

**YTL LAND & DEVELOPMENT BERHAD**

Company No. 1116-M  
Incorporated in Malaysia

**Interim Financial Report**  
**31 December 2010**

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**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated result for the financial period ended 31 December 2010.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | INDIVIDUAL QUARTER                                 |   | CUMULATIVE QUARTER   |               |
|---|--|---|--|---------------|
|   | CURRENT<br>YEAR<br>QUARTER<br>31.12.2010<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>31.12.2009<br>RM'000 | 6 MONTHS ENDED<br>31.12.2010<br>31.12.2009<br>RM'000<br>RM'000 |               |
| <b>REVENUE</b>  | 27,397   | 84,214  | 41,426   | 181,369       |
| <b>COST OF SALES</b>  | (24,266)   | (76,975)  | (37,672)   | (163,323)     |
| <b>GROSS PROFIT</b>   | 3,131  | 7,239   | 3,754  | 18,046        |
| <b>OTHER OPERATING INCOME</b>   | 5,752  | 2,868   | 13,884   | 7,633         |
| <b>OTHER OPERATING EXPENSES</b>   | (3,916)  | (3,419)   | (8,106)  | (9,023)       |
| <b>PROFIT FROM OPERATIONS</b>   | 4,967  | 6,688   | 9,532  | 16,656        |
| <b>FINANCE COSTS</b>  | (935)  | (204)   | (1,265)  | (407)         |
| <b>SHARE OF LOSS OF<br/>JOINTLY CONTROLLED ENTITY</b>                             | (1)  | -   | (2)  | -             |
| <b>PROFIT BEFORE TAXATION</b>   | 4,031  | 6,484   | 8,265  | 16,249        |
| <b>TAXATION</b>   | (1,792)  | (2,718)   | (2,903)  | (5,046)       |
| <b>PROFIT FOR THE PERIOD/<br/>TOTAL COMPREHENSIVE<br/>INCOME FOR THE PERIOD *</b> | <u>2,239</u>                                       | <u>3,766</u>  | <u>5,362</u>   | <u>11,203</u> |
| <b>ATTRIBUTABLE TO:</b>   |  |   |  |               |
| Owners of the Parent  | 2,162  | 3,708   | 5,354  | 11,020        |
| Non-Controlling Interests   | 77   | 58  | 8  | 183           |
|   | <u>2,239</u>                                       | <u>3,766</u>  | <u>5,362</u>   | <u>11,203</u> |
| <b>EARNINGS PER 50 SEN SHARE</b>  |  |   |  |               |
| <b>Basic (sen):-</b>  |  |   |  |               |
| • Before mandatory conversion<br>of ICPSs   | <u>0.27</u>  | <u>0.47</u>   | <u>0.68</u>  | <u>1.41</u>   |
| • After mandatory conversion<br>of ICPSs  | <u>0.26</u>  | <u>0.45</u>   | <u>0.65</u>  | <u>1.33</u>   |
| <b>Diluted (sen)</b>  | <u>0.26</u>  | <u>0.45</u>   | <u>0.65</u>  | <u>1.33</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<br/>AS AT<br/>31.12.2010<br/><br/>RM'000</b> | <b>AUDITED<br/>AS AT<br/>30.06.2010<br/>(RESTATED)<br/>RM'000</b> |
|---|---|---|
| <b>ASSETS</b>                                     |   |   |
| <b>Non-Current Assets</b>                         |   |   |
| Property, plant & equipment                       | 34,036  | 34,261  |
| Investment properties                             | 39,441  | 28,623  |
| Land held for property development                | 549,294   | 532,101   |
| Investment in a jointly controlled entity         | 22,897  | 22,899  |
| Goodwill on consolidation                         | 12,183  | 12,183  |
| Deferred tax assets                               | 6,575   | 6,535   |
|   | <u>664,426</u>  | <u>636,602</u>  |
| <b>Current Assets</b>                             |   |   |
| Inventories                                       | 43,494  | 45,103  |
| Property development expenditure                  | 40,468  | 58,289  |
| Trade receivables                                 | 31,489  | 43,438  |
| Other receivables                                 | 11,706  | 11,800  |
| Amount due from related companies                 | 2,527   | 1,263   |
| Amount due from a jointly controlled entity       | 3,539   | 3,357   |
| Fixed deposits with licensed banks                | 98,205  | 91,353  |
| Cash and bank balances                            | 19,989  | 17,334  |
|   | <u>251,417</u>  | <u>271,937</u>  |
| <b>TOTAL ASSETS</b>                               | <u>915,843</u>  | <u>908,539</u>  |
| <b>EQUITY</b>                                     |   |   |
| <b>SHARE CAPITAL</b>                              |   |   |
| Ordinary shares                                   | 403,205   | 400,613   |
| Irredeemable Convertible Preference Shares        | 73,536  | 83,644  |
| <b>RESERVES</b>                                   |   |   |
| Share premium                                     | 216,231   | 208,715   |
| Treasury share, at cost                           | (22,200)  | (22,200)  |
| Accumulated losses                                | (117,603)   | (122,957)   |
|   | <u>553,169</u>  | <u>547,815</u>  |
| Total Equity Attributable to Owners of the Parent | 553,169   | 547,815   |
| Non-Controlling Interests                         | 6,391   | 6,383   |
| <b>TOTAL EQUITY</b>                               | <u>559,560</u>  | <u>554,198</u>  |

