



YNH PROPERTY BHD
(Incorporated in Malaysia)

(561986-V)

Interim Financial Statements
31-Mar-12

YNH PROPERTY BHD
(Incorporated in Malaysia)

**Condensed Consolidated Profit or Loss and Other Comprehensive Income
For the Three Months Period Ended 31 March 2012**

	Note	3 months ended		3 months ended	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
		RM	RM	RM	RM
Revenue		53,042,382	55,260,818	53,042,382	55,260,818
Cost of sales		(25,934,938)	(21,956,209)	(25,934,938)	(21,956,209)
Gross profit		27,107,444	33,304,609	27,107,444	33,304,609
Other income		903,607	1,040,379	903,607	1,040,379
Administrative expenses		(8,279,333)	(7,237,092)	(8,279,333)	(7,237,092)
Selling and marketing expenses		(1,873,106)	(369,749)	(1,873,106)	(369,749)
Other operating expenses		(2,568,417)	(2,508,261)	(2,568,417)	(2,508,261)
Profit from operations		15,290,195	24,229,886	15,290,195	24,229,886
Finance costs	18	(3,021,980)	(2,798,666)	(3,021,980)	(2,798,666)
Profit before tax	18	12,268,215	21,431,220	12,268,215	21,431,220
Income tax expense	19	(3,857,730)	(5,652,024)	(3,857,730)	(5,652,024)
Total comprehensive income for the period		8,410,485	15,779,196	8,410,485	15,779,196
Earnings per share (sen)					
Basic	27 (a)	2.05	3.88	2.05	3.88
Diluted	27 (b)	2.01	3.79	2.01	3.79

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

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Condensed Consolidated Statement of Financial Position
As at 31 March 2012

	Note	As at 31.03.2012 RM	As at 31.12.2011 RM
NON-CURRENT ASSETS			
Property, plant and equipment	8	79,458,247	78,888,658
Deferred tax assets		12,989,078	12,892,633
Investment properties	31	86,146,942	85,882,292
Goodwill on consolidation		17,621,512	17,621,512
Land held for future development		286,030,036	285,647,732
		<u>482,245,815</u>	<u>480,932,827</u>
CURRENT ASSETS			
Property development costs		325,985,176	315,184,493
Inventories		48,586,482	38,156,016
Trade and other receivables	9	303,026,430	295,062,241
Other current assets		25,186,674	41,861,742
Tax recoverable	19	7,395,975	6,886,054
Term deposits and fixed income trust fund		511,618	20,633,747
Cash and bank balances		14,872,014	15,895,941
		<u>725,564,369</u>	<u>733,680,234</u>
TOTAL ASSETS		<u>1,207,810,184</u>	<u>1,214,613,061</u>

**Condensed Consolidated Statement of Financial Position as at 31 March 2012
(Contd.)**

	Note	As at 31.03.2012 RM	As at 31.12.2011 RM
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		410,336,129	409,462,129
Share premium		34,915,803	34,583,683
Treasury shares		(725,340)	(723,568)
Share option reserve		8,282,805	7,726,640
Reserves		347,342,126	338,931,632
Total equity		<u>800,151,523</u>	<u>789,980,516</u>
Non-Current Liabilities			
Deferred tax liabilities		47,151,740	46,952,848
		<u>47,151,740</u>	<u>46,952,848</u>
CURRENT LIABILITIES			
Trade and other payables		31,255,226	60,692,091
Other current liabilities	23	41,400	2,479,926
Provision for rectification works	24	1,255,534	1,278,297
Borrowings	21	326,528,820	312,544,386
Income tax payable		1,425,941	684,997
		<u>360,506,921</u>	<u>377,679,697</u>
TOTAL LIABILITIES		<u>407,658,661</u>	<u>424,632,545</u>
TOTAL EQUITY AND LIABILITIES		<u>1,207,810,184</u>	<u>1,214,613,061</u>
NTA per share (RM)		<u>1.91</u>	<u>1.89</u>
Net asset per share (RM)		<u>1.95</u>	<u>1.93</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Consolidated Statement of Changes in Equity
For the Twelve Months Period Ended 31 March 2012**

