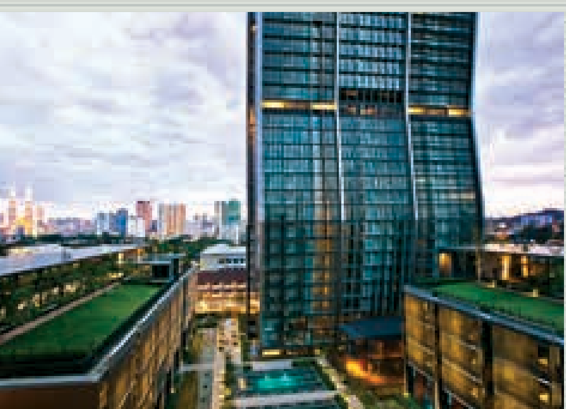
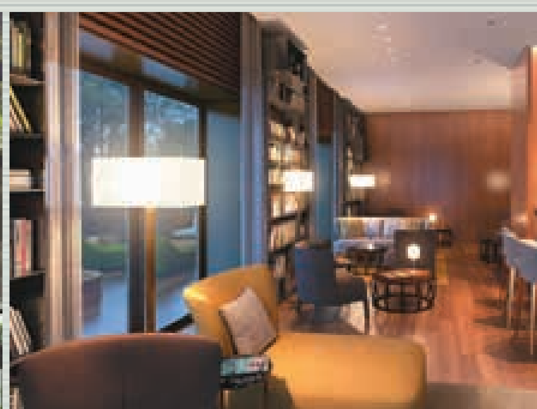
YTL LAND & DEVELOPMENT BERHAD 1116-M

the journey continues...

YTL BEYOND 60

annual report 2015





CONTENTS

LAND

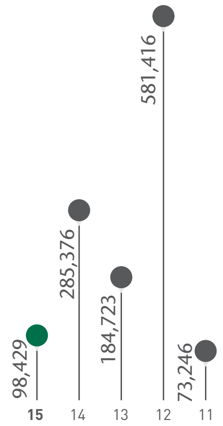
YTL LAND & DEVELOPMENT BERHAD (1116-M)

Financial Highlights

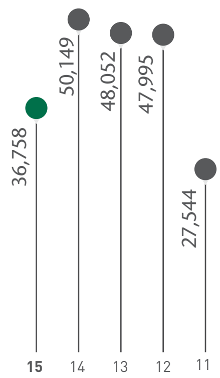
	2015	2014	2013	2012	2011
Revenue (RM'000)	**98,429**	285,376	184,723	581,416	73,246
Profit Before Taxation (RM'000)	**36,758**	50,149	48,052	47,995	27,544
Profit After Taxation (RM'000)	**24,551**	33,615	33,398	35,030	20,404
Profit Attributable to Owners of the Parent (RM'000)	**20,669**	23,782	25,213	25,002	18,065
Total Equity Attributable to Owners of the Parent (RM'000)	**1,046,472**	1,006,998	978,481	952,516	565,880
Earnings per Share (Sen)	**2.51**	2.80	2.94	2.65	2.26
Total Assets (RM'000)	**2,995,155**	2,775,554	2,667,023	2,844,793	920,898
Net Assets per Share (RM)	**1.26**	1.21	1.18	1.15	0.68

Financial Highlights

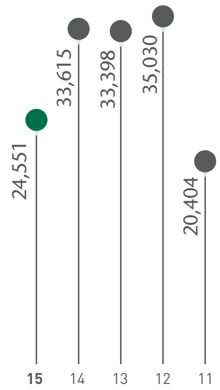
Revenue
(RM'000)



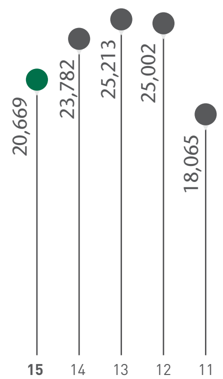
Profit Before Taxation
(RM'000)



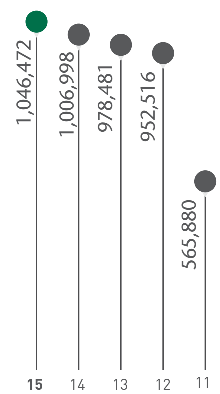
Profit After Taxation
(RM'000)



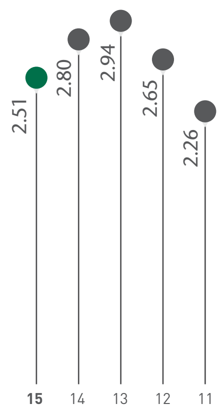
Profit Attributable to Owners of the Parent
(RM'000)



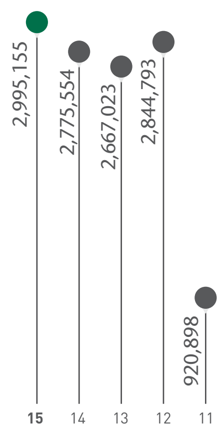
Total Equity Attributable to Owners of the Parent
(RM'000)



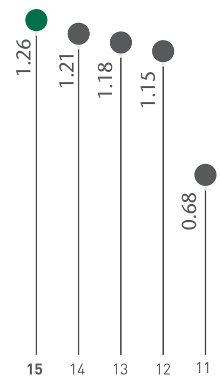
Earnings per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS OF YTL LAND & DEVELOPMENT BERHAD ("YTL L&D" OR THE "COMPANY"), I HAVE THE PLEASURE OF PRESENTING TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES (THE "GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015.

DATO' SULEIMAN BIN ABDUL MANAN
Chairman

OVERVIEW

The year under review saw the successful launch of Shorefront, the Group's newest development, situated along the Georgetown seafront in Penang, which was fully sold. In Sentul, The Capers at Sentul East was completed in December 2014 and the Group has continued to focus on its ongoing development, The Fennel. On the international front, 3 Orchard By-The-Park, the Group's exclusive residential project in Singapore's famed Orchard precinct, has progressed on schedule.

The Malaysian economy grew at a stronger pace, registering gross domestic product (GDP) growth of 6.0% for the 2014 calendar year, compared to 4.7% in 2013, driven primarily by domestic demand and supported by an improvement in external trade performance. The economy grew by 5.6% for the first quarter of the 2015 calendar year, prior to the implementation of the new Goods and Services Tax (GST) regime on 1 April 2015, moderating to 4.9% in the second quarter. The cooling measures introduced in 2013 to curb highly speculative activities in the domestic residential property market have continued to have a moderating effect on market activity in the last 2 years, with a marginal uptick in market activity towards the end of the 2014 calendar year and into the first half of 2015 *(sources: Ministry of Finance, Bank Negara Malaysia reports & updates).*

Chairman's Statement

FINANCIAL PERFORMANCE

The Group registered revenue of RM98.4 million for the financial year ended 30 June 2015, compared to RM285.4 million for the previous financial year ended 30 June 2014, whilst profit for the financial year under review decreased to RM24.6 million.

The Group continued to record a share of profits from The Shorefront project which is being undertaken by a joint venture, Shorefront Development Sdn Bhd (formerly known as PDC Heritage Hotel Sdn Bhd), and a higher unrealised gain on foreign exchange on amounts due from its Singapore subsidiaries. However, the improvement was offset by the absence of profits upon the completion of The Capers project, lower profit contribution from The Fennel project and the absence of sales of completed properties by its subsidiary, Sandy Island Pte Ltd, for the financial year ended 30 June 2015, compared to the last financial year.

REVIEW OF OPERATIONS

During the year under review, the Group launched **Shorefront** in Penang. The first release in February 2015 was an overwhelming success and was followed by the final release in May 2015 which saw 100% of the units launched sold within the first two hours. Shorefront is located in Georgetown and is one of the last sea-facing developments in Penang. The property is a niche, upmarket, low-rise, low-density development and comprises three blocks with a total of just 115 units on a freehold site next to the historic E&O Hotel. Selected units feature sky terraces and private gardens, and a private lift lobby creates a sense of added exclusivity and privacy.

The Capers at Sentul East was successfully completed, with vacant possession delivered to owners in December 2014. The Capers features 489 units housed in a pair of 36-storey towers and 5-storey low-rise blocks rising from a lushly landscaped podium. Capturing and balancing influences from Sentul's industrial, engineering-centric history, thoughtful attention has been paid to integrating local culture and nuances, building methods and architectural details that have become the hallmarks of the new Sentul.

The Group's newly designed YTL Sentul Sales Gallery is an embodiment of this concept. Built within the space of the old railway building, the existing structure was adapted to feature novel interior architectural elements and an updated and elegant design for modern use. The gallery won a silver award in the Interior Design category and a commendation for Adaptive Re-use at the Pertubuhan Arkitek Malaysia (PAM) Awards 2014, the Malaysian Institute of Architects' annual awards for architecture achievement.

Meanwhile, development is ongoing on **The Fennel at Sentul East**. Consisting of 916 units housed in four high-rise towers, three blocks have been launched to date, all of which have achieved excellent take-up rates. The Fennel offers an array of features and unique design elements, including two suspended salt-water swimming pools and a multitude of 'tropical verandas', reinterpreted as a series of pocket gardens and sky forests set on selected floors throughout the development. The Fennel's units also incorporate the innovatively designed dual-key concept in its final block, a configuration that creates flexibilities and new possibilities for multi-generational living, upsizing or rental opportunities.

Together, the unconventional, sharp-angled silhouettes of The Capers and The Fennel have begun to deliver on their promise to revolutionise Kuala Lumpur's skyline, bolstering the city's architectural credentials and adding unique, distinctive icons to the cityscape.

In line with the Group's vision for Sentul, in July 2015, YTL L&D and the British Council entered into a memorandum of understanding to develop plans to establish a new international school in Sentul West. The school would offer its Malaysian students an outstanding quality of education, with an emphasis on multilingual and multicultural learning.

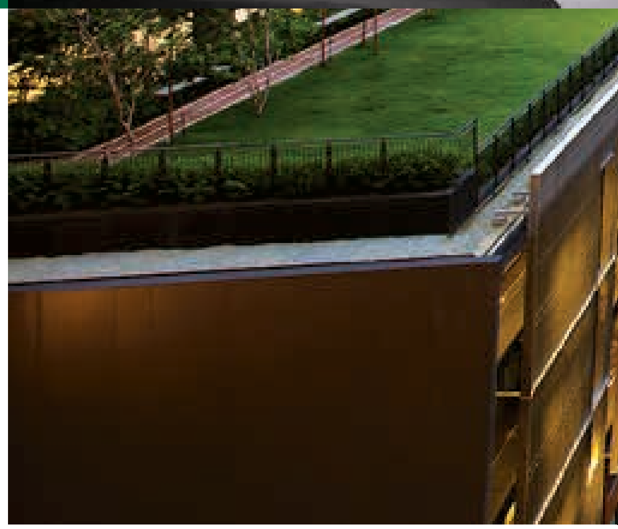
The Group's upcoming luxury freehold development, **3 Orchard By-The-Park**, is located along Orchard Boulevard, one of Singapore's most prestigious residential addresses. The development is in close proximity to the iconic Orchard Road shopping precinct, as well as the famous Singapore Botanic Gardens, the first garden site in Asia to be conferred the title of UNESCO World Heritage Site.

Signing Ceremony for the Memorandum of Understanding in July 2015 between the British Council and YTL L&D for the development of a new international school in Sentul West.

From left to right, British Secretary of State for Business, Innovation & Skills Sajid Javid MP, British Council Director Mr Gavin Anderson, YTL L&D Executive Director Dato' Yeoh Seok Kian and British Council Schools Director Mr Chris Hickey.

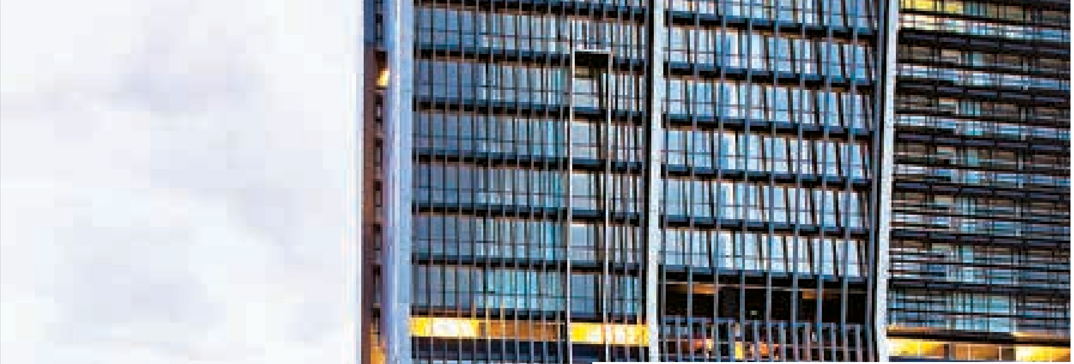
The project, including the architecture, interior, fixtures and fittings, is holistically designed by world-renowned Italian designer Antonio Citterio. He is well known for his multiple award-winning designs for architecture and furniture including Bvlgari Hotels in Milan and London, the Bvlgari Resort Bali and furnishing brands B&B Italia, Maxalto and Arclinea.

The condominium features 77 luxurious apartments from 2 bedroom units to 5 bedroom penthouses spread over 25 floors, including some with private pools and gardens in the sky. Residents can enjoy lush gardens surrounding a landscaped pool, alfresco pool lounge, gym facilities and a library lounge. 3 Orchard By-The-Park has also been awarded the BCA Green Mark Gold Plus Award 2014 by the Building & Construction Authority of Singapore for achieving high standards of design and construction which are sustainable and environmentally friendly. The development is currently under construction and expected to be completed in 2016.



The Group continues to undertake consultancy and marketing services for the **Lake Fields** and **Midfields** developments in Sungei Besi, being developed by its sister company, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd. Construction works on **Reed** were completed in May 2015, whilst work on the latest offering in Midfields, the **Midfields 2** condominium development, is well underway.

