



YNH PROPERTY BHD
(561986-V)



Annual
Report 2014

CONTENTS

Notice of Thirteenth Annual General Meeting	2
Statement Accompanying Notice of the Thirteenth Annual General Meeting	6
Corporate Information	7
Corporate Structure	9
Profile of the Board of Directors	10
Financial Highlights	13
Chairman's Statement	14
Corporate Governance Statement	16
Additional Compliance Information	25
Statement on Risk Management and Internal Control	26
Audit Committee Report	28
Directors' Report	30
Statement By Directors	36
Statutory Declaration	36
Independent Auditors' Report	37
Statements of Profit or Loss and Other Comprehensive Income	39
Statements of Financial Position	40
Statements of Changes in Equity	42
Statements of Cash Flows	46
Notes to the Financial Statements	50
Supplementary Information	120
List of Properties	121
Statement of Shareholdings	132
Proxy Form	

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Hotel Sfera (formerly known as Lead View Hotel), 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Tuesday, 30 June 2015 at 11.45 a.m.

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 December 2014, together with the Directors' and Auditors' Reports thereon.
2. To sanction the declaration of a final dividend of One (1) Treasury Share for every existing one hundred (100) Ordinary Shares of RM1.00 each held in respect of the year ended 31 December 2014.
3. To approve payment of Directors' Fees of RM145,550 in respect of the year ended 31 December 2014.
4. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:

Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
5. To consider and if thought fit, pass a resolution pursuant to Section 129(6) of the Companies Act, 1965 to re-appoint Dato' Robert Lim @ Lim Git Hooi, DPMP, JP as a Director of the Company to hold office until the next Annual General Meeting of the Company.
6. To re-appoint Messrs Baker Tilly AC as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.
7. To transact any other business appropriate to an Annual General Meeting.
8. As Special Business:
To consider and, if thought fit, pass the following Resolutions:

Ordinary Resolution No. 1 - Proposed Renewal of Share Buy Back Authority

"That, subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 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 aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- 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 the Retained Profits and/or the Share Premium Accounts 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 31 December 2014, the audited Retained Profits and Share Premium Account of the Company were RM60,278,963 and RM52,226,740 respectively; and

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

- iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):-
 - 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 any authority conferred by this resolution may only continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Main LR and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities."

**Ordinary Resolution No. 2 -
Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

"That, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or person connected with Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") as specified in Section 5.2 of the Circular to Shareholders dated 29 May 2015, provided that such arrangements and/or transactions are:

- i) recurrent transactions of a revenue or trading nature;
- ii) necessary for the day-to-day operations;
- iii) carried out on an arm's length basis, in the ordinary course of business and on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public; and
- iv) are not to the detriment of the minority shareholders.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

And that the shareholders' mandate, unless revoked or varied by the Company in a general meeting, shall take effect from the date of the passing of this Ordinary Resolution and will continue in force until:

- i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless authority is renewed by a resolution passed at the next Annual General Meeting;
- ii) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting

whichever is earlier.

And that the Directors of the Company be authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Mandate."

By Order of the Board

CHAN YOKE YIN
CHENG GHEE CHENG
CHAN EOI LENG

Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
29 May 2015

NOTE:

- a) A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend, speak and vote instead of him.
- b) A proxy may but need not be a member of the Company and there shall be no restriction as the qualification of the proxy.
- c) Where a member of the Company is an exempt authorised nominee 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.
- d) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- e) The instrument appointing a proxy must be deposited at the registered office of the Company, 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting.
- f) Depositors who appear in the Record of Depositors as at 22 June 2015 shall be regarded as Member of the Company entitled to attend the Thirteenth Annual General Meeting or appoint one or two proxies to attend, speak and vote on his behalf.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

EXPLANATORY NOTES TO SPECIAL BUSINESS

**1) Ordinary Resolution No. 1 -
Proposed Renewal of Share Buy Back Authority**

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company.

**2) Ordinary Resolution No. 2 -
Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature**

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company.

2014 ANNUAL REPORT

The 2014 Annual Report is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders within 4 market days from the date of receipt of the request. Shareholders who wish to receive the printed copy of the Annual Report and who require assistance with the viewing of the CD-ROM, kindly contact Madam Cheng at Tel. No.: 605-5451945

**STATEMENT ACCOMPANYING
NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING
OF YNH PROPERTY BHD
PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

1. Directors who are standing for re-election

Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, who retire pursuant to the Articles of Association of the Company is standing for re-election at the forthcoming Annual General Meeting.

The details of individual standing for re-election as Director is set out in the Profile of Directors and Statement of Shareholdings on pages 10 to 12 and page 132 of this Annual Report.

2. Details of attendance of Directors at Board Meetings

Five (5) Board Meetings were held during the financial year from 1 January 2014 till 31 December 2014:

25 February 2014
25 April 2014
22 May 2014
28 August 2014
28 November 2014

Details of attendance of directors at the Board Meetings are as follows:

Name of Directors	Number of Meetings	Number of Meetings Attended
Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS	5	4
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	5	5
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	5	5
Ching Nye Mi @ Chieng Ngie Chay	5	5
Ding Ming Hea	5	5

CORPORATE INFORMATION

Directors

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS
(Chairman, Executive Director)

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Managing Director)

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director)

Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director)

Ding Ming Hea
(Independent Non-Executive Director)

Audit Committee

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Chairman

Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member

Ding Ming Hea
(Independent Non-Executive Director) - Member

Remuneration Committee

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Chairman

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Executive Director) - Member

Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member

Nominating Committee

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Chairman

Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member

ESOS Committee

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Executive Director) - Member

Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS
(Executive Director) - Member

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director) - Member

Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director) - Member

Ding Ming Hea
(Independent Non-Executive Director) - Member

Chan Yan Meng
(Financial Controller) - Member

Secretaries

Chan Yoke Yin (MAICSA 7043743)

Cheng Ghee Cheng (LS 04598)

Chan Eoi Leng (MAICSA 7030866)

Registrars

Symphony Share Registrars Sdn. Bhd.

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya,

Selangor, Malaysia

Telephone No.: 03-78418000

Fax No.: 03-78418151/8152

Registered Office

55A, Medan Ipoh 1A

Medan Ipoh Bistari

31400 Ipoh

Perak Darul Ridzuan, Malaysia

Telephone No.: 05-5474833

Fax No.: 05-5474363

Principal Place Of Business and Head Office

38, Jalan PPMP 7

Pusat Perniagaan Manjung Point 1

32040 Seri Manjung

Perak Darul Ridzuan, Malaysia

Telephone No.: 05-6881128

Fax No.: 05-6881388

Email: karsin@streamyx.com

Website: www.ynhb.com.my

Sales Office – Kuala Lumpur

Sales Galery

Unit 03-01D, Level 3

Lot 163, 10, Jalan Perak

50450 Kuala Lumpur

Telephone No.: 03-21637700

Fax No.: 03-21627770

Sales Office – Mont' Kiara

Lot No 36-01

Wisma Rapid

Jalan 30/70A

Desa Seri Hartamas

50480 Kuala Lumpur

Telephone No: 03-62019213

Fax No: 03-62018213

Sales Office – Seri Kembangan

Sfera Residency Sales Gallery

40-G & 41-G, Block D

Pusat Perniagaan The Atmosphere

Jalan Atmosphere 7

Bandar Putra Permai

43300 Seri Kembangan, Selangor

Telephone No: 03-89586858

Fax No: 03-89499858

CORPORATE INFORMATION (cont'd)

Sales Office – Ipoh

10, Jalan Medan Ipoh 3
Bandar Medan Ipoh Baru
31400 Ipoh
Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5451945
Fax No.: 05-5451945

Auditors

Baker Tilly AC
A-37-1, Level 37
Menara UOA Bangsar
5, Jalan Bangsar Utama 1
59000 Kuala Lumpur, Malaysia.