	Attributable to Equity Holders of the Company						Total RM
	Share capital RM	Non-distributable		Capital Reserve RM	Distributable		
		Share Option Reserve RM	Share Premium RM		Treasury Shares RM	Retained profits RM	
Opening balance at 1 January 2011	405,748,129	5,434,973	32,174,321	26,578,054	(719,722)	286,346,884	755,562,639
Total comprehensive income	-	-	-	-	-	15,779,196	15,779,196
Transaction with owners							
Purchase of treasury shares	-	-	-	-	(2,093)	-	(2,093)
Issue of ordinary shares under ESOS	2,212,000	840,560	-	-	-	-	3,052,560
Share option granted under ESOS	-	854,368	-	-	-	-	854,368
Total transactions with owners	2,212,000	1,694,928	-	-	(2,093)	-	3,904,835
Closing balance at 31 March 2011	407,960,129	7,129,901	32,174,321	26,578,054	(721,815)	302,126,080	775,246,670
Opening balance at 1 January 2012	409,462,129	7,726,640	34,583,683	26,578,054	(723,568)	312,353,587	789,980,525
Total comprehensive income	-	-	-	-	-	8,410,485	8,410,485
Transactions with owners							
Issue of ordinary shares under ESOS	Note 6 (a)	874,000	332,120				1,206,120
Share option granted under ESOS		556,165					556,165
Purchase of treasury shares	Note 6 (b)				(1,772)		(1,772)
Dividends	Note 26 (a)					-	-
Total transactions with owners		874,000	556,165	332,120	(1,772)	-	1,760,513
As at 31 March 2012	410,336,129	8,282,805	34,915,803	26,578,054	(725,340)	320,764,072	800,151,523

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

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Condensed Consolidated Statement of Cash Flow
For the Three Months Period Ended 31 March 2012

	3 months ended 31.03.2012 RM	3 months ended 31.03.2011 RM
Profit before taxation	<u>12,268,215</u>	<u>21,431,220</u>
Net cash used in operating activities	(34,829,086)	(21,893,190)
Net cash used in investing activities	(1,527,474)	(2,724)
Net cash used in financing activities	<u>(2,843,325)</u>	<u>(2,458,551)</u>
Net decrease in cash and cash equivalents	(39,199,885)	(24,354,465)
Cash and cash equivalents at beginning of financial period	(44,180,557)	(22,469,734)
Cash and cash equivalents at end of financial period	<u>(83,380,442)</u>	<u>(46,824,199)</u>

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

Fixed deposits	511,618	497,970
Less: pledged fixed deposits	(511,618)	(497,970)
	-	-
* Cash and bank balances	14,872,014	11,628,736
Bank overdraft (included within borrowings in Note 21)	<u>(98,252,456)</u>	<u>(58,452,935)</u>
	<u>(83,380,442)</u>	<u>(46,824,199)</u>

- * Included in cash at banks of the Group are amounts of RM 7,493,450 held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

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

- (i) MFRS 134: Interim Financial reporting.
- (ii) Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the quarterly condensed financial report. These explanatory notes attached to the quarterly condensed financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

The significant accounting policies adopted for the quarterly condensed financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2011.

The interim financial report has applied MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1). The date of transition to the MFRS framework is January 2011 and no significant impact to the Group from the transition from FRS framework to MFRS framework.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2012 except as disclosed in notes 12 in the interim financial statements.

5. CHANGES IN ESTIMATES

The Group has not submitted any financial forecast or projections to any authority during the current quarter and prior financial year ended 31 December 2012.

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

EXPLANATORY NOTES PURSUANT TO MFRS 134

6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 December 2012 and the date of this interim report except the followings:

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

During the financial period ended 31 March 2012, the Company issued 874,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at exercise prices of RM1.38 per ordinary share.

(b) Treasury Shares

During the financial period ended 31 March 2012, the Company has repurchased 1,000 of its issued ordinary shares from the open market at an average price of RM 1.70 per share. The total consideration paid for the repurchase including transaction costs was RM1,772 and this was financed by internally generated funds. Total treasury shares repurchased as at 31 March 2012 is 366,978 ordinary shares of RM 1 each, representing a cumulative 0.09 % of the total paid up share capital of the company as at 31 March 2012. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. No further transaction on repurchase of the Company's share were made subsequent to the quarter ended 31 March 2012.

