	–	167,287	83,644
Conversion of ICPS-A to ordinary shares	–	–	(167,287)	(83,644)
At end of the financial year	–	–	–	–
Total	**844,313**	**422,156**	844,121	422,060

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 previous financial year.

Share options

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.

32. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Share options (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.

32. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Share premium reduction

On 8 November 2011, the share premium reduction of a sum of RM93,624,182.98 as at 30 June 2010 ("Share Premium Reduction") was set off against the share premium account of the Company following the lodgment of the sealed order with the Companies Commission of Malaysia. The High Court of Malaya had on 27 October 2011 granted an order confirming the share premium reduction of up to RM130.0 million with the credit arising therefrom utilised towards setting-off against the accumulated losses of the Company and estimated expenses in relation to the share premium reduction. Approval of the shareholders of the Company for the Share Premium Reduction was obtained at its Extraordinary General Meeting held on 16 August 2011.

33. 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 29 November 2011, 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.

During the financial year, the Company repurchased 200 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM1.45 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

	Group/Company			
	2012		2011	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At beginning of the financial year	**15,172**	**22,200**	15,172	22,200
Purchase of treasury shares	*	*	–	–
At end of the financial year	**15,172**	**22,200**	15,172	22,200

* *Less than 1,000.*

34. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

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:

	Group 2012 RM'000	Group 2011 RM'000
Related companies:		
Advertising, promotion and printing charges paid to:		
Corporate Promotions Sdn. Bhd.	**1,747**	657
Construction costs charged by:		
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**37,396**	50,415
YTL Construction (S) Pte. Ltd.	**102,404**	–
Project management and marketing agent fees charged to:		
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**34,612**	27,227
Purchase of leasehold land for development from:		
YTL Land Sdn. Bhd.	**20,710**	–
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	**1,151**	1,151
Key management personnel and close family members:		
Progress billings for sale of properties	**52,226**	559

	Company 2012 RM'000	Company 2011 RM'000
Related companies:		
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	**1,151**	1,151
Purchase of leasehold land for development from:		
YTL Land Sdn. Bhd.	**20,710**	–
Subsidiaries:		
Management fees charged to:		
Sentul Raya Sdn. Bhd.	**300**	300
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	**150**	150
Pakatan Perakbina Sdn. Bhd.	**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 22 and 23.

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

36. COMMITMENTS

Non-cancellable operating lease commitments – Group as lessee

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Future minimum lease payable:				
Not later than 1 year	**1,612**	1,151	**1,151**	1,151
Later than 1 year	**716**	1,840	**689**	1,840
	2,328	2,991	**1,840**	2,991

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. 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 guarantees 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 exposure 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.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's operations are subject to liquidity risk, credit risk, interest rate risk and foreign currency 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.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 they will have sufficient liquidity to meet their liabilities when they fall due.

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.

	2012			
	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	90,064	–	–	90,064
Borrowings	210,387	1,449,758	122,744	1,782,889
Amounts due to:				
– Immediate holding company (Note 23)	1,052	–	–	1,052
– Related companies (Note 23)	45,340	–	–	45,340
Total undiscounted financial liabilities	346,843	1,449,758	122,744	1,919,345
Company				
Trade and other payables	36,229	–	–	36,229
Borrowings	14,878	70,671	122,744	208,293
Amounts due to:				
– Subsidiary (Note 22)	28,754	–	–	28,754
– Immediate holding company (Note 23)	312	–	–	312
– Related companies (Note 23)	3	–	–	3
Total undiscounted financial liabilities	80,176	70,671	122,744	273,591

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (continued)

	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 23)	216	–	–	216
– Related companies (Note 23)	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 23)	112	–	–	112
– Related companies (Note 23)	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 RM1,417,538,000 (2011: RM197,348,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

(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 20.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

(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 22.

(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.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk primarily on their payables which are denominated in Singapore Dollars ("SGD").

Sensitivity analysis for foreign currency risk

At the reporting date, if SGD had strengthened/weakened by 10 basis points against RM, with all other variables held constant, there would be no significant impact to the Group's profit net of tax and equity.

39. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend 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.

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 of the parent.

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Borrowings (Note 28)	**1,563,611**	169,748	**139,291**	–
Trade and other payables (Note 26)	**90,064**	36,571	**36,229**	1,375
Amounts due to:				
– Subsidiary (Note 22)	**–**	–	**28,754**	–
– Immediate holding company (Note 23)	**1,052**	216	**312**	112
– Related companies (Note 23)	**45,340**	10,076	**3**	39
Less: Cash and cash equivalents (Note 24)	**(282,095)**	(110,830)	**(2,570)**	(13,326)
Net debt/(net cash)	**1,417,972**	105,781	**202,019**	(11,800)
Equity attributable to owners of the parent	**952,516**	565,880	**919,670**	572,996
Capital and net debt	**2,370,488**	671,661	**1,121,689**	561,196
Gearing ratio (%)	**60**	16	**18**	–

The Group and the subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 30 June 2012 and 30 June 2011.

40. SEGMENT INFORMATION

The Group is organised into two main business segments:

(i) Property development & management

(ii) Construction

The information for reportable segments is as follows:

	Construction RM'000	Property development & management RM'000	Total RM'000
At 30 June 2012			
External revenue	**5,668**	**575,748**	**581,416**
Results			
Profit from operations	**117**	**57,087**	**57,204**
Finance cost			**(8,805)**
Share of results of a jointly controlled entity			**(404)**
Profit before taxation			**47,995**
Income tax expenses			**(12,965)**
Profit net of tax			**35,030**
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

Geographically, the main business segments of the Group are concentrated in Malaysia and Singapore. The geographical segment information is as follows:

	Revenue 2012 RM'000	2011 RM'000
Malaysia	**111,063**	73,246
Singapore	**470,353**	–
	581,416	73,246

Supplementary Information

BREAKDOWN OF RETAINED EARNINGS/(ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 30 June 2012 and 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		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
– Realised	**250,837**	(546)	**(12,732)**	(97,776)
– Unrealised	**149,142**	208,230	–	–
	399,979	207,684	**(12,732)**	(97,776)
Total share of accumulated losses from jointly controlled entity				
– Realised	**(407)**	(3)	–	–
Less: Consolidation adjustments	**(383,779)**	(312,573)	–	–
Total retained earnings/ (accumulated losses)	**15,793**	(104,892)	**(12,732)**	(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 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 72nd 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, 27 November 2012 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 Dato' Yeoh Seok Kian		
2.	Re-election of Dato' Yeoh Seok Hong		
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 ____________________ 2012 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. This 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 20 November 2012. Only a depositor whose name appears on the General Meeting Record of Depositors as at 20 November 2012 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
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The Company Secretary

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

Fold here

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