www.ytlesolutions.com
www.ytlcommunity.com

YTL E-SOLUTIONS BERHAD 236137-K

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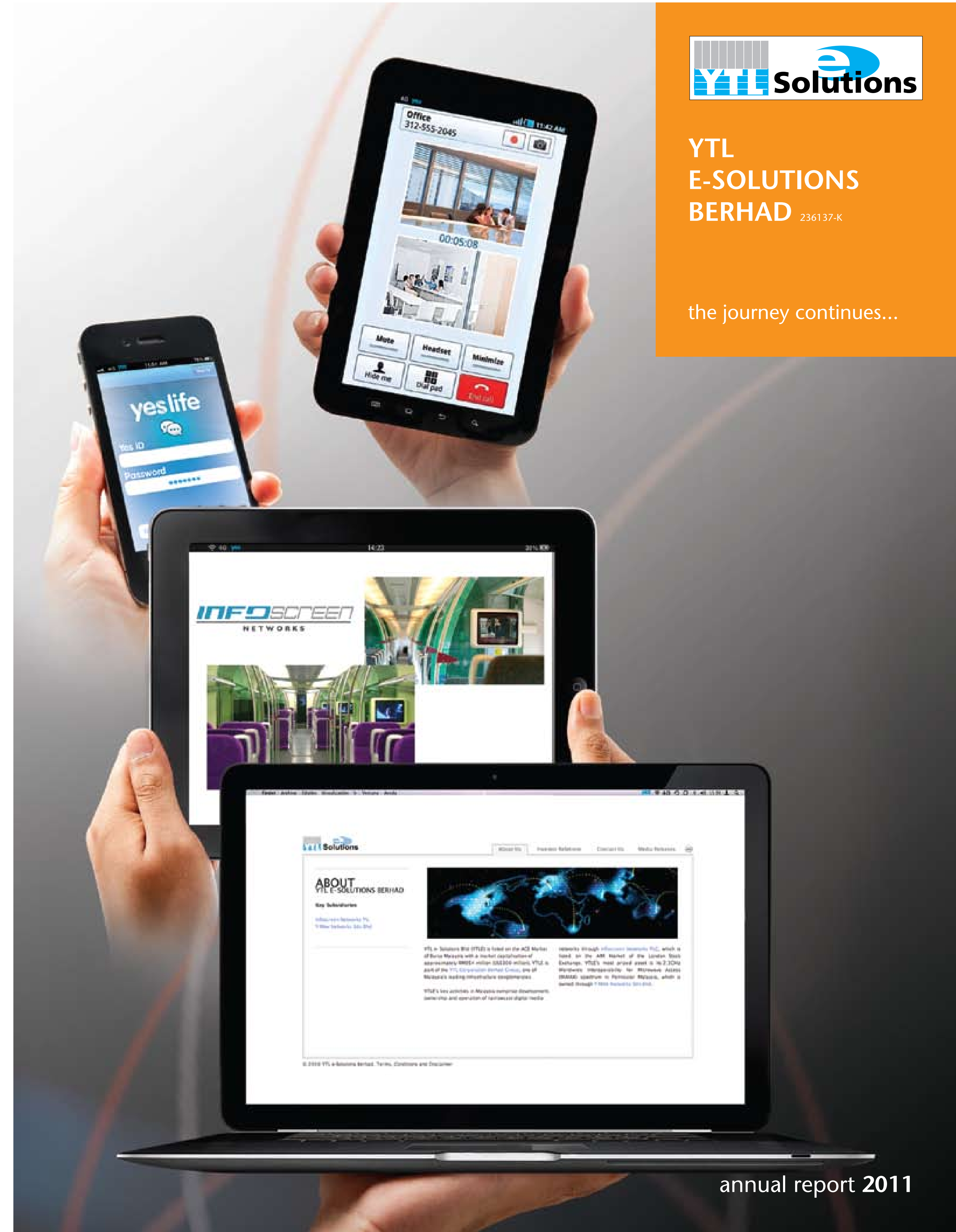
YTL E-SOLUTIONS BERHAD 236137-K

annual report 2011

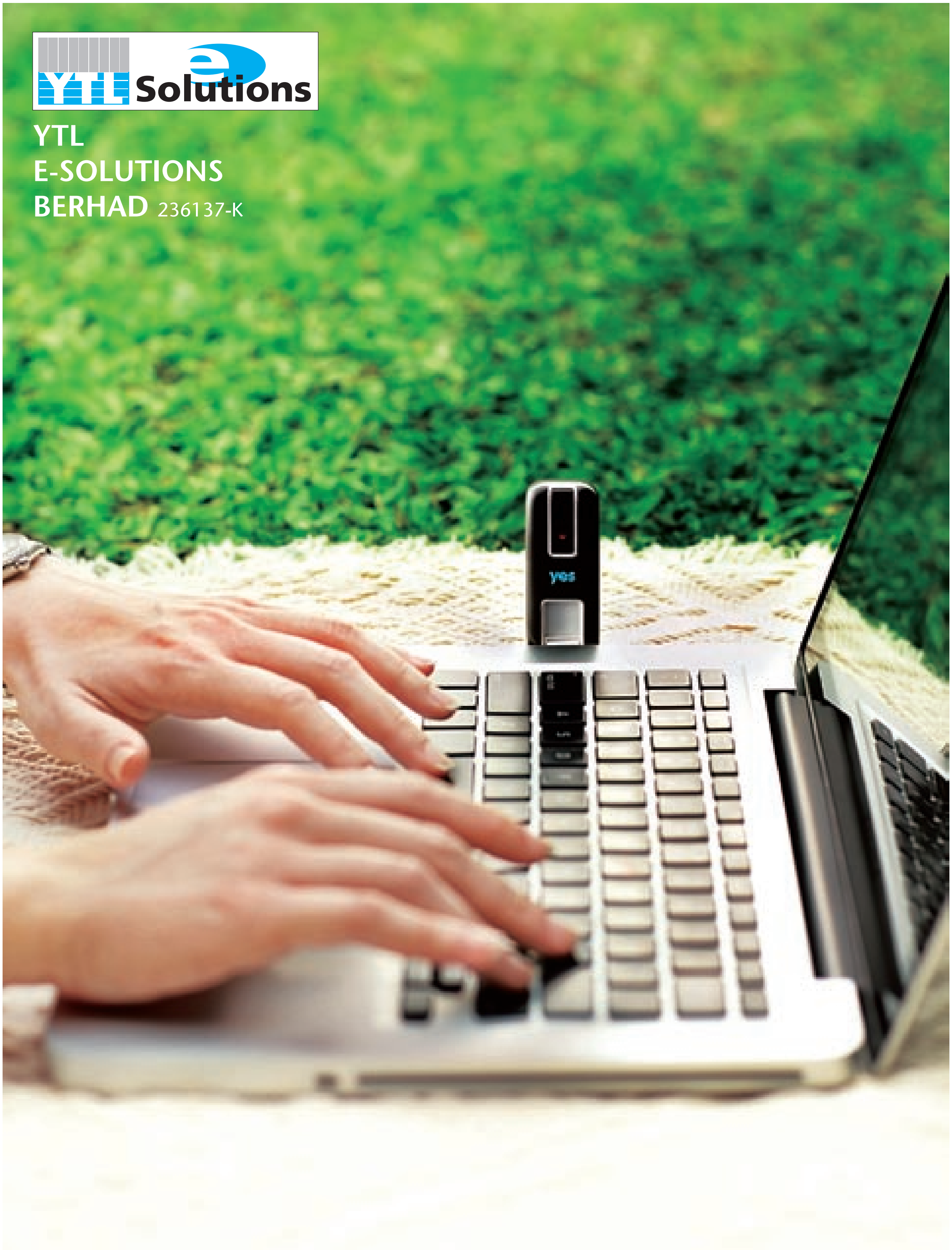


YTL E-SOLUTIONS BERHAD 236137-K

the journey continues...

annual report 2011

YTL E-SOLUTIONS BERHAD 236137-K



annual report
2011

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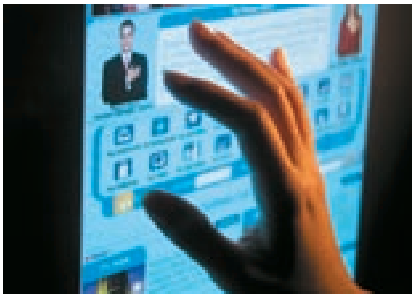
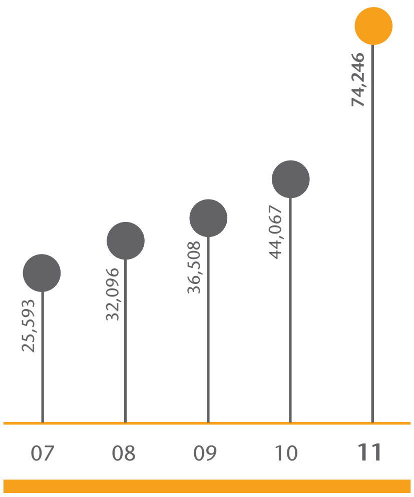



CORPORATE REVIEW

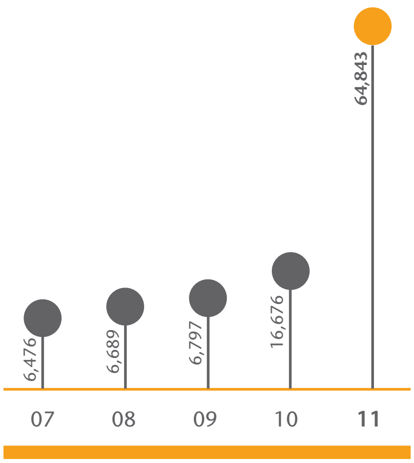
FINANCIAL STATEMENTS

Financial Highlights

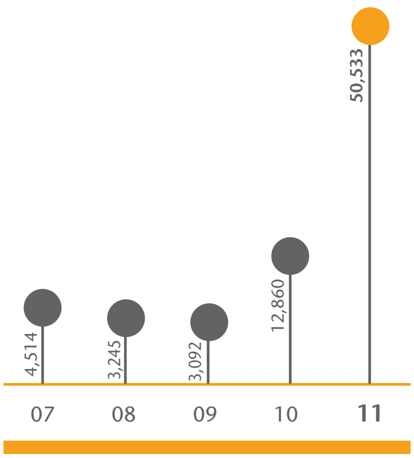
	2011	2010	2009	2008	2007
Revenue (RM'000)	**74,246**	44,067	36,508	32,096	25,593
Profit Before Tax (RM'000)	**64,843**	16,676	6,797	6,689	6,476
Profit For The Financial Year (RM'000)	**50,533**	12,860	3,092	3,245	4,514
Profit For The Financial Year Attributable to Owners of the Parent (RM'000)	**35,706**	8,831	4,151	4,125	5,051
Total Equity Attributable to Owners of the Parent (RM'000)	**181,393**	170,923	164,512	165,550	167,330
Earnings per Share (Sen)	**2.65**	0.66	0.31	0.31	0.37
Dividend per Share (Sen)	**2.00**	1.00	–	0.30	0.30
Total Assets (RM'000)	**205,954**	206,482	196,280	196,612	193,533
Net Assets per Share (RM)	**0.13**	0.13	0.12	0.12	0.12



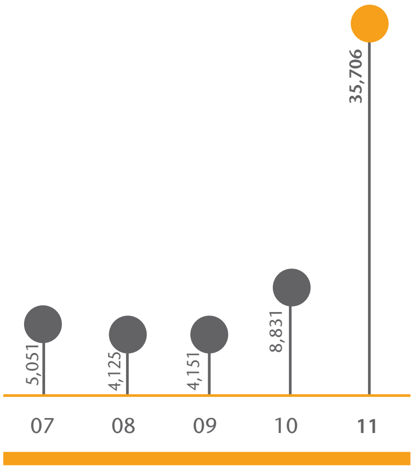
Revenue
(RM'000)



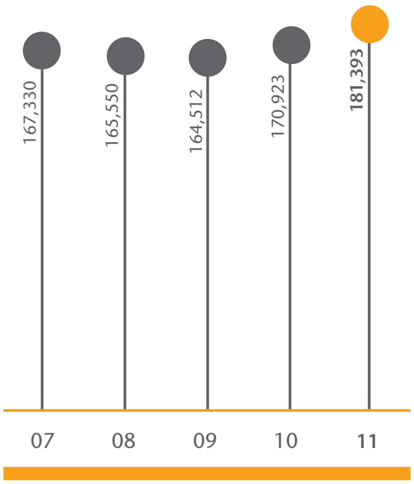
Profit Before Tax
(RM'000)



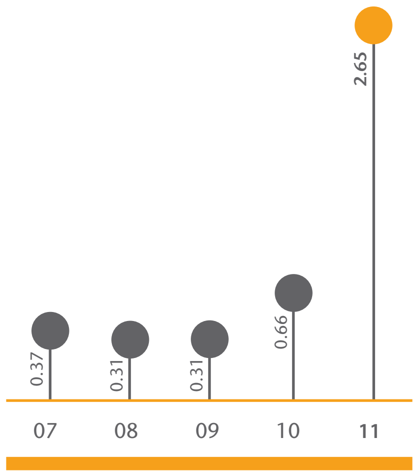
Profit for the Financial Year
(RM'000)



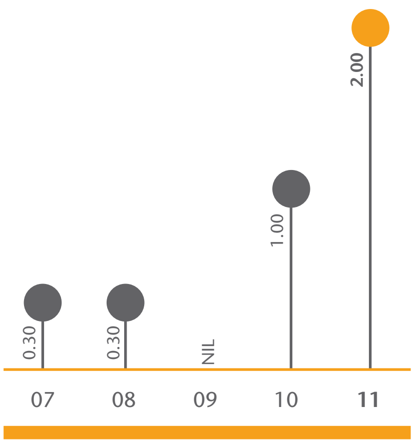
Profit for the Financial Year Attributable to Owners of the Parent
(RM'000)



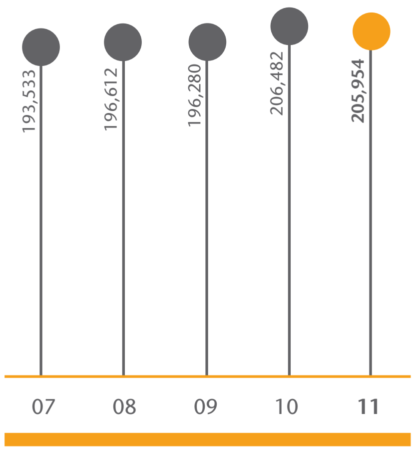
Total Equity Attributable to Owners of the Parent
(RM'000)



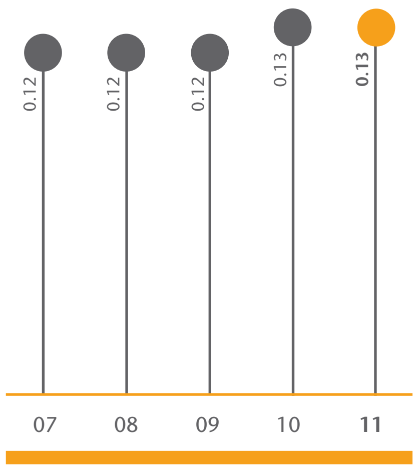
Earnings per Share
(Sen)



Dividend per Share
(RM'000)



Total Assets
(RM'000)



Net Assets per Share
(RM)

Chairman's Statement

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING *CBE, FICE*
Executive Chairman & Managing Director

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

OVERVIEW

YTL e-Solutions' financial performance continued to improve for the financial year ended 30 June 2011, due mainly to license income generated from the Group's 2.3 gigahertz ("GHz") Worldwide Interoperability for Microwave Access ("WiMAX") spectrum and the Group's digital media activities.