(c) Capital Management

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

For capital management purposes, the Group consider shareholders' equity to be the key component in the Group's capital structure. The Group monitors capital base on gearing ratio. The ratio is calculated on total borrowings to total capital and net debts. The Group's strategy is to maintain a gearing ratio of 20%-40%. The gearing ratio as at 31 March 2012, which are within the Group's objectives for capital management, are as follows:

EXPLANATORY NOTES PURSUANT TO MFRS 134

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

(c) Capital Management (contd.)

	31.03.2012	31.12.2011
	RM	RM
Total borrowing	326,528,820	312,544,386
Trade and other payables	31,255,226	60,692,091
Less: Term deposits	(511,618)	(20,633,747)
Less: cash and bank balances	(14,872,014)	(15,895,941)
Net debts	<u>342,400,414</u>	<u>336,706,789</u>
Equity attributable to the owners of parents	<u>800,151,523</u>	<u>789,980,516</u>
Capital and net debts	<u>1,142,551,937</u>	<u>1,126,687,305</u>
Gearing ratio	<u>30%</u>	<u>30%</u>

(c) Capital Management (Contd.)

The details of the issuance and repayment of debts and equity instrument in the current quarter ended 31 March 2012 are as follows:

	31.03.2012
	RM
Issue of ESOS	1,206,120
Repayment of revolving credit	(3,240,444)
Drawdown of revolving credit	-
Repayment of term loan	(807,229)
Share buy back	(1,772)
Dividend payment	-

7. DIVIDENDS PAID

No dividend was paid out during the financial period ended 31 March 2012.

8. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2011.

EXPLANATORY NOTES PURSUANT TO MFRS 134

9. TRADE AND OTHER RECEIVABLES

	As at 31.03.2012	As at 31.12.2011
	RM	RM
Trade receivables	74,324,757	75,670,042
Other receivables	228,701,673	219,392,199
	<u>303,026,430</u>	<u>295,062,241</u>

The ageing analysis for the trade receivables are as follows:

	As at 31.03.2012	As at 31.12.2011
	RM	RM
Neither past due nor impaired	25,682,253	52,576,948
1-30 days	19,475,898	10,676,382
31-60 days	2,417,637	3,721,296
61-90 days	10,089,609	2,186,241
91-120 days	8,329,486	1,568,176
121-150 days	2,824,882	1,016,284
>150 days	5,504,989	3,924,715
	48,642,501	23,093,094
Impaired	2,063,823	2,193,823
	<u>76,388,577</u>	<u>77,863,865</u>

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

Included in other receivables and deposits are security deposits for various joint venture projects amounting to RM208,056,260.

10. SUBSEQUENT EVENTS

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

11. CHANGES IN COMPOSITION OF THE GROUP

There is no change in the composition of the Group for the period ended 31 March 2012 and the date of this interim financial report.

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EXPLANATORY NOTES PURSUANT TO MFRS 134

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

KSB has entered its appearance vide its solicitors, Messrs Raja, Darryl & Loh, to contest the abovesaid claims. In this connection, KSB has previously appealed against the income tax assessments raised for the years of assessment 1998 and 1999 and the Special Commissioners of Income Tax ("SCIT") have on 22 August 2011 dismissed the appeal. KSB will appeal against the decision of SCIT at the High Court and the hearing date is set at 2 July 2012.

YNH Construction Sdn Bhd ("YNHC"), a wholly-owned subsidiary of the Company, have on 25 January 2010, been served with a writ of summons and statement of claim by the Inland Revenue Board ("IRB") for back taxes for the year of assessment 1999 amounting to RM718,408.60. The IRB are further seeking penalties amounting to RM718,408.60 for late payment of the above said taxes.

YNHC has entered its appearance vide its solicitors, Messrs Raja, Darryl & Loh, to contest the above said claims. In this connection, YNHC has previously appealed against the income tax assessment raised for the year of assessment 1999 and the Special Commissioners of Income Tax ("SCIT") have on 21 September 2011 dismissed the appeal. YNHC will appeal against the decision of SCIT at the High Court and the case has been set for case management on 19 July 2012 and the hearing date is set at 6 September 2012.