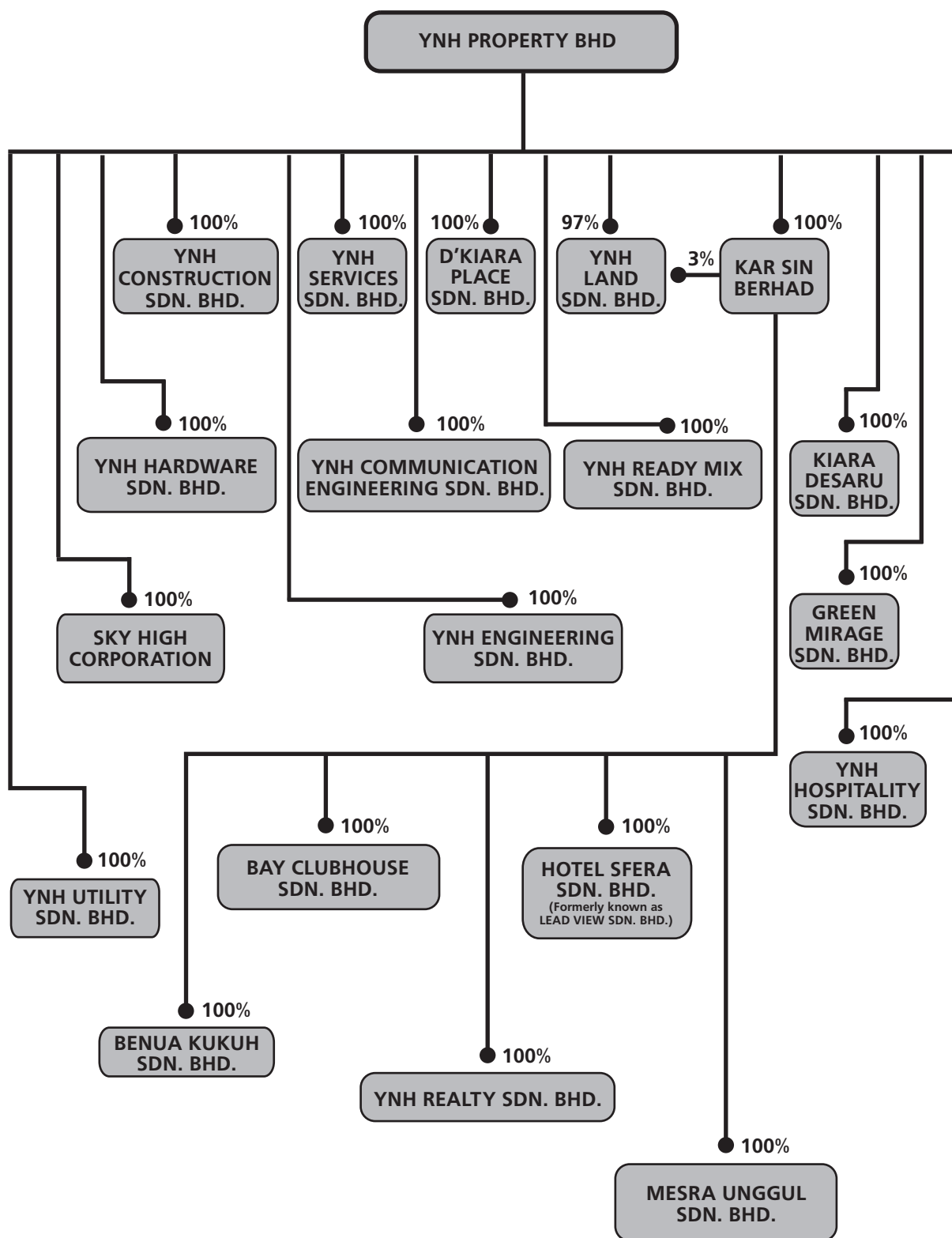
Principal Bankers

Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
Public Investment Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd.

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Market

CORPORATE STRUCTURE



PROFILE OF THE BOARD OF DIRECTORS

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS

53 years of age

Malaysian

Chairman, Executive Director

Member, ESOS Committee

He was appointed to the Board of the Company on 3 September 2003 and subsequently as Chairman of the Company on 20 February 2004. After graduating with a medical degree in 1988, he started work as a houseman in Klang and continued as a medical officer a year later. Subsequently, he has also served as a medical officer in Ipoh and Taiping hospital, Perak. In 1995 he left the government service and started assisting the family business.

He is also a Non-Executive and Non-Independent Director of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended four (4) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2014.

He is the brother of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT. He is also a substantial shareholder of the Company.

He has not been convicted of any offences in the last ten years.

DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT

57 years of age

Malaysian

Managing Director

Member, Remuneration Committee

Member, ESOS Committee

He was appointed to the Board of the Company on 3 September 2003 and subsequently as Managing Director on 8 October 2003. Prior to his appointment to the Board of the Company, he was a Managing and Founder Director of Kar Sin Berhad, which is now a wholly owned subsidiary of the Company. He has over 17 years of experience in property development, construction, money lending and aquaculture.

He is an Alternate Director to Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2014.

He does not hold any directorship in any other public listed company. He is also a substantial shareholder of the Company. He and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS are brothers.

He has not been convicted of any offences in the last ten years.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)**DATO' ROBERT LIM @ LIM GIT HOOI**, DPMP, JP

76 years of age

Malaysian

Senior Independent and Non-Executive Director

Chairman, Audit Committee

Chairman, Nominating Committee

Chairman, Remuneration Committee

Member, ESOS Committee

He was appointed to the Board of the Company on 3 September 2003 and subsequently appointed as the Senior Independent and Non-Executive Director of the Company on 17 May 2004. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Prior to his appointment to the Board of the Company, he was a partner in Ernst & Young. He also sits on the Board of Gopeng Berhad as an Independent Director. He also holds directorships in several other private limited companies.

He has attended all the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2014.

He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences in the last ten years.

CHING NYE MI @ CHIENG NGIE CHAY

68 years of age

Malaysian

Independent and Non-Executive Director

Member, Audit Committee

Member, Nominating Committee

Member, Remuneration Committee

Member, ESOS Committee

He was appointed to the Board and Audit Committee of the Company on 3 September 2003. He has graduated with a Bachelor of Arts (Econs) from University Malaya in 1971. Prior to his appointment to the Board of the Company, he was a bank manager of Public Bank Berhad before his retirement in August 2002. He has over 31 years of professional experience in all aspects of the banking industry.

He does not hold any directorship in any other public listed company.

He has attended all the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2014.

He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences in the last ten years.

PROFILE OF THE BOARD OF DIRECTORS (cont'd)

DING MING HEA

51 years of age

Malaysian

Independent and Non-Executive Director

Member, Audit Committee

Member, ESOS Committee

He was appointed to the Board and Audit Committee of the Company on 1 December 2007. He obtained a Bachelor of Science in Mathematics from Universiti Kebangsaan Malaysia and a Degree in Law in the United Kingdom. He was called to the Bar of England and Wales by the Honourable Society of Gray's Inn, London in 1990 and was admitted as an advocate and solicitor of the High Court of Malaya in 1992. In 1993, he obtained a Master of Laws (LL.M)-Corporate and Commercial Law from King's College London, University of London, United Kingdom. Presently, he is a partner of a legal firm, Nor Ding & Co.

He is also an Independent and Non-Executive Director of Rapid Synergy Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has attended all the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2014.

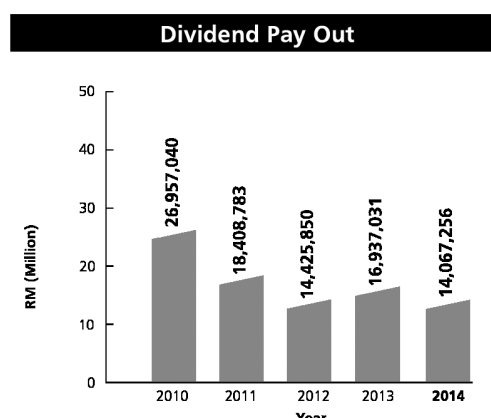
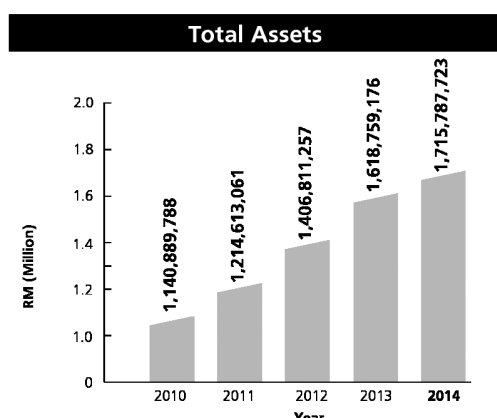
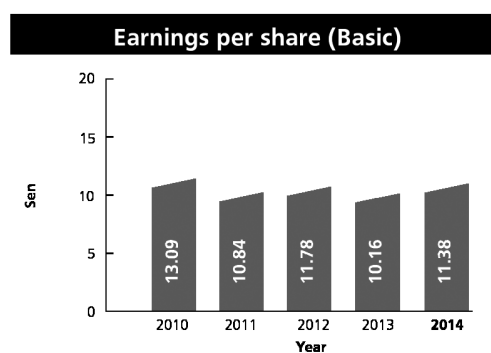
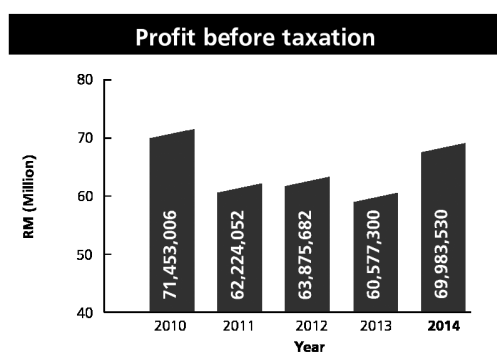
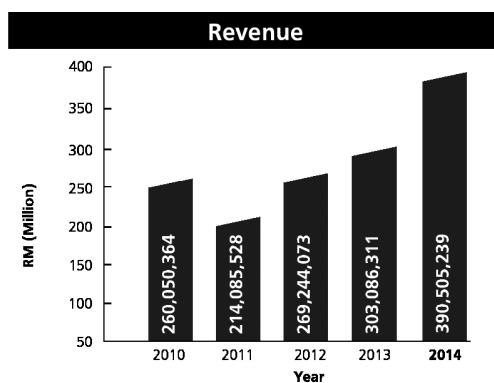
He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences in the last ten years.