The Malaysian economy experienced a strong resumption of growth during the 2010 calendar year, registering gross domestic product (GDP) growth of 7.2% for the full year. In the first half of 2011, the economy continued to recover, with growth of approximately 4.4%. The country's broadband penetration rate, one of the Government's key indicators in its National Broadband Initiative to boost the knowledge economy and narrow the digital divide across the country, surpassed the 2010 target of 50%, exceeding the 55% mark by the end of the calendar year, compared to 31.7% in 2009 *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

FINANCIAL PERFORMANCE

The Group registered a 68.5% growth in revenue to RM74.2 million for the financial year ended 30 June 2011 compared to RM44.1 million last year, whilst net profit attributable to shareholders grew to RM35.7 million over RM8.8 million for the previous financial year ended 30 June 2010.

The improvements in performance were mainly due to significantly higher fee income earned from the Group's WiMAX spectrum sharing agreement and a gain on the disposal of its 90%-owned subsidiary, Extiva Communications Sdn Bhd ("Extiva"), during the year under review.

Dividends

YTL e-Solutions declared two interim dividends in respect of the financial year ended 30 June 2011, both of which consisted of a single tier dividend of 1 sen or 10% per ordinary share of 10 sen each, totalling 2 sen or 20% per ordinary share. Therefore, the Board of Directors of YTL e-Solutions did not recommend a final dividend for the financial year under review.

CORPORATE DEVELOPMENTS

On 14 January 2011, the Company completed the disposal of its entire 90% equity interest in Extiva, to YTL Communications Sdn Bhd ("YTL Comms"), a subsidiary of YTL Power International Berhad, for a total cash consideration of RM18 million ("Disposal"). The Disposal was in line with YTL e-Solutions' technology incubation activities and provided the Company with an avenue to unlock its investment in Extiva and realise a gain from the Disposal.

YTL e-Solutions incubated and successfully grew Extiva's business beginning in 2001, increasing its interest in the company to RM4.142 million. However, in expectation of diminishing contributions from Extiva to the Group's consolidated earnings due to challenging market conditions in its traditional VoIP (voice over internet protocol) and AVSP (alternative voice service provider) telephony markets in Malaysia, YTL e-Solutions undertook the Disposal in order to enable the Group to better invest its resources in its other growth businesses.

The Group also recognised that Extiva's future prospects were expected to be better realised within YTL Comms, allowing it to leverage on the advanced WiMAX/4G network infrastructure being rolled out by YTL Comms, and enabling Extiva to develop and market a more comprehensive range of value added services. YTL e-Solutions will continue to indirectly benefit from this through its spectrum sharing agreement with YTL Comms.

REVIEW OF OPERATIONS

The Group's operating segments continued to perform well during the year under review, driven by fee income from its WiMAX spectrum and digital media applications under YTL Info Screen Sdn Bhd ("YTLIS").

The Group's WiMAX/broadband operations are carried out by its subsidiary, Y-Max Networks Sdn Bhd ("Y-Max Networks") the owner of the 2.5GHz WiMAX spectrum. This spectrum is leased to YTL Comms which successfully rolled out and launched its 'YES'-branded wireless broadband network across Peninsular Malaysia in November 2010. Through the 'YES' network, Y-Max Networks' spectrum has facilitated the introduction of high speed WiMAX mobility services in Malaysia, providing end-users with a significantly enhanced internet surfing experience and establishing WiMAX as a major platform for next-generation converged communication services that meet the needs of users for fast, ubiquitous and always-connected voice, data and video services in Malaysia.

Meanwhile, YTLIS, the Group's digital media narrowcasting division, continued its steady performance as an innovator in the digital narrowcast media sector in Malaysia during the year under review, achieving growth in revenue mainly from creating content and delivering advertising on digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, including the new iconic digital "cube" outside Lot 10 shopping centre, other digital networks in other shopping centres such as Sungei Wang Plaza in Kuala Lumpur, and on the Kuala Lumpur Express Rail Link (KLIA Ekspres) trains.

CORPORATE RESPONSIBILITY

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

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

The Group's Statement on Corporate Governance and Internal Control, which elaborates further on its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

Following a strong performance in 2010, the Malaysian economy is projected to achieve GDP growth of 5-5.5% for the full 2011 calendar year, supported mainly by continued expansion in domestic demand *(source: Ministry of Finance, Bank Negara Malaysia quarterly bulletins and annual reports).*

Despite the disposal of its stake in Extiva, YTL e-Solutions has maintained its exposure to the nascent wireless broadband and mobile WiMAX industry, through its WiMAX spectrum ownership and related businesses, to provide it with new revenue streams and good growth potential in future years.

The Group will continue to focus its capabilities on incubating technology companies, developing innovative new solutions, applications and digital media content, and providing consultancy and advisory services in the electronic commerce space.

APPRECIATION

The Board of Directors of YTL e-Solutions wishes to take this opportunity to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff for their dedication and commitment to the Group.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of YTL e-Solutions Berhad ("the Company") will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 29th day of November, 2011 at 12.00 noon to transact the following business:-

AS ORDINARY BUSINESS

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

2. To re-elect the following Directors who retire pursuant to Article 83 of the Company's Articles of Association:-

   i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping **Resolution 1**
   ii) Dato' Sri Michael Yeoh Sock Siong **Resolution 2**
   iii) Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin **Resolution 3**

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

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

4. To approve the payment of Directors' fees amounting to RM390,000 for the financial year ended 30 June 2011; **Resolution 5**

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

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

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

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 7**

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

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 30 November 2010, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2011, the audited Retained Profits and Share Premium Account of the Company were RM38,818,425 and RM1,475,017 respectively; and

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

a) the shares so purchased may be cancelled; and/or
b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the ACE LR of Bursa Securities and all other relevant governmental/regulatory authorities." **Resolution 8**

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

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

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

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

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

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." **Resolution 9**

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
4 November 2011

Notes:-

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59(ii) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Note A

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

Explanatory Notes to Special Business

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

Resolution 7 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Eighteenth Annual General Meeting held on 30 November 2010 ("Previous Mandate").

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

Resolution 7, if passed, will enable the Directors to allot and issue ordinary shares at any time from unissued share capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's issued share capital for the time being without convening a general meeting which will be both time and cost consuming. The S132D Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

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

For Resolution 8, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 9, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

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

BOARD OF DIRECTORS

Executive Chairman and Managing Director

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

Directors

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

Dato' Cheong Keap Tai

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

Dato' Ahmad Fuaad Bin Mohd Dahalan
AMS, DIMP, SIMP
BA (Hons)

Syed Abdullah Bin Syed Abd. Kadir
BSc (Engineering Production),
BCom (Economics)

Amarjit Singh Chhina

Yasmin Binti Mahmood
BSc (Computer Science & Applied Maths)

Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin
BE (Hons) Automotive Engineering

Yeoh Keong Yeow
MEng (Electrical & Electronic Engineering with Management)

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

Levels 1 & 3, Annexe Block
Lot 10 Shopping Centre
50 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel • 603 2330 2700
Fax • 603 2330 2703

REGISTRAR

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

SOLICITORS

Lee, Perara & Tan

AUDIT COMMITTEE

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

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

Dato' Ahmad Fuaad Bin Mohd Dahalan
(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants
(A member of HLB International)

PRINCIPAL BANKER OF THE GROUP

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market (2.7.2002)

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 57, was appointed to the Board on 26 April 2000 as an Executive Chairman and Managing Director. Tan Sri Francis studied at Kingston University, UK, where he obtained a Bachelor of Science (Hons) in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. He became the Managing Director of YTL Corporation Berhad Group in 1988 which under his stewardship, has grown from a single listed entity into a force comprising six listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust. He is presently Managing Director of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman of YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Besides the listed entities in YTL Group, Tan Sri Francis also sits on the Board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and chief executive officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

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

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

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

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

TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, aged 71, was appointed to the Board on 29 December 2006 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Tan Sri Datuk Seri Panglima Dr. Abu Hassan holds a PhD in Sociology from Michigan State University, U.S.A., a MA and Bachelor of Arts (Hons) Second Class Upper from University of Malaya ("UM"), a D.Agr.Sc. (Honorary) from Kinki University, Japan and D. Mgmt. (Honorary) from Open University Malaysia.

He served as Tutor in the Faculty of Arts of UM from 1969 to 1971. This was followed by 23 years of service with University Kebangsaan Malaysia where he held various positions as Lecturer, Department Head to Professor in the Department of Anthropology & Sociology, Dean of the Faculty of Social Sciences & Humanities, and Deputy Vice Chancellor of Student Affairs. From 1994 to 2005, Tan Sri Datuk Seri Panglima Dr. Abu Hassan who was a Distinguished Fullbright Hays scholar, served as the Founding and First Vice Chancellor of University Malaysia Sabah. While serving as Vice Chancellor, he also held distinguished appointments both nationally and internationally. Nationally, he was Chairman of the Malaysian Vice Chancellors Committee, Chairman of the Malaysian Examination Council, member of the Malaysian National Higher Education Council and board member of National Productivity Corporation. On the international front, he represented Malaysia as Chairman of the Council of the University Mobility of Asia Pacific, Chairman of the Malaysian-Australian Vice Chancellors Committee, board member of the Association of Commonwealth Universities as well as board member of the Association of South East Asian Institutions of Higher Learning. He was the Chairman of both Permai Policlinics Sdn Bhd and Malaysian-American Commission on Educational Exchange. Tan Sri Datuk Seri Panglima Dr. Abu Hassan is a director of YTL Land & Development Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as well as Chairman of Management & Science University Foundation and Meteor Doc. Sdn Bhd.

DATO' CHEONG KEAP TAI

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

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 51, was appointed to the Board on 15 May 2000 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He is also a director of YTL Corporation Berhad, YTL Cement Berhad, YTL Power International Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the board of other public companies such as YTL Industries Berhad, Sentul Raya Golf Club Berhad and private utilities company, Wessex Water Limited.

DATO' AHMAD FUAAD BIN MOHD DAHALAN

Malaysian, aged 61, was appointed to the Board on 2 March 2010 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Ahmad Fuaad holds a Bachelor of Arts (Hons) degree from the University of Malaya. He was attached with Wisma Putra, Ministry of Foreign Affairs as Malaysian Civil Service ("MCS") Officer in April 1973 before joining Malaysia Airlines in July 1973. While in Malaysia Airlines, Dato' Ahmad Fuaad served various posts and his last position was as the Managing Director. He was formerly a director of Lembaga Penggalakan Pelanchongan Malaysia, Malaysia Industry-Government Group for High Technology and Malaysia Airports Holdings Berhad. Currently, Dato' Ahmad Fuaad is the Chairman of Tokio Marine Insurans (Malaysia) Berhad and a director of HLG Capital Berhad.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, aged 57, was appointed to the Board on 26 April 2000 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad, a public listed company with subsidiaries involved in, inter alia, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the Board of YTL Corporation Berhad, YTL Power International Berhad, Iris Corporation Berhad and Versatile Creative Berhad.

AMARJIT SINGH CHHINA

British, aged 44, was appointed to the Board on 26 April 2000 as an Executive Director. He is also the Chief Executive Officer of Infoscreen Networks PLC. He has attained professional qualifications from the Institute of Bankers (U.K.), the London International Stock Exchange, the Stock Exchange of Singapore and has previously been licensed by the Securities and Futures Authority (U.K.) and the Monetary Authority of Singapore. He has 12 years' of investment banking and equity market experience, beginning his career with the stockbrokers, Grieveson Grant & Co. in London and then going on to become a UK Equity Fund Manager with Kleinwort Benson Investment Management. In 1990, he joined Barclays de Zoete Wedd Securities Ltd. ("BZW") in London as a UK Equity Analyst, where he advised on a number of equity capital raisings for listed UK Building & Construction companies, and acted as one of the advisors to Steetley PLC in its defence of the USD1.2 billion hostile takeover bid from Redland PLC. In 1993, he was seconded to BZW Asia and over the next 5 years held posts in Hong Kong, Singapore and Malaysia as Associate Director, working on capital raising transactions on behalf of YTL Corporation Berhad, YTL Power International Berhad, Litrak Berhad and Petronas Gas, amongst others. In 1998, he was appointed Associate Sales Director of HSBC Securities Pte. Ltd. in Singapore, eventually leaving to found a high technology manufacturing company.

YASMIN BINTI MAHMOOD

Malaysian, aged 48, was appointed to the Board on 22 March 2010 as an Executive Director. Puan Yasmin graduated with a Bachelor of Science (Computer Science & Applied Maths) from University of New South Wales, Sydney, Australia. Puan Yasmin joined Hewlett-Packard Sales Malaysia from 1988 to 1994. In 1994, she left to join Dataprep Retail Sdn Bhd as General Manager till 1996. She re-joined Hewlett-Packard Sales Malaysia in 1996. While in Hewlett-Packard Sales Malaysia, Puan Yasmin served in various posts and her last position was as the General Manager of the Commercial Channels Organisation. In year 2000, she moved on to Dell Inc as General Manager, Dell Malaysia and Corporate Director. Prior to joining the Company, she was a Managing Director of Microsoft Malaysia Sdn Bhd from 2006 to 2009. Puan Yasmin joined the Company in 2010 and is presently involved in the Information Technology and e-Commerce Division of the Group.