Chairman's Statement



CORPORATE SOCIAL RESPONSIBILITY

The Group believes that effective corporate social responsibility can deliver benefits to its businesses and 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 and sustainability are key values of the Group and YTL L&D places a high priority on acting responsibly in the conduct of its business, developing truly branded homes with innovative and sustainable living concepts, built to strict standards, for the well-being of all homeowners within its communities.

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. Further details can be found in the **YTL Group Sustainability Report 2015**, issued as a separate report.

Meanwhile, YTL L&D's statements on corporate governance, risk management and internal control, which elaborate further on its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The outlook for Malaysia's economy remains fairly stable with GDP growth for the full 2015 calendar year expected to average between 4.5% and 5.5%, supported mainly by domestic demand and a resilient export sector, although the longer term effects of external uncertainties and other factors, such as the recent depreciation of the Malaysian Ringgit and volatile oil prices, remain to be seen. The local property market is expected to remain cautious as the cooling measures of the last two years continue to be felt, coupled with uncertainty of the effects of the new GST regime on property prices *(sources: Ministry of Finance, Bank Negara Malaysia updates)*.

Looking ahead, projects being planned for the future include new commercial and mixed developments in Sentul, as well as luxury residences such as Pantai Peak, which will feature private estates comprising semi-detached homes and bungalows.

In weathering ongoing market uncertainties, YTL L&D will continue to adhere to its long-running stance of conceptualising, timing and pricing its launches to meet the demands of genuine buyers, underscoring the Group's commitment to develop thriving communities with high-quality, well-designed living environments and demonstrated track records in capital returns.

As the Group embarks on another year, the Board of Directors of YTL L&D wishes to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff for their dedication and commitment to the Group.

DATO' SULEIMAN BIN ABDUL MANAN
DPMS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventy-Fifth Annual General Meeting of YTL Land & Development Berhad ("the Company") will be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 24th day of November, 2015 at 11.00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and Auditors thereon; ***Please refer Explanatory Note A***

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   (i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping ***Resolution 1***
   (ii) Dato' Yeoh Seok Kian ***Resolution 2***

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

   (i) "THAT Dato' Suleiman Bin Abdul Manan, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." ***Resolution 3***

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

   (iii) "THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." ***Resolution 5***

4. To approve the payment of Directors' fees amounting to RM560,000 for the financial year ended 30 June 2015; ***Resolution 6***

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. ***Resolution 7***

AS SPECIAL BUSINESS

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

Ordinary Resolutions:-

6. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

(i) "THAT subject to the passing of the Ordinary Resolution 4, approval be and is hereby given to Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 8***

(ii) "THAT approval be and is hereby given to Dato' Cheong Keap Tai, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 9***

(iii) "THAT subject to the passing of the Ordinary Resolution 5, approval be and is hereby given to Eu Peng Meng @ Leslie Eu, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 10***

7. **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 11***

8. **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 Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 25 November 2014 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 2015, the audited Accumulated Losses and Share Premium Account of the Company were RM14,782,000 and RM177,471,000 respectively; and

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

(a) the shares so purchased may be cancelled; and/or

(b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or

(c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR and all other relevant governmental/regulatory authorities." *Resolution 12*

9. 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 2 November 2015 subject to the following:-

Notice of Annual General Meeting

(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 Bursa Malaysia Securities Berhad Main Market Listing Requirements.

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 13***

By Order of the Board,

Ho Say Keng
Company Secretary

Kuala Lumpur
2 November 2015

Notice of Annual General Meeting

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. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. An instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 17 November 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 17 November 2015 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 pertaining to the Continuing in Office as Independent Non-Executive Directors

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolutions 8, 9 and 10 are to enable Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu to continue serving as Independent Directors of the Company to fulfil the requirements of Paragraph 3.04 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The justifications of the Board of Directors for recommending and supporting the resolutions for their continuing in office as Independent Directors are set out in the Nominating Committee Statement which is available under the "Governance" section on the Company's website **www.ytlland.com**.

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

Resolution 11 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Seventy-Fourth Annual General Meeting held on 25 November 2014 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Seventy-Fifth Annual General Meeting to be held on 24 November 2015.

Resolution 11, 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 12, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 2 November 2015 which is despatched together with the Company's Annual Report 2015.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 13, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 2 November 2015 which is despatched together with the Company's Annual Report 2015.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

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

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Section 132D of the Companies Act, 1965 are set out in the Explanatory Notes to Special Business of the Notice of Seventy-Fifth Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

Chairman

Dato' Suleiman Bin Abdul Manan
DPMS

Managing Director

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

Directors

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

Dato' Cheong Keap Tai

Dato' Yeoh Seok Kian
DSSA
BSc (Hons) Bldg, MCIOB, FFB

Dato' Yeoh Seok Hong
DSPN, JP
BE (Hons) Civil & Structural Engineering, FFB

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Dato' Hamidah Binti Maktar
DIMP
BA (Hons)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

10th Floor, Yeoh Tiong Lay Plaza
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Tel : 603 2117 0088
603 2142 6633
Fax : 603 2141 2703

REGISTRAR

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603 2142 6633
Fax : 603 2141 2703

SOLICITORS

Lee, Perara & Tan
SL Chee & Wong

AUDIT COMMITTEE

Eu Peng Meng @ Leslie Eu
(Chairman and Independent Non-Executive Director)

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

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

NOMINATING COMMITTEE

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

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

Eu Peng Meng @ Leslie Eu
(Independent Non-Executive Director)

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants

PRINCIPAL BANKERS OF THE GROUP

AmBank (M) Berhad
OCBC Bank (Malaysia) Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (7.10.1973)

Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 1965 ("the Act") and the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2015, the Directors have:

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

The Directors confirm that the financial statements have been prepared on a going concern basis.

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

Statement on Corporate Governance

for the financial year ended 30 June 2015

The Board of Directors ("Board") of YTL Land & Development Berhad ("YTL L&D" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL L&D Group"). The YTL L&D Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL L&D Group's achievements and strong financial profile to date.

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

In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code").

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code for the financial year ended 30 June 2015. This statement explains the Company's application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, including, where otherwise indicated, explanations of its alternative measures and processes.

ROLES & RESPONSIBILITIES OF THE BOARD

YTL L&D is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL L&D Group's operations. This broad spectrum of skills and experience ensures the YTL L&D Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the YTL L&D Group. Key elements of the Board's stewardship responsibilities include those set out in Code:

- Reviewing and adopting strategic plans for the YTL L&D Group;
- Overseeing the conduct of the YTL L&D Group's business operations and financial performance;
- Identifying principal risks affecting the YTL L&D Group's businesses and maintaining a sound system of internal control and mitigation measures;
- Succession planning;
- Overseeing the development and implementation of shareholder communications policies; and
- Reviewing the adequacy and integrity of the YTL L&D Group's management information and internal controls system.

The Managing Director and Executive Directors are accountable to the Board for the profitability and development of the YTL L&D Group, consistent with the primary aim of enhancing long-term shareholder value. The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the YTL L&D Group.

The roles of Executive and Non-Executive Directors are differentiated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the YTL L&D Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL L&D Group conducts its business.

The Directors also observe and adhere to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, which encompasses the formulation of corporate accountability standards in order to establish an ethical corporate environment.

In the discharge of their responsibilities, the Directors have established functions which are reserved for the Board and those which are delegated to management. Key matters reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, issuance of new securities and capital alteration plans. Further information on authorisation procedures, authority levels and other key processes can also be found in the ***Statement on Risk Management & Internal Control*** set out in this Annual Report.

Statement on Corporate Governance

for the financial year ended 30 June 2015

The Board believes sustainability is integral to the long-term success of the YTL L&D Group. Further information on the YTL L&D Group's sustainability activities can be found in the ***Chairman's Statement*** in this Annual Report.

The Board's functions are governed and regulated by the Memorandum and Articles of Association of the Company and the various applicable legislation, Listing Requirements and other regulations and codes. The Board's charter was formalised during the financial year ended 30 June 2014 and a copy can be found under the "Governance" section on the Company's website at **www.ytlland.com**.

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL L&D Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2015.

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

The Directors have full and unrestricted access to all information pertaining to the YTL L&D Group's business and affairs to enable them to discharge their duties. 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.

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

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded 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 the Company.

COMPOSITION & INDEPENDENCE OF THE BOARD

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.

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 of Directors seeking re-election at the forthcoming AGM are disclosed in the ***Notice of Annual General Meeting*** in this Annual Report and their details can be found in the ***Profile of the Board of Directors*** which is available under the "Governance" section on the Company's website at **www.ytlland.com**.

The Nominating Committee, which was established by the Board on 23 May 2013, is now responsible for assessing suitable candidates for appointment to the Board for approval, taking into account the required mix of skills, experience and expertise of members of the Board before submitting its recommendation to the Board for decision. Further information on the activities of the Nominating Committee can be found in the ***Nominating Committee Statement*** which is available under the "Governance" section on the Company's website at **www.ytlland.com**.

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 to lead the YTL L&D Group successfully. In general, the remuneration of the Directors is reviewed against the performance of the individual and the YTL L&D Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in ***Note 8*** in the ***Notes to the Financial Statements*** in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL L&D Group's standards of corporate governance.

In order to ensure balance of authority and accountability, the roles of the Chairman and the Managing Director are separate and distinct, and these positions are held by separate members of the Board. The Chairman, who is a non-executive member of the Board, is primarily responsible for the orderly conduct and effectiveness of the Board whereas the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders.

BOARD COMMITMENT

In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL L&D Group thereby enabling them to discharge their duties effectively. The details of each Director's attendance of Board meetings and training programmes attended during the year under review are disclosed in the ***Profile of the Board of Directors*** and ***Nominating Committee Statement*** which are available under the "Governance" section on the Company's website at **www.ytlland.com**.

INTEGRITY IN FINANCIAL REPORTING

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors, in compliance with the Listing Requirements which require all the members of the Audit Committee to be non-executive members. The Audit Committee holds quarterly meetings to review matters including the YTL L&D Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 5 times during the financial year ended 30 June 2015. 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*** which is available under the "Governance" section on the Company's website at **www.ytlland.com**.

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

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965, the Listing Requirements, applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards. The ***Statement of Directors' Responsibilities*** made pursuant to Section 169 of the Companies Act 1965 is set out in this Annual Report.

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. Interim financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities.

Statement on Corporate Governance
for the financial year ended 30 June 2015

RISK MANAGEMENT

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of its shareholders and the YTL L&D Group's assets. Details of the YTL L&D Group's system of risk management and internal control and its internal audit function are contained in the ***Statement on Risk Management & Internal Control*** and the ***Audit Committee Report*** in this Annual Report.

CORPORATE DISCLOSURE & COMMUNICATION WITH SHAREHOLDERS

The YTL L&D Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting stakeholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder 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 development of the YTL L&D Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Company's corporate website at **www.ytlland.com** and the YTL Corporation Berhad Group's community website at **www.ytlcommunity.com**, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL L&D Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the YTL L&D Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL L&D Group's performance and major development programs. Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, the information that is price-sensitive or that may be regarded as undisclosed material information about the YTL L&D Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL L&D Group, the resolutions being proposed and the business of the YTL L&D Group in general at every 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, if applicable, are sent to shareholders at least 21 days prior to the AGM in accordance with the Listing Requirements and the Companies Act 1965 in order to enable shareholders to review the YTL L&D Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed.

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

The rights of shareholders, including the right to demand for a poll, are found in the Articles of Association of the Company. At the 74th AGM of the Company, held on 25 November 2014, the resolutions put forth for shareholders' approval were voted on by a show of hands as there were no shareholder demands for voting to be done by way of a poll.

This statement was approved by the Board of Directors on 20 August 2015.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2015

During the financial year under review, YTL Land & Development Berhad ("YTL L&D" or "Company") and its subsidiaries ("YTL L&D Group") continued to enhance the YTL L&D Group's system of internal control and risk management, to comply with the applicable provisions of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code").

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of its shareholders and the assets of the YTL L&D Group, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of risk management and internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL L&D Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management. However, the Board recognises that reviewing the YTL L&D Group's system of risk management and internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

The Board believes that the YTL L&D Group's system of risk management and internal control, financial or otherwise in place for the financial year under review, should provide reasonable assurance regarding the achievement of the objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

PRINCIPAL FEATURES OF THE YTL L&D GROUP'S SYSTEM OF INTERNAL CONTROL

The Board is committed to maintaining a sound internal control structure that includes processes for continuous monitoring and review of effectiveness of control activities, and to govern the manner in which the YTL L&D Group and its staff conduct themselves. The principal features which formed part of the YTL L&D Group's system of internal control can be summarised as follows:-

- **Authorisation Procedures**: The YTL L&D Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL L&D Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interests of shareholders.

- **Authority Levels**: The YTL L&D Group has delegated authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

  The authority of the Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, interest rate risk management, investments, insurance and designation of authorised signatories.

- **Financial Performance**: Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL L&D Group's state of affairs are disclosed to shareholders after review and audit by the external auditors.

Statement on Risk Management & Internal Control
for the financial year ended 30 June 2015

- **Internal Compliance**: The YTL L&D Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies, as well as changes to legal and regulatory compliance requirements relevant to the YTL L&D Group. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

KEY PROCESSES OF THE YTL L&D GROUP'S SYSTEM OF INTERNAL CONTROL

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:-

- **Internal Audit Function**: The YTL L&D Group's internal audit function is carried out by the Internal Audit department within the YTL Corporation Berhad Group ("YTLIA") which provides assurance on the efficiency and effectiveness of the internal control systems implemented by management, and reports directly to the Audit Committee. A description of the activities of the internal audit function can be found in the ***Audit Committee Report*** which is available under the "Governance" section of the Company's website at **www.ytlland.com**.

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

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

  The system of internal control will continue to be reviewed, enhanced and updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through appraisals by YTLIA. The Board is of the view that the current system of internal control in place throughout the YTL L&D Group is effective to safeguard its interests.

- **Senior Management Meetings**: The YTL L&D Group conducts weekly meetings of the senior management which comprises Executive Directors and divisional heads. The purpose of these meetings is to deliberate and decide upon urgent company matters. Decisions can then be effectively communicated to relevant staff levels in a timely manner. From these meetings, the management is able to identify significant operational and financial risks of the business units concerned.