FINANCIAL HIGHLIGHTS

FIVE YEARS FINANCIAL HIGHLIGHTS

	2010	2011	2012	2013	2014
Revenue (RM)	260,050,364	214,085,528	269,244,073	303,086,311	390,505,239
Profit before taxation (RM)	71,453,006	65,224,052	63,875,682	60,577,300	69,983,530
Earnings per share (Basic) -Sen	13.09	10.84	11.78	10.16	11.38
Total assets (RM)	1,140,889,788	1,214,613,061	1,406,811,257	1,618,759,176	1,715,787,723
Dividend pay out (RM)	26,957,040	18,408,783	14,425,850	16,937,031	14,067,256



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of YNHP we present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2014.

I am pleased to report that YNH Property Bhd ("YNHP" or the "Company") has had another good year with YNHP Group registering a total revenue of RM390.5 million in the Financial Year Ended 31 December 2014 ("FYE 2014") and Profit Before Taxation ("PBT") of RM70.0 million for FYE 2014.

The year under review had been a challenging one due to a more competitive playing field and also with a lot of cooling down measures being enforced by the central banks to reduce speculation in the property market in Malaysia.

Nevertheless, notwithstanding the above, the Company had proceeded ahead with its projects in the Klang Valley and also in Seri Manjung in the financial year ended 31 December 2014.

The Company had begun the construction of the Kiara 163 project, a mixed development project in Mont Kiara which was soft-launched in 2012. Currently, the Company is completing the piling and substructure works for the project.

The Company had also in 2014, begun the construction of a medium cost project in Puchong South called Sfera Residensi. Currently, the piling and substructure works for the project is already completed.

In addition, our development in Kuala Lumpur city centre consisting of 446 units of service apartment, known as Fraser Residence Kuala Lumpur (188 Suites), will be managed by Fraser Hospitality Pte. Ltd, a wholly owned company of the Fraser & Neave Group had been completed at the end of 2014 and handed over to the purchasers.

In addition, we are also proud to announce the completion of the construction of Pantai Hospital in Manjung which has started operation in the second quarter of 2014.

The Group's other current on-going projects in Perak include Taman Desa Manjung, Desa Manjung Point 2, Pusat Perniagaan Manjung Point 3, Taman Megah, Medan Makmur Jaya, Taman Pundut Raya, Taman Pantai Maju and Taman Panchor Damai.

Review Of Operations and Prospect For The Year 2014

For the year 2014, sales contribution were mainly derived from the progressive sales of Fraser Residence Kuala Lumpur, commercial properties at Manjung Point Township (adjacent to AEON Shopping Mall), progressive sales of inventories in Ceriaan Kiara (Mont Kiara, Kuala Lumpur) and progressive sales of development projects in Manjung Point Township.

Sales from the Company's projects such as the balance units of Fraser Residence Kuala Lumpur (188 Suites), Kiara 163, Sfera Residensi, Manjung Commercial Shoplots and Manjung Point Township (Seri Manjung, Perak) will continue to contribute strongly to the Group's income. As such, the Board is optimistic of the Group's prospect for 2015.

Fraser Residence Kuala Lumpur is located within the Golden Triangle of Kuala Lumpur city centre. This development consist of a two block service apartment of 446 units with elevated car park podium, facilities and Food & Beverage shops at the ground floor and one level of lower ground car park on the said development. The prime mix development is located on Jalan Cendana off Jalan Sultan Ismail, Kuala Lumpur. This development has a Gross Development Value ("GDV") of approximately RM530 million and is expected to contribute positively to the Group's earnings for the next couple of years. Currently, we have already secured sales of more than 90%.

CHAIRMAN'S STATEMENT (cont'd)

The Board is also optimistic of our Kiara 163 mix development project, a 6 acres freehold development property, which is located in Mont' Kiara, Kuala Lumpur, beside the McDonald's outlet at Plaza Mont' Kiara.

The proposed mix development project comprise of:

1. 2 Blocks of 42 storey of Service Apartment (584 units) with facilities and multi-storey car parks,
2. 1 Block of Office tower,
3. 1 Block of shopping mall and basement car parks.

The Kiara 163 development has a total GDV of approximately RM1.2 billion and is now open for registration. The Company is confident that with the prime location of this project, it will be a success. The Board is confident that Kiara 163 development is expected to contribute positively to the Group's earnings in the next 5 years.

Another project that the Company had embarked in 2014 is Sfera Residensi in Puchong South. The Board is optimistic that this medium cost service apartment of 483 units will be able to sell in the current challenging environment. The GDV for this project is estimated to be approximately RM450 million. Currently, soft launch is being conducted by our marketing department. The Board is confident that this development is expected to contribute positively to the Group's earnings in the next 4 years.

Furthermore, the Group's township development in Seri Manjung of approximately 700 acres will continue to contribute to the Group's profit for the next 20 to 30 years and the commencement of Pantai Hospital Seri Manjung in May 2014 will further add value to the Company's existing and future developments of this township. With the investment of Vale International SA in Manjung, Perak, the Group believes that our township projects will have a stronger future contributions going forward.

Lastly, a prestigious project planned for the immediate future by YNHP is the Menara YNH development. The commercial development sits on approximately 3 acres of land on Jalan Sultan Ismail, which is located within the Golden Triangle area of Kuala Lumpur city centre. The location of Menara YNH offers easy accessibility and close proximity to public transport facilities. This development has a GDV of approximately RM2.3 billion. The Menara YNH will be comprised of office tower and shopping mall. Contribution from this project which includes rental income is expected to contribute positively to the Group's future earnings.

Currently, the Company is making revision to the components of this project which will include service apartments and hotels. The Company had also on 4 February 2015 entered into a MOU with Hilton Group of companies to build a Hilton City Centre on this land. The Board is confident that the Hilton Group will be a good brand for the project.

Acknowledgement

On behalf of the Board, I would like to thank the management team and all employees for their continuous effort, commitment and support during the year. I would also like to express my appreciation to our valued customers, bankers and other business associates for their support and co-operation. To our valued shareholders, I would like to thank them for their faith in us.

Last but not least, I would like to extend my sincere appreciation to my fellow Board members for their continued support, guidance and contribution to the Group.

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board is committed to ensuring that good corporate governance is practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the long-term financial performance of the Group. The Board acknowledged and welcome the implementation towards achieving the objectives of the Code.

The Board is pleased to report on the manner the Group has complied with the relevant principle and recommendations of good governance as set out in the Malaysian Code on Corporate Governance 2012 (the Code) pursuant to Paragraph 15.25 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (the Main Market Listing Requirements) as set out below. The Board having duly considered the rationale for the said exception as explained in this Annual Report.

1. Board of Directors

Principal Responsibilities

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investment and business of the Group. The following are specific areas of responsibilities of the Board:-

- Strategic plan of the Group
- Monitoring the conduct and management of the Group's business
- Identification of risks and ensure appropriate systems for risk management
- Succession planning for senior management
- Internal control system
- Developing and implementing an investor and shareholders communication policy

The Board shall meet at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Five (5) Board Meetings were held during the financial year ended 31 December 2014. Details of attendance of Directors at the Board Meetings are presented in the Statement Accompanying the Notice of the Thirteenth Annual General Meeting.

Board charter

The Board has adopted a Charter, which sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the vision and mission and principles of the Company and the policies and strategy development of the Group. The Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

The Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Salient terms of the Charter are made available at the Company's website at www.ynhb.com.my.

Supply of information

All Directors have unhindered access to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. All Directors also have access to all information within the Group.

A formal procedure shall be implemented to enable the full Board or in their individual capacity to take independent professional advice at Group's expense in furtherance of their duties.