MOHAMAD ZAID BIN DATO' HJ MOHD ZAINAL ABIDIN

Malaysian, aged 32, was appointed to the Board on 20 October 2003 as an Independent Non-Executive Director and has been re-designated as a Non-Independent Non-Executive Director on 22 March 2010. He graduated from University of Hertfordshire, Hatfield, Hert in 2003 with a Bachelor of Engineering (Hons) in Automotive Engineering. Encik Mohamad Zaid underwent 9 months of industrial placement at Perusahaan Otomobil Nasional Berhad under the Research & Development Department.

YEOH KEONG YEOW

Malaysian, aged 26, was appointed to the Board on 17 December 2008 as an Executive Director. He graduated from Imperial College London, United Kingdom in 2006 with a Master of Engineering in Electrical & Electronic Engineering with Management. He is an Associate to the City and Guilds of London Institute. Mr Yeoh Keong Yeow joined YTL Group in 2007 and is presently involved in the Construction Division and Information Technology and e-Commerce Division of the Group. He also serves as a director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, YTL Power Generation Sdn Bhd, Airzed Broadband Sdn Bhd and YTL Communications Sdn Bhd.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Cheong Keap Tai	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Ahmad Fuaad Bin Mohd Dahalan	5
Syed Abdullah Bin Syed Abd. Kadir	5
Amarjit Singh Chhina	5
Yasmin Binti Mahmood	4
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	5
Yeoh Keong Yeow	5

Notes:

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

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

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

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

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

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

MEMBERS

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

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

Dato' Ahmad Fuaad Bin Mohd Dahalan
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

Primary Purposes

The Committee shall:

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

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

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

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

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

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

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

Membership

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

2. At least one member of the Audit Committee:-
   a) must be a member of the Malaysian Institute of Accountants; or
   b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
      i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
   c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

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

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

Authority

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

1. have explicit authority to investigate any matter within its terms of reference;

2. have the resources which are required to perform its duties;

3. have full and unrestricted access to any information pertaining to the Company;

4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and

6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

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

1. Review the following and report the same to the Board of the Company:-
   a) the audit plan with the external auditors;
   b) the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operational risks;
   c) the audit report with the external auditors;
   d) the assistance given by the employees of the Company to the external auditors;
   e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focussing particularly on:-
      - changes in or implementation of major accounting policy changes
      - significant and unusual events
      - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group
      - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
   h) any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   i) any letter of resignation from the external auditors of the Company;
   j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
   k) all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
   l) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external and internal auditors.

2. Recommend the nomination of a person or persons as external auditors and the external audit fee.

3. Promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of Bursa Securities ACE Market Listing Requirements ("ACE LR").

4. Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Meetings

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

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

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

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

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

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

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

Retirement And Resignation

In the event of any vacancy in the Audit Committee resulting in the non-compliance of sub-Rule 15.09(1) of the ACE LR, the Company must fill the vacancy within three months.

Minutes

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

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

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

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

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

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

1. Review of the external auditors' scope of work and their audit plan.

2. Reviewing with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. Review of audit reports presented by internal auditors on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.

4. Review of the quarterly results and annual financial statements to ensure compliance with the ACE LR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.

5. Review of the related party transactions entered into by the Group.

6. Review of the adequacy and competency of the internal audit function and the profiles of the internal auditors.

7. Review of the Audit Committee Report and the report on internal control within the Statement on Corporate Governance and Internal Control and recommend to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT ACTIVITIES

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

1. Developing the annual internal audit plan and proposing this plan to the Audit Committee.

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

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

4. Presenting audit findings to the Audit Committee for consideration.

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

Costs amounting to approximately RM59,000 were incurred in relation to the internal audit function for the financial year ended 30 June 2011.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Dato' Cheong Keap Tai	6
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	6
Dato' Ahmad Fuaad Bin Mohd Dahalan	6

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

Good corporate governance is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL e-Solutions Group, whilst taking into account the interests of all stakeholders.

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

BOARD STRUCTURE

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

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

Due to the strong independent component of the Board, the roles of the Managing Director and Chairman have not been divided, and both functions continue to be exercised by the same person. He is primarily responsible for the orderly conduct and effectiveness of the Board, day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL e-Solutions Group, consistent with the primary aim of enhancing long-term shareholder value.

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

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

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

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

DIRECTORS' TRAINING

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

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

BOARD MEETINGS & ACCESS TO INFORMATION

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

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

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

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

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

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

APPOINTMENT & RE-ELECTION OF DIRECTORS

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

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

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

DIRECTORS' REMUNERATION

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

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 5 to the Financial Statements in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL e-Solutions Group's standards of corporate governance.

DIALOGUE WITH SHAREHOLDERS & INVESTORS

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

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL e-Solutions Group's financial results but to provide updates on strategies and new developments to ensure mutual understanding of the YTL e-Solutions Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL e-Solutions Group's performance and major development programs.

Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL e-Solutions Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

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

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

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

THE AUDIT COMMITTEE

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

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

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

FINANCIAL REPORTING

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

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

RELATIONSHIP WITH THE AUDITORS

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

INTERNAL CONTROL & INTERNAL AUDIT

During the year under review, YTL e-Solutions continued to enhance its system of internal control and risk management. The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the YTL e-Solutions Group's assets, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management. However, the Board recognises that reviewing the YTL e-Solutions Group's system of internal control is a concerted and continuing process, designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

The Board believes that the YTL e-Solutions Group's system of internal control, financial or otherwise, are adequate to provide reasonable assurance regarding the achievement of the YTL e-Solutions Group's objectives in ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

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

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

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

The principal features of the YTL e-Solutions Group's system of internal control can be summarised as follows:-

- Definition of authorisation procedures and a clear line of accountability, with strict authorisation, responsibility levels, approval and control procedures within which senior management operates;

- Delegation of authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Directors. The approval of capital and revenue proposals above authorised limits is reserved for decision by the Board;

- Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL e-Solutions Group's state of affairs are disclosed to shareholders after review and audit by the external auditors; and

- Monitoring of compliance with internal financial controls through management reviews and reports which are internally reviewed by key personnel. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies.

ADDITIONAL DISCLOSURE

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

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

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

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

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

Companies in the YTL e-Solutions Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Airzed Services Sdn Bhd, Extiva Communications Sdn Bhd[7], YTL e-Solutions, YTL Info Screen Sdn Bhd	YTL Corporation[b] Group[g]	Provision of I.T. hardware and/or software, Information, Communications & Technology ("I.C.T.") system development and/ or maintenance and related services to Related Party; Provision of telecommunications, broadband services, equipment and related services to Related Party; Provision of graphic design and/or digital imaging services, info screen advertising and related services to Related Party; Charges for use of premises located at 213 Jalan Bukit Gambir, Bukit Jambul, 11950 Penang from Related Party; Provision of renovation works by Related Party; Provision of maintenance of Automatic Fare Collection System, internet connection, customer database and related services to Related Party; *(continued next page)*	YTLSH[a] YTL Corporation[b] Tan Sri Yeoh Tiong Lay[d] Yeoh Directors[e] Other Yeoh Family[f]	^Major Shareholder/ ^Person Connected[1] ^Major Shareholder/ ^Person Connected [2] ^Major Shareholder / ^Person Connected [1][2][3][5][6] Directors [1][2][3][4][5][6] ^Person Connected[5][6]	10,972

Companies in the YTL e-Solutions Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
		(continued from previous page) Provision of advertising and promotion space by Related Party; Provision of parking facilities by Related Party; Procurement of conference room, hotel accommodation and/or related facilities from Related Party; Renting of premises located at Level 1 & 3, Annexe Block, Lot 10 Shopping Centre, Jalan Sultan Ismail, 50250 Kuala Lumpur and procurement of other related services from Related Party.			
Airzed Services Sdn Bhd, Extiva Communications Sdn Bhd[7], YTL e-Solutions, YTL Info Screen Sdn Bhd	YTL Power[c] Group[h]	Provision of I.T. hardware and/or software, I.C.T. system development and/or maintenance and related services to Related Party; Provision of telecommunications, broadband services, equipment and related services to Related Party; Provision of graphic design and/or digital imaging services, info screen advertising and related services to Related Party;	YTLSH[a]	^Major Shareholder/ ^Person Connected[1]	1,961
			YTL Corporation[b]	^Major Shareholder/ ^Person Connected[2]	
			Tan Sri Yeoh Tiong Lay[d]	^Major Shareholder / ^Person Connected[1,2,3,5,6]	
			Yeoh Siblings[e]	Directors[1,2,3,4,5,6]	
			Other Yeoh Family[f]	^Person Connected[5,6]	

Definitions:-

[a]	YTLSH	–	Yeoh Tiong Lay & Sons Holdings Sdn Bhd
[b]	YTL Corporation	–	YTL Corporation Berhad
[c]	YTL Power	–	YTL Power International Berhad
[d]	Tan Sri Yeoh Tiong Lay	–	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
[e]	Yeoh Directors	–	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Sri Michael Yeoh Sock Siong (collectively, the "Yeoh Siblings") & Yeoh Keong Yeow.
[f]	Other Yeoh Family	–	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Yeoh Soo Keng, Dato' Mark Yeoh Seok Kah, Datin Lim Lee Lee, Dato' Tan Kim Kuan, Datin Kathleen Chew Wai Lin, Datin Sri Tan Siew Bee, Choy Wai Hin and Datin Julie Teh Chooi Gan.
[g]	YTL Corporation Group	–	YTL Corporation and its subsidiary and associate companies (excluding YTL e-Solutions, YTL Cement Berhad, YTL Power, YTL Land & Development Berhad and their subsidiary and associate companies).
[h]	YTL Power Group	–	YTL Power and its subsidiaries.
^	Major Shareholder/ Person Connected	–	As defined in Rule 1.01 of the ACE LR.

Notes:-

(1) YTLSH is a Major Shareholder of YTL e-Solutions Group, YTL Corporation Group and YTL Power Group. YTLSH is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(2) YTL Corporation is a Major Shareholder of YTL e-Solutions Group, YTL Power Group and the subsidiary and associate companies of YTL Corporation. YTL Corporation is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(3) Tan Sri Yeoh Tiong Lay is a Major Shareholder of YTL e-Solutions Group, YTLSH, YTL Corporation Group and YTL Power Group. Tan Sri Yeoh Tiong Lay is a Person Connected with the Yeoh Siblings.

(4) Yeoh Keong Yeow is the son of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping. He is also a director of several subsidiaries of YTL Power.

(5) The Other Yeoh Family are Persons Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(6) Tan Sri Yeoh Tiong Lay, the Yeoh Siblings and Other Yeoh Family had interests in the ordinary shares of YTL Corporation and YTL Power as at 30 June 2011. Tan Sri Yeoh Tiong Lay, the Yeoh Siblings, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah are also Directors of YTL Corporation and YTL Power.

(7) Extiva Communications Sdn Bhd ceased to be a subsidiary of YTL e-Solutions on 16 February 2011.

Analysis of Shareholdings as at 30 September 2011

Class of shares : Ordinary Shares of RM0.10 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	701	7.06	12,770	0.00
100 – 1,000	1,533	15.43	962,171	0.07
1,001 – 10,000	5,308	53.45	28,018,279	2.08
10,001 – 100,000	2,120	21.35	66,117,680	4.92
100,001 to less than 5% of issued shares	267	2.69	170,822,700	12.70
5% and above of issued shares	2	0.02	1,079,394,000	80.23
Total	**9,931**	**100.00**	**1,345,327,600**	**100.00**

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

	Name	No. of Shares	%#
1	YTL Corporation Berhad	995,000,000	73.96
2	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	84,394,000	6.27
3	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	26,737,000	1.99
4	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	17,622,000	1.31
5	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	16,322,000	1.21
6	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	9,686,000	0.72
7	HDM Nominees (Asing) Sdn Bhd – DBS Vickers Secs (S) Pte Ltd for Lim Tien Lock Christopher	8,240,600	0.61
8	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	7,174,000	0.53
9	Eagletron Venture Corp.	4,389,000	0.33
10	Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	3,485,600	0.26
11	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,064,300	0.15
12	YTL Corporation Berhad	1,944,400	0.14
13	Datin Sri Tan Siew Bee	1,905,500	0.14
14	Law Chin Wat	1,646,000	0.12

	Name	No. of Shares	%#
15	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB Bank for Nazri bin Abdullah @ Nazri Bhupalan (MM0581)	1,563,000	0.12
16	Tan Eng @ Tan Chin Huat	1,550,000	0.12
17	CitigroupNominees (Tempatan) Sdn Bhd – Pledged Securities Account for Mok Chee Hien (006721506)	1,500,000	0.11
18	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB for Lim Ka Kian (PB)	1,250,000	0.09
19	Tan & Yeoh Properties Sdn Bhd	1,053,800	0.08
20	HDM Nominees (Asing) Sdn Bhd – DBS Vickers Secs (S) Pte Ltd for Lim Tien Lock Christopher	1,000,000	0.07
21	Kenanga Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lam Fook Weng @ Lam Fook Yong (MGN)	1,000,000	0.07
22	UOBM Nominees (Tempatan) Sdn Bhd – United Overseas Bank Nominees (Pte) Ltd for Annie Loo Yean Lay	1,000,000	0.07
23	Kong Chee Seng	901,900	0.07
24	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Joo & Lam Sendirian Berhad (E-SS2)	863,900	0.06
25	Public Invest Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wong Wai Ping (M)	850,000	0.06
26	OSK Nominees (Tempatan) Sdn Berhad – Pledged Securities Account for Chew Weng Choy	830,000	0.06
27	Ang Hen Hing	826,600	0.06
28	Mayban Securities Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lim Chee Sing (R01-Margin)	810,100	0.06
29	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	713,500	0.05
30	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A)	696,600	0.05
	Total	**1,197,019,800**	**88.94**

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%#	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,081,700	0.15	997,090,300[(1)]	74.12
YTL Corporation Berhad	997,090,300	74.12	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	999,172,000[(2)]	74.27