- **Treasury Meetings**: Management meetings are convened to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL L&D Group. These meetings are conducted on a weekly basis to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL L&D Group Managing Director, Executive Directors and senior managers.

- **Site Visits:** The Executive Directors undertake site visits to production and operating units and communicate with various levels of staff to gauge first-hand the effectiveness of strategies discussed and implemented. This is to ensure that management and the Executive Directors maintain a transparent and open channel of communication for effective operation.

KEY FEATURES & PROCESSES OF THE YTL L&D GROUP'S RISK MANAGEMENT FRAMEWORK

The YTL L&D Group's financial profile is the result of a system of internal control and risk management designed to mitigate risks which arise in the course of business, such as, where possible, entering into joint venture agreements with land owners when undertaking property development projects. This strategy has helped to keep holding costs low and provided better resilience against severe downswings in the property market. The YTL L&D Group's Sentul development project, for example, is being undertaken as a joint venture with Keretapi Tanah Melayu Berhad.

The Board acknowledges that all areas of the YTL L&D Group's business activities involve some degree of risk. The YTL L&D Group is committed to ensuring that there is an effective risk management framework which allows management to manage risks within defined parameters and standards, and promotes profitability of the YTL L&D Group's operations in order to enhance shareholder value.

The Board assumes overall responsibility for the YTL L&D Group's risk management framework. Identifying, evaluating and managing any significant risks faced by the YTL L&D Group is an ongoing process which is undertaken by the senior management at each level of operations and by the Audit Committee, which assesses and analyses these findings and reports to the Board. At the same time, YTLIA, in the performance of its internal audit function, will identify and evaluate any significant risks faced by the YTL L&D Group and report these findings to the Audit Committee. During the financial year under review, the Board's function within the risk management framework was exercised primarily by the Executive Directors through their participation in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

In terms of financial risk, the YTL L&D Group's operations are subject to liquidity risk, credit risk, interest rate risk and foreign currency risk. The YTL L&D Group's financial risk management policy seeks to ensure that adequate resources are available to manage these risks and to create value for its shareholders. The Board reviews and agrees policies and procedures for the management of these risks. It is not in the YTL L&D Group's policy to engage in speculative transactions. Further discussion and details on the YTL L&D Group's financial risk management is contained in ***Note 39*** of the ***Notes to the Financial Statements*** in this Annual Report.

Management is responsible for creating a risk-aware culture within the YTL L&D Group and for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements. Significant changes in the business and the external environment which affect significant risks will be reported by the management to the Board in developing a risk mitigation action plan. Where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and the internal auditors.

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the YTL L&D Group is able to respond effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and shareholder value.

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs Ernst & Young, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2015, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the YTL L&D Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL L&D Group's operations and that risks are at an acceptable level throughout its businesses. The Managing Director, who is also primarily responsible for the financial management of YTL L&D, has provided assurance to the Board that the YTL L&D Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard shareholders' investments and the YTL L&D Group's assets.

This statement was approved by the Board of Directors on 20 August 2015.

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

for the financial year ended 30 June 2015

At the last Annual General Meeting of YTL Land & Development Berhad ("YTL L&D") held on 25 November 2014, YTL L&D had obtained a mandate from its shareholders to allow YTL L&D and/or its subsidiaries ("YTL L&D Group") to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL L&D or its subsidiaries ("Recurrent Related Party Transactions").

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR"), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2015 pursuant to the said shareholder mandate are as follows:-

Corporation in the YTL L&D Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Bayumaju Development Sdn Bhd; Budaya Bersatu Sdn Bhd; Pakatan Perakbina Sdn Bhd; PYP Sendirian Berhad; Sentul Raya Sdn Bhd; Syarikat Kemajuan Perumahan Negara Sdn Bhd; YTL L&D; YTL Westwood Properties Pte Ltd	YTL Corporation Group[e]	Progress billings for construction contracts from Related Party; Car parking fees paid to Related Party; Provision of construction materials by Related Party; Provision of hotel related services by Related Party; Rental received from Related Party for Lot 183, Seksyen 83, Sentul Park, Kuala Lumpur premises; Project management and marketing agent fees paid by Related Party; Rental of Sang Suria Condo, Kuala Lumpur by Related Party; Rental of premises at Starhill Gallery and Lot 10 Shopping Centre, Kuala Lumpur from Related Party.	YTLSH[a] YTL Corporation[b] Tan Sri Yeoh Tiong Lay[c] Yeoh Siblings[d]	^Major Shareholder/ †Person Connected[1] ^Major Shareholder/ †Person Connected[2] ^Major Shareholder/ †Person Connected[1][2][3] Directors[1][2][3]	158,216

Footnotes:-

(a)	YTLSH	– Yeoh Tiong Lay & Sons Holdings Sdn Bhd
(b)	YTL Corporation	– YTL Corporation Berhad
(c)	Tan Sri Yeoh Tiong Lay	– Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay
(d)	Yeoh Siblings	– Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, Dato’ Yeoh Seok Kian, Dato’ Yeoh Seok Hong, Dato’ Sri Michael Yeoh Sock Siong and Dato’ Mark Yeoh Seok Kah
(e)	YTL Corporation Group	– YTL Corporation and its subsidiaries and associated companies excluding YTL L&D, YTL e-Solutions Berhad, YTL Power International Berhad and their subsidiaries and associated companies
^	Major Shareholder	– As defined in Paragraph 1.01 of the Main LR and for purpose of this disclosure, includes the definition set out in Chapter 10 of the Main LR.
†	Person Connected	– As defined in Paragraph 1.01 of the Main LR.

Notes:-

(1) YTLSH is a Major Shareholder of YTL L&D Group and YTL Corporation Group. YTLSH is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(2) YTL Corporation is a Major Shareholder of YTL L&D Group and YTL Corporation Group. YTL Corporation is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(3) Tan Sri Yeoh Tiong Lay is a Major Shareholder of YTLSH, YTL Corporation Group and YTL L&D Group. Tan Sri Yeoh Tiong Lay is a Person Connected with the Yeoh Siblings.

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

as at 22 September 2015

Class of shares : Ordinary shares of RM0.50 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	1,239	6.57	18,698	0.00
100 – 1,000	7,924	42.01	4,310,089	0.52
1,001 – 10,000	7,074	37.49	32,243,053	3.90
10,001 – 100,000	2,346	12.44	72,898,682	8.79
100,001 to less than 5% of issued shares	279	1.48	180,699,146	21.79
5% and above of issued shares	1	0.01	539,000,834	65.00
Total	**18,863**	**100.00**	**829,170,502**	**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	539,000,834	65.00
2	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Dato' Mohamed Zainal Abidin bin Abdul Kadir (DLR 072)	35,617,470	4.30
3	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd	16,218,946	1.96
4	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)	14,871,794	1.79
5	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	0.97
6	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank AG Singapore (PWM Asing)	7,169,600	0.86
7	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	0.77
8	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Raja Dato' Wahid Bin Raja Kamaral Zaman (DLR 072)	3,896,438	0.47
9	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	3,544,900	0.43
10	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.41
11	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (E-KLC)	2,224,500	0.27
12	YTL Corporation Berhad	2,119,300	0.26
13	Amanahraya Trustees Berhad – Public Strategic Smallcap Fund	2,066,000	0.25
14	Eagletron Venture Corp.	1,981,600	0.24

Analysis of Share/Irredeemable Convertible Unsecured Loan Stock (ICULS) Holdings
as at 22 September 2015

	Name	No. of Shares	%#
15	Citigroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (471898)	1,888,500	0.23
16	Amanahraya Trustees Berhad – PB Growth Sequel Fund	1,589,700	0.19
17	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Leong Hong Lam (E-KPG/TNM)	1,430,000	0.17
18	Lim Seng Chee	1,321,400	0.16
19	Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	1,250,900	0.15
20	HLB Nominees (Asing) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo	1,189,200	0.15
21	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,074,000	0.13
22	Wong Keat Keong	1,034,600	0.12
23	Khor Keng Saw @ Khaw Ah Soay	1,013,200	0.12
24	Gan Ah Kow	807,400	0.10
25	Lim Kian Huat	802,000	0.10
26	Ti Geok Chiam	784,900	0.09
27	Ong Aik Khoon	774,300	0.09
28	Er Hock Lai	768,400	0.09
29	Maybank Securities Nominees (Asing) Sdn Bhd – Fu Jene-John (TITAN ET)	758,000	0.09
30	Maybank Nominees (Tempatan) Sdn Bhd – Amanahraya Investment Management Sdn. Bhd. for Yayasan Pembangunan Iktisad Islam Malaysia (C49-990018)	729,000	0.09
	Total	**663,783,182**	**80.04**

SUBSTANTIAL SHAREHOLDERS
(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%#**	**Indirect**	**%#**
YTL Corporation Berhad	541,120,234	65.26	–	–
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	17,856,300	2.15	541,120,234(1)	65.26
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	558,976,534(2)	67.41
Dato' Mohamed Zainal Abidin bin Abdul Kadir	35,688,752	4.30	16,218,946(3)	1.96

(1) Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
(2) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd & YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
(3) Deemed interests by virtue of interests held by MZK Realty Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
Based on the issued and paid-up share capital of the Company of RM422,172,451.00 comprising 844,344,902 ordinary shares net of 15,174,400 treasury shares retained by the Company as per Record of Depositors.

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

as at 22 September 2015

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

DISTRIBUTION OF ICULS 2011/2021 HOLDINGS

Size of holding	No. of ICULS 2011/2021 Holders	%	No. of ICULS 2011/2021	%
Less than 100	31	0.91	1,244	0.00
100 – 1,000	832	24.41	531,911	0.05
1,001 – 10,000	1,798	52.76	7,128,034	0.72
10,001 – 100,000	584	17.14	17,767,691	1.79
100,001 to less than 5% of issued ICULS	162	4.75	184,625,854	18.62
5% and above of issued ICULS	1	0.03	781,731,629	78.82
Total	**3,408**	**100.00**	**991,786,363**	**100.00**

THIRTY LARGEST ICULS 2011/2021 HOLDERS

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

	Name	No. of ICULS 2011/2021	%
1	YTL Corporation Berhad	781,731,629	78.82
2	Ong Bee Lian	33,498,300	3.38
3	Teo Kwee Hock	19,211,200	1.94
4	Ong Ping Lan	15,842,300	1.60
5	Lucky Star Pte Ltd	13,477,600	1.36
6	Yap Sook Chin	6,060,400	0.61
7	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	4,812,960	0.49
8	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt an for Deutsche Bank AG Singapore (PWM Asing)	4,301,760	0.43
9	Soo Boon Choo	4,200,000	0.42
10	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,841,320	0.39
11	Peng Lee Huang	2,910,000	0.29
12	Ng Ho Fatt	2,800,000	0.28
13	MKW Jaya Sdn Bhd	2,600,000	0.26
14	Liew Kon Mun	2,587,700	0.26
15	Maybank Nominees (Tempatan) Sdn Bhd – H'ng Siew Tuan	2,374,300	0.24
16	JF Apex Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Teo Siew Lai (Margin)	2,166,400	0.22

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

as at 22 September 2015

	Name	No. of ICULS 2011/2021	%
17	Heng Ah Lik	2,165,000	0.22
18	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,059,500	0.21
19	Foong Wye Soon	2,000,000	0.20
20	Ong Bee Lian	1,800,000	0.18
21	Sung Yoke Ling	1,620,000	0.16
22	Chan Jinn Wern	1,500,000	0.15
23	Chan Shao Perng	1,500,000	0.15
24	Onn Soo Eng (Weng Shuying)	1,346,600	0.14
25	YTL Corporation Berhad	1,271,580	0.13
26	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lim Eng Kwee (E-KLC)	1,270,000	0.13
27	Maybank Securities Nominees (Asing) Sdn Bhd – Pledged Securities Account for Onn Ping Lan	1,200,000	0.12
28	Eagletron Venture Corp.	1,188,960	0.12
29	Chan Choi Ee	1,170,000	0.12
30	Yeoh Pooi Hoon	1,140,900	0.12
	Total	**923,648,409**	**93.14**

Statement of Directors' Interests

in the Company and related corporations as at 22 September 2015

THE COMPANY

YTL Land & Development Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Dato' Yeoh Seok Kian	61,538	0.01	–	–

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

HOLDING COMPANY

YTL Corporation Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.28	–	–
Dato' Yeoh Seok Kian	55,481,889	0.53	11,352,517(1)	0.11
Dato' Yeoh Seok Hong	44,535,079	0.43	23,549,759(1)	0.23
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.51	19,332,622(1)	0.19
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597(1)	0.04
Dato' Hamidah Binti Maktar	755,333	0.01	–	–

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

Statement of Directors' Interests

in the Company and related corporations as at 22 September 2015

ULTIMATE HOLDING COMPANY

Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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

RELATED CORPORATIONS

YTL e-Solutions Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Yeoh Seok Kian	–	–	200,000(1)	0.01
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(1)	0.14

YTL Power International Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Suleiman Bin Abdul Manan	–	–	1,291(1)	*
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,719,213	0.21	89,000(1)	*
Dato' Yeoh Seok Kian	10,404,890	0.15	3,221,155(1)	0.05
Dato' Yeoh Seok Hong	45,845,216	0.65	5,015,218(1)	0.07
Dato' Sri Michael Yeoh Sock Siong	14,055,133	0.20	2,658,052(1)	0.04
Dato' Mark Yeoh Seok Kah	9,387,959	0.13	1,415,320(1)	0.02
Dato' Hamidah Binti Maktar	56,044	*	–	–

	No. of Share Options	
Name	Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–
Dato' Yeoh Seok Kian	5,000,000	–
Dato' Yeoh Seok Hong	–	500,000(1)
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–
Dato' Mark Yeoh Seok Kah	5,000,000	–

Statement of Directors' Interests

in the Company and related corporations as at 22 September 2015

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 Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