CORPORATE GOVERNANCE STATEMENT (cont'd)

2. Board composition and balance

The Company is currently led by a Board comprising five (5) members, one (1) of whom is the Executive Chairman and one (1) is the Managing Director whilst the remaining three (3) are Independent Non-Executive Directors. The Board has reviewed the composition of its members which comprised five (5) and has decided to keep the Board members to five (5) having regards to the current level of activities.

There is a Board balance of Executive Directors and Independent Non-Executive Directors with at least half (1/2) of the Board consisting of Independent Non-Executive Directors. Together, the Directors bring a wide range of business and financial experience relevant to the direction of the Group.

There is a clear division of responsibility between the Chairman and Managing Director to ensure a proper balance of power and authority. The Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions. The Chairman's responsibility is to ensure effectiveness and conduct of the Board. The presence of three (3) Independent Non-Executive Directors fulfil a pivotal role in corporate accountability. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors are particularly important as they provide unbiased and independent views, advice and judgment.

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP acts as the Senior Independent Non-Executive Director. Any concerns relating to the Group may be conveyed to him.

3. Appointments to the Board

The Board has set up a Nominating Committee on 20 February 2004 with the responsibility for proposing new nominees for the Board and for assessing Directors on an on-going basis. Nevertheless, the actual decision as to who shall be appointed should be the responsibility of the entire Board after considering the recommendations of the Nominating Committee.

4. Directors training

The Board has undertaken an assessment of the training needs of each Director. All Directors have attended the Mandatory Accreditation Programmes as required under the Listing Requirements of Bursa Securities. The following in house trainings had been conducted and attended by all Directors during the Financial year:

- a) 2014 Budget And Tax Audit Framework.
- b) Share Capital at No Par Value, Share Buybacks & Redeemable Preference Shares Accounting Implication.
- c) Related Party Transactions (From The Governance, Risk And Compliance Aspects).
- d) Chapter 9 of Listing Requirements on Corporate Disclosure and Chapter 10 of Listing Requirements on Transactions.
- e) Goods and Services Tax (GST).

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP also attended an Advocacy Sessions on Corporate Disclosures for Directors of Listed Issuers conducted by Bursa Malaysia during the Financial year.

The Directors will continue to undergo training and other relevant programmes to further enhance their skills and knowledge where relevant.

5. Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to re-election at the next Annual General Meeting immediately after appointment and at least one-third (1/3) of the Directors are subject to re-election by rotation at each Annual General Meeting. The Articles of Association also provide that all Directors shall retire at least once in each three (3) years.

CORPORATE GOVERNANCE STATEMENT (cont'd)

6. Investor relations and shareholder communication

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations. These are available in the Bursa Malaysia Securities Berhad website and provides an avenue to its shareholders to receive information about the Group electronically.

7. The AGM

The Annual General Meeting which is held each year (not later than 30 June each year), provides a means of communication with shareholders. A copy of the Annual Report and notice of AGM are sent to all shareholders at least twenty-one (21) days before the AGM. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting.

Each item of special business included in the notice of meeting will be accompanied by a full explanation of the effects of the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

Shareholders are also informed and invited to attend any Extraordinary General Meetings through circulars and notice of meeting where the Board is available to respond to shareholders' questions during the meeting.

The Chairman has the responsibility to inform the shareholders of their right to demand a poll vote at the commencement of the general meeting. Where required by regulations, substantive resolutions would be put to vote by poll.

At all times shareholders may contact the Company through the Company Secretary for information.

8. Corporate social responsibility statement

In the midst of pursuing business objective and striving to enhance shareholders' value of the Company, the Board of Directors has also dedicated to assist the local community and the general public to create a harmonious and pleasant living environment. The Company has ensured that, in achieving such objectives, the benefit shall not only include its shareholders but also its employees, the community and the environment. During the year 2014, the Group has contributed to the local community through Dato' Yu Neh Huat Foundation which is a trust maintained and operated by the controlling shareholder of the Company.

Dato' Yu Neh Huat Foundation ("the Foundation") is dedicated to the advancement of education and religion, relief of poverty, promotion of activities for the benefit and advancement of the sports, culture and art and for the benefit and preservation of the environment, nature and wildlife and specific for purposes beneficial to the local community mainly in the District of Manjung, Perak.

The Foundation has donated to Old Folks Home in Kg Cina, Community Centre, Chinese Temples, Hindu Temples, Sports Associations and various local schools in the District of Manjung. The Foundation also continues to provide scholarships to qualified students from the lower income group of society.

The Group emphasizes the need for safety and ethics not only in the work place but also in the products that it delivers. The Group also provide industrial training to technical students from various colleges and universities for a period of three to six months.

During the year, the Group also donated to the "Kejohanan Hoki Piala Sultan Azlan Shah Ke-23" for the advancement of sports to the country.

CORPORATE GOVERNANCE STATEMENT (cont'd)

9. Financial reporting

The Company's financial statements are prepared in accordance with the requirements of applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Board is responsible to ensure that the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy and adequacy. In this respect, it is the Board's policy to ensure the accurate and timely dissemination of financial and corporate announcements for greater accountability and transparency. Such announcements are made to Bursa Malaysia Securities Berhad promptly upon the Board's approval.

10. Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial period and of their profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

11. Risk Management and Internal control

The Board recognises the importance of sound risk management and internal controls practices to good corporate governance. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems.

The Board has established a Risk Management Committee in 2005 that comprises the Managing Director and all senior management to assess the various types of risks which might have an impact on the profitable operation of the Group's business.

The Statement on Risk Management and Internal Control furnished on pages 26 to 27 of the Annual Report provides an overview on the state of risk management and internal controls within the Group.

12. Relationship with the auditors

The Company has always maintained a formal and transparent relationship with the external auditors in seeking professional advice and ensuring compliance with approved accounting standards. Both the external and internal auditors will meet the Board at least twice a year for the presentation of audit plan and results of audit when the annual financial statements are presented to the Directors. Annual appointment or re-appointment of the external auditors is by shareholders' resolution at the AGM on the recommendation of the Board. Annual appointment or re-appointment of the internal auditors is made by the Board on the Audit Committee's recommendation.

CORPORATE GOVERNANCE STATEMENT (cont'd)

13. Board Committees

The Board has established four committees to assist the Board in discharging certain responsibilities and duties. The establishment of these Board Committees further enhance the effectiveness of the Board in decision making.

a) Audit Committee

The Audit Committee is made up of three (3) Independent Non-Executive Directors. The Terms of Reference of the Audit Committee regulates the conduct of the members. The members are empowered to review the financial statements of the Group and deliberate on any audit finding from both the external and internal auditors arising from the Group's financial statements and any issues raised by the external and internal auditors.

The Committee has full access to both internal and external auditors. These auditors in turn have access at all times to the Chairman of the Audit Committee.

The Audit Committee Report is set out on pages 28 to 29 of the Annual Report.

b) Nominating Committee

The members of the Nominating Committee are:-

Chairman	:	Dato' Robert Lim @ Lim Git Hooi, DPMP, JP (Senior Independent Non-Executive Director)
Members	:	Ching Nye Mi @ Chieng Ngie Chay (Independent Non-Executive Director)

Terms of Reference

Composition

The Nominating Committee comprised two (2) members all of which are non-executive directors.

Functions

The functions of the Nominating Committee shall include the following:

- a) recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- b) consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder.
- c) recommend to the Board, Directors to fill the seats on Board Committees.
- d) the Board, through the Nominating Committee, should review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. This should be disclosed in the Annual Report.
- e) the Board should implement a process, to be carried out by the Nominating Committee annually, for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual Director.

CORPORATE GOVERNANCE STATEMENT (cont'd)

13. Board Committees (cont'd)

b) Nominating Committee (cont'd)

Functions (cont'd)

- f) training and orientation of directors.
- g) in connection with the Remuneration Committee, succession plan for senior officers and key group managers.

c) Remuneration Committee

The members of the Remuneration Committee are:

Chairman : Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
(Senior Independent Non-Executive Director)

Members : Ching Nye Mi @ Chieng Ngie Chay
(Independent Non-Executive Director)

Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT
(Managing Director)

Terms of Reference

Composition

The Remuneration Committee comprise three (3) members, the majority of whom are Non-Executive Directors.

Functions

The functions of the Committee shall include the following:

- a) to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary. Executive Directors should play no part in decisions on their own remuneration.
- b) to recommend to the Board the determination of remuneration packages of Non-Executive Directors, including the Non-Executive Chairman. The individuals concerned should abstain from discussion on their own remuneration.
- c) establish a formal and transparent procedure for developing policy on executive directors remuneration and for fixing the remuneration packages of individual Director.
- d) disclose in the Annual Report the details of the remuneration of each Director.
- e) compensation policies and programme.
- f) in conjunction with the Nominating Committee, succession planning for senior officers, key group managers and staff.
- g) employee compensation and benefits programme.