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

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

\# *Based on the issued and paid-up share capital of the Company of RM135,000,000.00 comprising 1,350,000,000 ordinary shares net of 4,672,400 treasury shares retained by the Company as per Record of Depositors.*

The Company
YTL e-Solutions Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500#	0.14
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–
Amarjit Singh Chhina	100,000	0.01	–	–
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	110,000	0.01	–	–
Yasmin Binti Mahmood	–	–	50,000#	*

Holding Company
YTL Corporation Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	0.94	–	–
Dato' Sri Michael Yeoh Sock Siong	26,153,345	0.29	12,885,305#	0.14
Syed Abdullah Bin Syed Abd Kadir	9,191,375	0.10	18,415#	*
Amarjit Singh Chhina	105,000	*	–	–
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	5,100	*	–	–

Name	No. of Share Options Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	2,000,000<
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Amarjit Singh Chhina	20,000	–

Ultimate Holding Company
Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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

Related Corporations

YTL Cement Berhad

Name	No. of Shares Held Direct	%	Indirect	%	No. of Share Options Direct
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.43	–	–	1,400,000
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388#	0.24	1,000,000
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	7,600	*	–	–	–

Name	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36	–	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.26	1,109,388#	0.23

YTL Land & Development Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	5,128	*	–	–

YTL Power International Berhad

Name	No. of Shares Held Direct	%	Indirect	%	No. of Share Options Direct
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.20	–	–	14,000,000
Dato' Sri Michael Yeoh Sock Siong	4,601,744	0.06	1,019,291#	0.01	6,000,000
Syed Abdullah Bin Syed Abd Kadir	2,268,203	0.03	524#	*	6,000,000
Amarjit Singh Chhina	50,000	*	–	–	–
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	2,825	*	–	–	–
Yasmin Binti Mahmood	–	–	28,224#	*	–

Name	No. of Warrants 2008/2018 Held Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.41	–	–
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.13	298,956#	0.03
Yasmin Binti Mahmood	–	–	9,178#	*

Infoscreen Networks PLC

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

YTL Corporation (UK) PLC

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

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

YTL Construction (Thailand) Limited

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	0.01
Dato' Sri Michael Yeoh Sock Siong	1	0.01

Samui Hotel 2 Co. Ltd

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

* *Negligible*

\# *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.*

< *Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.*

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

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of incubation services including developing and incubating technology companies, internet contents of all descriptions and non-internet related businesses and provision of consultancy and advisory services in relation to the business of electronic commerce or internet commerce solutions.

The principal activities of the subsidiaries are set out in Note 11 to the Financial Statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	50,533	32,459
Attributable to:-		
Owners of the parent	35,706	32,459
Non-controlling interests	14,827	–
Profit for the financial year	50,533	32,459

DIVIDENDS

The amounts of dividends paid since the end of the last financial year were as follows:-

	RM'000
In respect of the financial year ended 30 June 2010:-	
First and final dividend of 1 sen per ordinary share of 10 sen each comprising 0.745 sen gross less Malaysian Income Tax and 0.255 sen single tier, paid on 23 December 2010	10,948
In respect of the financial year ended 30 June 2011:-	
First interim single tier dividend of 1 sen per ordinary share of 10 sen each, paid on 31 March 2011	13,453

A second interim single tier dividend of 10% or 1 sen per ordinary share of 10 sen each has been declared for payment on 24 November 2011 for the financial year ended 30 June 2011.

The Board of Directors does not recommend a final dividend for the financial year ended 30 June 2011.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

Treasury shares
The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 30 November 2010.

There was no purchase of ordinary shares during the financial year except in previous financial year the Company repurchased a total of 1,100 ordinary shares of its issued share capital from the open market at an average cost of RM0.56 per share. The total consideration paid for the shares repurchased including transaction costs was RM659. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

As at 30 June 2011, the Company held a total of 4,672,300 (2010: 4,672,300) treasury shares out of its 1,350,000,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,141,000 (2010: RM2,141,000).

Employees Share Options Scheme ("ESOS 2011")
At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of an employees share option scheme "ESOS 2011" for eligible employees and Directors of the Company and its subsidiaries.

The details of the ESOS 2011 are disclosed in Note 18(a) to the Financial Statements.

DIRECTORS

The Directors who served on the Board of the Company since the date of the last Report are:-

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Ahmad Fuaad Bin Mohd Dahalan
Dato' Sri Michael Yeoh Sock Siong
Syed Abdullah Bin Syed Abd. Kadir
Amarjit Singh Chhina
Yasmin Binti Mahmood
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin
Yeoh Keong Yeow

DIRECTORS' INTERESTS

The Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, interests in shares of the Company and related companies as follows:-

The Company
– YTL e-Solutions Berhad

	<------ Number of ordinary shares of RM0.10 each ----->			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	300,000
Amarjit Singh Chhina	100,000	–	–	100,000
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	110,000	–	–	110,000
Deemed interests				
Dato' Sri Michael Yeoh Sock Siong	1,905,500*	–	–	1,905,500*
Yasmin Binti Mahmood	50,000*	–	–	50,000*

Holding company
– YTL Corporation Berhad

	<------ Number of ordinary shares of RM0.10 each ----->			
	Balance at 1.7.2010#	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	–	–	84,094,530
Dato' Sri Michael Yeoh Sock Siong	26,153,345	–	–	26,153,345
Syed Abdullah Bin Syed Abd. Kadir	3,841,375	15,000,000	(3,200,000)	15,641,375
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	5,100	–	–	5,100
Deemed interests				
Dato' Sri Michael Yeoh Sock Siong	12,885,305*	–	–	12,885,305*
Syed Abdullah Bin Syed Abd. Kadir	18,415*	–	–	18,415*

	Number of share options over ordinary shares <-------------------------- of RM0.10 each -------------------------->			
	Balance at 1.7.2010#	Granted	Exercised	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	–	–	25,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–	–	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	15,000,000	–	(15,000,000)	–
Amarjit Singh Chhina	125,000	–	–	125,000
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000@	–	–	2,000,000@

Opening balance adjusted pursuant to the subdivision of 1 ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each on 29.04.2011.

DIRECTORS' INTERESTS (continued)

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

	<------ Number of ordinary shares of RM1.00 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000

Related companies
– YTL Power International Berhad

	<------ Number of ordinary shares of RM0.50 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	–	–	14,945,040
Dato' Sri Michael Yeoh Sock Siong	4,601,744	–	–	4,601,744
Syed Abdullah Bin Syed Abd. Kadir	2,268,203	–	–	2,268,203
Amarjit Singh Chhina	50,000	–	–	50,000
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	2,825	–	–	2,825
Deemed interests				
Dato' Sri Michael Yeoh Sock Siong	1,019,291*	–	–	1,019,291*
Syed Abdullah Bin Syed Abd. Kadir	524*	–	–	524*
Yasmin Binti Mahmood	28,224*	–	–	28,224*

	<----------------- Number of Warrants 2008/2018 ---------------->			
	Balance at 1.7.2010	Acquired	Exercised/ Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	–	–	4,860,175
Dato' Sri Michael Yeoh Sock Siong	1,496,502	–	–	1,496,502
Deemed interests				
Dato' Sri Michael Yeoh Sock Siong	298,956*	–	–	298,956*
Yasmin Binti Mahmood	9,178*	–	–	9,178*

	Number of share options over <---------------- ordinary shares of RM0.50 each ---------------->			
	Balance at 1.7.2010	Granted	Exercised	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,000,000	–	–	14,000,000
Dato' Sri Michael Yeoh Sock Siong	6,000,000	–	–	6,000,000
Syed Abdullah Bin Syed Abd. Kadir	6,000,000	–	–	6,000,000

DIRECTORS' INTERESTS (continued)

Related companies (continued)
– *YTL Cement Berhad*

	<------ Number of ordinary shares of RM0.50 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	7,600	–	–	7,600
Deemed interests				
Dato' Sri Michael Yeoh Sock Siong	1,109,388*	–	–	1,109,388*

	Number of Irredeemable <----- Convertible Unsecured Loan Stocks 2005/2015 ----->			
	Balance at 1.7.2010	Acquired	Converted/ Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Deemed interests				
Dato' Sri Michael Yeoh Sock Siong	1,109,388*	–	–	1,109,388*

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

– *YTL Land & Development Berhad*

	<------- Number of ordinary shares of RM0.50 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	–	5,128	–	5,128

DIRECTORS' INTERESTS (continued)

Related companies (continued)

– YTL Land & Development Berhad (continued)

	<------------- Number of Irredeemable Convertible Preference Shares 2001/2011 of RM0.50 each# ---------->			
	Balance at 1.7.2010	Acquired	Converted/ Disposed	Balance at 30.6.2011
Direct interests				
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	20,000	–	(20,000)	–

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

– Infoscreen Networks PLC ^

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

– YTL Corporation (UK) PLC ^

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

^ Incorporated in England & Wales

– Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

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

– YTL Construction (Thailand) Limited +

	<------ Number of ordinary shares of THB100 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1

DIRECTORS' INTERESTS (continued)

Related Companies (continued)
– Samui Hotel 2 Co., Ltd +

	<------ Number of ordinary shares of THB10 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	1	–	1

+ *Incorporated in Thailand*

* Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.

@ Deemed interests by virtue of interests held in the name of deceased spouse in which the Director, who is the legal representative, is entitled to exercise under the terms of the employees' share option scheme.

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

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the share options granted under YTL Corporation Berhad Group Employees' Share Options Scheme ("ESOS"), the details of which are disclosed in the financial statements of YTL Corporation Berhad, the holding company.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from the Company's related companies.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (continued)

At the date of this Report, the Directors are not aware of any circumstances:-

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report, there does not exist:-

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

At the date of this Report, they are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In their opinion,

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

HOLDING COMPANIES

The Company is a 74.12% (2010: 74.34%) owned subsidiary of YTL Corporation Berhad, a public listed company incorporated in Malaysia and the ultimate holding company is Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia.

AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

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

Dato' Sri Michael Yeoh Sock Siong

Dated: 4 October 2011
Kuala Lumpur

Statement by Directors

We, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE and DATO' SRI MICHAEL YEOH SOCK SIONG, being two of the Directors of YTL e-SOLUTIONS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Companies Act, 1965 and the Financial Reporting Standards ("FRS") in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011 and of the results of the operations and cash flows of the Group and of the Company for the financial year then ended.

The information set out in Note 37 to the Financial Statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors,

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

Dato' Sri Michael Yeoh Sock Siong

Dated: 4 October 2011
Kuala Lumpur

Statutory Declaration

I, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being the Director primarily responsible for the financial management of YTL e-SOLUTIONS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

Subscribed and solemnly declared by the abovenamed
TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE
at Kuala Lumpur on 4 October 2011.

Before me:

Tan Seok Kett
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL e-SOLUTIONS BERHAD, which comprise the Statements of Financial Position as at 30 June 2011 of the Group and of the Company, and the Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 103.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 11 to the Financial Statements.

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

d) The auditors' report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

HLB LER LUM
AF 0276
Chartered Accountants

LER CHENG CHYE
871/3/13(J/PH)
Chartered Accountant

Dated: 4 October 2011
Kuala Lumpur

Income Statements for the financial year ended 30 June 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	3	**74,246**	44,067	**7,761**	8,462
Cost of sales		**(11,391)**	(17,424)	**(4,412)**	(4,925)
Gross profit		**62,855**	26,643	**3,349**	3,537
Other operating income		**17,172**	3,587	**37,304**	34,721
Administration expenses		**(15,180)**	(13,541)	**(7,943)**	(4,580)
Finance costs	4	**(4)**	(13)	**(4)**	(9)
Profit before tax	5	**64,843**	16,676	**32,706**	33,669
Income tax expense	6	**(14,310)**	(3,816)	**(247)**	(8,218)
Profit for the financial year		**50,533**	12,860	**32,459**	25,451
Profit for the financial year attributable to:-					
Owners of the parent		**35,706**	8,831	**32,459**	25,451
Non-controlling interests		**14,827**	4,029	**–**	–
		50,533	12,860	**32,459**	25,451
Earnings per share attributable to owners of the parent:-					
Basic (sen per share)	7	**2.65**	0.66		

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit for the financial year	**50,533**	12,860	**32,459**	25,451
Other comprehensive loss				
Currency translation differences	**(103)**	(2,425)	–	–
Other comprehensive loss for the financial year, net of tax	**(103)**	(2,425)	–	–
Total comprehensive income for the financial year	**50,430**	10,435	**32,459**	25,451
Total comprehensive income for the financial year attributable to:-				
Owners of the parent	**35,600**	6,412	**32,459**	25,451
Non-controlling interests	**14,830**	4,023	–	–
	50,430	10,435	**32,459**	25,451

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

Statements of Financial Position as at 30 June 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	8	**1,530**	4,519	**852**	915
Goodwill on consolidation	9	**2,490**	2,821	**–**	–
Other intangible assets	10	**116**	617	**67**	11
Investment in subsidiaries	11(a)	**–**	–	**65,833**	64,975
Deferred tax assets	12	**126**	1,134	**125**	183
		4,262	9,091	**66,877**	66,084
Current assets					
Inventories	13	**–**	73	**–**	10
Trade & other receivables	14	**1,442**	4,778	**461**	1,446
Income tax assets		**553**	378	**152**	–
Amount due from ultimate holding company	15	**1**	6	**1**	2
Amount due from holding company	15	**379**	484	**47**	201
Amount due from subsidiaries	11(b)	**–**	–	**890**	2,035
Amount due from related companies	16	**13,418**	17,115	**767**	1,243
Cash & bank balances	17	**185,899**	174,557	**105,632**	96,283
		201,692	197,391	**107,950**	101,220
Total assets		**205,954**	206,482	**174,827**	167,304
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	18	**135,000**	135,000	**135,000**	135,000
Share premium		**1,475**	1,475	**1,475**	1,475
Other reserves	19	**(5,753)**	(5,423)	**–**	–
Retained earnings		**52,812**	42,012	**38,818**	30,760
Treasury shares, at cost	20	**(2,141)**	(2,141)	**(2,141)**	(2,141)
		181,393	170,923	**173,152**	165,094
Non-controlling interests		**17,508**	21,513	**–**	–
Total equity		**198,901**	192,436	**173,152**	165,094

