

**YTL LAND & DEVELOPMENT BERHAD**

Company No. 1116-M  
Incorporated in Malaysia

**Interim Financial Report**  
**31 March 2011**

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**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated result for the financial period ended 31 March 2011.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2010 RM'000	9 MONTHS ENDED 31.03.2011 31.03.2010 RM'000 RM'000	
<b>REVENUE</b>	23,017	27,660	64,443	209,029
COST OF SALES	(20,192)	(21,141)	(57,863)	(184,464)
GROSS PROFIT	2,825	6,519	6,580	24,565
OTHER OPERATING INCOME	9,586	3,955	23,470	11,588
OTHER OPERATING EXPENSES	(6,995)	(4,908)	(15,101)	(13,931)
<b>PROFIT FROM OPERATIONS</b>	5,416	5,566	14,949	22,222
FINANCE COSTS	(187)	(198)	(1,452)	(605)
SHARE OF PROFIT/(LOSS) OF JOINTLY CONTROLLED ENTITY	1	(1)	(1)	(1)
<b>PROFIT BEFORE TAXATION</b>	5,230	5,367	13,496	21,616
TAXATION	(1,787)	(1,798)	(4,690)	(6,844)
<b>PROFIT FOR THE PERIOD/ TOTAL COMPREHENSIVE INCOME FOR THE PERIOD *</b>	<u>3,443</u>	<u>3,569</u>	<u>8,806</u>	<u>14,772</u>
<b>ATTRIBUTABLE TO:</b>				
Owners of the Parent	3,180	3,762	8,535	14,782
Non-Controlling Interests	263	(193)	271	(10)
	<u>3,443</u>	<u>3,569</u>	<u>8,806</u>	<u>14,772</u>
<b>EARNINGS PER 50 SEN SHARE</b>				
<b>Basic (sen):-</b>				
• Before mandatory conversion of ICPSs	<u>0.40</u>	<u>0.48</u>	<u>1.08</u>	<u>1.89</u>
• After mandatory conversion of ICPSs	<u>0.39</u>	<u>0.45</u>	<u>1.04</u>	<u>1.79</u>
<b>Diluted (sen)</b>	<u>0.39</u>	<u>0.45</u>	<u>1.04</u>	<u>1.79</u>

\* The Group presents the Condensed Consolidated Statement of Comprehensive Income in only one statement as there was no other comprehensive income recognised during the current financial quarter.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

**YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT 31.03.2011  RM'000</b>	<b>AUDITED AS AT 30.06.2010 (RESTATED) RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	33,928	34,261
Investment properties	44,873	28,623
Land held for property development	556,100	532,101
Investment in a jointly controlled entity	22,898	22,899
Goodwill on consolidation	12,183	12,183
Deferred tax assets	6,535	6,535
	<u>676,517</u>	<u>636,602</u>
<b>Current Assets</b>		
Inventories	49,967	45,103
Property development expenditure	40,677	58,289
Trade receivables	31,967	43,438
Other receivables	12,037	11,800
Amount due from related companies	1,554	1,263
Amount due from a jointly controlled entity	3,666	3,357
Fixed deposits with licensed banks	92,644	91,353
Cash and bank balances	21,042	17,334
	<u>253,554</u>	<u>271,937</u>
<b>TOTAL ASSETS</b>	<u>930,071</u>	<u>908,539</u>
<b>EQUITY</b>		
<b>SHARE CAPITAL</b>		
Ordinary shares	407,509	400,613
Irredeemable Convertible Preference Shares	56,751	83,644
<b>RESERVES</b>		
Share premium	228,712	208,715
Treasury share, at cost	(22,200)	(22,200)
Accumulated losses	(114,422)	(122,957)
	<u>556,350</u>	<u>547,815</u>
Total Equity Attributable to Owners of the Parent	556,350	547,815
Non-Controlling Interests	6,654	6,383
<b>TOTAL EQUITY</b>	<u>563,004</u>	<u>554,198</u>

**YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.03.2011</b>	<b>30.06.2010</b>
	<b>(RESTATED)</b>	<b>(RESTATED)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Bank borrowing	164,714	151,142
Long term liabilities	67,696	67,696
Hire purchase creditors	34	34
Deferred tax liabilities	44,586	45,956
	-----	-----
	277,030	264,828
	-----	-----
<b>Current Liabilities</b>		
Provisions	4,709	9,497
Trade payables	5,070	5,926
Other payables	31,999	19,151
Bank borrowing	10,000	28,572
Hire purchase creditors	22	153
Amount due to immediate holding company	109	61
Amount due to related companies	36,623	22,807
Current tax payables	1,505	3,346
	-----	-----
	90,037	89,513
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>367,067</b>	<b>354,341</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>930,071</b>	<b>908,539</b>
	=====	=====
Net assets per 50 sen share (RM)	0.70	0.70
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

**YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	<----- Attributable to owners of the parent ----->								
	<-----Share Capital----->						Non- Controlling		
	Ordinary Shares RM'000	ICPS RM'000	Share Premium RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total RM'000	Interests RM'000	Total Equity RM'000	
<b>9 months ended 31 March 2011</b>									
As at 01 July 2010	400,613	83,644	208,715	(22,200)	(122,957)	547,815	6,383	554,198	
Profit / Total comprehensive income for the period	-	-	-	-	8,535	8,535	271	8,806	
Conversion of ICPS to ordinary shares	6,896	(26,893)	19,997	-	-	-	-	-	
As at 31 March 2011	<u>407,509</u>	<u>56,751</u>	<u>228,712</u>	<u>(22,200)</u>	<u>(114,422)</u>	<u>556,350</u>	<u>6,654</u>	<u>563,004</u>	
<b>9 months ended 31 March 2010</b>									
As at 01 July 2009	398,779	90,796	203,397	(22,200)	(141,578)	529,194	4,593	533,787	
Profit / Total comprehensive income for the period	-	-	-	-	14,782	14,782	(10)	14,772	
Conversion of ICPS to ordinary shares	1,556	(6,066)	4,510	-	-	-	-	-	
As at 31 March 2010	<u>400,335</u>	<u>84,730</u>	<u>207,907</u>	<u>(22,200)</u>	<u>(126,796)</u>	<u>543,976</u>	<u>4,583</u>	<u>548,559</u>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	<b>9 MONTHS ENDED</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	23,697	25,017
	=====	=====
Net cash used in investing activities	(13,567)	(18,162)
	=====	=====
Net cash used in financing activities	(5,131)	(185)
	=====	=====
Net increase in cash and cash equivalents	4,999	6,670
Cash and cash equivalents at beginning of the year	108,687	115,137
	-----	-----
Cash and cash equivalents at end of the period (note a)	113,686	121,807
	=====	=====

**Note (a)**

Cash and cash equivalents comprise:

	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits with licensed banks	92,644	109,160
Cash and bank balances	21,042	12,647
	-----	-----
Cash and cash equivalents at end of the period	113,686	121,807
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements

## **INTERIM FINANCIAL REPORT**

### **Disclosure requirement per FRS 134 – paragraph 16**

The condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2010.

#### **A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and Chapter 9, part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the latest audited annual financial statements except for the adoption of new and revised FRSs, amendments to FRSs and Interpretation Committee (“IC”) Interpretations which were effective for financial period beginning 1 July 2010.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations do not have significant financial impact on the Group other than the effects of the following FRSs:

##### FRS 101 (revised) : Presentation of Financial Statements

The revised FRS 101 requires all non-owner changes in equity to be presented either in a statement of comprehensive income, or in two statements which comprise a separate income statement and statement of comprehensive income. The Group has elected to present the statement of comprehensive income in two statements if there is any comprehensive income being recognised in the period.

There is no impact on the financial position of the Group since these changes affect only the presentation of items of income and expenses. The Group has adopted the standard retrospectively.

##### FRS 7 : Financial Instruments : Disclosures

FRS 7 requires extensive disclosure of qualitative and quantitative information about exposure to risks from financial instruments. Such information will be disclosed in the audited annual financial statements of the Group.

##### Amendment to FRS 117 : Leases

With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incidental to ownership lies. Accordingly, the Group has reclassified its leasehold land to property, plant and equipment. This change in classification has no effect on the financial position of the Group.



**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A1. Accounting Policies and Methods of Computation – continued**

Amendment to FRS 117 : Leases

The reclassification has been accounted for retrospectively and certain comparative figures have been restated as follows:

<b>As at 30 June 2010</b>	<b>Previously stated RM'000</b>	<b>Effect of changes RM'000</b>	<b>Restated RM'000</b>
Property, plant and equipment	34,202	59	34,261
Prepaid land lease payments	59	(59)	-
	=====	=====	=====

FRS 139 : Financial Instruments : Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments.

Financial instruments are recorded initially at fair value. Subsequent measurement of those financial instruments at end of each reporting period reflects the designation of the financial instruments. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit or loss.