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

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

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

Schedule of Share Buy-Back

for the financial year ended 30 June 2015

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

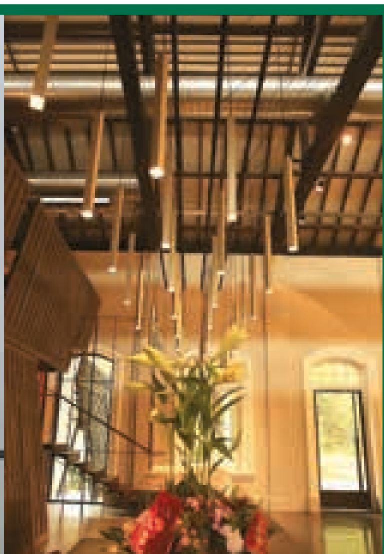
Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
September 2014	1,000	0.980	0.980	1.02130	1,021.30
February 2015	1,000	0.820	0.820	0.86125	861.25
TOTAL	**2,000**				**1,882.55**

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2015, a total of 15,174,300 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

List of Properties
as at 30 June 2015

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2015 RM'000	Date of Acquisition
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427 acres	Residential development	–	–	–	1,707,750	22.11.2007
Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	58.139 acres	Mixed residential and commercial development	–	–	–	233,124	1995
		46.986 acres	Future development land	–	–	–	76,934	1995
		37.592 acres	Park Land	–	–	–	25,827	1995
		2.349 acres	Commercial development	–	–	–	5,250	2003
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.255 acres	Future development land	–	–	–	110,526	1992
Lot 101, Section 63 (Grant No. 11238), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.978 acre	Future development land	–	–	–	93,868	11.4.2008
Lot 3543, HSD 68386, Mukim of Kuala Lumpur	Leasehold	37.92 acres	Future development land	–	–	Year 2090	81,745	1990
Lot 535, Section 0067 (Grant No. 27127), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.50 acre	Future development land	–	–	–	61,228	25.1.2008
H.S.(D) 2099, PT No. 2136/120, Mukim of Bentong, Pahang	Freehold	206 acres	Future development land	–	–	–	55,252	1996
Lot 203665, 27000, 27001 & 39079, 25167, 26999, 34588, 36453, 40080, 40993, 58545 & 57401, 236653-236677, 236707-236743, 236744-236894, 99964, 252475-252690, Batu 7, Tambun, Mukim Ulu Kinta, Daerah Kinta, Perak	Leasehold	160.76 acres	Future development land	–	–	Year 2096	41,488	1990
H.S.(D) 2097, PT No. 2134/118, Mukim of Bentong, Pahang	Freehold	102 acres	Future development land	–	–	–	32,420	1997
Lot 534, Section 0067 (Grant No. 30470), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.25 acre	Future development land	–	–	–	28,860	25.1.2008

Financial Statements



Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	24,551	5,130
Attributable to:		
Owners of the parent	20,669	5,130
Non-controlling interests	3,882	–
	24,551	5,130

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

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

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Suleiman Bin Abdul Manan
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Seok Kian
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Mark Yeoh Seok Kah
Dato' Hamidah Binti Maktar
Eu Peng Meng @ Leslie Eu

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under YTL Corporation Berhad Group Employees Share Options Scheme, the details of which are disclosed in the financial statements of YTL Corporation Berhad, the immediate holding company.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits disclosed as directors' remuneration in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965, except that certain directors received remuneration from the Company's related companies.

DIRECTORS' INTERESTS

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

The Company

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Dato' Suleiman Bin Abdul Manan	45,188	–	45,188	–
Dato' Yeoh Seok Kian	61,538	–	–	61,538
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	242,848[(1)(2)]	–	242,848	–

DIRECTORS' INTERESTS (CONTINUED)

The Company (continued)

	Number of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2011/2021 of RM0.50 each			
	As at 1.7.2014	Acquired	Converted/ disposed	As at 30.6.2015
Direct interests:				
Dato' Yeoh Seok Kian	37,000	–	–	37,000

Immediate holding company
YTL Corporation Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	–	–	133,001,216
Dato' Yeoh Seok Kian	55,481,889	–	–	55,481,889
Dato' Yeoh Seok Hong	44,535,079	–	–	44,535,079
Dato' Sri Michael Yeoh Sock Siong	53,652,534	–	–	53,652,534
Dato' Mark Yeoh Seok Kah	20,081,152	–	–	20,081,152
Dato' Hamidah Binti Maktar	755,333	–	–	755,333
Indirect interests:				
Dato' Yeoh Seok Kian	7,844,248[(2)]	600,000	–	8,444,248[(2)]
Dato' Yeoh Seok Hong	23,549,759[(2)]	–	–	23,549,759[(2)]
Dato' Sri Michael Yeoh Sock Siong	19,332,622[(2)]	–	–	19,332,622[(2)]
Dato' Mark Yeoh Seok Kah	4,005,597[(2)]	–	–	4,005,597[(2)]

	Number of share options over ordinary shares of RM0.10 each			
	As at 1.7.2014	Granted	Exercised	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	7,000,000
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–	–	1,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Dato' Hamidah Binti Maktar	1,000,000	–	–	1,000,000
Eu Peng Meng @ Leslie Eu	1,000,000	–	–	1,000,000

DIRECTORS' INTERESTS (CONTINUED)

Immediate holding company
YTL Corporation Berhad (continued)

	Number of share options over ordinary shares of RM0.10 each			
	As at 1.7.2014	Granted	Exercised	As at 30.6.2015
Indirect interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000[(2)]	–	–	2,000,000[(2)]
Dato' Yeoh Seok Hong	3,000,000[(2)]	–	–	3,000,000[(2)]

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

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000

Related company
YTL Power International Berhad

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	992,291	13,726,922	–	14,719,213
Dato' Yeoh Seok Kian	6,706,098	3,698,792	–	10,404,890
Dato' Yeoh Seok Hong	28,885,780	11,959,436	–	40,845,216
Dato' Sri Michael Yeoh Sock Siong	7,981,831	6,073,302	–	14,055,133
Dato' Mark Yeoh Seok Kah	8,049,216	1,338,743	–	9,387,959
Dato' Hamidah Binti Maktar	4,089	–	–	4,089

DIRECTORS' INTERESTS (CONTINUED)

Related company
YTL Power International Berhad (continued)

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,291[(2)]	–	–	1,291[(2)]
Dato' Yeoh Seok Kian	2,037,210[(2)]	1,182,949	–	3,220,159[(2)]
Dato' Yeoh Seok Hong	3,445,237[(2)]	1,571,981	2,000	5,015,218[(2)]
Dato' Sri Michael Yeoh Sock Siong	1,070,255[(2)]	1,587,797	–	2,658,052[(2)]
Dato' Mark Yeoh Seok Kah	1,148,281[(2)]	267,039	–	1,415,320[(2)]

	Number of warrants 2008/2018			
	As at 1.7.2014	Acquired	Exercised/ disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	–	13,726,922	–
Dato' Yeoh Seok Kian	3,698,792	–	3,698,792	–
Dato' Yeoh Seok Hong	2,969,004	–	2,969,004	–
Dato' Sri Michael Yeoh Sock Siong	6,073,302	–	6,073,302	–
Dato' Mark Yeoh Seok Kah	1,338,743	–	1,338,743	–
Dato' Hamidah Binti Maktar	51,955	–	–	51,955
Indirect interests:				
Dato' Yeoh Seok Kian	282,949[(2)]	–	282,949	–
Dato' Yeoh Seok Hong	1,569,981[(2)]	–	1,569,981	–
Dato' Sri Michael Yeoh Sock Siong	1,587,797[(2)]	–	1,587,797	–
Dato' Mark Yeoh Seok Kah	267,039[(2)]	–	267,039	–

DIRECTORS' INTERESTS (CONTINUED)

Related company
YTL Power International Berhad (continued)

	Number of share options over ordinary shares of RM0.50 each			
	As at 1.7.2014	Granted	Exercised	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	7,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Indirect interests:				
Dato' Yeoh Seok Hong	500,000(2)	–	–	500,000(2)

Related company
YTL e–Solutions Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Indirect interests:				
Dato' Sri Michael Yeoh Sock Siong	1,905,500(2)	–	–	1,905,500(2)

Related corporation
YTL Corporation (UK) Plc*

	Number of ordinary shares of £0.25 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* *Incorporated in England and Wales.*

DIRECTORS' INTERESTS (CONTINUED)

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

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

Related corporation
YTL Construction (Thailand) Limited[@]

	Number of ordinary shares of THB100 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

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

	Number of ordinary shares of THB10 each			
	As at 1.7.2014	Acquired	Disposed	As at 30.6.2015
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

@ *Incorporated in Thailand.*

(1) *Deemed interests under Section 6A of the Companies Act, 1965 through holdings by Investma Sdn. Bhd..*

(2) *Deemed interests under Section 134(12)(c) of the Companies Act, 1965 through holdings by spouse and/or children.*

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

SHARE CAPITAL

There were no new ordinary shares issued during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 2,000 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.94 per share. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2015, the Company held as treasury shares a total of 15,174,300 of its 844,344,902 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM22,202,185 and further relevant details are disclosed in Note 33 to the financial statements.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of an employees share option scheme for employees and directors of the Company and its subsidiaries who meet the criteria of eligibility for participation. The ESOS was implemented on 1 April 2011. The details of the ESOS are disclosed in Note 32 to the financial statements.

As at the date of this report, no options have been granted under the ESOS.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

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

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

(b) At the date of this report, the directors are not aware of any circumstances which would render:

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

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

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

(f) In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The directors regard Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia, as the Company's ultimate holding company.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2015.

Dato' Suleiman Bin Abdul Manan

Dato' Yeoh Seok Kian

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Suleiman Bin Abdul Manan and Dato' Yeoh Seok Kian, being two of the directors of YTL Land & Development Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 47 to 116 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 117 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2015.

Dato' Suleiman Bin Abdul Manan

Dato' Yeoh Seok Kian

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Dato' Yeoh Seok Hong, being the director primarily responsible for the financial management of YTL Land & Development Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 117 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Dato' Yeoh Seok Hong at
Kuala Lumpur in the Federal Territory
on 9 October 2015

Dato' Yeoh Seok Hong

Before me,

Tan Seok Kett
Commissioner for Oaths

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL Land & Development Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 47 to 116.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries incorporated in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out on page 117 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choh Leang
2716/01/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
9 October 2015

Income Statements

for the financial year ended 30 June 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	3	**98,429**	285,376	**695**	600
Cost of sales	4	**(63,164)**	(216,388)	**–**	–
Gross profit		**35,265**	68,988	**695**	600
Other income		**50,944**	41,929	**24,697**	2,341
Administration expenses		**(45,703)**	(50,490)	**(6,001)**	(5,528)
Operating profit/(loss)		**40,506**	60,427	**19,391**	(2,587)
Finance costs	5	**(10,522)**	(10,196)	**(13,548)**	(10,174)
Share of results of a joint venture		**6,774**	(82)	**–**	–
Profit/(loss) before tax	6	**36,758**	50,149	**5,843**	(12,761)
Income tax (expenses)/benefit	9	**(12,207)**	(16,534)	**(713)**	1
Profit/(loss) for the year		**24,551**	33,615	**5,130**	(12,760)
Attributable to:					
Owners of the parent		**20,669**	23,782	**5,130**	(12,760)
Non–controlling interests		**3,882**	9,833	**–**	–
		24,551	33,615	**5,130**	(12,760)
Earnings per 50 sen share					
Basic/diluted (sen)	10	**2.51**	2.80		

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

Statements of Comprehensive Income

for the financial year ended 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the year		**24,551**	33,615	**5,130**	(12,760)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation, representing total other comprehensive income for the year, net of tax		**18,807**	4,735	–	–
Total comprehensive income/(loss) for the year, net of tax		**43,358**	38,350	**5,130**	(12,760)
Attributable to:					
Owners of the parent		**39,476**	28,517	**5,130**	(12,760)
Non-controlling interests		**3,882**	9,833	–	–
		43,358	38,350	**5,130**	(12,760)

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

Statements of Financial Position

as at 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**37,146**	37,041	**5,927**	5,824
Investment in subsidiaries	12	**–**	–	**779,915**	504,988
Investment in a joint venture	13	**29,182**	22,408	**22,900**	22,900
Investment property	14	**36,300**	32,900	**–**	–
Land held for property development	15	**773,049**	862,946	**37,490**	37,490
Goodwill on consolidation	16	**39,158**	37,083	**–**	–
Deferred tax assets	17	**3,456**	2,474	**–**	–
Trade and other receivables	20	**755**	–	**–**	–
		919,046	994,852	**846,232**	571,202
Current assets					
Inventories	18	**67,844**	64,047	**–**	–
Property development costs	19	**1,863,900**	1,482,291	**–**	–
Trade and other receivables	20	**47,267**	34,360	**107**	166
Other current assets	21	**37,847**	89,023	**–**	1
Tax recoverable		**5,924**	852	**–**	543
Goods and services tax recoverable		**13**	–	**12**	–
Amounts due from subsidiaries	22	**–**	–	**342,683**	539,767
Amounts due from related companies	23	**3,214**	259	**2**	–
Amount due from a joint venture	23	**18,546**	14,364	**18,546**	14,364
Cash and cash equivalents	24	**31,554**	95,506	**519**	387
		2,076,109	1,780,702	**361,869**	555,228
Total assets		**2,995,155**	2,775,554	**1,208,101**	1,126,430