CORPORATE GOVERNANCE STATEMENT (cont'd)

13. Board Committees (cont'd)

c) Remuneration Committee (cont'd)

Terms of Reference (cont'd)

Functions (cont'd)

During the last financial year, a Remuneration Committee Meeting was held on 25 February 2014.

The remuneration of each Director reflects the level of responsibility and commitment, which goes with Board membership. The Board determines the remuneration of each Director. It is the Board's or Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The Executive Directors play no parts in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

The fees for Directors, are endorsed by the Board for approval by the shareholders at the Annual General Meeting prior to payment to the Directors.

The details of the remuneration for Directors of the Company received or receivable for the financial year ended 31 December 2014 by category and in bands of RM50,000 and RM500,000 are as described below:-

Range of remuneration per annum	No. of Directors (Executive)	No. of Directors (Non-Executive)
RM100,001 to RM150,000	-	3
RM150,001 to RM200,000	-	-
RM6,000,001 to RM6,500,000	-	-
RM6,500,001 to RM7,000,000	-	-
RM7,000,001 to RM7,500,000	2	-

The remuneration packages of the Directors are as follows:-

Remuneration packages	Total per annum for the financial year ended 31 December 2014	
	Executive Directors	Non-Executive Directors
	RM	RM
Fees	-	143,232
Salaries & other emoluments	14,657,650	175,656
Benefits-in-kind	43,300	-
TOTAL	14,700,950	318,888

d) Employees' Share Option Scheme (ESOS) Committee

The ESOS Committee was established on 23 June 2004. The ESOS Committee is given full power to administer the Scheme in such manner as it shall in its entire discretion deem fit and in accordance with the terms and conditions as set out in the bye-laws of the Scheme including setting and amending any regulations as allowed under the bye-laws. The ESOS Committee comprises Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS, Dato' Robert Lim @ Lim Git Hooi, DPMP, JP, Ching Nye Mi @ Chieng Ngie Chay, Ding Ming Hea and Chan Yan Meng.

CORPORATE GOVERNANCE STATEMENT (cont'd)

14. Compliance with the Code

The Group has complied with the relevant principle and recommendations of good governance as contained in the Code other than those exception set out below. The reasons for such non-compliances are as follows:

- a) The Chairman must be of a non-executive member of the Board. However, the Nominating Committee have assessed, reviews and determined that the chairmanship of Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS remains based on the following justifications and aspects contributed by Dato' Dr Yu Kuan Choon, DIMP, PPT, MBBS, as a member of the Board:
- His vast experience in managing the operations of the Group's property investments, property development, constructions and hotel enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group.
 - He has exercised his due care in the interest of the Company and shareholders during his tenure as an Executive Chairman of the Company.
 - He has provided objectivity in decision making and ensured effective check and balance in the proceedings of the Board.
- b) The tenure of an independent director should not exceed a cumulative term of 9 years. However, the Nomination Committee and Board have determined at the annual assessment carried out that Dato' Robert Lim @ Lim Git Hooi, DPMP, JP and Ching Nye Mi @ Chieng Ngie Chay, who has served on the Board for more than 9 years, remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committee. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company. Dato' Robert Lim @ Lim Git Hooi, DPMP, JP and Ching Nye Mi @ Chieng Ngie Chay have been demonstrably independent in carrying out their roles as Members of the Board and Board Committees.

Dato' Robert Lim @ Lim Git Hooi, DPMP, JP has also notably fulfilled his roles as Chairman of the Audit Committee

The Board has also determined not to seek shareholders' approval and retained Dato' Robert Lim @ Lim Git Hooi, DPMP, JP and Ching Nye Mi @ Chieng Ngie Chay to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- (a) Dato' Robert Lim @ Lim Git Hooi, DPMP, JP
- i) He fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and thus he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.
 - ii) His vast experience in accountancy, taxation and financial consultancy enabled him to provide the Board with a diverse set of experience, expertise and independent judgment.
 - iii) He has performed his duty diligently and in the best interest of the Company as required by the Code as an Independent Director and provides a broader view, independent and balanced assessment of proposals from the management.

CORPORATE GOVERNANCE STATEMENT (cont'd)

14. Compliance with the Code (cont'd)

- b) (b) Ching Nye Mi @ Chieng Ngie Chay
 - i) He fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and thus he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.
 - ii) His vast experience in banking industry enabled him to provide the Board with a diverse set of experience, expertise and independent judgment.
 - iii) He has performed his duty diligently and in the best interest of the Company as required by the Code as an Independent Director and provides a broader view, independent and balanced assessment of proposals from the management.
- c) Disclosure of Directors' remuneration is not made in detail for each Director. However, the remuneration paid are categorised into the appropriate components and , in compliance with the Bursa Securities Listing Requirements, analyzed in bands of RM50,000 and RM500,000.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The Company did not raise funds through any corporate proposal during the financial year.

2. Share Buy Back

The information on share buy back for the financial year is presented in the Directors' Reports.

3. Options, Warrants or Convertible Securities

The amount of options exercised in respect of the financial year is presented in the Directors' Report. The Audit Committee has verified that the allocation of the Employees' Shares Options during the year is in accordance with the criteria set out in the ESOS bye-laws.

The Company did not issue any warrants or convertible securities during the financial year.

4. Depository Receipt Programme

The Company did not sponsor any Depository Receipt programme during the financial year.

5. Sanctions and/or Penalties

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

6. Non-Audit Fees

Non-audit fees paid to external auditors for the financial year ended 31 December 2014 amounted to RM10,500.

7. Variation in Results

There was no material variance between the audited results for the financial year ended 31 December 2014 and unaudited results previously released for the financial quarter ended 31 December 2014.

8. Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

9. Material Contracts

There were no material contracts, entered into or loan made by the Company and its subsidiaries, involving Directors' and substantial shareholders' either still subsisting at the end of the financial year 31 December 2014 or entered into since the end of the previous financial year.

10. Revaluation of Landed Properties

There were no revaluations of landed properties during the financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements require the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issuer as a group".

The Board of Directors is committed to maintain a sound system of risk management and internal control in the Group and is pleased to provide the following statement which has been prepared in accordance with the Guidelines for Directors of Listed Issuers on the Statement on Risk Management & Internal Control.

Key Elements Of Risk Management and Internal Control

The Board has overall responsibility for the Group's risk management and system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and Group's assets. The Board has received assurance from the Group Managing Director and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively. The Board's responsibility covers not only financial controls, but also relating to operational risk management and compliance with applicable laws and regulations and guidelines set by the authorities.

However, because of the limitations that are inherent in any internal control, it should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide a reasonable assurance against material misstatement. The Directors have established the following operational framework to provide an adequate internal control system.

- The Group operates within an organizational structure with defined lines of responsibilities and accountabilities. A procedural and hierarchical reporting has been established which provides for a documented and auditable trail of accountability.
- The Group's risk management process identifies the principal business risks. The Management is responsible for the identification and evaluation, on an on-going basis, of significant risks inherent to the business. Appropriate action plans are developed to mitigate the key risk areas. Management meetings will be conducted to schedule available resources to address the identified risks within the risks management process.
- The Audit Committee provides assistance to the Board of Directors in fulfilling its overall responsibilities. The Audit Committee reviews the internal audit plan for the year, and reviews the action taken on internal control issues identified in the reports prepared by the Internal Auditor.
- The Group outsourced its Internal Audit Function to an accounting firm during the current year and the Internal Auditors, which report directly to the Audit Committee, performed reviews on the effectiveness of the current controls in place and highlighted key risk areas affecting the Group as well as made practical recommendations to address any potential weaknesses. The Internal Audit Function carries out the audit on rotational basis to cover selected areas and companies in every audit. The Audit Committee, together with the Management, reviewed the issues identified by the Internal Auditors and external auditors and ensured that all practical recommendations, agreed to by the Management, are implemented. In year 2014, the Internal Audit Function reviewed the property development and hotel operation segments covering the following areas:
 - Follow up audit on contract variation orders which focused on the implementation status of the agreed recommendations by internal auditors.
 - Review of the adequacy of the internal control for Project Fraser Residence Kuala Lumpur. The assessment include to evaluate the effectiveness of internal control and to assess the sales policies are strictly adhered to and to ensure proper verification, authorization, processing and payment of progress claim to contractors were made.
 - Review of the adequacy of internal control over payroll process in Human Resource (HR) Department of Fraser Place Kuala Lumpur to ensure adequacy of internal control and compliance to existing policies and procedures relating to payroll process

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)**Risk Management**

The Group has established appropriate risk management infrastructure to ensure that the Group assets are protected and shareholders' value are enhanced. The Group had a Risk Management Committee ("RMC"), which is chaired by the Group Managing Director, Dato Yu Kuan Huat, DPMP, PMP, AMP, PPT and attended by the special assistant to the Managing Director, Group Financial Controller, and all head of departments. RMC is given the task of implementing and maintaining the appropriate risk management framework to achieve the following objectives:

- Identify business risks/threats and monitor significant risks in an effective manner.
- To carry out review and reporting on key risk areas, twice a year.
- Inculcate risk awareness culture at every level of management.