**Financial assets**

**Loans and Receivables**

Prior to 1 July 2010, loans and receivables were stated at gross proceeds receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

**Financial liabilities**

**Borrowings**

Prior to 1 July 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS 139, borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognized or through the amortisation process.

FRS 139 has been accounted for prospectively and comparative figures are not restated. However, the adoption of FRS 139 does not have an impact on the Group's opening balances.

**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A2. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factor.

**A3. Exceptional or Unusual Items**

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

**A4. Changes in estimates of amounts reported**

There was no significant change in estimates of amount reported in prior interim periods or prior financial years.

**A5. Changes in Debt and Equity Securities**

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter:

During the current financial quarter, the share capital of the Company increased from RM403,205,367 to RM407,509,029 as a result of the conversion of 33,568,631 Irredeemable Convertible Preference Shares ("ICPS") of RM0.50 each into 8,607,324 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 3.90 of ICPS of RM0.50 each.

During the current financial year to date, a total of 13,790,972 new ordinary shares of RM0.50 each were issued as a result of the conversion of 53,784,878 ICPS.

The total number of ICPS outstanding as at 31 March 2011 was 113,502,338 of RM0.50 each.

The outstanding debts are disclosed in Note B10.

**A6. Dividend Paid**

There was no dividend paid during the current financial quarter ended 31 March 2011.

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**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A7. Segment Information**

The Group's segmental results for the period ended 31 March 2011:

	<b>Construction*</b> <b>RM'000</b>	<b>Property Development</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>External revenue</b>	7,317	57,126	64,443
	-----	-----	-----
<b>Segment results</b>			
Profit from Operations	128	14,821	14,949
	-----	-----	
<b>Reconciliation of segment profits to profit before taxation</b>			
Finance cost			(1,452)
			-----
			13,497
Share of loss of a jointly controlled entity			(1)
			-----
Profit before taxation			13,496
			=====

The Group's segmental results for the period ended 31 March 2010:

	<b>Construction*</b> <b>RM'000</b>	<b>Property Development</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>External revenue</b>	66,941	142,088	209,029
	-----	-----	-----
<b>Segment results</b>			
Profit from Operations	1,229	20,993	22,222
	-----	-----	
<b>Reconciliation of segment profits to profit before taxation</b>			
Finance cost			(605)
			-----
			21,617
Share of loss of a jointly controlled entity			(1)
			-----
Profit before taxation			21,616
			=====

*\* The construction project has been completed on 15 July 2010. It is currently under a 24 months defect liability period upto 15 July 2012.*

**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A8. Material Events Subsequent to the end of the interim period**

There was no item, transaction or event of a material or unusual in nature during period from the end of the quarter under review to the date of this report.

**A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing of operations.

**A10. Changes in Contingent Liabilities**

There was no material change in the contingent liabilities of the Group since the last financial year ended 30 June 2010. The corporate guarantees given to banks for credit facilities granted at the end of current financial quarter are as follows:-

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Guarantee Facility	55,182 =====	27,625 =====

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## **INTERIM FINANCIAL REPORT**

### **Disclosure requirement per Part A of Appendix 9B of Main Market Listing Requirements of Bursa Securities**

#### **B1. Review of Performance**

For the nine months under review, Group revenue and profit before taxation decreased to RM64.443 million and RM13.496 million from RM209.029 million and RM21.616 million, respectively recorded in the preceding corresponding financial period ended 31 March 2010. This represents a decrease of 69.17% and 37.56% in revenue and profit before taxation, respectively.

For the current quarter under review, Group revenue and profit before taxation decreased to RM23.017 million and RM5.23 million from RM27.660 million and RM5.367 million, respectively recorded in the preceding corresponding financial quarter ended 31 March 2010. This represents a decrease of 16.79% and 2.55% in revenue and profit before taxation respectively.

The decline in revenue and profit before taxation was substantially due to lower revenue and profit recognition from both construction and property development segments of the Group due to completion of certain projects during the period under review and the timing difference of new project launches.

#### **B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.03.2011 RM'000</b>	<b>Preceding Quarter 31.12.2010 RM'000</b>
Revenue	23,017	27,397
Profit before taxation	5,230	4,031
Profit attributable to owners of the parent	3,180	2,162

Group revenue decreased to RM23.017 million from RM27.397 million recorded in the preceding financial quarter. The decrease was substantially due to lower revenue recognised from property development segment.

Group profit before taxation increased by 29.70% to RM5.23 million compared to the preceding financial quarter mainly due to higher other operating income.