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
EQUITY AND LIABILITIES (continued)					
Non-current liabilities					
Borrowings	21	–	21	–	21
Deferred tax liabilities	12	**44**	–	–	–
		44	21	–	21
Current liabilities					
Trade & other payables	22	**4,510**	12,864	**1,652**	2,055
Amount due to related companies	23	**4**	28	**2**	23
Borrowings	21	**21**	100	**21**	81
Income tax liabilities		**2,474**	1,033	–	30
		7,009	14,025	**1,675**	2,189
Total liabilities		**7,053**	14,046	**1,675**	2,210
Total equity and liabilities		**205,954**	206,482	**174,827**	167,304

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

	<----- Attributable to owners of the parent						----->		
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2009	135,000	1,475	234	(3,238)	33,181	(2,140)	164,512	20,267	184,779
Profit for the financial year	–	–	–	–	8,831	–	8,831	4,029	12,860
Currency translation differences	–	–	–	(2,419)	–	–	(2,419)	(6)	(2,425)
Total comprehensive income for the financial year	–	–	–	(2,419)	8,831	–	6,412	4,023	10,435
Reduction arising from additional shares acquired in existing subsidiary	–	–	–	–	–	–	–	(39)	(39)
Treasury shares acquired	–	–	–	–	–	(1)	(1)	–	(1)
Dividend paid to non-controlling interest by subsidiary	–	–	–	–	–	–	–	(2,738)	(2,738)
At 30 June 2010	135,000	1,475	234	(5,657)	42,012	(2,141)	170,923	21,513	192,436
At 1 July 2010	**135,000**	**1,475**	**234**	**(5,657)**	**42,012**	**(2,141)**	**170,923**	**21,513**	**192,436**
Profit for the financial year	–	–	–	–	**35,706**	–	**35,706**	**14,827**	**50,533**
Currency translation differences	–	–	–	**(106)**	–	–	**(106)**	**3**	**(103)**
Total comprehensive income for the financial year	–	–	–	**(106)**	**35,706**	–	**35,600**	**14,830**	**50,430**
Reduction arising from additional shares acquired in existing subsidiary	–	–	–	–	**(505)**	–	**(505)**	**(4,495)**	**(5,000)**
Disposal of subsidiary (Note 11(a))	–	–	**(224)**	–	–	–	**(224)**	**(678)**	**(902)**
Dividends paid (Note 36)	–	–	–	–	**(24,401)**	–	**(24,401)**	–	**(24,401)**
Dividend paid to non-controlling interest by subsidiary	–	–	–	–	–	–	–	**(13,662)**	**(13,662)**
At 30 June 2011	**135,000**	**1,475**	**10**	**(5,763)**	**52,812**	**(2,141)**	**181,393**	**17,508**	**198,901**

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

		Non-distributable	*<-------- Distributable*	*-------->*	
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
At 1 July 2009	135,000	1,475	5,309	(2,140)	139,644
Total comprehensive income for the financial year	–	–	25,451	–	25,451
Treasury shares acquired	–	–	–	(1)	(1)
At 30 June 2010	**135,000**	**1,475**	**30,760**	**(2,141)**	**165,094**
Total comprehensive income for the financial year	–	–	**32,459**	–	**32,459**
Dividends paid (Note 36)	–	–	**(24,401)**	–	**(24,401)**
At 30 June 2011	**135,000**	**1,475**	**38,818**	**(2,141)**	**173,152**

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

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**64,843**	16,676	**32,706**	33,669
Adjustments for:-				
Allowance for obsolete inventories	–	121	–	16
Amortisation of other intangible assets	**231**	229	**21**	6
Amount due from subsidiary written off	–	–	**1,947**	–
Bad debts recovered	–	(15)	–	–
Bad debts written off	**39**	24	**39**	–
Depreciation of property, plant & equipment	**1,470**	1,917	**206**	270
Dividend income	–	–	**(20,493)**	(32,850)
Gain on disposal of shares in subsidiary	**(12,131)**	–	**(13,859)**	–
Impairment loss on goodwill on consolidation	**331**	–	–	–
Impairment loss on investment in subsidiary	–	–	**1**	–
Impairment loss on other intangible assets	**391**	290	–	–
Impairment loss on property, plant & equipment	**1,202**	–	–	–
Impairment loss on receivables	**129**	–	–	–
Interest expenses	**4**	13	**4**	9
Interest income	**(4,877)**	(3,471)	**(2,915)**	(1,868)
Inventories written off	**291**	–	**10**	–
Loss/(Gain) on disposal of property, plant & equipment (net)	**24**	(1)	**32**	*
Negative goodwill recognised in profit or loss	–	(14)	–	–
Project cost written off	–	7	–	–
Property, plant & equipment written off	**18**	1	–	1
Reversal of allowance for obsolete inventories	**(289)**	–	**(16)**	–
Reversal of impairment loss on receivables	**(67)**	(128)	**(38)**	–
Share options granted under ESOS	**21**	60	**6**	19
Unrealised loss on foreign exchange (net)	**18**	318	–	2
Operating profit/(loss) before changes in working capital	**51,648**	16,027	**(2,349)**	(726)
Decrease in inventories	**21**	20	**16**	51
Decrease/(Increase) in receivables	**1,747**	345	**1,045**	(515)
(Decrease)/Increase in payables	**(5,088)**	3,675	**(403)**	1,054
Net changes in ultimate holding company	**5**	–	**1**	(1)
Net changes in holding company	**84**	1,416	**148**	65
Net changes in subsidiaries	–	–	**(802)**	2,707
Net changes in related companies	**3,442**	9,541	**455**	9,746

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Cash generated from/ (absorbed by) operations		**51,859**	31,024	**(1,889)**	12,381
Dividend received		**–**	–	**20,493**	24,638
Interest paid		**(4)**	(13)	**(4)**	(9)
Interest received		**4,775**	3,294	**2,854**	1,756
Tax paid		**(11,949)**	(5,753)	**(371)**	(488)
Net cash from operating activities		**44,681**	28,552	**21,083**	38,278
CASH FLOWS FROM INVESTING ACTIVITIES					
Additional investment in an existing subsidiary	11(a)	**(5,000)**	(25)	**(5,000)**	(25)
Proceeds from disposal of property, plant & equipment		**125**	6	**90**	–
Proceeds from disposal of subsidiaries (net of cash disposed)	11(a)	**10,541**	–	**18,000**	–
Purchase of property, plant & equipment		**(592)**	(629)	**(265)**	(54)
Purchase of other intangible assets		**(133)**	(46)	**(77)**	(2)
Net cash from/(used in) investing activities		**4,941**	(694)	**12,748**	(81)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		**(24,401)**	–	**(24,401)**	–
Dividend paid to non-controlling interest by subsidiary		**(13,662)**	(2,738)	**–**	–
Repayment of obligations under finance lease liabilities		**(92)**	(98)	**(81)**	(76)
Purchase of own shares (net)		**–**	(1)	**–**	(1)
Net cash used in financing activities		**(38,155)**	(2,837)	**(24,482)**	(77)

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

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Net increase in cash & cash equivalents		**11,467**	25,021	**9,349**	38,120
Effects of exchange rate changes		**(125)**	(2,892)	–	–
Cash & cash equivalents at beginning of the financial year		**174,557**	152,428	**96,283**	58,163
Cash & cash equivalents at end of the financial year	17	**185,899**	174,557	**105,632**	96,283

* Less than RM1,000

NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Analysis of purchase of property, plant & equipment:-

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash	8	**592**	629	**265**	54

(b) Analysis of purchase of other intangible assets:-

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash	10	**133**	46	**77**	2

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

1. GENERAL INFORMATION

The principal activities of the Company are investment holding, provision of incubation services including developing and incubating technology companies, internet contents of all descriptions and non-internet related businesses and provision of consultancy and advisory services in relation to the business of electronic commerce or internet commerce solutions. The principal activities of the subsidiaries are set out in Note 11.

The Company is a limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is a 74.12% (2010: 74.34%) owned subsidiary of YTL Corporation Berhad, a public listed company incorporated in Malaysia and the ultimate holding company is Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia.

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

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

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

Levels 1 & 3, Annexe Block
Lot 10 Shopping Centre
50 Jalan Sultan Ismail
50250 Kuala Lumpur

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRS") in Malaysia and the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with FRS and the Companies Act, 1965 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgments in the process of applying the Group's accounting policies. These estimates and judgments are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

The financial statements have been prepared on historical cost basis except as disclosed in the accounting policies below.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies

On 1 July 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations ("IC Int") mandatory for annual financial year beginning on or after 1 July 2010.

FRS, Amendments to FRS and IC Int	Effective for financial periods beginning on or after
• FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
• FRS 3 Business Combinations (revised)	1 July 2010
• FRS 4 Insurance Contracts	1 January 2010
• FRS 7 Financial Instruments: Disclosures	1 January 2010
• FRS 101 Presentation of Financial Statements (revised)	1 January 2010
• FRS 123 Borrowing Costs	1 January 2010
• FRS 127 Consolidated and Separate Financial Statements (amended)	1 July 2010
• FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
• Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
• Amendments to FRS 2 Share-based Payment Vesting Conditions and Cancellations	1 January 2010
• Amendments to FRS 2 Share-based Payment	1 July 2010
• Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
• Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
• Amendments to FRS 7 Financial Instruments: Disclosures [Compilation]	1 January 2010
• Amendment to FRS 8 Operating Segments	1 January 2010
• Amendment to FRS 107 Statement of Cash Flows	1 January 2010
• Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
• Amendment to FRS 110 Events After the Reporting Period	1 January 2010
• Amendment to FRS 116 Property, Plant and Equipment	1 January 2010
• Amendment to FRS 117 Leases	1 January 2010
• Amendment to FRS 118 Revenue	1 January 2010
• Amendment to FRS 119 Employee Benefits	1 January 2010
• Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
• Amendment to FRS 123 Borrowing Costs	1 January 2010
• Amendment to FRS 127 Consolidated and Separate Financial Statements	1 January 2010
• Amendment to FRS 128 Investment in Associates	1 January 2010
• Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2010
• Amendment to FRS 131 Interests in Joint Ventures	1 January 2010
• Amendments to FRS 132 Financial Instruments: Presentation [Compilation]	1 January 2010
• Amendment to FRS 132 Financial Instruments: Presentation [Classification of Rights Issues]	1 January 2010/ 1 March 2010
• Amendment to FRS 134 Interim Financial Reporting	1 January 2010
• Amendment to FRS 136 Impairment of Assets	1 January 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

FRS, Amendments to FRS and IC Int	Effective for financial periods beginning on or after
• Amendment to FRS 138 Intangible Assets	1 January 2010
• Amendments to FRS 138 Intangible Assets	1 July 2010
• Amendment to FRS 140 Investment Property	1 January 2010
• IC Int 9 Reassessment of Embedded Derivatives	1 January 2010
• IC Int 10 Interim Financial Reporting and Impairment	1 January 2010
• IC Int 11 FRS 2 - Group and Treasury Share Transactions	1 January 2010
• IC Int 12 Service Concession Arrangements	1 July 2010
• IC Int 13 Customer Loyalty Programmes	1 January 2010
• IC Int 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
• IC Int 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
• IC Int 17 Distributions of Non-cash Assets to Owners	1 July 2010
• Amendments to IC Int 9 Reassessment of Embedded Derivatives	1 January 2010
• Amendments to IC Int 9 Reassessment of Embedded Derivatives	1 July 2010

The adoption of the new and revised FRS, amendments to FRS and IC Int did not have any significant financial impact on the Group and the Company other than the effects of the following FRS:-

(i) FRS 3 Business Combinations (revised)

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The Group and the Company have applied the revised FRS 3 prospectively in accordance with the transitional provisions. Hence, assets and liabilities that arose from business combinations whose acquisition dates are before 1 July 2010 are not adjusted.

(ii) FRS 7 Financial Instruments: Disclosures

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

(iii) FRS 101 Presentation of Financial Statements (revised)

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

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

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group's and the Company's objectives, policies and processes for managing capital (Note 33).

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

(iv) Amendments to FRS 127 Consolidated and Separate Financial Statements

The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

According to its transitional provisions, the Amendments to FRS 127 has been applied prospectively and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 July 2010. The changes will affect future transactions with non-controlling interest.

(v) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's and the Company's financial instruments. It also sets out the requirements for the application of hedge accounting.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

(v) FRS 139 Financial Instruments: Recognition and Measurement (continued)

Financial Assets

Loans and Receivables

Prior to 1 July 2010, loans and receivables were stated at gross proceeds receivables less accumulated impairment losses. Under FRS 139, loans and receivables 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 profit or loss 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 profit or loss when the liabilities are derecognised or through the amortisation process.

The Group and the Company have adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions.

However, the adoption of FRS 139 does not have an impact on the Group's and the Company's opening balances.

(c) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(i) Impairment of property, plant & equipment and other intangible assets

During the current financial year, the Group and the Company had carried out the impairment test based on variety of estimation including the value-in-use of the cash-generating units ("CGU") to which the property, plant & equipment and other intangible assets are allocated. Estimating the value-in-use requires the Group and the Company to make estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at the end of the reporting period, impairment were considered necessary and the carrying amounts of property, plant & equipment and other intangible assets are disclosed in Note 8 and Note 10 respectively.

(ii) Useful lives of property, plant & equipment

The cost of property, plant & equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. The useful lives and annual depreciation rates of these assets are disclosed in Note 2(g). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant & equipment at the end of the reporting period are disclosed in Note 8.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Critical accounting estimates and judgments (continued)

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at the end of the reporting period are disclosed in Note 9.

(iv) Impairment of loans and receivables

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of loans and receivables at the end of the reporting period are disclosed in Note 14.

(v) Income tax

Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(d) Basis of consolidation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation (continued)

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set in Note 2(h). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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

(e) Transactions with non-controlling interests

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

(f) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RM, which is the Company's functional and presentation currency.

(ii) Foreign currency transactions

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Foreign currencies (continued)

(ii) Foreign currency transactions (continued)

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

(g) Property, plant & equipment

Property, plant & equipment are stated at cost less accumulated depreciation & impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant & equipment is provided for on the straight line basis to write-off the cost of each asset to its residual value over the estimated useful lives at the following annual rates:-

Computer infrastructure & equipment	5% – 50%
Furniture, fixtures & equipment	10% – 20%
Motor vehicles	12.5%
Telecommunications equipment	10% – 20%
Office renovation & fittings	10% – 20%

The carrying values of property, plant & equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Residual value, useful lives and depreciation method of assets are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant & equipment.