Risk assessment, monitoring and review of the various risks are on on-going process with RMC playing a vital role. The RMC meeting is conducted twice a year to review the key risk profile and will report the findings direct to the Audit Committee. The risk assessment, monitoring and review process has been in place for the year under review up to the date of approval of this statement for inclusion in the annual report.

Monitoring And Review Of The Adequacy And Integrity Of The System Of Internal Control

The procedures adopted by the Group to review of the adequacy and integrity of the system of internal control include:

- Confirmation and assurance by the Managing Director/Head of RMC on the effectiveness of the system of internal control, highlighting potential risk areas and weaknesses in management control.
- Examination on the control procedures by internal audit function, which are carried out and report the findings directly to Audit Committee.

Weaknesses In Internal Control And Risk Management That Result in Material Losses

There were no material losses incurred during the financial year under review as a result of weaknesses in internal control.

The Board concurs that the system of internal control will continue to be reviewed, added on or updated in line with the changes in the operating environment. The Board will continue to seek regular assurance on the effectiveness of the internal control system through the work carried out by internal auditors. The monitoring, review and reporting arrangement in place provide a reasonable assurance that the control procedures and risk management are appropriate to the Group's operation and that risks are at an acceptable level. The Board is of the view that the existing system of internal control and risk management is adequate and effective to safeguard the Group's assets at the existing level of operations of the Group.

This statement has been reviewed by the external auditors in compliance with Paragraph 15.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE

Name of Members	Directorship	Designation
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	Senior Independent Non-Executive Director	Chairman of Committee
Ching Nye Mi @ Chieng Ngie Chay	Independent Non-Executive Director	Committee Member
Ding Ming Hea	Independent Non-Executive Director	Committee Member

Functions

The functions of the Committee shall include the following:

- (1) review the following and report the same to the Board:
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report, management letter and management's response;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors of the Company; and
 - (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors.

Attendance of Meetings

During the financial year, a total of five (5) meetings were held.

The details of the attendance of the Committee members are as follows:

Name	Number of Meetings Attended
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	5/5
Ching Nye Mi @ Chieng Ngie Chay	5/5
Ding Ming Hea	5/5

AUDIT COMMITTEE REPORT (cont'd)**Summary of Activities**

The activities of the Audit Committee during the financial year under review are as summarised below:

- Reviewed and approved the Internal Audit's plan and programmes;
- Reviewed the internal audit reports and considered the findings by the auditors and management's responses thereto;
- Reviewed, prior to the recommencement of audit, the external auditors' scope of engagement, their audit plan and approach;
- Reviewed with the external auditors the results of their audit, their audit report and management letters relating to the audit, their internal control recommendations in respect of control weaknesses noted in the cause of their audit and the management's responses thereto;
- Reviewed the annual and quarterly financial statements and reporting to Bursa Malaysia Securities Berhad and ensured compliance with additional disclosure requirements in accordance with the Main Market Listing Requirements of Bursa Securities;
- Reviewed the related party transactions and conflict of interest situations that arose within the Company or Group during the year.

Internal Audit Function

The Internal Audit Function was established in 2004 with the initial engagement of a major audit firm to provide the internal audit services. The role of the internal audit team is to provide independent and objective reports on the state of internal control and compliance to policies and procedures. The internal audit team will assist the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

It is the responsibility of the internal auditors to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

The Internal Audit Function is currently outsourced to another professional services firm which reports directly to the Audit Committee. The scope of work covered by the Internal Audit Function is determined by the Audit Committee after discussion of the audit plan with the Board. The costs incurred for the Internal Audit Function for the financial year ended 31 December 2014 were RM44,282.

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	46,713,627	59,785,315
Profit attributable to:		
Owners of the Company	46,713,627	59,785,315

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- (i) a final single tier dividend of 2.0% (2.0 sen per ordinary share) amounting to RM8,200,808 in respect of the financial year ended 31 December 2013 approved at the Annual General Meeting on 30 June 2014, which was paid on 30 September 2014; and
- (ii) distribution of treasury shares as interim share dividend at the ratio of 1 treasury share for every 130 existing ordinary shares of RM1 each amounting to 3,150,744 treasury shares in respect of the financial year ended 31 December 2014, which was distributable on 28 November 2014.

The directors have recommended a final share dividend on the basis of 1 treasury share for every 100 existing ordinary shares of RM1 each held, to be approved by shareholders in the forthcoming Annual General Meeting. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date. The financial statements for the current financial year do not reflect the final dividend. Such dividend, if approved will be accounted for in the equity as a distribution of treasury shares in the financial year ending 31 December 2015.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (cont'd)**BAD AND DOUBTFUL DEBTS**

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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.

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT (cont'd)

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 6 to the financial statements; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital by way of the issuance of 15,179,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at an exercise price of RM1.38 per ordinary share and 120,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at an exercise price of RM1.48 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Other than the above, there were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

The Company did not issue any debentures during the financial year.

DIRECTORS

The directors in office since the date of the last report are:

DATO' DR. YU KUAN CHON, DIMP, PPT, MBBS
DATO' YU KUAN HUAT, DPMP, PMP, AMP, PPT
DATO' LIM GIT HOOI @ ROBERT LIM, DPMP, JP
CHING NYE MI @ CHIENG NGIE CHAY
DING MING HEA

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTEREST

According to the register of directors' shareholding, the interests of directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	Note	Number of ordinary shares of RM1 each			
		At 1.1.2014	Exercise of ESOS/ Share Dividend/ Bought	Sold	At 31.12.2014
Direct interest					
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	*	72,441,135	6,967,376	(14,500,000)	64,908,511
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	*	50,961,277	1,178,007	-	52,139,284
Dato' Lim Git Hooi @ Robert Lim, DPMP, JP		781,108	167,238	-	948,346
Ching Nye Mi @ Chieng Ngie Chay		2,655,673	2,163,788	-	4,819,461
Ding Ming Hea		773,247	812,101	-	1,585,348
Indirect interest					
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	**	66,288,029	1,658,668	-	67,946,697
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	**	87,633,340	7,447,003	(14,500,000)	80,580,343
Ching Nye Mi @ Chieng Ngie Chay	***	24	-	-	24

Name	Exercise price	Grant date	Expiry date	←-----Number of ESOS-----→		
				Balance as at 1.1.2014	Exercised	Balance as at 31.12.2014
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	1.38	5.1.2010	4.8.2014	780,000	(780,000)	-
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	1.38	5.1.2010	4.8.2014	780,000	(780,000)	-
Dato' Lim Git Hooi @ Robert Lim, DPMP, JP	1.38	5.1.2010	4.8.2014	160,000	(160,000)	-
Ching Nye Mi @ Chieng Ngie Chay	1.38	5.1.2010	4.8.2014	800,000	(800,000)	-
Ding Ming Hea	1.38	5.1.2010	4.8.2014	800,000	(800,000)	-

* Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, by virtue of their interests in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent that the Company has an interest.

** Deemed interested through spouse, sibling, spouse of sibling and Neh Huat & Sons Sdn. Bhd.

*** Deemed interested through spouse.

DIRECTORS' REPORT (cont'd)**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of the emoluments received or due and receivable by the directors as disclosed in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 35 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than those arising from the share options granted under the Employees' Share Option Scheme.

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the Annual General Meeting held on 30 June 2014, renewed the approval for the Company to repurchase its own 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 28,965,100 of its issued ordinary shares from the open market at an average price of RM1.88 per share. The total consideration paid for the repurchase including transaction costs was RM54,347,399. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

On 28 November 2014, the Company distributed an interim dividend by way of distribution of treasury shares as share dividend at the ratio of one (1) treasury share for every hundred and thirty (130) existing ordinary shares of RM1 each held. A total of 3,150,744 treasury shares were distributed to the entitled shareholders in relation to the share dividend.

As at 31 December 2014, the Company held as treasury shares a total of 30,699,334 of its 441,446,129 issued ordinary shares. Such treasury shares are held at a carrying amount of RM57,565,069 and further relevant details are disclosed in Note 25 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 29 June 2009, shareholders approved the Employees' Share Option Scheme for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives and employees respectively.