13. CAPITAL COMMITMENTS

There was no capital commitment for the interim financial statement ended 31 March 2012 and as at the date of this report except the following:

Contracted but not provided for	RM <u>127,000</u>
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EXPLANATORY NOTES PURSUANT TO MFRS 134

14. PERFORMANCE REVIEW

The Group's cumulative turnover for the current financial period ended 31 March 2012 has reached RM 53,042,382 (year 2011-RM55,260,818) and profit before taxation is reported at RM 12,262,715 (year 2011-RM21,431,220). The Group's profit before taxation has decreased 43% despite a fairly consistent turnover. This is mainly due to change in sales product mix. More sales of commercial land and properties were secured in the previous year's corresponding quarter, resulted in a higher profit before taxation in the previous year. The Group's performance for this quarter mainly derived from progressive sales of Fraser Residence Kuala Lumpur , progressive sales of its inventories in Ceriaan Kiaran (Mont Kiara, Kuala Lumpur), Taman Megah (Seri Manjung), Taman Sejati II , Taman Permata , Taman Seri Melor (Seri Manjung) and sales of development land.

On a quarter to quarter basis, the current year first quarter profit before taxation of RM 12,262,715 has shown an improvement of 53% compared to the fourth quarter of previous financial year of RM 8,001,173. This is mainly due the Company able to secured two sales of commercial land in Kampar (Perak) and Seri Manjung (Perak), thus, contribute to the Group's current quarter's earning.

15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

16. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group recorded a profit before taxation of RM 12,262,715 for the three months period, compared to RM21,431,220 in the preceding year financial period ended 31 March 2011. The Group's profit before taxation has decreased 43% despite a fairly consistent turnover. This is mainly due to change in sales product mix. More sales of commercial land and properties were secured in the previous year's corresponding quarter, resulted in a higher profit before taxation in the previous year .

In addition, the Group's project in Kuala Lumpur City Centre, namely, Fraser Residence Kuala Lumpur, which has a secured sales of approximately RM 240 million, is in the initial stage of construction. The project has contributed RM 3 million gross profit in the current quarter of the financial year. The project is expected to increase its profit contribution to the Group in the following quarter of the financial year in line with the progress of the construction of the project.

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EXPLANATORY NOTES PURSUANT TO MFRS 134

17. COMMENTARY ON PROSPECTS

The global economic climate remains challenging after almost 4 years from the 2008 global financial crisis. Notwithstanding the challenging environment, the Company had been achieving encouraging demand for its projects such as Fraser Residence Kuala Lumpur, Manjung Point Seksyen 5, Pusat Perniagaan Manjung Point Seksyen 3, Taman Seri Melor, and Taman Sejati III in Seri Manjung as well as the balance units in Ceriaan Kiara in Mont Kiara KL. Sales from both the township projects in Manjung and also Klang Valley will continue to contribute to the Group's income.

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

As mentioned above, the Company has newly launched its Kuala Lumpur project, namely Fraser Residence Kuala Lumpur. The Company intends to develop a two block of service apartment of 446 units with elevated car park podium, facilities and F&B shops at ground floor and one level of lower ground car park on the said development. This prime mixed development is located off Jalan Sultan Ismail and also off Jalan Ampang, Kuala Lumpur. The Fraser Residence KL development has a Gross Development Value (GDV) of approximately RM 530 million and is expected to contribute positively to the Group's earnings for the next 2 years.

This Fraser Residence KL project will follow the same concept of Fraser Place KL, the first successful partnership that YNH Property Bhd had forged with Frasers Hospitality Pte Ltd (the hospitality arm of the Fraser & Neave group of companies). Fraser Residence KL will be a fully furnished development managed by Frasers Hospitality Pte Ltd. Approvals for the development had already been obtained and construction is already in progress now. The Company has achieved an encouraging take up rate during the soft launch of the project in February 2011.

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

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

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EXPLANATORY NOTES PURSUANT TO MFRS 134

17. COMMENTARY ON PROSPECTS (Contd.)

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

The Company had appointed a retail mall consultant to redesign the commercial mall and also to tenant and manage the retail mall. As such, due to the changes to the designs, the Company and the previous purchaser had decided to mutually terminate the sales and purchase agreement for the Kiara 163 shopping mall to facilitate the company to better manage the building.

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

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

The Group has also entered into a series of joint venture projects for the development of a few pieces of land strategically located near Mont' Kiara, Hartamas, Kuala Lumpur city centre, Ipoh city and Seri Manjung town. These developments are at planning stage and have an estimated gross development value of RM1.8 billion and are expected to contribute to the Group's earnings for the next 15 to 20 years.