#### **B3. Audit Report of preceding financial year ended 30 June 2010**

The Auditors' Report on the financial statements of the financial year ended 30 June 2010 did not contain any qualification.

#### **B4. Prospects**

The Group is expected to achieve satisfactory performance for the financial year ending 2011 through the property development activities undertaken by its subsidiary companies.

**INTERIM FINANCIAL REPORT**

**Notes : continued**

**B5. Profit Forecast**

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

**B6. Taxation**

Taxation comprises the following:-

	<b>Current Quarter 31.03.2011 RM'000</b>	<b>Current Year To Date 31.03.2011 RM'000</b>
Taxation based on profit for the period	1,882	6,018
Under provision of taxation in prior year	42	42
Deferred taxation	(137)	(1,370)
	-----	-----
	1,787	4,690
	=====	=====

The Group provision for taxation for the financial period ended 31 March 2011 reflected a higher effective tax rate compared to the statutory tax rate, mainly due to non tax deductibility of certain expenses and losses incurred by the Company and certain subsidiaries.

**B7. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investment or properties during the current financial quarter.

**B8. Quoted Investment**

During the current financial quarter, there was no purchase or disposal of quoted investment.

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## **INTERIM FINANCIAL REPORT**

### **Notes : continued**

#### **B9. Corporate Development**

Save for the following, there was no corporate proposal announced and pending completion at the date of this report:-

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

- (a) Proposed acquisition from the holding company, YTL Corporation Berhad (“YTL Corp”) of the equity interests in the following companies (“Subject Companies”) and the settlement of outstanding inter-company balances as at the latest practicable date preceding the relevant completion date (“Agreed Cut-Off Date”):-
- 100% equity interest in Arah Asas Sdn Bhd (“Proposed AASB Acquisition”)
  - 100% equity interest in Satria Sewira Sdn Bhd (“SSSB”) (“Proposed SSSB Acquisition”)
  - 70% equity interest in Emerald Hectares Sdn Bhd (“EHSB”) (“Proposed EHSB Acquisition”)
  - 100% equity interest in Pinnacle Trend Sdn Bhd
  - 100% equity interest in Trend Acres Sdn Bhd
  - 100% equity interest in YTL Westwood Properties Pte Ltd (“Proposed YTLW Acquisition”);

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

Proposed acquisition from Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), a wholly-owned subsidiary of YTL Corp of 100% equity interest in Budaya Bersatu Sdn Bhd and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date; and

Proposed acquisition from YTL Land Sdn Bhd (“YLSB”), a wholly-owned subsidiary of YTL Corp of six (6) parcels of agricultural land in Mukim Bidor, Perak Darul Ridzuan (“Bidor Land”) (“Proposed Bidor Land Acquisition”).

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

(YTL Corp, YTLS, SPYTL and YLSB are collectively referred to as “Vendors”)

**INTERIM FINANCIAL REPORT**

**Notes : continued**

**B9. Corporate Development - continued**

The total purchase consideration of RM476,053,870 for the Proposed Acquisitions and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date (“Total Consideration”) is to be satisfied by the issuance by the Company of RM253,030,390 ten (10)-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks (‘ICULS’) at 100% of its nominal value of RM0.50 per ICULS and the remaining RM223,023,480 in cash.

Save for the Proposed AASB Acquisition, any adjustment to the purchase consideration (where applicable) shall be satisfied in a manner mutually agreed upon by the respective Vendors and the Company.

Where applicable, the outstanding inter-company balances are subject to adjustments based on the difference between the following:-

- (i) the outstanding inter-company balances as at 30 June 2010 or 31 August 2010 (where applicable); and
- (ii) the outstanding inter-company balances as at the Agreed Cut-Off Date to be mutually agreed upon by the Company and the respective Vendors,

shall be adjusted accordingly in cash.

The abovementioned adjustment will not apply to the Proposed LFPL Acquisition and Proposed SIPL Acquisition as the purchase consideration and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date will be fully satisfied by the Company in cash.

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

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

(Hereinafter referred to as “Proposed Provision of Financial Assistance”)

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



**INTERIM FINANCIAL REPORT**

**Notes : continued**

**B9. Corporate Development - continued**

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

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

The Proposals are subject to, inter alia, the following approvals and consents being obtained:-

- (a) the shareholders of the Company and YTL Corp at the respective extraordinary general meetings to be convened; and
- (b) approvals and/or consents from any other relevant authorities/parties, (if required).