The committee administering the Employees' Share Option Scheme comprises five Directors, Dato' Lim Git Hooi @ Robert Lim, DPMP, JP, Ching Nye Mi @ Chieng Ngie Chay, Ding Ming Hea, Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and the Group's Financial Controller, Chan Yan Meng.

Details of options granted to directors are disclosed in the section on directors' interest in this report.

DIRECTORS' REPORT (cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (cont'd)

The salient features and other terms of the Employees' Share Option Scheme and movements of share option during the financial year are disclosed in Note 28 to the financial statements.

The Company had on 5 January 2010 and 20 December 2013 granted 39,840,000 and 500,000 share options respectively under the ESOS to eligible employees of the Group. The ESOS expired on 4 August 2014.

AUDITORS

The auditors, Messrs. Baker Tilly AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2015.

DATO' YU KUAN HUAT,
DPMP, PMP, AMP, PPT

DATO' DR. YU KUAN CHON,
DIMP, PPT, MBBS

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 39 to 119 are drawn up in accordance with the 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 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 120 has 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 presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2015.

DATO' YU KUAN HUAT,

DPMP, PMP, AMP, PPT

DATO' DR. YU KUAN CHON,

DIMP, PPT, MBBS

STATUTORY DECLARATION

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

I, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 39 to 119 and the supplementary information as set out on page 120 are to the best of my knowledge and belief, 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 at
Kuala Lumpur in the Federal Territory
on 28 April 2015

DATO' DR. YU KUAN CHON

DIMP, PPT, MBBS

Before me

TAN KIM CHOOI (W 661)

Commissioner for Oaths

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF YNH PROPERTY BHD.**

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of YNH Property Bhd., which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 119.

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 the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 controls relevant to the Company's preparation of 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF YNH PROPERTY BHD.** (cont'd)

(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 13 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group 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 did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 120 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. 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 Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

Other Matters

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

BAKER TILLY AC
AF 001826
Chartered Accountants

LEE KONG WENG
2967/07/15 (J)
Chartered Accountant

Kuala Lumpur
28 April 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	4	390,505,239	303,086,311	60,000,000	25,200,000
Cost of sales	5	(215,676,786)	(183,783,707)	-	-
Gross profit		174,828,453	119,302,604	60,000,000	25,200,000
Other income		21,808,486	17,223,942	-	-
Administrative expenses		(42,719,702)	(37,200,217)	(730,096)	(672,046)
Selling and marketing expenses		(11,147,576)	(12,697,823)	-	-
Other operating expenses		(41,412,446)	(2,982,756)	-	-
		(95,279,724)	(52,880,796)	(730,096)	(672,046)
Profit from operations	6	101,357,215	83,645,750	59,269,904	24,527,954
Finance costs	7	(31,373,685)	(23,068,450)	-	-
Profit before tax		69,983,530	60,577,300	59,269,904	24,527,954
Tax (expense)/credit	10	(23,269,903)	(17,860,174)	515,411	(6,198,514)
Profit for the financial year		46,713,627	42,717,126	59,785,315	18,329,440
Other comprehensive income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation difference		858,804	47,938	-	-
Total comprehensive income		47,572,431	42,765,064	59,785,315	18,329,440
Profit attributable to:					
Owners of the Company		46,713,627	42,717,126	59,785,315	18,329,440
Total comprehensive income attributable to:					
Owners of the Company		46,713,627	42,717,126	59,785,315	18,329,440
Earnings per share attributable to owners of the Company (sen per share)	11				
- Basic		11.38	10.16		
- Diluted		11.34	10.04		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	12	189,023,560	140,593,897	-	-
Investments in subsidiaries	13	-	-	440,521,586	434,685,373
Investment properties	14	96,609,507	89,102,609	-	-
Land held for property development	15	335,866,900	337,091,689	-	-
Deferred tax assets	16	26,609,850	20,750,552	-	-
Goodwill on consolidation	17	17,626,036	17,626,036	-	-
Other non-current assets	21	280,641,412	308,072,972	-	-
		946,377,265	913,237,755	440,521,586	434,685,373
Current assets					
Property development costs	18	292,000,945	279,371,806	-	-
Inventories	19	284,585,712	231,047,937	-	-
Receivables and deposits	20	135,770,667	108,218,850	57,475,108	84,677,535
Other current assets	21	29,020,967	55,325,758	2,077	2,077
Tax recoverable		6,458,504	10,740,807	940,160	424,749
Term deposits and fixed income fund	23	544,758	4,260,179	-	-
Cash and bank balances	24	21,028,905	16,556,084	129,015	401,997
		769,410,458	705,521,421	58,546,360	85,506,358
TOTAL ASSETS		1,715,787,723	1,618,759,176	499,067,946	520,191,731

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (cont'd)

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	25	441,446,129	426,147,129	441,446,129	426,147,129
Share premium	25	52,226,740	50,153,299	52,226,740	50,153,299
Treasury shares	25	(57,565,069)	(9,084,118)	(57,565,069)	(9,084,118)
Other reserves	26	27,484,796	28,183,176	-	1,557,184
Retained earnings	27	411,207,462	372,636,600	60,278,963	8,636,413
Total equity		874,800,058	868,036,086	496,386,763	477,409,907
Non-current liabilities					
Borrowings	29	214,358,808	220,731,866	-	-
Provisions	32	9,615,375	-	-	-
Deferred tax liabilities	16	43,676,625	43,641,824	-	-
		267,650,808	264,373,690	-	-
Current liabilities					
Payables and accruals	30	89,602,209	104,498,219	2,681,183	42,781,824
Other current liabilities	31	2,105,724	20,073,834	-	-
Provisions	32	21,415,468	197,794	-	-
Tax payable		287,902	629,919	-	-
Borrowings	29	459,925,554	360,949,634	-	-
		573,336,857	486,349,400	2,681,183	42,781,824
Total liabilities		840,987,665	750,723,090	2,681,183	42,781,824
TOTAL EQUITY AND LIABILITIES		1,715,787,723	1,618,759,176	499,067,946	520,191,731

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	← Attributable to owners of the Company →							Total equity RM
		Share capital RM	Share premium RM	Share option reserve RM	Capital reserve RM	Translation reserve RM	Distributable Retained earnings RM	Treasury shares RM	
Group 2014									
At 1 January 2014		426,147,129	50,153,299	1,557,184	26,578,054	47,938	372,636,600	(9,084,118)	868,036,086
Comprehensive income									
Profit for the financial year		-	-	-	-	-	46,713,627	-	46,713,627
Other comprehensive income									
Foreign currency translation difference		-	-	-	-	858,804	-	-	858,804
Total comprehensive income		-	-	-	-	858,804	46,713,627	-	47,572,431
Transactions with owners									
Issue of ordinary shares:									
- Pursuant to exercise of ESOS	25	15,299,000	5,825,620	-	-	-	-	-	21,124,620
ESOS exercised		-	2,114,269	(2,114,269)	-	-	-	-	-
ESOS lapsed		-	-	(58,043)	-	-	58,043	-	-
Share buy back	25	-	-	-	-	-	-	(54,347,399)	(54,347,399)
Share options granted under ESOS	26	-	-	615,128	-	-	-	-	615,128
Share dividends	33	-	(5,866,448)	-	-	-	-	5,866,448	-
Dividends	33	-	-	-	-	-	(8,200,808)	-	(8,200,808)
Total transactions with owners		15,299,000	2,073,441	(1,557,184)	-	-	(8,142,765)	(48,480,951)	(40,808,459)
At 31 December 2014		441,446,129	52,226,740	-	26,578,054	906,742	411,207,462	(57,565,069)	874,800,058

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	←-----Attributable to owners of the Company-----→							Total equity RM
		Share capital RM	Share premium RM	Share option reserve RM	Capital reserve RM	Translation reserve RM	Distributable Retained earnings RM	Treasury shares RM	
Group 2013									
At 1 January 2013		412,833,129	37,478,176	8,094,078	26,578,054	-	346,599,979	(727,293)	830,856,123
Comprehensive income									
Profit for the financial year		-	-	-	-	-	42,717,126	-	42,717,126
Other comprehensive income									
Foreign currency translation difference		-	-	-	-	47,938	-	-	47,938
		-	-	-	-	47,938	42,717,126	-	42,765,064
Transactions with owners									
Issue of ordinary shares:									
- Pursuant to exercise of ESOS	25	13,314,000	5,059,320	-	-	-	-	-	18,373,320
ESOS exercised		-	7,615,803	(7,615,803)	-	-	-	-	-
ESOS lapsed		-	-	(256,526)	-	-	256,526	-	-
Share options granted under ESOS	26	-	-	1,335,435	-	-	-	-	1,335,435
Share buy back	25	-	-	-	-	-	-	(8,356,825)	(8,356,825)
Dividends	33	-	-	-	-	-	(16,937,031)	-	(16,937,031)
Total transactions with owners		13,314,000	12,675,123	(6,536,894)	-	-	(16,680,505)	(8,356,825)	(5,585,101)
At 31 December 2013		426,147,129	50,153,299	1,557,184	26,578,054	47,938	372,636,600	(9,084,118)	868,036,086