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

Statements of Financial Position

as at 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	25	**24,247**	33,894	**1,345**	19,798
Provisions	26	**–**	–	**–**	–
Other current liabilities	27	**10,923**	49,075	**–**	–
Amounts due to subsidiaries	22	**–**	–	**94,305**	64,054
Amount due to immediate holding company	23	**1,322**	1,195	**228**	296
Amounts due to related companies	23	**113,476**	86,918	**20**	16
Borrowings	28	**218,612**	88,118	**79,286**	5,370
Current tax payable		**1,111**	2,120	**170**	–
Goods and services tax payable		**714**	–	**–**	–
		370,405	261,320	**175,354**	89,534
Non-current liabilities					
Borrowings	28	**1,396,240**	1,338,525	**115,119**	124,396
Other non-current liability	31	**67,696**	67,696	**–**	–
Deferred tax liabilities	17	**54,117**	52,960	**–**	–
		1,518,053	1,459,181	**115,119**	124,396
Total liabilities		**1,888,458**	1,720,501	**290,473**	213,930
Net assets		**1,106,697**	1,055,053	**917,628**	912,500
Equity attributable to owners of the parent					
Share capital	32	**422,172**	422,172	**422,172**	422,172
Share premium		**177,471**	177,471	**177,471**	177,471
Treasury shares	33	**(22,202)**	(22,200)	**(22,202)**	(22,200)
Retained earnings/(accumulated losses)		**85,457**	64,788	**(14,782)**	(19,912)
Foreign currency translation reserve	34	**28,605**	9,798	**–**	–
Equity component of ICULS	30	**354,969**	354,969	**354,969**	354,969
		1,046,472	1,006,998	**917,628**	912,500
Non-controlling interests		**60,225**	48,055	**–**	–
Total equity		**1,106,697**	1,055,053	**917,628**	912,500
Total equity and liabilities		**2,995,155**	2,775,554	**1,208,101**	1,126,430

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

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2015

	<---------------------------- Attributable to owners of the parent ----------------------------								
	Share capital (Note 32) RM'000	Share premium RM'000	Treasury shares (Note 33) RM'000	Retained earnings RM'000	Foreign currency translation reserve (Note 34) RM'000	Equity component of ICULS (Note 30) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2013	422,172	177,471	(22,200)	41,006	5,063	354,969	978,481	38,222	1,016,703
Profit for the year	–	–	–	23,782	–	–	23,782	9,833	33,615
Total other comprehensive income for the year	–	–	–	–	4,735	–	4,735	–	4,735
Total comprehensive income for the year	–	–	–	23,782	4,735	–	28,517	9,833	38,350
Purchase of treasury shares	–	–	*	–	–	–	*	–	*
At 30 June 2014	422,172	177,471	(22,200)	64,788	9,798	354,969	1,006,998	48,055	1,055,053
Profit for the year	–	–	–	20,669	–	–	20,669	3,882	24,551
Total other comprehensive income for the year	–	–	–	–	18,807	–	18,807	–	18,807
Total comprehensive income for the year	–	–	–	20,669	18,807	–	39,476	3,882	43,358
Issuance of redeemable preference shares to a related company	–	–	–	–	–	–	–	8,288	8,288
Purchase of treasury shares	–	–	(2)	–	–	–	(2)	–	(2)
At 30 June 2015	422,172	177,471	(22,202)	85,457	28,605	354,969	1,046,472	60,225	1,106,697

* Less than RM1,000.

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

Company Statement of Changes in Equity

for the financial year ended 30 June 2015

	<------- Attributable to owners of the parent					------>
	Share capital (Note 32) RM'000	Share premium RM'000	Treasury shares (Note 33) RM'000	Accumulated losses RM'000	Equity component of ICULS (Note 30) RM'000	Total RM'000
At 1 July 2013	422,172	177,471	(22,200)	(7,152)	354,969	925,260
Total comprehensive loss for the year	–	–	–	(12,760)	–	(12,760)
Purchase of treasury shares	–	–	*	–	–	*
At 30 June 2014	422,172	177,471	(22,200)	(19,912)	354,969	912,500
Total comprehensive income for the year	–	–	–	5,130	–	5,130
Purchase of treasury shares	–	–	(2)	–	–	(2)
At 30 June 2015	422,172	177,471	(22,202)	(14,782)	354,969	917,628

* Less than RM1,000.

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

Statements of Cash Flows

for the financial year ended 30 June 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
OPERATING ACTIVITIES				
Profit/(loss) before tax	**36,758**	50,149	**5,843**	(12,761)
Adjustments for:				
Allowance for impairment loss on				
– amounts due from subsidiaries	–	–	*	4
– other receivables	**100**	–	–	–
Bad debts written off	**150**	2	–	–
Depreciation of property, plant and equipment	**906**	718	**138**	129
Gain from fair value adjustment of investment property	**(3,400)**	–	–	–
Impairment of goodwill	–	20	–	–
Interest expenses	**10,522**	10,196	**13,548**	10,174
Interest income	**(1,257)**	(1,249)	**(8,493)**	(79)
Loss on disposal of property, plant and equipment	**87**	*	**77**	–
Reversal of accruals	**(6,287)**	–	**(6,287)**	–
Reversal of damages claims (Note 26)	–	(3,478)	–	–
Share of results of a joint venture	**(6,774)**	82	–	–
Unrealised gains on foreign exchange	**(9,923)**	(2,262)	**(9,916)**	(2,262)
Total adjustments	**(15,876)**	4,029	**(10,933)**	7,966
Operating cash flows before working capital changes	**20,882**	54,178	**(5,090)**	(4,795)
Changes in working capital:				
Property development costs	**(105,652)**	(79,259)	–	–
Inventories	**(3,797)**	85,157	–	–
Receivables	**(13,616)**	639	**47**	74
Other current assets	**52,052**	(44,262)	**1**	–
Payables	**(3,125)**	(8,854)	**(12,166)**	605
Provisions and other current liabilities	**(38,639)**	39,692	–	–
Immediate holding company balance	**127**	141	**(68)**	(10)
Subsidiaries balances	–	–	**(32,884)**	20,757
Related companies balances	**28,371**	47,826	**2**	10
Joint venture balance	**(3,563)**	(7,754)	**(3,563)**	(7,757)
Total changes in working capital	**(87,842)**	33,326	**(48,631)**	13,679
Cash flows (used in)/from operations	**(66,960)**	87,504	**(53,721)**	8,884
Income tax (paid)/refunded	**(18,122)**	(11,642)	–	740
Net cash flows (used in)/from operating activities	**(85,082)**	75,862	**(53,721)**	9,624

Statements of Cash Flows

for the financial year ended 30 June 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
INVESTING ACTIVITIES				
Interest received	**637**	1,249	**33**	79
Increase in land held for property development	**(7,950)**	(4,523)	**–**	–
Purchase of property, plant and equipment	**(819)**	(2,510)	**(35)**	(2)
Proceeds from disposal of property, plant and equipment	**62**	*	**51**	–
Net cash flows (used in)/from investing activities	**(8,070)**	(5,784)	**49**	77
FINANCING ACTIVITIES				
Net proceeds from borrowings	**79,042**	2,510	**69,700**	–
Net repayments of hire purchase payables	**(304)**	(434)	**(67)**	(39)
Interest paid	**(51,090)**	(46,328)	**(15,827)**	(15,131)
Purchase of treasury shares	**(2)**	*	**(2)**	*
Net cash flows from/(used in) financing activities	**27,646**	(44,252)	**53,804**	(15,170)
Net (decrease)/increase in cash and cash equivalents	**(65,506)**	25,826	**132**	(5,469)
Effect of exchange rate changes on cash and cash equivalents	**1,554**	(249)	**–**	–
Cash and cash equivalents at beginning of year	**95,506**	69,929	**387**	5,856
Cash and cash equivalents at end of year (Note 24)	**31,554**	95,506	**519**	387
NOTE TO STATEMENTS OF CASH FLOWS				
Analysis of purchase of property, plant and equipment:				
– Cash paid	**819**	2,510	**35**	2
– Hire purchase creditor	**335**	457	**334**	–
Total purchase of property, plant and equipment (Note 11)	**1,154**	2,967	**369**	2

* Less than RM1,000.

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

Notes to the Financial Statements

– 30 June 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The address of the registered office of the Company is as follows:-
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur.

The address of the principal place of business of the Company is as follows:-
10th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services. The principal activities of the subsidiaries are disclosed in Note 12. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 9 October 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2014 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis, unless otherwise disclosed in the accounting policies section.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2014, the Group and the Company adopted the following new and amendments to FRSs and IC Interpretation ("IC Int") mandatory for annual financial year beginning on or after 1 January 2014.

Amendments to FRS 10: Consolidated Financial Statements – Investment Entities
Amendments to FRS 12: Disclosure of Interests in Other Entities – Investment Entities
Amendments to FRS 127: Separate Financial Statements – Investment Entities
Amendments to FRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136: Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21: Levies
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
Annual improvements to FRSs 2010 – 2012 cycle
Annual improvements to FRSs 2011 – 2013 cycle

Adoption of the above new and amendments to FRSs and IC Int did not have any effect on the financial position and policy of the Group and of the Company.

2.3 Basis of consolidation

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

The Group controls an investee if and only if the Group has all the following:

– Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
– Exposure, or rights, to variable returns from its investment with the investee; and
– The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

– The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
– Potential voting rights held by the Company, other vote holders or other parties;
– Rights arising from other contractual arrangements; and
– Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation (continued)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary’s cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.5.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated 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.

2.5 Goodwill

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

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

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

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

2.6 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments in subsidiaries, the difference between net disposal proceeds and their carrying amounts of is included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the joint venture's profit or loss for the period in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture.

Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment and depreciation

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

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and Sentul Park situated on the freehold land are not depreciated. Leasehold land are depreciated over the period of the respective leases which range from 21 years to 60 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	1%
Furniture, fixtures and fittings	10%
Office equipment and plant	10% – 20%
Renovation	10%
Motor vehicles	12.5%
Infrastructure works	2%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2.9 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers and/or management. In the absence of current prices in an active market, alternative methods such as recent prices on a less active market or discounted cash flow projections are used.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings.

2.11 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Construction contracts (continued)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.12 Impairment of non-financial assets

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Inventories of completed properties for resale

Inventories of completed properties for resale are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of unsold properties comprises costs associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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

2.14 Financial assets

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

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

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

(a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of financial assets

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

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

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

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

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

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

2.16 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value.

2.17 Financial liabilities

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial liabilities (continued)

(a) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

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

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

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

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

2.18 Leases

(a) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (continued)

(b) As lessor

Leases where the Group or the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.19 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

2.20 Irredeemable convertible unsecured loan stocks ("ICULS")

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.22 Treasury shares

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

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Employee benefits

(a) Short term benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund in Malaysia.

(c) Share-based compensation

The YTL Corporation Berhad Group Employees Share Options Scheme, an equity-settled, share-based compensation plan, allows the Group's Executive Directors and employees to acquire ordinary shares of the immediate holding company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in amount due to immediate holding company over the vesting period and taking into account the probability that the options will vest.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss over the remaining vesting period.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

2.26 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Foreign currency (continued)

(b) Foreign currency transactions

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

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

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

(c) Foreign operations

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

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

2.27 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.10(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Revenue (continued)

(b) Construction contracts

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

(c) Management fees

Management fees are recognised when services are rendered.

(d) Dividend income

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

2.28 Financial guarantee contracts

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

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

2.29 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.30 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– in the principal market for the asset or liability, or

– in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.30 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

– Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

– Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.31 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

– Expected to be realised or intended to be sold or consumed in normal operating cycle
– Held primarily for the purpose of trading
– Expected to be realised within twelve months after the reporting period, or
– Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classfied as non-current.

A liability is current when:

– It is expected to be settled in normal operating cycle
– It is held primarily for the purpose of trading
– It is due to be settled within twelve months after the reporting period, or
– There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.33 Significant accounting judgements and estimates

(a) Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives up to their residual values. Management reviews the residual values, useful lives and depreciation method at the end of each financial year end and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of these assets may result in revision of future depreciation charges. The carrying amounts of the Group's property, plant and equipment at the reporting date are disclosed in Note 11.

(ii) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Details of property development are disclosed in Note 19.

(iii) Impairment of goodwill

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.33 Significant accounting judgements and estimates (continued)

(a) Key sources of estimation uncertainty (continued)

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax are disclosed in Note 17.

2.34 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new or revised FRSs, amendments to FRSs and IC Int have been issued but are not yet effective and have not been adopted by the Group and the Company:

Description	Effective for financial periods beginning on or after
Annual improvements to FRSs 2012 – 2014 cycle	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendment to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2018

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application except for the following:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

– gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

– gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

FRS 9 Financial Instruments: Classification and Measurement

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards ("MFRS Framework")

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

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Transitioning Entities are allowed to defer adoption of the MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018. Early application of MFRS is permitted.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the year ending 30 June 2019.

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

3. REVENUE

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Management fees	**1,534**	1,430	–	–
Revenue from construction contract	–	292	–	–
Revenue from sales of properties	**96,895**	283,654	–	–
Management fees from subsidiaries	–	–	**600**	600
Dividend income from a subsidiary	–	–	**95**	–
	98,429	285,376	**695**	600

4. COST OF SALES

	Group 2015 RM'000	Group 2014 RM'000
Construction cost	–	287
Cost of inventories sold (Note 18)	**3,130**	87,280
Property development costs (Note 19)	**60,034**	128,821
	63,164	216,388

5. FINANCE COSTS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Interest expenses on:				
– hire purchase	**30**	27	**6**	4
– ICULS (Note 30)	**9,548**	9,920	**9,548**	9,920
– term loans	**35,239**	31,173	–	–
– revolving credit	**944**	–	**944**	–
– amount due to a subsidiary	–	–	**3,050**	–
– others	–	250	–	250
	45,761	41,370	**13,548**	10,174
Less: Interest expense capitalised in qualifying assets				
– Land held for property development (Note 15)	**(1,269)**	(1,742)	–	–
– Property development costs (Note 19)	**(33,970)**	(29,432)	–	–
	10,522	10,196	**13,548**	10,174

6. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Auditors' remuneration				
– current year	**337**	330	**100**	98
– under/(over) provision in prior year	**11**	(2)	**2**	–
– other service	**10**	8	**10**	8
Allowance for impairment loss on				
– amounts due from subsidiaries	**–**	–	*****	4
– other receivables	**100**	–	**–**	–
Bad debts written off	**150**	2	**–**	–
Depreciation of property, plant and equipment (Note 11)	**906**	718	**138**	129
Employee benefits expense (Note 7)	**14,803**	13,975	**591**	630
Directors' remuneration (Note 8)				
– Executive directors	**4,828**	4,275	**1,025**	884
– Non-executive directors	**1,005**	981	**940**	946
Gain from fair value adjustment of investment property (Note 14)	**(3,400)**	–	**–**	–
Impairment of goodwill (Note 16)	**–**	20	**–**	–
Interest income	**(1,257)**	(1,249)	**(8,493)**	(79)
Loss on disposal of property, plant and equipment	**87**	*	**77**	–
Gain on foreign exchange				
– realised	*****	–	*****	–
– unrealised	**(9,923)**	(2,262)	**(9,916)**	(2,262)
Reversal of accruals	**(6,287)**	–	**(6,287)**	–
Reversal of damages claims (Note 26)	**–**	(3,478)	**–**	–
Rental expenses of:				
– buildings	**1,282**	1,175	**1,007**	1,006
– equipments	**874**	12	**1**	3
Rental income	**(2,460)**	(2,954)	**–**	–
Direct operating expense arising from investment property:				
– rental generating property	**250**	–	**–**	–
Compensation paid to squatters	**18**	2,866	**–**	–

* Less than RM1,000.