The Securities Commission (“SC”) had vide its letter dated 8 February 2011, approved the following:-

- (a) Proposed issuance of RM253,030,390 nominal value of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of its nominal value of RM0.50 per ICULS as part payment for the Total Consideration; and
- (b) Proposed renounceable rights issue of up to RM253,236,372 nominal value of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of its nominal value of RM0.50 per ICULS,

subject to the term and conditions imposed by the SC.

On 6 May 2011, the Company announced that there have been some material developments (“Material Developments”) in relation to the following arising from the reappraisal of the market value of each of the land held by the Subject Companies and Bidor Land by Raine & Horne International Zaki + Partners Sdn Bhd and Robert Khan & Co Pte Ltd with reference to a new material date of valuation of which forms the basis of the valuation certificate to be included in the circular to the shareholders of the Company and also the verbal clearance on the valuation reports from the Asset Valuation Audit Department of SC:-

- (a) Proposed SSSB Acquisition;
- (b) Proposed EHSB Acquisition;
- (c) Proposed LFPL Acquisition;
- (d) Proposed SIPL Acquisition;
- (e) Proposed Bidor Land Acquisition; and
- (f) Proposed YTLW Acquisition.

**INTERIM FINANCIAL REPORT**

**Notes : continued**

Arising from the Material Developments, the Company entered into the following supplemental agreements to address the Material Developments:-

- (a) a supplemental agreement to the SSSB Agreement in relation to the Proposed SSSB Acquisition with YTL Corp for the revision to the purchase consideration for the Proposed SSSB Acquisition;
- (b) a supplemental agreement to the EHSB Agreement in relation to the Proposed EHSB Acquisition with YTL Corp for the revision to the purchase consideration for the Proposed EHSB Acquisition;
- (c) a supplemental agreement to the LFPL Agreement in relation to the Proposed LFPL Acquisition with YTLS for the revision to the purchase consideration for the Proposed LFPL Acquisition and the incorporation of the adjustment revision;
- (d) a supplemental agreement to the SIPL Agreement in relation to the Proposed SIPL Acquisition with YTLS for the incorporation of the adjustment revision; and
- (e) a supplemental agreement to the Bidor Land Agreement in relation to the Proposed Bidor Land Acquisition with YLSB for the revision to the purchase consideration for the Proposed Bidor Land Acquisition.

Consequent to the Material Developments, the Total Consideration has been revised downwards from RM476,053,870 to RM474,289,212.

**B10. Group Borrowings and Debt Securities**

The Group's borrowings and debt securities as at the end of the financial period are as follows:-

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Term loan – Unsecured	10,000	164,714	174,714

**B11. Derivative Financial Instruments**

No derivative financial instruments were utilised for the current financial quarter.

**B12. Material litigation**

There are claims made by third parties against Sentul Raya Sdn Bhd but the Directors of the Company are of the opinion that the claims will not materially affect the future position or business of the Group.

**B13. Dividend**

No dividend has been declared for the current financial quarter.

**INTERIM FINANCIAL REPORT**

**Notes : continued**

**B14. Accumulated Losses**

	<b>As at 31.03.2011 RM'000</b>
Total retained earnings/(accumulated losses) of the Company and its subsidiaries :	
- Realised	(9,861)
-Unrealised	147,900
	----- 138,039
Total share of accumulated losses from jointly controlled entity :	
- Realised	(2)
	----- 138,037
Less: Consolidated adjustments	(252,459)
	-----
Total Group accumulated losses as per consolidated accounts	(114,422) =====

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**INTERIM FINANCIAL REPORT**

**Notes : continued**

**B15. Earnings Per Share**

- **Basic/diluted earnings per share**

The basic/diluted earnings per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter, excluding treasury shares held by the Company, assuming full conversion of 113,502,338 ICPS at a conversion of one (1) new ordinary share of RM0.50 each for every RM3.90 nominal value of ICPS of 50 sen nominal value.

	<b>Current Quarter 31.03.2011</b>	<b>Preceding Year Corresponding Quarter 31.03.2010</b>
Profit attributable to owners of the parent (RM'000)	3,180	3,762
Weighted average number of ordinary shares of RM0.50 each ('000)	794,835	783,843
Assumed full conversion of ICPSs ('000)	29,103	43,451
Adjusted weighted average number of ordinary shares ('000)	823,938	827,294
<b>Basic (per 50 sen share)(sen):-</b>		
• Before mandatory conversion of ICPSs	0.40	0.48
• After mandatory conversion of ICPSs	0.39	0.45
<b>Diluted (per 50 sen share) (sen)</b>	0.39	0.45

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 26 May 2011