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

**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>31.12.2010</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                          | 151,142           | 151,142           |
| Long term liabilities                   | 67,696            | 67,696            |
| Hire purchase creditors                 | 34                | 34                |
| Deferred tax liabilities                | 44,762            | 45,956            |
|   | -----             | -----             |
|   | 263,634           | 264,828           |
|   | -----             | -----             |
| <b>Current Liabilities</b>              |                   |                   |
| Provisions                              | 8,513             | 9,497             |
| Trade payables                          | 5,769             | 5,926             |
| Other payables                          | 19,692            | 19,151            |
| Bank borrowing                          | 28,572            | 28,572            |
| Hire purchase creditors                 | 65                | 153               |
| Amount due to immediate holding company | 11                | 61                |
| Amount due to related companies         | 28,211            | 22,807            |
| Current tax payables                    | 1,816             | 3,346             |
|   | -----             | -----             |
|   | 92,649            | 89,513            |
|   | -----             | -----             |
| <b>TOTAL LIABILITIES</b>                | <b>356,283</b>    | <b>354,341</b>    |
|   | -----             | -----             |
| <b>TOTAL EQUITY AND LIABILITIES</b>     | <b>915,843</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 DECEMBER 2010**

|  | <----- Attributable to owners of the parent -----> |                |                            |                              |                                 |                |                 |                 |        |
|--|--|----------------|----------------------------|------------------------------|---------------------------------|----------------|-----------------|-----------------|--------|
|  | <-----Share Capital----->                          |                |                            |                              |                                 |                | Non-Controlling |                 |        |
|  | Ordinary<br>Shares<br>RM'000                       | ICPS<br>RM'000 | Share<br>Premium<br>RM'000 | Treasury<br>Shares<br>RM'000 | Accumulated<br>Losses<br>RM'000 | Total          | Interests       | Total<br>Equity | RM'000 |
| <b>6 months ended 31 December 2010</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 | -  | -              | -                          | -                            | 5,354                           | 5,354          | 8               | 5,362           |        |
| Conversion of ICPS to ordinary shares              | 2,592  | (10,108)       | 7,516                      | -                            | -                               | -              | -               | -               |        |
| As at 31 December 2010                             | <u>403,205</u>                                     | <u>73,536</u>  | <u>216,231</u>             | <u>(22,200)</u>              | <u>(117,603)</u>                | <u>553,169</u> | <u>6,391</u>    | <u>559,560</u>  |        |
| <b>6 months ended 31 December 2009</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 | -  | -              | -                          | -                            | 11,020                          | 11,020         | 183             | 11,203          |        |
| Conversion of ICPS to ordinary shares              | 1,343  | (5,235)        | 3,892                      | -                            | -                               | -              | -               | -               |        |
| As at 31 December 2009                             | <u>400,122</u>                                     | <u>85,561</u>  | <u>207,289</u>             | <u>(22,200)</u>              | <u>(130,558)</u>                | <u>540,214</u> | <u>4,776</u>    | <u>544,990</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 DECEMBER 2010**

|   | <b>6 MONTHS ENDED</b> |                   |
|---|-----------------------|-------------------|
|   | <b>31.12.2010</b>     | <b>31.12.2009</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>     |
| Net cash generated from operating activities            | 17,132                | 19,113            |
|   | =====                 | =====             |
| Net cash used in investing activities                   | (7,537)               | (1,591)           |
|   | =====                 | =====             |
| Net cash used in financing activities                   | (88)                  | (123)             |
|   | =====                 | =====             |
| Net increase in cash and cash equivalents               | 9,507                 | 17,399            |
| Cash and cash equivalents at beginning of the year      | 108,687               | 115,137           |
|   | -----                 | -----             |
| Cash and cash equivalents at end of the period (note a) | 118,194               | 132,536           |
|   | =====                 | =====             |