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages and salaries	**11,831**	11,132	**473**	462
Social security costs	**53**	48	**3**	3
Pension costs				
– defined contribution plans	**1,240**	1,118	**54**	52
ESOS expenses	**19**	16	**–**	–
Other staff related expenses	**1,660**	1,661	**61**	113
	14,803	13,975	**591**	630

8. DIRECTORS' REMUNERATION

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	**725**	584	**725**	584
Fees	**300**	300	**300**	300
Benefits-in-kind	**–**	10	**–**	10
	1,025	894	**1,025**	894
Non-executive directors:				
Salaries and other emoluments	**680**	686	**680**	686
Fees	**260**	260	**260**	260
Benefits-in-kind	**246**	209	**246**	209
	1,186	1,155	**1,186**	1,155
Directors of subsidiaries				
Executive directors:				
Salaries and other emoluments	**3,556**	3,234	**–**	–
Fees	**80**	40	**–**	–
ESOS expenses	**167**	117	**–**	–
Benefits-in-kind	**130**	112	**–**	–
	3,933	3,503	**–**	–

8. DIRECTORS' REMUNERATION (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors of subsidiaries (continued)				
Non-executive directors:				
Fees	**60**	30	–	–
Other emoluments	**5**	5	–	–
	65	35	–	–
	6,209	5,587	**2,211**	2,049
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 6)	**4,828**	4,275	**1,025**	884
Total non-executive directors' remuneration excluding benefits-in-kind (Note 6)	**1,005**	981	**940**	946
Total directors' remuneration excluding benefits-in-kind	**5,833**	5,256	**1,965**	1,830

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2015	2014
Executive directors:		
RM1 – RM50,000	**5**	4
RM50,001 – RM100,000	–	1
RM750,001 – RM800,000	**1**	1
Non-executive directors:		
RM50,001 – RM100,000	**3**	3
RM900,001 – RM950,000	**1**	1

9. INCOME TAX EXPENSES/(BENEFIT)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
Malaysian income tax	**11,645**	17,320	**713**	–
Foreign tax	**52**	102	–	–
Under/(over) provision in prior years	**336**	227	–	(1)
	12,033	17,649	**713**	(1)
Deferred tax (Note 17):				
Relating to reversal of temporary differences	**16**	660	–	–
Effect of reduction in tax rate	**96**	(1,757)	–	–
Under/(over) provision in prior years	**62**	(18)	–	–
	174	(1,115)	–	–
Income tax expenses/(benefit) recognised in profit or loss	**12,207**	16,534	**713**	(1)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% in the year of assessment 2016. The computation of deferred tax as at 30 June 2015 has reflected these changes.

The corporate tax rate applicable to the Singapore subsidiaries of the Group is 17% (2014: 17%).

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

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit/(loss) before tax	**36,758**	50,149	**5,843**	(12,761)
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	**9,190**	12,537	**1,461**	(3,190)
Effects of expenses not deductible for tax purposes	**1,839**	4,259	**38**	3,190
Under/(over) provision of tax expenses in prior years	**336**	227	**–**	(1)
Different tax rates of certain subsidiaries	**475**	398	**–**	–
Effects of changes in future income tax rate of 24% (2014: 25%) on deferred tax	**48**	–	**–**	–
Effect on opening deferred tax of reduction in income tax rate	**96**	(1,757)	**–**	–
Deferred tax assets not recognised during the year	**2,785**	888	**–**	–
Income not subject to taxation	**(850)**	–	**(786)**	–
Under/(over) provision of deferred tax in prior years	**62**	(18)	**–**	–
Utilisation of previously unrecognised tax losses	**(1,774)**	–	**–**	–
Income tax expenses/(benefit) recognised in profit or loss	**12,207**	16,534	**713**	(1)

10. EARNINGS PER SHARE ("EPS")

Basic/diluted EPS

The EPS of the Group has been computed based on the profit attributable to owners of the parent (after adjusting for interest expense on ICULS) divided by the adjusted weighted average number of ordinary shares, assuming the full conversion of ICULS in issue during the year into ordinary shares.

	Group	
	2015	**2014**
Profit attributable to owners of the parent (RM'000)	**20,669**	23,782
Post-tax effect of interest expense on ICULS (RM'000)	**9,548**	9,920
Profit attributable to owners of the parent including assumed conversion (RM'000)	**30,217**	33,702
Weighted average number of ordinary shares in issue ('000)	**829,172**	829,172
Assume full conversion of ICULS ('000)	**375,677**	375,677
Adjusted weighted average number of ordinary shares in issue ('000)	**1,204,849**	1,204,849
Basic/diluted EPS (sen)	**2.51**	2.80

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovation RM'000	Motor vehicles RM'000	Infra-structure works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2015										
Cost										
At 1 July 2014	6,644	142	2,823	2,943	4,013	5,645	5,408	4,258	18,642	50,518
Additions	–	–	–	66	93	630	365	–	–	1,154
Disposals	–	–	–	–	–	–	(627)	–	–	(627)
Written off	–	–	–	(74)	(66)	–	–	–	–	(140)
Exchange differences	–	–	–	39	21	86	–	–	–	146
At 30 June 2015	6,644	142	2,823	2,974	4,061	6,361	5,146	4,258	18,642	51,051
Accumulated depreciation										
At 1 July 2014	–	96	447	2,404	3,715	3,192	2,943	680	–	13,477
Charge for the year (Note 6)	–	3	27	118	65	364	244	85	–	906
Disposals	–	–	–	–	–	–	(478)	–	–	(478)
Written off	–	–	–	(74)	(66)	–	–	–	–	(140)
Exchange differences	–	–	–	33	21	86	–	–	–	140
At 30 June 2015	–	99	474	2,481	3,735	3,642	2,709	765	–	13,905
Net carrying amount										
At 30 June 2015	6,644	43	2,349	493	326	2,719	2,437	3,493	18,642	37,146

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovation RM'000	Motor vehicles RM'000	Infra-structure works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2014										
Cost										
At 1 July 2013	6,644	142	2,823	2,500	3,842	3,821	4,852	4,258	18,642	47,524
Additions	–	–	–	435	173	1,803	556	–	–	2,967
Disposals	–	–	–	(1)	–	–	–	–	–	(1)
Exchange differences	–	–	–	9	(2)	21	–	–	–	28
At 30 June 2014	6,644	142	2,823	2,943	4,013	5,645	5,408	4,258	18,642	50,518
Accumulated depreciation										
At 1 July 2013	–	93	420	2,316	3,632	2,910	2,769	595	–	12,735
Charge for the year (Note 6)	–	3	27	82	86	261	174	85	–	718
Disposals	–	–	–	*	–	–	–	–	–	*
Exchange differences	–	–	–	6	(3)	21	–	–	–	24
At 30 June 2014	–	96	447	2,404	3,715	3,192	2,943	680	–	13,477
Net carrying amount										
At 30 June 2014	6,644	46	2,376	539	298	2,453	2,465	3,578	18,642	37,041

* Less than RM1,000.

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM1,195,397 (2014: RM1,656,000) held under hire purchase arrangements.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	Freehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
As at 30 June 2015							
Cost							
At 1 July 2014	**3,036**	**2,823**	**158**	**374**	**701**	**1,404**	**8,496**
Additions	**–**	**–**	**–**	**2**	**367**	**–**	**369**
Disposals	**–**	**–**	**–**	**–**	**(566)**	**–**	**(566)**
At 30 June 2015	**3,036**	**2,823**	**158**	**376**	**502**	**1,404**	**8,299**
Accumulated depreciation							
At 1 July 2014	**–**	**446**	**128**	**353**	**443**	**1,302**	**2,672**
Charge for the year (Note 6)	**–**	**27**	**13**	**14**	**13**	**71**	**138**
Disposals	**–**	**–**	**–**	**–**	**(438)**	**–**	**(438)**
At 30 June 2015	**–**	**473**	**141**	**367**	**18**	**1,373**	**2,372**
Net carrying amount							
At 30 June 2015	**3,036**	**2,350**	**17**	**9**	**484**	**31**	**5,927**
As at 30 June 2014							
Cost							
At 1 July 2013	3,036	2,823	158	372	701	1,404	8,494
Additions	–	–	–	2	–	–	2
At 30 June 2014	3,036	2,823	158	374	701	1,404	8,496
Accumulated depreciation							
At 1 July 2013	–	419	115	336	442	1,231	2,543
Charge for the year (Note 6)	–	27	13	17	1	71	129
At 30 June 2014	–	446	128	353	443	1,302	2,672
Net carrying amount							
At 30 June 2014	3,036	2,377	30	21	258	102	5,824

Included in property, plant and equipment of the Company is a motor vehicle with net book value of RM484,000 (2014: RM118,000) held under hire purchase arrangement.

12. INVESTMENT IN SUBSIDIARIES

	Company 2015 RM'000	Company 2014 RM'000
Unquoted shares in Malaysia:		
– At cost	**600,505**	325,578
– At valuation	**222,296**	222,296
Unquoted shares outside Malaysia, at cost	**192,379**	192,379
	1,015,180	740,253
Less: Accumulated impairment losses	**(235,265)**	(235,265)
	779,915	504,988

The details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group 2015 %	% of ownership interest held by the Group 2014 %	% of ownership interest held by non-controlling interest 2015 %	% of ownership interest held by non-controlling interest 2014 %
Held by the Company:						
* Amanresorts Sdn. Bhd.	Malaysia	Dormant	**100**	100	–	–
* Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
* Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
* Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	**70**	70	**30**	30
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**100**	100	–	–
* Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
* Pinnacle Trend Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
* Satria Sewira Sdn. Bhd.	Malaysia	Dormant	**100**	100	–	–
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	**70**	70	**30**	30
* Trend Acres Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**100**	100	–	–
* Lakefront Pte. Ltd.	Singapore	Real estate development	**100**	100	–	–

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interest	
			2015 %	2014 %	2015 %	2014 %
Held by the Company: (continued)						
* Sandy Island Pte. Ltd.	Singapore	Real estate development	**100**	100	–	–
* YTL Land & Development Management Pte. Ltd.	Singapore	Provision of financial and management consultancy services	**100**	100	–	–
* YTL Westwood Properties Pte. Ltd.	Singapore	Real estate development	**100**	100	–	–
Held through Mayang Sari Sdn. Bhd.:						
Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**100**	100	–	–
SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	**100**	100	–	–
Held through SR Property Management Sdn. Bhd.:						
# Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**100**	100	–	–
Held through Pakatan Perakbina Sdn. Bhd.:						
* Noriwasa Sdn. Bhd.	Malaysia	Dormant	**100**	100	–	–
* PYP Sendirian Berhad	Malaysia	Property development	**100**	100	–	–
* Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
* Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**100**	100	–	–
Held through Sentul Raya Sdn. Bhd.:						
Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**70**	70	**30**	30
Sentul Raya City Sdn. Bhd.	Malaysia	Property development	**70**	70	**30**	30
Sentul Raya Golf Club Berhad	Malaysia	Inactive	**70**	70	**30**	30

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

\# The subsidiary was served with a notice of striking-off pursuant to Section 308(1) of the Companies Act, 1965 by the Companies Commission of Malaysia.

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	Sentul Raya Sdn. Bhd. Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2015			
NCI effective equity interest	*30%*		
Carrying amount of NCI	36,863	*23,362	60,225
Profit/(loss) allocated to NCI	3,895	(13)	3,882
2014			
NCI effective equity interest	*30%*		
Carrying amount of NCI	32,967	15,088	48,055
Profit/(loss) allocated to NCI	9,845	(12)	9,833

* Included in carrying amount of NCI in other individually immaterial subsidiaries is redeemable preference shares issued to a related company.

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before inter-company elimination

Sentul Raya Sdn. Bhd. Group

(i) Summarised statements of financial position

	2015 RM'000	2014 RM'000
Non-current assets	**504,366**	497,592
Current assets	**197,655**	176,651
Non-current liabilities	**(137,105)**	(177,956)
Current liabilities	**(308,909)**	(251,260)
Net assets	**256,007**	245,027
Equity attributable to owners of the Company	**179,205**	171,519
Non-controlling interests	**76,802**	73,508

(ii) Summarised statements of comprehensive income

	2015 RM'000	2014 RM'000
Revenue	**92,950**	192,864
Total comprehensive income	**12,984**	32,817
Profit attributable to owners of the Company	**9,089**	22,972
Profit attributable to non-controlling interests	**3,895**	9,845

(iii) Summarised statements of cash flows

	2015 RM'000	2014 RM'000
Cash flows from operating activities	**39,035**	41,871
Cash flows from investing activities	**(4,903)**	23,016
Cash flows from financing activities	**(44,234)**	(45,389)
Net (decrease)/increase in cash and cash equivalents	**(10,102)**	19,498

Changes in the Group's ownership interest in subsidiaries without losing control

During the financial year, the Company subscribed for 274,927,000 redeemable preference shares ("RPS") of RM0.10 each at an issue price of RM1 per share for cash. However, the effects of the changes in the parent's ownership interest in the subsidiaries do not result in a loss of control.