An item of property, plant & equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

(h) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the synergies of the business combination in which the goodwill arose.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Development expenditure

Development expenditure incurred is capitalised when it meets certain criteria that indicate it is probable that the costs will give rise to future economic benefits and are amortised over the period of the projects. They are written down to their recoverable amounts when there is insufficient certainty that future economic benefits will flow to the enterprise.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development expenditure is stated at cost less accumulated amortisation & impairment losses. The capitalised development expenditure is amortised over a period of five years.

(j) Other intangible assets

(i) Computer software

Software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant & equipment. Software which is not an integral part of the related hardware is capitalised as other intangible assets.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

(ii) Investment in programmes for future sale

Investment in programmes for future sale is stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. Amortisation of investment in programmes for future sale is charged to the profit or loss over the estimated average marketable life of the programme genre which is generally between five and ten years. The cost and accumulated amortisation of investment in programmes for future sale are reduced by programmes which are fully written off.

(iii) Broadband network customer base & coverage

Broadband network customer base & coverage are stated at cost, less accumulated amortisation & impairment losses. Amortisation is charged to the profit or loss over the estimated useful lives of the asset.

(k) Investment in subsidiaries

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

Investments held on long term basis are stated at cost. An impairment loss in value is made where, in the opinion of the Directors, there is a decline other than temporary in their value. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the profit or loss in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of non-financial assets

The carrying amounts of assets, other than inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

An impairment loss is charged to the profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories cost is determined on a first-in-first-out method.

Cost includes the actual cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

(n) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables. The Group and the Company do not have any held-to-maturity financial assets, available-for-sale financial assets and financial assets at fair value through profit or loss.

<u>Loans and receivables</u>

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Group's and the Company's loans and receivables comprise receivables, amount due from related parties and cash & bank balances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial assets (continued)

Loans and receivables (continued)

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

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

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

(o) Impairment of financial assets

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

Trade & other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Cash & cash equivalents

Cash & cash equivalents comprise cash on hand, bank balances and deposits held at call with licensed banks which are subject to an insignificant risk of changes in value.

(q) Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise they are charged to the profit or loss.

Dividends on ordinary shares are recognised as liabilities when declared before the end of the reporting period. A dividend declared after the end of the reporting period, but before the financial statements are authorised for issue, is not recognised as a liability at the end of the reporting period.

Purchase of own shares

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

(r) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group and of the Company.

(s) Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

Other financial liabilities

The Group's and the Company's other financial liabilities include payables, amount due to related companies and borrowings.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial liabilities (continued)

Other financial liabilities (continued)

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

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

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

(t) Deferred revenue and deferred credit

Deferred revenue, which is included in trade & other payables relates to unutilised airtime of prepaid broadband & telephony packages services and spectrum sharing fees which were billed in advance. Revenue is recognised based on the following criteria:-

(i) Actual airtime utilisation for broadband & telephony services; or

(ii) In the period the spectrum sharing services are provided.

Deferred credit, which is included in other payables & accruals, comprises deferred revenue from future advertising services to be rendered to customers and is recognised over the period of the relevant contracts.

(u) Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the Group and the Company and the benefits can be reliably measured. The specific recognition criteria for revenue are as follows:-

(i) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

(ii) Rendering of services

Revenue from rendering of services is recognised in the profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iii) Interest income

Revenue is recognised as the interest income accrues, taking into account the effective yield on the asset.

(iv) Dividend income

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Income tax and deferred tax

Income tax in the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unabsorbed tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and the Group and the Company intend to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(w) Finance leases

Leases of property, plant & equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charge being written off to the profit or loss over the period of the lease in reducing amounts in relation to the outstanding obligations. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each end of the reporting period.

All other leases are regarded as operating leases. Payments made under operating leases are charged to the profit or loss on the straight line basis over the lease period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Share-based compensation ("ESOS")

The holding company, YTL Corporation Berhad, operates an equity-settled, share-based compensation plan for the employees of the Group and the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the profit or loss with a corresponding increase in amount due to holding company over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group and the Company revise its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to amount due to holding company over the remaining vesting period.

(y) Segmental reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34.

3. REVENUE

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Sale of goods	**4,697**	5,463	**4,740**	5,464
Services rendered	**69,549**	38,604	**3,021**	2,998
	74,246	44,067	**7,761**	8,462

4. FINANCE COSTS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Bank overdraft interest	**–**	2	**–**	–
Finance lease interest	**4**	11	**4**	9
	4	13	**4**	9

5. PROFIT BEFORE TAX

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit before tax is stated after charging (other than those disclosed in Note 4):-				
Auditors' remuneration				
– current financial year	**96**	124	**8**	8
– prior financial year	**4**	–	**–**	–
– other services	**7**	6	**5**	3
Allowance for obsolete inventories	**–**	121	**–**	16
Amortisation of other intangible assets	**231**	229	**21**	6
Amount due from subsidiary written off	**–**	–	**1,947**	–
Bad debts written off	**39**	24	**39**	–
Consultancy fees paid to a subsidiary's Director	**114**	114	**–**	–
Depreciation of property, plant & equipment	**1,470**	1,917	**206**	270
Directors' remuneration				
– fees	**390**	390	**390**	390
– emoluments	**782**	586	**782**	586
Impairment loss on goodwill on consolidation	**331**	–	**–**	–
Impairment loss on investment in subsidiary	**–**	–	**1**	–
Impairment loss on other intangible assets	**391**	290	**–**	–

5. PROFIT BEFORE TAX (continued)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Impairment loss on property, plant & equipment	**1,202**	–	–	–
Impairment loss on receivables	**129**	–	–	–
Inventories written off	**291**	–	**10**	–
Loss on disposal of property, plant equipment	**32**	–	**32**	–
Loss on foreign exchange				
– realised	**1**	50	–	–
– unrealised	**18**	339	–	2
Project cost written off	–	7	–	–
Property, plant & equipment written off	**18**	1	–	1
Rental of office equipment	**17**	17	**11**	11
Rental of premises	**1,072**	1,329	**485**	425

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
And crediting (other than those disclosed in Note 3):-				
Bad debts recovered	–	(15)	–	–
Dividend income	–	–	**(20,493)**	(32,850)
Fixed deposit interest income	**(4,877)**	(3,471)	**(2,915)**	(1,868)
Gain on disposal of property, plant & equipment	**(8)**	(1)	–	*
Gain on disposal of shares in subsidiary	**(12,131)**	–	**(13,859)**	–
Gain on foreign exchange				
– realised	**(4)**	(8)	*	(2)
– unrealised	–	(21)	–	–
Negative goodwill recognised in profit or loss	–	(14)	–	–
Reversal of allowance for obsolete inventories	**(289)**	–	**(16)**	–
Reversal of impairment loss on receivables	**(67)**	(128)	**(38)**	–

* Less than RM1,000

Employee benefits expense:-

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Salaries, wages and bonuses	**4,515**	5,030	**2,198**	1,888
Defined contribution plan benefits	**536**	600	**258**	222
Social security contributions	**45**	51	**20**	19
Share options granted under ESOS	**21**	60	**6**	19
Other benefits	**151**	85	**45**	42
	5,268	5,826	**2,527**	2,190

5. PROFIT BEFORE TAX (continued)

Cost of inventories recognised as an expense in the cost of sales are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cost of inventories	**4,456**	5,037	**4,412**	4,925

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended 30 June 2011 are as follows:-

Group/Company

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others RM'000	Total RM'000
Executive Directors	200	567	90	79#	936
Non-Executive Directors	190	–	–	46	236

Included in this category are defined contribution plan expenses of RM78,864 (2010: RM59,424).

The number of Directors of the Group and of the Company whose total remuneration fell within the following bands for the financial year ended 30 June 2011 are as follows:-

	Group/Company No. of Directors	
Range of remuneration	Executive	Non-Executive
Below RM50,000	6	1
RM50,001 – RM100,000	–	3
RM100,001 – RM250,000	–	–
RM250,001 – RM300,000	–	–
RM300,001 – RM350,000	–	–
RM350,001 – RM400,000	–	–
RM400,001 – RM450,000	2	–

6. INCOME TAX EXPENSE

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
<u>In Malaysia</u>				
Income tax based on results for the current financial year	**13,436**	5,275	**357**	8,680
Over-provision of income tax in prior financial year	**(174)**	(70)	**(168)**	(60)
Deferred taxation (Note 12)				
– Origination and reversal of temporary differences	**1,149**	(1,390)	**58**	(402)
	14,411	3,815	**247**	8,218
<u>Outside Malaysia</u>				
(Over)/Under-provision of income tax in prior financial year	**(101)**	1	–	–
	14,310	3,816	**247**	8,218

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit before tax	**64,843**	16,676	**32,706**	33,669
Income tax using Malaysian tax rate of 25% (2010: 25%)	**16,210**	4,169	**8,176**	8,417
Non-deductible expenses	**538**	264	**836**	112
Non-taxable income	**(2,975)**	(32)	**(8,597)**	–
Over-provision of income tax in prior financial year (at net)	**(275)**	(69)	**(168)**	(60)
Tax effect of under/(over)-provision of deferred tax	**898**	(517)	–	(251)
Different tax rates in other countries	**(86)**	1	–	–
	14,310	3,816	**247**	8,218

During the financial year, the Company had fully exhausted its Section 108 tax credits and is thereafter under the single tier tax system.

Subject to agreement with the Inland Revenue Board, the Company has exempt income estimated at RM161,000 (2010: RM161,000), from which tax exempt dividends can be declared.

7. EARNINGS PER SHARE (EPS)

	Group 2011	Group 2010
Basic EPS		
Profit for the financial year attributable to owners of the parent (RM'000)	**35,706**	8,831
Weighted average number of ordinary shares in issue for basic EPS ('000)	**1,345,328**	1,345,328
Basic EPS (sen)	**2.65**	0.66

Basic EPS is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

8. PROPERTY, PLANT & EQUIPMENT

Group – 2011	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom-munications equipment RM'000	Office renovation & fittings RM'000	Total RM'000
Cost						
At 1 July 2010	14,961	449	1,253	1,349	1,046	19,058
Additions	507	50	–	17	18	592
Disposals	(2)	–	(215)	(63)	–	(280)
Write-off	(160)	–	–	–	–	(160)
Disposal of subsidiary	(4,249)	(44)	(404)	(1,261)	–	(5,958)
At 30 June 2011	11,057	455	634	42	1,064	13,252
Accumulated Depreciation & Impairment Losses						
At 1 July 2010	11,745	307	448	1,238	801	14,539
Depreciation charge for the financial year	1,286	44	22	21	97	1,470
Disposals	–	–	(93)	(38)	–	(131)
Write-off	(142)	–	–	–	–	(142)
Impairment loss for the financial year	1,123	56	–	–	23	1,202
Disposal of subsidiary	(3,813)	(38)	(177)	(1,188)	–	(5,216)
At 30 June 2011	10,199	369	200	33	921	11,722
Net Carrying Amount						
At 30 June 2011	858	86	434	9	143	1,530

8. PROPERTY, PLANT & EQUIPMENT (continued)

Group – 2010	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom-munications equipment RM'000	Office renovation & fittings RM'000	Total RM'000
Cost						
At 1 July 2009	14,436	441	1,253	1,332	1,042	18,504
Additions	591	14	–	20	4	629
Disposals	(5)	(6)	–	(3)	–	(14)
Write-off	(61)	–	–	–	–	(61)
At 30 June 2010	14,961	449	1,253	1,349	1,046	19,058
Accumulated Depreciation						
At 1 July 2009	10,221	265	320	1,180	705	12,691
Depreciation charge for the financial year	1,586	47	128	60	96	1,917
Disposals	(2)	(5)	–	(2)	–	(9)
Write-off	(60)	–	–	–	–	(60)
At 30 June 2010	11,745	307	448	1,238	801	14,539
Net Carrying Amount						
At 30 June 2010	3,216	142	805	111	245	4,519

Company – 2011	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom-munications equipment RM'000	Office renovation & fittings RM'000	Total RM'000
Cost						
At 1 July 2010	**2,322**	**180**	**850**	**30**	**900**	**4,282**
Additions	**245**	–	–	**2**	**18**	**265**
Disposals	–	–	**(215)**	–	–	**(215)**
Write-off	–	–	–	–	–	–
At 30 June 2011	**2,567**	**180**	**635**	**32**	**918**	**4,332**
Accumulated Depreciation						
At 1 July 2010	**2,237**	**130**	**289**	**19**	**692**	**3,367**
Depreciation charge for the financial year	**93**	**13**	**5**	**3**	**92**	**206**
Disposals	–	–	**(93)**	–	–	**(93)**
Write-off	–	–	–	–	–	–
At 30 June 2011	**2,330**	**143**	**201**	**22**	**784**	**3,480**
Net Carrying Amount						
At 30 June 2011	**237**	**37**	**434**	**10**	**134**	**852**

8. PROPERTY, PLANT & EQUIPMENT (continued)

Company – 2010	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom-munications equipment RM'000	Office renovation & fittings RM'000	Total RM'000
Cost						
At 1 July 2009	2,333	186	850	30	896	4,295
Additions	50	–	–	–	4	54
Disposals	–	(6)	–	–	–	(6)
Write-off	(61)	–	–	–	–	(61)
At 30 June 2010	2,322	180	850	30	900	4,282
Accumulated Depreciation						
At 1 July 2009	2,220	118	207	16	602	3,163
Depreciation charge for the financial year	77	18	82	3	90	270
Disposals	–	(6)	–	–	–	(6)
Write-off	(60)	–	–	–	–	(60)
At 30 June 2010	2,237	130	289	19	692	3,367
Net Carrying Amount						
At 30 June 2010	85	50	561	11	208	915

Included in property, plant & equipment of the Group and of the Company are motor vehicles with net carrying amount of RM206,000 (2010: RM286,000) and RM206,000 (2010: RM222,000) respectively held under finance lease arrangements.

Impairment of assets

During the financial year, subsidiaries of the Group within the communications technology segment carried out a review of the recoverable amount of their property, plant & equipment as a result of them having persistently made losses. An impairment loss of RM1,202,000 (2010: Nil), representing the write-down of the property, plant & equipment to the recoverable amount was recognised in "administration expenses" line of the profit or loss for the financial year ended 30 June 2011. The recoverable amount based on its value in use and the pre-tax discount rate used was 6.00% (2010: 3.95%).