**Note (a)**

Cash and cash equivalents comprise:

|  | <b>31.12.2010</b> | <b>31.12.2009</b> |
|--|-------------------|-------------------|
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Fixed deposits with licensed banks             | 98,205            | 123,387           |
| Cash and bank balances                         | 19,989            | 9,149             |
|  | -----             | -----             |
| Cash and cash equivalents at end of the period | 118,194           | 132,536           |
|  | =====             | =====             |

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>Previously<br/>stated<br/>RM'000</b> | <b>Effect of<br/>changes<br/>RM'000</b> | <b>Restated<br/>RM'000</b> |
|-------------------------------|---|---|----------------------------|
| <b>30 June 2010</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 RM401,250,400 to RM403,205,367 as a result of the conversion of 15,248,744 Irredeemable Convertible Preference Shares ("ICPS") of RM0.50 each into 3,909,932 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 5,183,648 new ordinary shares of RM0.50 each were issued as a result of the conversion of 20,216,247 ICPS.

The total number of ICPS outstanding as at 31 December 2010 was 147,070,969 of RM0.50 each.

The outstanding debts are disclosed in Note B9.

**A6. Dividend Paid**

There was no dividend paid during the current financial quarter ended 31 December 2010.

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**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A7. Segment Information**

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

|  | Construction*<br>RM'000 | Property<br>Development<br>RM'000 | Total<br>RM'000 |
|--|-------------------------|-----------------------------------|-----------------|
| <b>External revenue</b>  | 3,799                   | 37,627                            | 41,426          |
|  | -----                   | -----                             | -----           |
| <b>Segment results</b>   |                         |                                   |                 |
| Profit from Operations   | 67                      | 9,465                             | 9,532           |
|  | -----                   | -----                             |                 |
| <b>Reconciliation of segment profits<br/>to profit before taxation</b> |                         |                                   |                 |
| Finance cost   |                         |                                   | (1,265)         |
|  |                         |                                   | -----           |
|  |                         |                                   | 8,267           |
| Share of loss of a jointly controlled entity                           |                         |                                   | (2)             |
|  |                         |                                   | -----           |
| Profit before taxation   |                         |                                   | 8,265           |
|  |                         |                                   | =====           |

The Group's segmental results for the period ended 31 December 2009:

|  | Construction*<br>RM'000 | Property<br>Development<br>RM'000 | Total<br>RM'000 |
|--|-------------------------|-----------------------------------|-----------------|
| <b>External revenue</b>  | 59,243                  | 122,126                           | 181,369         |
|  | -----                   | -----                             | -----           |
| <b>Segment results</b>   |                         |                                   |                 |
| Profit from Operations   | 1,088                   | 15,568                            | 16,656          |
|  | -----                   | -----                             |                 |
| <b>Reconciliation of segment profits<br/>to profit before taxation</b> |                         |                                   |                 |
| Finance cost   |                         |                                   | (407)           |
|  |                         |                                   | -----           |
|  |                         |                                   | 16,249          |
| Share of loss of a jointly controlled entity                           |                         |                                   | -               |
|  |                         |                                   | -----           |
| Profit before taxation   |                         |                                   | 16,249          |
|  |                         |                                   | =====           |

\* The duration of the construction project is for a period of 30 months.

**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<br/>Guaranteed<br/>RM'000</b> | <b>Amount<br/>Utilised<br/>RM'000</b> |
|--------------------|---|---------------------------------------|
| Guarantee Facility | 55,182<br>=====                               | 27,625<br>=====                       |

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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 six months under review, Group revenue and profit before taxation decreased to RM41.426 million and RM8.265 million from RM181.369 million and RM16.249 million, respectively recorded in the preceding corresponding financial period ended 31 December 2009. This represents a decrease of 77.16% and 49.13% in revenue and profit before taxation, respectively.