The Group has commenced the development of AEON Shopping Centre at Seri Manjung, and it will be built on a 31.2 acres of land at Pusat Perniagaan Manjung Point (Seri Manjung). The construction of AEON Seri Manjung Shopping Centre will further enhance the value of the balance 1,000 acres of undeveloped landbanks in the Manjung Point Township.

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EXPLANATORY NOTES PURSUANT TO MFRS 134

17. COMMENTARY ON PROSPECTS (Contd.)

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

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

18. PROFIT BEFORE TAXATION

This is arrived at after charging:	3 months ended 31.03.2012 RM
Short term revolving interest	1,813,274
Overdraft interest	<u>1,208,706</u>
and crediting	3 months ended 31.03.2012 RM
Interest income	<u>49,749</u>

19. INCOME TAX EXPENSE

	3 months ended 31.03.2012 RM	3 months ended 31.03.2011 RM	3 months ended 31.03.2012 RM	3 months ended 31.03.2011 RM
Tax expense for the period:				
Malaysian income tax	(4,281,071)	(5,278,500)	(4,281,071)	(5,278,500)
Deferred tax liabilities	423,341	(373,524)	423,341	(373,524)
	<u>(3,857,730)</u>	<u>(5,652,024)</u>	<u>(3,857,730)</u>	<u>(5,652,024)</u>

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EXPLANATORY NOTES PURSUANT TO MFRS 134

19. INCOME TAX EXPENSE (Contd.)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follow:

	3 months ended 31.03.2012 RM
Profit before taxation	<u>12,268,215</u>
Taxation at applicable statutory tax rate	(3,067,054)
Income not taxable	-
Expenses not deductible for tax purposes	(391,946)
Deferred tax recognised on attributable assets	423,341
Current tax (over)/under provided	-
Income tax provision for YA 1999	(822,071)
Others	-
Tax expense for the quarter/year	<u>(3,857,730)</u>

20. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and no other sales of properties for the quarter ended 31 March 2012 except for the sales of development properties in the ordinary course of business.

21. LOAN AND BORROWINGS

	As at 31.03.2012 RM	As at 31.12.2011 RM
Current		
Secured-Bank overdraft and revolving credit	322,516,638	307,768,195
Non-secured-Bank overdraft	2,054,640	2,011,400
Non-current		
Secured-Term loan	1,957,542	2,764,791
	<u>326,528,820</u>	<u>312,544,386</u>

All of the above borrowings are denominated in Ringgit Malaysia. Included in short term borrowing is RM98,252,456 (2011-RM 80,220,341) bank overdraft.

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EXPLANATORY NOTES PURSUANT TO MFRS 134

22. PROFIT FORECAST

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

23. OTHER CURRENT LIABILITIES

Included in previous year's current liabilities is an amount of RM2,479,926 of accrued billing.

24. PROVISION FOR RECTIFICATION WORKS

	As at 31.03.2012	As at 31.12.2011
	RM	RM
Opening	1,278,297	6,534,552
Provision during the period/year	-	120,339
Utilisation/ written back during the period/year	(22,763)	(5,376,594)
Closing	<u>1,255,534</u>	<u>1,278,297</u>

25. CHANGES IN MATERIAL LITIGATION

As at the date of this report, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of YNH Property Bhd and its subsidiaries except as disclosed in notes 12 to the interim financial statements.

26. DIVIDEND PAYABLE

The Board has recommended final single tier dividend of 2 % (2 sen per share) in respect of the financial year ended 31 December 2011 ((2010-3% (3 sen per share)) on 409,462,129 ordinary shares, amounting to RM 8,189,242.58 which will be proposed for shareholders' approval. The actual amount of dividend payable will depend on the issued share capital of the entitlement date. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 2012.