9. GOODWILL ON CONSOLIDATION

	Group 2011 RM'000	Group 2010 RM'000
Cost		
At beginning of the financial year	**3,311**	3,311
Addition	**–**	–
At end of the financial year	**3,311**	3,311
Accumulated Impairment Losses		
At beginning of the financial year	**490**	490
Impairment loss for the financial year	**331**	–
At end of the financial year	**821**	490
Net Carrying Amount	**2,490**	2,821

For the purposes of impairment testing, goodwill is allocated to the Group's CGU identified according to the following:-

	Group 2011 RM'000	Group 2010 RM'000
Digital narrowcasting & digital media *	**767**	767
Broadband provision & related services #	**1,723**	2,012
Others	**–**	42
At end of the financial year	**2,490**	2,821

* The recoverable amount of goodwill is based on fair value less cost to sell. Fair value is determined using the observable market price of shares listed on the Alternative Investment Market of the London Stock Exchange.

The recoverable amount of goodwill is based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial forecasts covering the financial year ending June 2016. The discount rate applied to the value-in-use calculations was 6.00% (pre-tax) and was derived from the cost of capital plus a reasonable risk premium at the date of assessment.

10. OTHER INTANGIBLE ASSETS

Group – 2011	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base & coverage RM'000	Total RM'000
Cost				
At 1 July 2010	**1,065**	**542**	**364**	**1,971**
Additions	**133**	–	–	**133**
Disposal of subsidiary	**(26)**	–	–	**(26)**
At 30 June 2011	**1,172**	**542**	**364**	**2,078**
Accumulated Amortisation & Impairment Losses				
At 1 July 2010	**448**	**542**	**364**	**1,354**
Amortisation charge for the financial year	**231**	–	–	**231**
Impairment loss for the financial year	**391**	–	–	**391**
Disposal of subsidiary	**(14)**	–	–	**(14)**
At 30 June 2011	**1,056**	**542**	**364**	**1,962**
Net Carrying Amount				
At 30 June 2011	**116**	–	–	**116**

Group – 2010	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base & coverage RM'000	Total RM'000
Cost				
At 1 July 2009	1,019	542	364	1,925
Additions	46	–	–	46
At 30 June 2010	1,065	542	364	1,971
Accumulated Amortisation & Impairment Losses				
At 1 July 2009	240	542	53	835
Amortisation charge for the financial year	208	–	21	229
Impairment loss for the financial year	–	–	290	290
At 30 June 2010	448	542	364	1,354
Net Carrying Amount				
At 30 June 2010	617	–	–	617

10. OTHER INTANGIBLE ASSETS (continued)

	Company Computer Software 2011 RM'000	2010 RM'000
Cost		
At beginning of the financial year	**30**	28
Additions	**77**	2
At end of the financial year	**107**	30
Accumulated Amortisation		
At beginning of the financial year	**19**	13
Amortisation charge for the financial year	**21**	6
At end of the financial year	**40**	19
Net Carrying Amount	**67**	11

11. SUBSIDIARIES

(a) Investment in subsidiaries

	Company 2011 RM'000	2010 RM'000
Unquoted shares, at cost	**45,883**	45,024
Less: Accumulated impairment losses	**(1,501)**	(1,500)
	44,382	43,524
Quoted shares, at cost	**21,451**	21,451
	65,833	64,975
Market value		
– Quoted shares	**40,045**	40,392

11. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

The shares of all subsidiaries except for Airzed Broadband Sdn. Bhd., Airzed Services Sdn. Bhd., Bizsurf MSC Sdn. Bhd., YMax Sdn. Bhd. and YTL Info Screen Sdn. Bhd., are held directly by the Company. Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**56.00**	49.00
Airzed Services Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**44.80**	39.20
Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	**60.00**	60.00
Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VOIP telephony services	–	90.00
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Developing & operating a property portal known as PropertyNetAsia.com.my & the provision of related services	**100.00**	100.00
YMax Sdn. Bhd.	Malaysia	Providing broadband internet access & related services	**76.00**	68.00
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**80.00**	70.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media, & up to date information via electronic media	**99.78**	99.78
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**60.00**	60.00

11. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	2010 %
*Infoscreen Networks PLC	England & Wales	Investment holding	**99.78**	99.78
*Wimax Capital Management Limited	England & Wales	Principally engaged in acquiring WiMAX spectrum & undertaking activities utilising WiMAX related technologies	**80.00**	80.00

** Subsidiaries not audited by HLB Ler Lum*

During the financial year, there was no group restructuring of subsidiaries except for the following:-

(i) On 14 January 2011, the Company completed the disposal of 450,000 ordinary shares of RM1.00 each held in Extiva Communications Sdn. Bhd. ("Extiva"), representing its entire equity interest in Extiva, to YTL Communications Sdn. Bhd., a related company, for a total cash consideration of RM18 million ("the Disposal"). As a result of the Disposal, Extiva ceased to be a subsidiary of the Company.

Summary effects of the disposal of a subsidiary is as follows:-

	Group RM'000
Net assets disposed:-	
Property, plant & equipment	742
Other intangible assets	12
Inventories	50
Trade & other receivables	1,590
Amount due to related companies	231
Income tax assets	54
Cash & bank balances	7,459
Trade & other payables	(3,262)
Borrowing	(8)
Deferred tax liabilities	(97)
Capital reserve	(224)
Non-controlling interest	(678)
	5,869
Gain on disposal	12,131
Total proceeds from disposal	18,000
Less: Cash & cash equivalents	(7,459)
Disposal of subsidiary, net of cash disposed	10,541

11. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

(ii) On 24 June 2011, the Company acquired 500,000 ordinary shares of RM1.00 each and 4,500,000 redeemable preference shares of RM0.10 each held in Y-Max Solutions Holdings Sdn. Bhd. ("Y-Max Solutions"), representing an additional 10% equity interest in Y-Max Solutions from Double Ritz Sdn. Bhd., for a total cash consideration of RM5 million. As a result, Y-Max Solutions became an 80% owned subsidiary of the Company.

(b) Amount due from subsidiaries

The amounts due from subsidiaries are trade & non-trade, unsecured, non-interest bearing and repayable on demand.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets	**126**	1,134	**125**	183
Deferred tax liabilities	**(44)**	–	**–**	–
	82	1,134	**125**	183

The movement in deferred tax assets and liabilities of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of the financial year	**1,134**	(256)	**183**	(219)
Recognised in profit or loss (Note 6)	**(1,149)**	1,390	**(58)**	402
Disposal of subsidiary	**97**	–	**–**	–
At end of the financial year	**82**	1,134	**125**	183

12. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the statements of financial position:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets				
Deferred revenue	**64**	1,341	**64**	198
Deferred credit	**–**	45	**–**	–
Unutilised capital allowances	**112**	93	**112**	93
Others	**–**	11	**–**	–
	176	1,490	**176**	291
Deferred tax liabilities				
Property, plant & equipment				
– Capital allowances in excess of depreciation	**(78)**	(323)	**(36)**	(80)
Interest receivables	**(16)**	(33)	**(15)**	(28)
	(94)	(356)	**(51)**	(108)
At end of the financial year (after offsetting)	**82**	1,134	**125**	183

The estimated potential tax benefits of temporary differences not dealt with in the financial statements are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property, plant & equipment	**332**	(1,793)	**–**	–
Unabsorbed tax losses	**4,537**	3,636	**–**	–
Unutilised capital allowances	**4,946**	4,440	**–**	–
Deferred revenue	**–**	223	**–**	–
Others	**(28)**	(42)	**–**	–
	9,787	6,464	**–**	–
Potential tax benefits calculated at tax rate of 25% (2010: 25%)	**2,447**	1,616	**–**	–

13. INVENTORIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finished goods	–	73	–	10

14. TRADE & OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	**1,467**	4,452	**246**	1,143
Less: Accumulated impairment losses	**(691)**	(602)	–	(11)
	776	3,850	**246**	1,132
Other receivables				
Other debtors	**321**	517	**197**	325
Less: Accumulated impairment losses	–	(27)	–	(27)
	321	490	**197**	298
Deposits	**108**	112	**12**	12
Prepayments	**237**	326	**6**	4
	666	928	**215**	314
	1,442	4,778	**461**	1,446
Total trade & other receivables	**1,442**	4,778	**461**	1,446
Add: Amount due from ultimate holding company (Note 15)	**1**	6	**1**	2
Amount due from holding company (Note 15)	**379**	484	**47**	201
Amount due from subsidiaries (Note 11(b))	–	–	**890**	2,035
Amount due from related companies (Note 16)	**13,418**	17,115	**767**	1,243
Cash & bank balances (Note 17)	**185,899**	174,557	**105,632**	96,283
Total loans and receivables	**201,139**	196,940	**107,798**	101,210

14. TRADE & OTHER RECEIVABLES (continued)

(a) Trade receivables

Trade receivables of the Group and of the Company are non-interest bearing and are generally on 7 days to 30 days (2010: 30 days to 120 days) terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:-

	2011	
	Group RM'000	Company RM'000
Neither past due nor impaired	241	84
1 to 30 days past due not impaired	122	8
31 to 60 days past due not impaired	73	3
61 to 90 days past due not impaired	12	8
91 to 120 days past due not impaired	2	–
More than 120 days past due not impaired	326	143
	535	162
Impaired	691	–
	1,467	246

Receivables that are neither past due nor impaired

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

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM535,000 and RM162,000 respectively that are past due at the end of the reporting period but not impaired. Those balances relate mainly to customers who have never defaulted on payments but are slow paymasters hence, are periodically monitored.

The trade receivables that are past due but not impaired are unsecured in nature.

14. TRADE & OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	2011 Individually impaired Group RM'000	2011 Individually impaired Company RM'000
Trade receivables – nominal amounts	**691**	–
Less: Accumulated impairment losses	**(691)**	–
	–	–
Movement in accumulated impairment losses:-		
At beginning of the financial year	**602**	**11**
Impairment loss for the financial year	**129**	–
Reversal of impairment loss	**(40)**	**(11)**
At end of the financial year	**691**	–

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other debtors

Amount due from other debtors are non-trade, unsecured, non-interest bearing and repayable on demand.

Other debtors that are impaired

The Group's and the Company's other debtors that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	2011 Individually impaired Group/ Company RM'000
Other debtors – nominal amounts	–
Less: Accumulated impairment losses	–
	–
Movement in accumulated impairment losses:-	
At beginning of the financial year	27
Reversal of impairment losses	(27)
At end of the financial year	–

15. AMOUNTS DUE FROM HOLDING COMPANIES

The amounts due from holding company and ultimate holding company are trade & non-trade, unsecured, non-interest bearing and repayable on demand.

16. AMOUNT DUE FROM RELATED COMPANIES

Related companies comprise companies within the YTL Corporation Berhad group of companies. The amounts due from related companies are trade & non-trade, unsecured, non-interest bearing and repayable on demand.

17. CASH & BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at banks	**667**	858	**344**	39
Deposits with licensed banks	**185,232**	173,699	**105,288**	96,244
Cash & cash equivalents	**185,899**	174,557	**105,632**	96,283

The weighted average interest rates and the range of remaining maturities as at the end of the reporting period are as follows:-

	Group		Company	
	2011	2010	2011	2010
Interest rate (%)	**3.24**	2.39	**3.27**	2.68
Maturities (days)	**1 to 38**	4 to 32	**4 to 38**	6 to 31

The carrying amount of cash & cash equivalents approximates to its fair value.

18. SHARE CAPITAL

	Group/Company	
	2011 RM'000	2010 RM'000
Authorised ordinary shares of RM0.10 each:-		
At beginning and end of the financial year	**1,000,000**	1,000,000
Issued and fully paid ordinary shares of RM0.10 each:-		
At beginning and end of the financial year	**135,000**	135,000

18. SHARE CAPITAL (continued)

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

(a) Employees Share Option Scheme "ESOS 2011"

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

The main features of the ESOS 2011 are as follows:-

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

(ii) The maximum number of new shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS 2011 shall not exceed thirty per cent (30%) of the issued and paid-up share capital of the Company at the point of time throughout the duration of the ESOS 2011.

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

(a) has attained the age of eighteen (18) years;
(b) is a Director or an employee employed by and on payroll of a company within the Group; and
(c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including Directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.

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

(a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) market days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
(b) the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act, 1965).

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

(vi) A grantee shall be prohibited from disposing the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the options are exercised or such other period as may be determined by the options committee at its absolute discretion.

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

19. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group	
	2011 RM'000	2010 RM'000
Currency translation reserve	**(5,763)**	(5,657)
Capital reserve	**10**	23
	(5,753)	(5,423)

(a) Currency translation reserve

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

(b) Capital reserve

The capital reserve comprises the equity portion of ordinary share issued by subsidiaries.

20. TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 30 November 2010.

There was no purchase of ordinary shares during the financial year except in previous financial year the Company repurchased a total of 1,100 ordinary shares of its issued share capital from the open market at an average cost of RM0.56 per share. The total consideration paid for the shares repurchased including transaction costs was RM659. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

As at 30 June 2011, the Company held a total of 4,672,300 (2010: 4,672,300) treasury shares out of its 1,350,000,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,141,000 (2010: RM2,141,000).

21. BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term borrowings				
Unsecured:-				
Finance lease liabilities (Note 24)	**21**	100	**21**	81
Long term borrowings				
Unsecured:-				
Finance lease liabilities (Note 24)	**–**	21	**–**	21
Total borrowings				
Unsecured:-				
Finance lease liabilities (Note 24)	**21**	121	**21**	102

21. BORROWINGS (continued)

The remaining maturities of the borrowings as at 30 June 2011 are as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
On demand or within 1 year	**21**	100	**21**	81
More than 1 year and less than 2 years	**–**	21	**–**	21
	21	121	**21**	102

22. TRADE & OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	**974**	2,053	**620**	586
Other payables				
Post-employment defined contribution obligations (Note 25)	**118**	150	**81**	67
Other creditors	**2,415**	3,278	**228**	204
Accruals	**745**	1,620	**464**	407
Deferred revenue	**258**	5,585	**259**	791
Deferred credit	**–**	178	**–**	–
	3,536	10,811	**1,032**	1,469
	4,510	12,864	**1,652**	2,055
Total trade & other payables	**4,510**	12,864	**1,652**	2,055
Add: Borrowings (Note 21)	**21**	121	**21**	102
Amount due to related companies (Note 23)	**4**	28	**2**	23
Total financial liabilities carried at amortised cost	**4,535**	13,013	**1,675**	2,180

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranging from 30 days to 60 days (2010: 30 days to 60 days).