13. INVESTMENT IN A JOINT VENTURE

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Unquoted investment, at cost	**22,900**	22,900	**22,900**	22,900
Share of post acquisition profit/(loss)	**6,282**	(492)	**–**	–
	29,182	22,408	**22,900**	22,900

(i) Details of the joint venture are as follows:-

Name of Company	Country of incorporation	Principal activity	Effective equity interest 2015 %	Effective equity interest 2014 %
Shorefront Development Sdn. Bhd. (formerly known as PDC Heritage Hotel Sdn. Bhd.)	Malaysia	Property development	**50**	50

The financial statements of the above joint venture are audited by a firm of auditors other than Ernst & Young.

(ii) The summarised financial information of the joint venture is as follows:-

	Group 2015 RM'000	Group 2014 RM'000
As at 30 June		
Non-current asset	**–**	307
Current assets	**100,331**	39,871
Current liabilities	**(61,085)**	(14,481)
Net assets	**39,246**	25,697
Interest in joint venture	**50%**	50%
Carrying value of Group's interest in joint venture	**19,623**	12,849
For the year ended 30 June		
Income	**18,583**	6
Total comprehensive income/(loss) for the year	**13,548**	(163)

14. INVESTMENT PROPERTY

	Group 2015 RM'000	Group 2014 RM'000
At beginning of the financial year	**32,900**	32,900
Gain from fair value adjustment recognised in profit or loss (Note 6)	**3,400**	–
At end of the financial year	**36,300**	32,900

As at reporting date, the fair value of the investment property was based on a professional valuation in June 2015 by a firm of registered valuers, on an open market value basis.

Fair value hierarchy

The Group's investment property is valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy. The different levels of the fair value hierarchy have been defined as follows:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (such as derived from prices).

(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no material transfer between Level 1, Level 2 and Level 3 during the financial year.

Valuation:
Cost method: The land component is assessed using comparison method while the building component is assessed based on depreciated value.

Key unobservable inputs:
– Cost appreciation rate of 10%
– Depreciation rate of 15%

Inter-relationship between key unobservable inputs and fair value measurement:
The estimated fair value would increase if:-
– cost appreciation rate were higher; or
– depreciation rate were lower

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year				
Cost				
Freehold land	**425,542**	430,267	**–**	–
Leasehold land	**185,102**	185,102	**30,746**	30,746
	610,644	615,369	**30,746**	30,746
Development costs	**252,302**	270,375	**6,744**	6,744
	862,946	885,744	**37,490**	37,490
Reclassification during the year:				
Freehold land	**(70)**	–	**–**	–
Leasehold land	**550**	–	**–**	–
Development costs	**(480)**	–	**–**	–
	–	–	**–**	–
Cost incurred during the year:				
Leasehold land	**15**	–	**–**	–
Development costs	**9,205**	6,265	**–**	–
	9,220	6,265	**–**	–
Transfer to property development costs (Note 19):				
Freehold land	**(16,444)**	(4,725)	**–**	–
Leasehold land	**(72,077)**	–	**–**	–
Development costs	**(10,596)**	(24,338)	**–**	–
	(99,117)	(29,063)	**–**	–
At end of the financial year	**773,049**	862,946	**37,490**	37,490

Land held for property development comprises land which are in the process of being prepared for development but are not expected to be developed for sale within the normal operating cycle.

Included in land held for property development of the Group is interest capitalised during the financial year amounting to RM1,269,000 (2014: RM1,742,000) as disclosed in Note 5.

16. GOODWILL ON CONSOLIDATION

	Group	
	2015 RM'000	2014 RM'000
At beginning of the financial year	**37,083**	36,606
Impairment (Note 6)	–	(20)
Exchange differences	**2,075**	497
At end of the financial year	**39,158**	37,083

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

The recoverable amounts of the CGUs are determined based on value in use calculations using cash flow projections from financial budgets approved by the management.

(i) Allocation of goodwill

The entire goodwill of the Group arose from its property development business.

(ii) Key assumptions

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

– Budgeted gross margin

Budgeted gross margin is estimated based on the gross margin of actual projects on hand.

– Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the industry.

(iii) Sensitivity to changes in assumptions

With regard to the assessment of value in use of the Group's CGUs, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the units to materially differ from their recoverable amounts.

17. DEFERRED TAX

	Group 2015 RM'000	Group 2014 RM'000
At beginning of the financial year	**50,486**	51,601
Recognised in profit or loss (Note 9)	**174**	(1,115)
Exchange difference	**1**	–
At end of the financial year	**50,661**	50,486
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(3,456)**	(2,474)
Deferred tax liabilities	**54,117**	52,960
	50,661	50,486

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Land held for property development RM'000	Total RM'000
At 1 July 2014	**6,886**	**46,191**	**53,077**
Recognised in profit or loss	**82**	**1,180**	**1,262**
Recognised in equity	**–**	**1**	**1**
At 30 June 2015	**6,968**	**47,372**	**54,340**
At 1 July 2013	144	54,614	54,758
Recognised in profit or loss	6,742	(8,423)	(1,681)
At 30 June 2014	6,886	46,191	53,077

17. DEFERRED TAX (CONTINUED)

Deferred tax assets of the Group:

	Unabsorbed losses in subsidiaries RM'000	Provision and payables RM'000	Total RM'000
At 1 July 2014	**(1,839)**	**(752)**	**(2,591)**
Recognised in profit or loss	**(969)**	**(119)**	**(1,088)**
At 30 June 2015	**(2,808)**	**(871)**	**(3,679)**
At 1 July 2013	(1,589)	(1,568)	(3,157)
Recognised in profit or loss	(250)	816	566
At 30 June 2014	(1,839)	(752)	(2,591)

Deferred tax assets have not been recognised in respect of the following items because the benefits arose in subsidiaries where it is not probable that taxable profits will be available against which the benefits can be utilised:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unused tax losses	**17,663**	11,398	–	–
Unabsorbed capital allowances	**288**	288	–	–
	17,951	11,686	–	–

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group and of the Company is subject to agreement of the Inland Revenue Board.

18. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
Properties held for sale		
– At cost	**46,846**	42,681
– At net realisable value	**20,998**	21,366
	67,844	64,047

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM3,130,000 (2014: RM87,280,000) as disclosed in Note 4.

19. PROPERTY DEVELOPMENT COSTS

	Group 2015 RM'000	Group 2014 RM'000
Property development costs at beginning of the financial year:		
Freehold and leasehold land, at cost	**1,156,394**	1,122,959
Development costs	**617,247**	378,489
	1,773,641	1,501,448
Cost incurred during the year:		
Development costs	**206,584**	207,787
Transfer from land held for property development (Note 15):		
Freehold and leasehold land	**88,521**	4,725
Development cost	**10,596**	24,338
	99,117	29,063
Reversal of completed projects:		
Freehold land	**(2,769)**	–
Development cost	**(237,493)**	–
	(240,262)	–
Costs transferred to inventories:		
Freehold land	**(79)**	–
Development cost	**(6,848)**	–
	(6,927)	–
Costs recognised in profit or loss:		
At beginning of the financial year	**(291,350)**	(162,529)
Recognised during the year (Note 4)	**(60,034)**	(128,821)
Reversal of completed projects	**240,262**	–
At end of the financial year	**(111,122)**	(291,350)
Exchange differences	**142,869**	35,343
Property development costs at end of the financial year	**1,863,900**	1,482,291

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM33,970,000 (2014: RM29,432,000) as disclosed in Note 5.

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,685,000,000 (2014: RM1,451,000,000) pledged as security for a borrowing granted to the Group as disclosed in Note 28.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current				
Trade receivables				
Trade receivables	**5,009**	20,770	**–**	–
Stakeholder amounts held by solicitors	**28,662**	1,448	**–**	–
	33,671	22,218	**–**	–
Other receivables				
Deposits	**3,778**	2,452	**12**	11
Other receivables	**10,858**	10,730	**1,095**	1,155
	14,636	13,182	**1,107**	1,166
Less: Allowance for impairment	**(1,040)**	(1,040)	**(1,000)**	(1,000)
	13,596	12,142	**107**	166
Total trade and other receivables (current)	**47,267**	34,360	**107**	166
Non-current				
Trade receivables				
Trade receivables	**449**	–	**–**	–
Other receivables				
Other receivables	**406**	–	**–**	–
Less: Allowance for impairment	**(100)**	–	**–**	–
	306	–	**–**	–
Total trade and other receivables (non-current)	**755**	–	**–**	–
Total trade and other receivables (current and non-current)	**48,022**	34,360	**107**	166
Amounts due from:				
– Subsidiaries (Note 22)	**–**	–	**342,683**	539,767
– Related companies (Note 23)	**3,214**	259	**2**	–
– Joint venture (Note 23)	**18,546**	14,364	**18,546**	14,364
Cash and cash equivalents (Note 24)	**31,554**	95,506	**519**	387
Total loans and receivables	**101,336**	144,489	**361,857**	554,684

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

The Group's normal trade credit terms range from 30 days to 90 days (2014: 30 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The ageing analysis of the Group's trade receivables at the reporting date is as follows:

	2015 RM'000	2014 RM'000
Neither past due nor impaired	**32,329**	13,929
1 to 30 days past due not impaired	**23**	3,493
31 to 60 days past due not impaired	**322**	1,143
61 to 90 days past due not impaired	**99**	23
91 to 120 days past due not impaired	**112**	561
More than 120 days past due not impaired	**1,235**	3,069
	34,120	22,218

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,791,000 (2014: RM8,289,000) that are past due at the reporting date but not impaired. This includes mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

Included in trade receivables is progress billings for sale of properties to key management personnel and their close family members of RM759,000 (2014: RM1,245,000) as disclosed in Note 35.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables that are impaired

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables				
– nominal amount	**1,446**	1,040	**1,000**	1,000
Less: Allowance for impairment	**(1,140)**	(1,040)	**(1,000)**	(1,000)
	306	–	–	–

Movement in allowance accounts:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 July	**1,040**	1,040	**1,000**	1,000
Charge for the year (Note 6)	**100**	–	–	–
At 30 June	**1,140**	1,040	**1,000**	1,000

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amount due from Kuala Lumpur Performing Arts Centre of RM10,014,000 (2014: RM9,100,000) which represents a concentration of credit risk to the Group by virtue of its significant balance.

The other receivables are non-interest bearing, unsecured and are repayable on demand. Other information on financial risk is disclosed in Note 39.

(c) Non-current trade receivables

Non-current trade receivables represent amount due from purchasers which are in the normal course of business and are due after 12 months from the reporting date.

21. OTHER CURRENT ASSETS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Prepayments	**2,905**	3,369	**–**	1
Advance billing from contractor	**32,936**	–	**–**	–
Accrued billings in respect of property development costs	**2,006**	85,654	**–**	–
	37,847	89,023	**–**	1

22. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) subsidiaries primarily arose from payments on behalf and are unsecured, interest-free and repayable on demand, except for amounts due from/(to) certain subsidiaries which bear interest rates ranging from 4.19% to 4.82% per annum (2014: Nil).

The amounts due from subsidiaries are stated net of allowances for impairment of RM1,480,000 (2014: RM1,481,000).

23. AMOUNTS DUE FROM/(TO) RELATED COMPANIES, IMMEDIATE HOLDING COMPANY AND A JOINT VENTURE

The immediate and ultimate holding companies are YTL Corporation Berhad and Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., respectively, both are incorporated in Malaysia. The immediate holding company, YTL Corporation Berhad is listed on the Main Market of Bursa Securities. Related companies refer to the subsidiaries of Yeoh Tiong Lay & Sons Holdings Sdn. Bhd..

The amounts due from/(to) holding and related companies and the joint venture are unsecured, interest free and are repayable on demand, except for amount due from a joint venture which bears interest rates ranging from 3.53% to 3.55% per annum (2014: Nil).

An amount of RM85,782,000 (2014: RM86,025,000) due to related companies is trade in nature.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	**14,732**	71,727	**32**	299
Cash and bank balances	**16,822**	23,779	**487**	88
	31,554	95,506	**519**	387

24. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Deposits with licensed banks	**2.41**	1.21	**3.20**	3.02

The weighted average maturity of deposits at the reporting date were 25 days (2014: 13 days).

Included in the deposits with licensed banks is an amount of RM5,721,000 (2014: RM5,211,000) pledged as a security for a borrowing as disclosed in Note 28.

Included in cash and bank balances of the Group are amounts of RM14,412,000 (2014: RM22,462,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	**1,939**	4,626	**–**	–
Other payables	**6,823**	21,404	**89**	18,534
Accruals	**11,946**	6,684	**1,256**	1,264
Deposits received	**3,539**	1,180	**–**	–
Total trade and other payables	**24,247**	33,894	**1,345**	19,798
Amounts due to:				
– Immediate holding company (Note 23)	**1,322**	1,195	**228**	296
– Subsidiary (Note 22)	**–**	–	**94,305**	64,054
– Related companies (Note 23)	**113,476**	86,918	**20**	16
Borrowings (Note 28)	**1,614,852**	1,426,643	**194,405**	129,766
Total financial liabilities carried at amortised cost	**1,753,897**	1,548,650	**290,303**	213,930

The normal credit terms granted to the Group range from 30 days to 90 days (2014: 30 days to 90 days).

26. PROVISIONS

Provisions for liquidated ascertained damages:

	Group 2015 RM'000	Group 2014 RM'000
At beginning of the financial year	–	4,288
Reversal of provision (Note 6)	–	(3,478)
Utilisation of provision during the year	–	(810)
At end of the financial year	–	–

Provisions were in respect of projects undertaken by subsidiaries and are recognised for expected liquidated ascertained damages claims based on the terms of the applicable sale and purchase agreements.