For the current quarter under review, Group revenue and profit before taxation decreased to RM27.397 million and RM4.031 million from RM84.214 million and RM6.484 million, respectively recorded in the preceding corresponding financial quarter ended 31 December 2009. This represents a decrease of 67.47% and 37.83% 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 timing difference of launches of new projects.

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

|   | <b>Current<br/>Quarter<br/>31.12.2010<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>30.09.2010<br/>RM'000</b> |
|---|--|--|
| Revenue                                     | 27,397   | 14,029   |
| Profit before taxation                      | 4,031  | 4,234  |
| Profit attributable to owners of the parent | 2,162  | 3,192  |

For the current financial quarter, Group revenue increased by 95.3% from RM14.029 million to RM27.397 million due to higher revenue recognised from both property development and construction segments.

Group profit before taxation decreased slightly by 4.79% from RM4.234 million to RM 4.031 million, mainly due to lower other operating income and higher finance costs.

#### **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<br/>Quarter<br/>31.12.2010<br/>RM'000</b> | <b>Current Year<br/>To Date<br/>31.12.2010<br/>RM'000</b> |
|---|--|---|
| Taxation based on profit for the period | 1,792  | 4,136   |
| Deferred taxation                       | -  | (1,233)   |
|   | -----  | -----   |
|   | 1,792  | 2,903   |
|   | =====  | =====   |

The Group provision for taxation for the financial period ended 31 December 2010 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:-

- (i) On 15 October 2010, the Company announced the proposed establishment and implementation of an employees share option scheme (“Proposed ESOS”) for the eligible employees and directors of the Company and/or its subsidiaries. The Proposed ESOS has been approved by the Company’s shareholders at the Extraordinary General Meeting held on 30 November 2010 and is now pending implementation.
- (ii) 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 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
    - 70% equity interest in Emerald Hectares Sdn Bhd (“EHSB”)
    - 100% equity interest in Pinnacle Trend Sdn Bhd
    - 100% equity interest in Trend Acres Sdn Bhd
    - 100% equity interest in YTL Westwood Properties Pte Ltd;

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.

(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.

**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<br/>RM’000</b> | <b>Long term<br/>RM’000</b> | <b>Total<br/>RM’000</b> |
|-----------------------|------------------------------|-----------------------------|-------------------------|
| Term loan – Unsecured | 28,572                       | 151,142                     | 179,714                 |

**INTERIM FINANCIAL REPORT**

**Notes : continued**

**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.

**B14. Accumulated Losses**

|   | <b>As at<br/>31.12.2010<br/>RM'000</b> | <b>As at<br/>30.09.2010<br/>RM'000</b> |
|---|--|--|
| Total retained earnings/(accumulated losses) of<br>the Company and its subsidiaries : |  |  |
| - Realised  | (7,779)                                | (10,555)                               |
| - Unrealised  | 138,984                                | 139,005                                |
|   | -----                                  | -----                                  |
|   | 131,205                                | 128,450                                |
| Total share of accumulated losses from<br>jointly controlled entity :                 |  |  |
| - Realised  | (3)                                    | (2)                                    |
|   | -----                                  | -----                                  |
|   | 131,202                                | 128,448                                |
| Less: Consolidated adjustments  | (248,805)                              | (248,213)                              |
|   | -----                                  | -----                                  |
| Total Group accumulated losses<br>as per consolidated accounts                        | (117,603)                              | (119,765)                              |
|   | =====                                  | =====                                  |

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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 147,070,969 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<br/>Quarter<br/>31.12.2010</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>31.12.2009</b> |
|---|---|--|
| Profit attributable to<br>owners of the parent (RM'000)             | 2,162                                     | 3,708  |
| Weighted average number of<br>ordinary shares of RM0.50 each ('000) | 788,744                                   | 783,191  |
| Assumed full conversion of ICPSs ('000)                             | 37,711                                    | 43,877   |
| Adjusted weighted average number of<br>ordinary shares ('000)       | 826,455                                   | 827,068  |
| <b>Basic (per 50 sen share)(sen):-</b>                              |   |  |
| • Before mandatory conversion of ICPSs                              | 0.27                                      | 0.47   |
| • After mandatory conversion of ICPSs                               | 0.26                                      | 0.45   |
| <b>Diluted (per 50 sen share) (sen)</b>                             | 0.26                                      | 0.45   |

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 24 February 2011