(b) Other creditors

Other creditors are non-interest bearing and repayable on demand.

23. AMOUNT DUE TO RELATED COMPANIES

Related companies comprise companies within the YTL Corporation Berhad group of companies. The amounts due to related companies are trade, unsecured, non-interest bearing and repayable on demand.

24. FINANCE LEASE LIABILITIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Future minimum lease payments:-				
Not later than 1 year	**21**	104	**21**	85
Later than 1 year and not later than 2 years	–	21	–	21
	21	125	**21**	106
Less: Financing charges	–	(4)	–	(4)
Present value of minimum lease payments	**21**	121	**21**	102
Present value of minimum lease payments:-				
Not later than 1 year	**21**	100	**21**	81
Later than 1 year and not later than 2 years	–	21	–	21
	21	121	**21**	102
Less: Amount due within 12 months (Note 21)	**21**	100	**21**	81
Amount due after 12 months (Note 21)	–	21	–	21

The finance lease liabilities of the Group and of the Company carried interest rates at the end of the reporting period of 3.41% (2010: ranging from 2.53% to 3.41%) and 3.41% (2010: 3.41%) per annum respectively.

25. EMPLOYEE BENEFITS

Post-employment defined contribution obligations

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Defined contribution plan	**118**	150	**81**	67

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

26. DEVELOPMENT EXPENDITURE

The Group and the Company incurred development expenditure for the development of internet portal amounting to RM2,133,000 (2010: RM2,133,000) and RM1,125,000 (2010: RM1,125,000) respectively in prior financial years, which have been fully amortised/impaired in prior financial years.

27. UNQUOTED INVESTMENT

The unquoted investment of the Group and of the Company (which was fully impaired in prior financial years) has been written off during the financial year.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The significant related party transactions described below have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
(i) Significant transactions with holding company				
– Sale of services rendered*	**1,458**	1,380	**1,024**	968
– Sale of computer equipment*	**545**	649	**545**	649
(ii) Significant transactions with subsidiaries of holding company or ultimate holding company				
Sale of services rendered*				
– Autodome Sdn. Bhd.	**245**	233	**245**	233
– East-West Ventures Sdn. Bhd.	**119**	235	**–**	–
– Star Hill Hotel Sdn. Bhd.	**219**	430	**–**	–
– Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**103**	214	**–**	–
– YTL Communications Sdn. Bhd.	**55,109**	20,194	**–**	–
– YTL Land Sdn. Bhd.	**907**	790	**694**	673

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Related party transactions (continued)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
(ii) Significant transactions with subsidiaries of holding company or ultimate holding company (continued)				
Sale of computer equipment*				
– Autodome Sdn. Bhd.	**143**	267	**143**	267
– Buildcon Concrete Sdn. Bhd.	**142**	–	**142**	–
– Starhill Living.Com Sdn. Bhd.	–	167	–	167
– Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**416**	492	**416**	492
– YTL Communications Sdn. Bhd.	**1,123**	669	**1,123**	669
– YTL Land Sdn. Bhd.	**117**	190	**117**	190
– YTL Power Generation Sdn. Bhd.	**100**	151	**100**	151
Rental of premises charged#				
– Starhill Real Estate Investment Trust	**981**	981	**981**	981
– Oriental Place Sdn. Bhd.	–	429	–	–
Hotel & accommodation				
– Star Hill Hotel Sdn. Bhd.@	**205**	615	**205**	273
Purchase of services				
– YTL Land Sdn. Bhd.	**100**	100	–	–
(iii) Significant transactions with other related party – Express Rail Link Sdn. Bhd. (associate company of holding company)				
– Sale of services rendered*	**2,274**	2,274	**924**	924
– Sale of computer equipment*	**1,610**	1,676	**1,610**	1,676
– Charges for media rights by related party^	**1,350**	1,350	–	–

* Sale of computer equipment and sale of services rendered by YTL e-Solutions Berhad Group.
\# Rental of premises charged to YTL e-Solutions Berhad Group.
^ Charges for media rights charged to YTL e-Solutions Berhad Group.
@ Hotel & accommodation expenses charged to YTL e-Solutions Berhad Group.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Related party outstanding balances

The significant outstanding balances with related parties not separately disclosed elsewhere in the financial statements as at 30 June 2011 were as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
(i) Amount payable to a Director	**462**	457	–	–
(ii) Amount receivable from other related party – Express Rail Link Sdn. Bhd.	**237**	1,122	**237**	1,099

(c) Key management personnel and compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

Key management personnel of the Group and of the Company are the Directors of the Company.

The key management personnel compensation during the financial year was in respect of the Directors' remuneration of the Group and of the Company as stated in Note 5.

29. COMMITMENTS

(a) Operating lease commitments

The Group and the Company have lease commitments in respect of rental of equipment and premises, all of which are classified as operating leases. A summary of the non-cancellable long term lease commitments is as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Future minimum rentals payable:-				
Not later than 1 year	**948**	464	**823**	349
Later than 1 year and not later than 5 years	**1,155**	41	**1,153**	14
	2,103	505	**1,976**	363

Apart from the above, the Group and the Company also lease premises under cancellable lease agreements.

29. COMMITMENTS (continued)

(b) Other commitments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Contracted media right fees payable:-				
Not later than 1 year	**1,350**	1,350	–	–
Later than 1 year and not later than 5 years	**3,600**	4,950	–	–
	4,950	6,300	–	–

30. CONTINGENT LIABILITIES – UNSECURED

The Company has given a corporate guarantee to a financial institution for facilities granted to subsidiaries as follows:-

	Total amount guaranteed		Amount utilised	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Bank guarantee	**20,000**	20,000	**7,700**	9,270

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's and of the Company's financial instruments are reasonable approximation of fair values due to their short-term nature.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's operations are subject to a variety of financial risks, including interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board of the Company regularly reviews these risks and approves treasury policies, which covers the management of these risks. It is not the Group's and the Company's policy to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risks arises mainly from deposits with licensed banks. The deposits with licensed banks are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group's and the Company's policy is to obtain the most favourable interest rate available.

Information on maturity dates and effective interest rates of deposits with licensed banks are disclosed in Note 17.

As the influence of interest rate changes on the profit or loss is insignificant, no sensitivity analysis has been conducted.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade & other receivables. For other financial assets (including cash & cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms is subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

<u>Exposure to credit risk</u>

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade & other receivables is disclosed in Note 14(a).

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:-

	2011 Group	
	RM'000	% of total
By operating segment:-		
Information technology & e-commerce	**246**	**31.7**
Communications technology	**84**	**10.8**
Content & digital media	**446**	**57.5**
	776	**100.0**

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14(a). Deposits with licensed bank that are neither past due nor impaired are placed with or entered into with reputable bankers with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14(a).

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

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

	2011			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:-				
Trade & other payables	4,510	–	–	4,510
Amount due to related companies	4	–	–	4
Borrowings	21	–	–	21
Total undiscounted financial liabilities	4,535	–	–	4,535
Company				
Financial liabilities:-				
Trade & other payables	1,652	–	–	1,652
Amount due to related companies	2	–	–	2
Borrowings	21	–	–	21
Total undiscounted financial liabilities	1,675	–	–	1,675

(d) Foreign currency risk

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

The Group and the Company have minimal transactional currency exposures in respect of its sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily in RM. The Group and the Company do not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk given the nature of the business for the time being.

The Group is also exposed to currency translation risk arising from its net investments in United Kingdom which is denominated in Sterling Pound (GBP). These net investments are not hedged as currency position in GBP and are considered to be long-term in nature.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the GBP exchange rate against the currency of the Group entities, with all other variables held constant.

	2011 Profit for the financial year Group RM'000
RM/GBP – strengthened 10%	171
– weakened 10%	(171)
– strengthened 15%	256
– weakened 15%	(256)

33. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group and the Company manage its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company monitor capital using return on equity, which is profit for the financial year as percentage of average equity.

At the end of the reporting period, the ratios were as follows:-

	2011	
	Group %	Company %
Return on equity	25.77	19.19

The Group and the Company are not subject to externally imposed capital requirements for the financial year ended 30 June 2011.

34. SEGMENTAL INFORMATION

For management purposes, the Group is organised into operating segments based on its products and services, and has three reportable operating segments as follows:-

(a) Information technology & e-commerce;
(b) Communications technology; and
(c) Content & digital media.

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

30 June 2011	Information technology & e-commerce RM'000	Communications technology RM'000	Content & digital media RM'000	Total RM'000
Revenue:-				
Total revenue	**7,761**	**62,355**	**4,310**	**74,426**
Inter-segment revenue	**(88)**	**(87)**	**(5)**	**(180)**
External revenue	**7,673**	**62,268**	**4,305**	**74,246**
Results:-				
Interest income	**2,918**	**1,627**	**332**	**4,877**
Finance costs	**(4)**	**–**	**–**	**(4)**
Depreciation & amortisation	**(227)**	**(1,351)**	**(123)**	**(1,701)**
Impairment loss	**(6)**	**(2,047)**	**–**	**(2,053)**
Segment profit	**10,490**	**53,937**	**416**	**64,843**

30 June 2010	Information technology & e-commerce RM'000	Communications technology RM'000	Content & digital media RM'000	Total RM'000
Revenue:-				
Total revenue	8,463	31,669	4,147	44,279
Inter-segment revenue	(106)	(106)	–	(212)
External revenue	8,357	31,563	4,147	44,067
Results:-				
Interest income	1,870	1,403	198	3,471
Finance costs	(9)	(4)	–	(13)
Depreciation & amortisation	(276)	(1,791)	(79)	(2,146)
Impairment loss	–	(290)	–	(290)
Segment profit	828	15,670	178	16,676

34. SEGMENTAL INFORMATION (continued)

Geographical Information

All external revenue and non-current assets are generated and located respectively within Malaysia and it is the opinion of the Directors that this represents one geographical segment.

Major Customer

Revenue from one major customer, whose revenue is equal to or more than 10 percent of the Group revenue, amounting to RM56,232,000 (2010: RM20,863,000) arising from sales of services rendered and computer equipment.

35. FINANCIAL REPORTING STANDARDS AND IC INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and IC Int have been issued but are not yet effective and have not been adopted by the Group and the Company:-

FRS, Amendments to FRS and IC Int	Effective for financial periods beginning on or after
• FRS 124 Related Party Disclosures	1 January 2012
• Amendment to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
• Amendments to FRS 1 Additional Exemption for First-time Adopters	1 January 2011
• Amendments to FRS 1 First-time Adoption of Financial Reporting Standards	1 January 2011
• Amendments to FRS 2 Group Cash–settled Share-based Payment Transactions	1 January 2011
• Amendments to FRS 3 Business Combinations	1 January 2011
• Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
• Amendments to FRS 7 Financial Instruments: Disclosures	1 January 2011
• Amendments to FRS 101 Presentation of Financial Statements	1 January 2011
• Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rate	1 January 2011
• Amendments to FRS 128 Investment in Associates	1 January 2011
• Amendments to FRS 131 Interests in Joint Ventures	1 January 2011
• Amendments to FRS 132 Financial Instruments: Presentation	1 January 2011
• Amendments to FRS 134 Interim Financial Reporting	1 January 2011
• Amendments to FRS 139 Financial Instruments: Recognition and Measurement	1 January 2011
• IC Int 4 Determining Whether an Arrangement contains a Lease	1 January 2011
• IC Int 15 Agreements for the Construction of Real Estate	1 January 2012
• IC Int 18 Transfers of Assets from Customers	1 January 2011
• IC Int 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
• Amendments to IC Int 13 Customer Loyalty Programmes	1 January 2011
• Amendments to IC Int 14 Prepayments of a Minimum Funding Requirement	1 July 2011
• Amendment to IC Int 15 Agreements for the Construction of Real Estate	30 August 2010

Amendments to FRS 1, Amendment to FRS 128, Amendment to FRS 131, IC Int 4, IC Int 15, IC Int 19, Amendment IC Int 13, Amendment IC Int 14, and Amendment IC Int 15 are not relevant to the Group's and the Company's operations.

Save for these, the standards and IC Int above are not expected to have significant impact on the financial statements of the Group and the Company upon their initial application.

36. DIVIDENDS

	Group and Company			
	2011		2010	
	Gross per share sen	Amount of dividend RM'000	Gross per share sen	Amount of dividend RM'000
Dividends paid in respect of:-				
First and final dividend for the financial year ended 30 June 2010				
– 25% tax	**0.745**	**7,517**	–	–
– single tier	**0.255**	**3,431**	–	–
First interim dividend for the financial year ended 30 June 2011				
– single tier	**1.000**	**13,453**	–	–
Dividends proposed but not recognised as a liability as at 30 June:-				
First and final dividend for the financial year ended 30 June 2010				
– 25% tax	–	–	0.745	7,517
– single tier	–	–	0.255	3,431
Second interim dividend for the financial year ended 30 June 2011				
– single tier	**1.000**	**13,453**	–	–

37. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

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

	Group RM'000	Company RM'000
Total retained profits of the Company and its subsidiaries:-		
– Realised	39,974	38,693
– Unrealised	82	125
	40,056	38,818
Add: Consolidated adjustments	12,756	–
Retained earnings as per financial statements	52,812	38,818

38. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

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

Notes

Form of Proxy

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

____

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

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

of *(full address)* ______________________________

____

being a member of **YTL e-Solutions Berhad** hereby appoint *(full name as per NRIC in block capitals)* ______________

____

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

of (full address) ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 29 November 2011 at 12.00 noon and at any adjournment thereof.

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

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
3.	Re-election of Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin		
4.	Re-appointment of Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman		
5.	Approval of the payment of Directors' fees		
6.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
7.	Authorisation for Directors to Allot and Issue Shares		
8.	Proposed Renewal of Share Buy-Back Authority		
9.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this __________ day of ________________, 2011.   Signature ______________________

Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59(ii) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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Affix Stamp
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The Company Secretary

YTL E-SOLUTIONS BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

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