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EXPLANATORY NOTES PURSUANT TO MFRS 134

27. EARNING PER SHARE

(a) **Basic**

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

	3 months ended 31.03.2012	3 months ended 31.03.2011	3 months ended 31.03.2012	3 months ended 31.03.2011
	RM	RM	RM	RM
Net profit for the period	8,410,485	15,779,196	8,410,485	15,779,196
Weighted average number of ordinary shares in issue	409,884,207	406,449,918	409,884,207	406,449,918
Basic earnings per share (sen)	2.05	3.88	2.05	3.88

(b) **Diluted**

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

	3 months ended 31.03.2012	3 months ended 31.03.2011	3 months ended 31.03.2012	3 months ended 31.03.2011
	RM	RM	RM	RM
Net profit for the period	8,410,485	15,779,196	8,410,485	15,779,196
Weighted average number of ordinary shares in issue	409,884,207	406,449,918	409,884,207	406,449,918
Adjustment for assumed exercise of ESOS	8,389,814	10,161,811	8,389,814	10,161,811
Adjusted weighted number of ordinary shares in issue	418,274,021	416,611,729	418,274,021	416,611,729
Diluted earnings per share (sen)	2.01	3.79	2.01	3.79

EXPLANATORY NOTES PURSUANT TO MFRS 134

28. UPDATE ON MEMORANDUM OF UNDERSTANDING

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

29. RELATED PARTY TRANSACTION

The Group's related party transactions cumulative period-to-date ended 31 March 2012 are as follows:

Party	Transaction	31.03.2012 RM
Transaction with non-group members	Rental of equipment and transportation payable and purchase of construction material and rental of land	<u>5,028,962</u>
Transaction with person connected with Directors	Rental paid for service apartment	<u>509,541</u>
Transaction with person connected with Directors	Legal services paid	<u>1,226,001</u>
	Rental received from properties	<u>56,250</u>
Transaction with Directors	Sales of properties	2,697,800
	Rental paid for service apartment and office	<u>1,737,366</u>
Transaction with Directors	Legal services paid	<u>-</u>

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

	31.03.2012 RM
Type of compensation	
Salaries and allowances (including employer EPF portion)	2,669,110
Directors fee	-
Employee share option	<u>142,392</u>
	<u>2,811,502</u>

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30. REALISED AND UNREALISED PROFITS

	31.03.2012	31.12.2011
	RM	RM
Total retained profits of YNH Property and its subsidiaries		
-Realised profits	500,835,015	447,547,160
-Unrealised (loss)/gain	(35,418,196)	9,578,847
	<u>465,416,819</u>	<u>457,126,007</u>
Consolidation adjustments	<u>(144,652,756)</u>	<u>(144,772,429)</u>
Total group retained profits as per consolidated accounts	<u>320,764,063</u>	<u>312,353,578</u>

31. INVESTMENT PROPERTIES

	Completed investment property RM	Investment property under construction RM	Total RM
Cost			
At 1 January	3,038,793	82,918,473	85,957,266
Additions	-	278,567	278,567
As at 31 December	<u>3,038,793</u>	<u>83,197,040</u>	<u>86,235,833</u>
Accumulated amortisation			
At 1 January	74,974	-	74,974
Additions	13,917	-	13,917
As at 31 December	<u>88,891</u>	<u>-</u>	<u>88,891</u>
Net carrying amounts	<u>2,949,902</u>	<u>83,197,040</u>	<u>86,146,942</u>

The investment property comprises 19 units double storey shop houses , a sport recreational complex and certain vacant land.

32. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2012.

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EXPLANATORY NOTES PURSUANT TO MFRS 134

33. SEGMENTAL REPORTING

	Property Development		Hotel & Hospitality		Adjustment & Elimination		Consolidated	
	31.03.2012 RM	31.03.2011 RM	31.03.2012 RM	31.03.2011 RM	31.03.2012 RM	31.03.2011 RM	31.03.2012 RM	31.03.2011 RM
Revenue								
External customers	47,223,340	49,853,631	5,819,042	5,407,187	-	-	53,042,382	55,260,818
Inter-segment	-	-	17,560	18,953	(17,560)	(18,953)	-	-
Results								
Interest income	49,749	36,244	-	-	-	-	49,749	36,244
Dividend income	-	-	-	-	-	-	-	-
Depreciation	444,108	350,397	183,474	119,723	-	-	627,582	470,120
Finance cost	3,021,980	2,798,666	-	-	-	-	3,021,980	2,798,666
Profit/(loss) before taxation	12,630,565	31,937,724	(508,671)	(686,852)	146,321	(9,819,652)	12,268,215	21,431,220
Segment assets	1,757,366,472	1,538,672,020	34,673,705	22,719,001	(584,229,993)	(477,256,159)	1,207,810,184	1,084,134,862
Segment liabilities	727,311,153	749,646,122	25,783,097	36,223,143	(345,435,589)	(476,981,073)	407,658,661	308,888,192