27. OTHER CURRENT LIABILITIES

	Group 2015 RM'000	Group 2014 RM'000
Progress billings in respect of property development costs	–	42,636
Amount due to customer on contract (Note a)	–	–
Accruals for rectification works	**10,923**	6,439
	10,923	49,075

(a) Amount due to customer on contract

	Group 2015 RM'000	Group 2014 RM'000
Construction costs incurred to date	**533,369**	533,369
Attributable profits	**9,539**	9,539
	542,908	542,908
Less: Progress billings	**(542,908)**	(542,908)
Amount due to customer on contract	–	–

28. BORROWINGS

		Group		Company	
	Maturity	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Secured:					
Hire purchase payables (Note 29)	2016	**354**	279	**139**	41
Term loans (Note a)	On demand	**99,111**	42,510	–	–
Unsecured:					
ICULS (Note 30)	2016	**9,447**	5,329	**9,447**	5,329
Term loans	2016	**40,000**	40,000	–	–
Revolving credit	On demand	**69,700**	–	**69,700**	–
		218,612	88,118	**79,286**	5,370
Non-current					
Secured:					
Hire purchase payables (Note 29)	2017-2018	**407**	453	**202**	32
Term loans (Note a)	2017	**865,357**	791,652	–	–
Unsecured:					
ICULS (Note 30)	2017-2021	**114,917**	124,364	**114,917**	124,364
Term loans	2017	**415,559**	422,056	–	–
		1,396,240	1,338,525	**115,119**	124,396
Total borrowings					
Hire purchase payables (Note 29)		**761**	732	**341**	73
ICULS (Note 30)		**124,364**	129,693	**124,364**	129,693
Revolving credit		**69,700**	–	**69,700**	–
Term loans		**1,420,027**	1,296,218	–	–
		1,614,852	1,426,643	**194,405**	129,766

(a) Term loans

The term loans are secured by the legal mortgage of certain assets of the Group as disclosed in the relevant notes in the financial statements and supported by corporate guarantees from the Company.

28. BORROWINGS (CONTINUED)

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not later than 1 year	**218,612**	88,118	**79,286**	5,370
Later than 1 year and not later than 2 years	**429,777**	49,781	**14,046**	9,448
Later than 2 years and not later than 5 years	**925,458**	1,222,590	**60,068**	48,795
Later than 5 years	**41,005**	66,154	**41,005**	66,153
	1,614,852	1,426,643	**194,405**	129,766

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

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
ICULS	**7.49**	7.49	**7.49**	7.49
Hire purchase payables	**4.65**	4.60	**4.72**	4.63
Revolving credit	**4.29**	–	**4.29**	–
Term loans	**2.46**	2.18	**–**	–

29. HIRE PURCHASE PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Future minimum lease payments:				
Not later than 1 year	**381**	305	**152**	43
Later than 1 year and not later than 2 years	**297**	261	**120**	32
Later than 2 years and not later than 5 years	**124**	212	**90**	–
	802	778	**362**	75
Less: Future finance charges	**(41)**	(46)	**(21)**	(2)
Present value of hire purchase payables (Note 28)	**761**	732	**341**	73

29. HIRE PURCHASE PAYABLES (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Analysis of present value of hire purchase payables:				
Current				
Not later than 1 year	**354**	279	**139**	41
Non-current				
Later than 1 year and not later than 2 years	**285**	365	**113**	32
Later than 2 years and not later than 5 years	**122**	88	**89**	–
	407	453	**202**	32
Present value of hire purchase payables	**761**	732	**341**	73

30. ICULS

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

The salient terms of the ICULS are as follows:-

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

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

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

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

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

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

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

30. ICULS (CONTINUED)

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

	Group/Company	
	2015	2014
	RM'000	RM'000
Liability component (Note a)	**124,364**	129,693
Equity component (Note b)	**354,969**	354,969
	479,333	484,662

(a) Liability component of ICULS

Liability component at beginning of the financial year	**129,693**	134,650
Interest expense recognised during the year (Note 5)	**9,548**	9,920
Interest paid during the financial year	**(14,877)**	(14,877)
Liability component at end of the financial year	**124,364**	129,693

(b) Equity component of ICULS

Equity component at beginning/end of the financial year	**354,969**	354,969

Interest expense on the ICULS is calculated on the effective yield basis by applying the effective interest rate of 7.49% (2014: 7.49%) per annum for an equivalent non-convertible loan stock to the liability component of the ICULS.

31. OTHER NON-CURRENT LIABILITY

	Group	
	2015	2014
	RM'000	RM'000
Amount due to customer on contract	**67,696**	67,696

The amount represents the balance of the total purchase consideration of not less than RM105,616,000 (2014: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which is to be settled by way of phased development, construction and completion of the Railway Village by a subsidiary, Sentul Raya Sdn. Bhd. ("SRSB") for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB, as amended pursuant to the Supplementary Development Agreement with KTMB dated 21 December 2000.

32. SHARE CAPITAL

	Group/Company			
	<--------------- 2015	--------------->	<--------------- 2014	--------------->
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At beginning/end of the financial year	**3,000,000**	**1,500,000**	3,000,000	1,500,000
Issued and fully paid:				
At beginning/end of the financial year	**844,345**	**422,172**	844,345	422,172

Employees Share Option Scheme ("ESOS")

At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of an employees share option scheme for employees and directors of the Company and its subsidiaries ("Group") who meet the criteria of eligibility for participation.

The main features of the ESOS are as follows:-

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

(ii) The maximum number of shares to be alloted and issued pursuant to the exercise of the options which may be granted under the ESOS shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of the ESOS.

(iii) Any employee (including the directors) of the Group shall be eligible to participate in the ESOS 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 the payroll of a company within the Group; and

  (c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.

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

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

  (b) the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act, 1965).

32. SHARE CAPITAL (CONTINUED)

Employees Share Option Scheme ("ESOS") (continued)

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

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

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

33. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 25 November 2014, approved for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,000 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.94 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

	Group/Company			
	<--------------- 2015	--------------->	<--------------- 2014	--------------->
	Number of shares '000	RM'000	Number of shares '000	RM'000
At beginning of the financial year	**15,172**	**22,200**	15,172	22,200
Purchase of treasury shares	**2**	**2**	*	*
At end of the financial year	**15,174**	**22,202**	15,172	22,200

* Less than 1,000.

34. FOREIGN CURRENCY TRANSLATION RESERVE

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

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2015 RM'000	2014 RM'000
Group		
Related companies:		
Construction costs charged by:		
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**99,569**	145,603
YTL Construction (S) Pte. Ltd.	**67,723**	66,322
Project management and marketing agent fees charged to:		
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**20,699**	29,426
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	**1,006**	1,006
Advertisement charges paid to:		
Corporate Promotions Sdn. Bhd.	**1,890**	1,884
Key management personnel and their close family members:		
Progress billings for sale of properties	**1,769**	4,062
Deposits received	**1,000**	–
Company		
Related companies:		
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	**1,006**	1,006
Subsidiaries companies:		
Interest charges receivable from subsidiaries	**7,842**	–
Interest charges payable to a subsidiary	**3,049**	–

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

Outstanding balances in respect of the above transactions are disclosed in Notes 20, 22 and 23.

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

36. COMMITMENTS

Non-cancellable operating lease commitments – Group as lessee

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Future minimum lease payable:				
Not later than 1 year	**2,300**	1,006	**581**	1,006
Later than 1 year	**860**	581	**–**	581
	3,160	1,587	**581**	1,587

Operating lease payments represent rentals payable by the Group and by the Company for use of premises. Leases are negotiated for an average term of 2 years and rentals are fixed for an average of 2 years.

37. CONTINGENT LIABILITIES

Sentul Raya Sdn. Bhd. ("SRSB") has contingent liabilities which are not readily ascertainable in the event SRSB fails in its appeal in the Federal Court against the Court of Appeal's order on 12 June 2014 in respect of claims for damages in lieu of specific performance by certain purchasers. SRSB has filed a Notice of Motion on 11 July 2014 for leave to appeal against the Court of Appeal's order. The hearing date has been fixed on 13 October 2015 for the said Notice of Motion.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	20
Amounts due from/(to) subsidiaries	22
Amounts due from/(to) related companies, immediate holding company and joint venture	23
Cash and cash equivalents	24
Trade and other payables	25
Borrowings	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Determination of fair value (continued)

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of the non-current portion of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

The fair values of financial guarantees are determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

– The likelihood of the guaranteed party defaulting within the guaranteed period;

– The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;

– The estimated loss exposure if the parties guaranteed were to default.

Upon the adoption of FRS 139, all unexpired financial guarantees issued were not recognised as no value has been placed on the guarantees provided by the Group as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is not the Group's and the Company's policy to engage in speculative transactions.

(a) Liquidity risk

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

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (continued)

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

	2015			
	On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
Trade and other payables	24,247	–	–	24,247
Borrowings	267,995	1,399,894	44,630	1,712,519
Amounts due to:				
– Immediate holding company (Note 23)	1,322	–	–	1,322
– Related companies (Note 23)	113,476	–	–	113,476
Total undiscounted financial liabilities	407,040	1,399,894	44,630	1,851,564
Company				
Trade and other payables	1,345	–	–	1,345
Borrowings	88,959	100,628	44,630	234,217
Amounts due to:				
– Subsidiary (Note 22)	94,305	–	–	94,305
– Immediate holding company (Note 23)	228	–	–	228
– Related companies (Note 23)	20	–	–	20
Total undiscounted financial liabilities	184,857	100,628	44,630	330,115

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Liquidity risk (continued)

	2014			
	On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
Trade and other payables	33,894	–	–	33,894
Borrowings	125,359	1,345,457	74,384	1,545,200
Amounts due to:				
– Immediate holding company (Note 23)	1,195	–	–	1,195
– Related companies (Note 23)	86,918	–	–	86,918
Total undiscounted financial liabilities	247,366	1,345,457	74,384	1,667,207
Company				
Trade and other payables	19,798	–	–	19,798
Borrowings	12,440	89,293	74,384	176,117
Amounts due to:				
– Subsidiary (Note 22)	64,054	–	–	64,054
– Immediate holding company (Note 23)	296	–	–	296
– Related companies (Note 23)	16	–	–	16
Total undiscounted financial liabilities	96,604	89,293	74,384	260,281

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises principally from trade, other receivables and inter-company balances. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

– The carrying amount of each class of financial assets recognised in the statements of financial position.

– A nominal amount of RM1,329,160,000 (2014: RM1,256,095,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

(i) Trade and other receivables

Receivable balances are monitored continually with the results that the Group's exposure to credit risk is minimised.

The ageing analysis and information regarding impairment of the Group and of the Company are disclosed in Note 20.

(ii) Inter-company balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting date, there was no indication that the amounts due from subsidiaries are not recoverable other than as disclosed in Note 22.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks and interest-bearing loans and borrowings.

The Group's policy is to obtain the most favourable interest rates available.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax and equity would have been RM1,378,000 (2014: RM1,460,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings, higher/lower interest income from floating rate loans to a joint venture and deposits with licensed banks. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk

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

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

Sensitivity analysis for foreign currency risk

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

40. CAPITAL MANAGEMENT

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

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, total financial liabilities less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Borrowings (Note 28)	**1,614,852**	1,426,643	**194,405**	129,766
Trade and other payables (Note 25)	**24,247**	33,894	**1,345**	19,798
Amounts due to:				
– Subsidiary (Note 22)	**–**	–	**94,305**	64,054
– Immediate holding company (Note 23)	**1,322**	1,195	**228**	296
– Related companies (Note 23)	**113,476**	86,918	**20**	16
Less: Cash and cash equivalents (Note 24)	**(31,554)**	(95,506)	**(519)**	(387)
Net debt	**1,722,343**	1,453,144	**289,784**	213,543
Equity attributable to owners of the parent	**1,046,472**	1,006,998	**917,628**	912,500
Capital and net debt	**2,768,815**	2,460,142	**1,207,412**	1,126,043
Gearing ratio (%)	**62**	59	**24**	19

The Group and the subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 30 June 2015 and 30 June 2014.

41. SEGMENT INFORMATION

The Group has only one operating segment, property development and investment, which is evaluated regularly by management in deciding how to allocate resources and in assessing performance of the Group.

Investment holding segment which comprises Group-level corporate services, treasury and secretarial functions which are not directly attributable to the property development and investment segment, is not significant to be separately reported and evaluated by management.

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

	Revenue		Non-current assets	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Malaysia	**98,429**	200,781	**846,430**	932,789
Singapore	**–**	84,595	**65**	98
	98,429	285,376	**846,495**	932,887

Assets information presented above consist of the following items as persented in the consolidated statements of financial position.

	2015 RM'000	**2014 RM'000**
Property, plant and equipment	**37,146**	37,041
Investment property	**36,300**	32,900
Land held for property development	**773,049**	862,946
	846,495	932,887

Supplementary Information

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

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 30 June 2015 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad 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 Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
– Realised	**340,756**	325,961	**(14,782)**	(19,912)
– Unrealised	**158,259**	153,074	**–**	–
	499,015	479,035	**(14,782)**	(19,912)
Total share of retained earnings/(accumulated losses) from joint venture				
– Realised	**6,283**	(492)	**–**	–
Less: Consolidation adjustments	**(419,841)**	(413,755)	**–**	–
Total retained earnings/(accumulated losses)	**85,457**	64,788	**(14,782)**	(19,912)

Notes

Form of Proxy

I/We *(full name as per NRIC/company name in block letters)* ____________________________

____

NRIC/Company No. *(New)* ____________________ *(Old)* ____________________

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

of *(full address)* ____________________________

____

being a member of **YTL Land & Development Berhad** hereby appoint *(full name as per NRIC in block letters)*

____

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 75th Annual General Meeting of the Company to be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 24 November 2015 at 11.00 a.m. and at any adjournment thereof.

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

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Yeoh Seok Kian		
3.	Re-appointment of Dato' Suleiman Bin Abdul Manan		
4.	Re-appointment of Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman		
5.	Re-appointment of Eu Peng Meng @ Leslie Eu		
6.	Approval of the payment of Directors' fees		
7.	Re-appointment of Messrs Ernst & Young as Company Auditors		
8.	Approval for Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman to continue in office as Independent Non-Executive Director		
9.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
10.	Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director		
11.	Authorisation for Directors to Allot and Issue Shares		
12.	Proposed Renewal of Share Buy-Back Authority		
13.	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 ____________ 2015 Signature ____________________

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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. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 17 November 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 17 November 2015 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

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

First fold here

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