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	←-----Attributable to owners of the Company-----→					Total equity RM
		Share capital RM	←-----Non-distributable-----→ Share premium RM	Share option reserve RM	Distributable Retained earnings RM	Treasury shares RM	
Company 2014							
At 1 January 2014		426,147,129	50,153,299	1,557,184	8,636,413	(9,084,118)	477,409,907
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	59,785,315	-	59,785,315
Transaction with owners							
Issue of ordinary shares:							
- Pursuant to exercise of ESOS	25	15,299,000	5,825,620	-	-	-	21,124,620
ESOS exercised		-	2,114,269	(2,114,269)	-	-	-
ESOS lapsed		-	-	(58,043)	58,043	-	-
Share options granted under ESOS	26	-	-	615,128	-	-	615,128
Share buy back	25	-	-	-	-	(54,347,399)	(54,347,399)
Share dividends	33	-	(5,866,448)	-	-	5,866,448	-
Dividends	33	-	-	-	(8,200,808)	-	(8,200,808)
Total transactions with owners		15,299,000	2,073,441	(1,557,184)	(8,142,765)	(48,480,951)	(40,808,459)
At 31 December 2014		441,446,129	52,226,740	-	60,278,963	(57,565,069)	496,386,763

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	←-----Attributable to owners of the Company-----→					Total equity RM
		Share capital RM	←-----Non-distributable-----→ Share premium RM	Share option reserve RM	Distributable Retained earnings RM	Treasury shares RM	
Company 2013							
At 1 January 2013		412,833,129	37,478,176	8,094,078	6,987,478	(727,293)	464,665,568
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	18,329,440	-	18,329,440
Transaction with owners							
Issue of ordinary shares:							
- Pursuant to exercise of ESOS	25	13,314,000	5,059,320	-	-	-	18,373,320
ESOS exercised		-	7,615,803	(7,615,803)	-	-	-
ESOS lapsed		-	-	(256,526)	256,526	-	-
Share options granted under ESOS	26	-	-	1,335,435	-	-	1,335,435
Share buy back	25	-	-	-	-	(8,356,825)	(8,356,825)
Dividends	33	-	-	-	(16,937,031)	-	(16,937,031)
Total transactions with owners		13,314,000	12,675,123	(6,536,894)	(16,680,505)	(8,356,825)	(5,585,101)
At 31 December 2013		426,147,129	50,153,299	1,557,184	8,636,413	(9,084,118)	477,409,907

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Cash Flows from Operating Activities					
Profit before tax		69,983,530	60,577,300	59,269,904	24,527,954
Adjustments for:-					
Impairment loss on:					
- trade receivables		2,637,556	-	-	-
- other receivables		468,257	554,558	-	-
Reversal of impairment loss on trade receivables		-	(527,566)	-	-
Depreciation of investment properties		170,095	162,488	-	-
Depreciation of property, plant and equipment		2,691,495	3,192,469	-	-
Dividend income		-	-	(60,000,000)	(25,200,000)
(Gain)/Loss on disposal of property, plant and equipment		(43,548)	2,974	-	-
Interest expense		31,373,685	23,068,450	-	-
Interest income		(692,676)	(524,938)	-	-
Property, plant and equipment written off		265,922	165,203	-	-
Provision for future operating lease commitment		30,367,000	-	-	-
Provision for rectification works		922,040	148,826	-	-
Reversal of tax penalty previously accrued		3,738,043	-	-	-
Reversal of provision for rectification works		-	(30,982)	-	-
Unrealised gain on foreign exchange		(772,603)	(873,495)	-	-
Share options granted under ESOS		615,128	1,335,435	37,056	80,448
Operating profit/(loss) before working capital changes carried down		141,723,924	87,250,722	(693,040)	(591,598)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Operating profit/(loss) before working capital changes brought down		141,723,924	87,250,722	(693,040)	(591,598)
Change in property development costs		(26,491,149)	(57,385,345)	-	-
Change in inventories		25,896,273	5,530,733	-	-
Change in receivables		(5,382,009)	(4,428,185)	(26,113)	-
Change in contract work-in-progress		8,220,894	8,013,926	-	-
Change in payables		(32,864,120)	(50,026)	66,111	300,286
Cash generated from/(used in) operations		111,103,813	38,931,825	(653,042)	(291,312)
Utilisation of provision for rectification works		(455,991)	(291,712)	-	-
Dividend received		-	-	60,000,000	18,900,000
Interest paid		(34,240,389)	(24,386,932)	-	-
Interest received		692,676	524,938	-	-
Recharge of share options under ESOS to subsidiaries received		-	-	1,254,987	2,090,649
Tax refunded		-	2,629,954	-	-
Tax paid		(28,892,157)	(28,491,572)	-	-
Net cash from/(used in) operating activities carried down		48,207,952	(11,083,499)	60,601,945	20,699,337

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Group	Group	Company	Company
Note	2014 RM	2013 RM	2014 RM	2013 RM
Net cash from/(used in) operating activities brought down	48,207,952	(11,083,499)	60,601,945	20,699,337
Cash flows from investing activities				
Land held for property development - net of disposals	(60,229,174)	(57,404,323)	-	-
Placement of pledged fixed deposits	(10,646)	(18,051)	-	-
Additions in investment properties	(18,550)	(259,991)	-	-
Proceeds from disposal of property, plant and equipment	45,000	37,218	-	-
Deposits for joint venture and turnkey contracts, net of refunds	-	(52,611,560)	-	-
Repayment from subsidiaries	-	-	27,806,612	7,238,256
Subscription of additional shares in subsidiaries	-	-	(7,091,198)	-
Acquisition of subsidiaries	13	-	(2)	(8,817,777)
Purchase of property, plant and equipment	34	(37,792,395)	-	-
Net cash (used in)/from investing activities carried down	(98,005,765)	(170,081,342)	20,715,412	(1,579,521)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Net cash (used in)/from investing activities brought down		(98,005,765)	(170,081,342)	20,715,412	(1,579,521)
Cash flows from financing activities					
Dividends paid	33	(8,200,808)	(16,937,031)	(8,200,808)	(16,937,031)
Shares buy back	25	(54,347,399)	(8,356,825)	(54,347,399)	(8,356,825)
Proceeds from issue of shares		21,124,620	18,373,320	21,124,620	18,373,320
Drawdown of short term revolving credit		118,124,768	31,707,690	-	-
Drawdown of term loans		-	95,469,865	-	-
Payment of finance lease		(87,340)	-	-	-
Repayment to subsidiaries		-	-	(40,166,752)	(12,182,229)
Repayments of term loans		(1,949,215)	(7,610,342)	-	-
Net cash from/(used in) financing activities		74,664,626	112,646,677	(81,590,339)	(19,102,765)
Effect of changes in exchange rate		(425,108)	-	-	-
Net increase/(decrease) in cash and cash equivalents		24,441,705	(68,518,164)	(272,982)	17,051
Cash and cash equivalents at beginning of the financial year		(78,075,911)	(9,557,747)	401,997	384,946
Cash and cash equivalents at end of the financial year	34	(53,634,206)	(78,075,911)	129,015	401,997

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014

1. CORPORATE INFORMATION

YNH Property Bhd. is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan and principal place of business of the Company is located at No. 38, Jalan PPMP 7, Pusat Perniagaan Manjung Point 1, 32040 Seri Manjung, Perak Darul Ridzuan.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are property development, cultivation and sales of oil palm, general contracting, provision of consultancy services, provision of management services and lodging facilities, operation and management of a hotel, property investment, trading of properties and construction materials and related construction materials. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 28 April 2015.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 3.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

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

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int")

(i) Adoption of Amendments/Improvements to FRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to FRSs and new IC Int that are mandatory for the current financial year:-

Amendments/Improvements to FRSs

FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 139	Financial Instruments: Recognition and Measurement

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(i) Adoption of Amendments/Improvements to FRSs and New IC Int (cont'd)

New IC Int

IC Int 21 Levies

The adoption of the above amendments/improvements to FRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company.

(ii) New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new FRSs and amendments/improvements to FRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

<u>New FRSs</u>	Effective for financial periods beginning on or after
FRS 9 Financial Instruments	1 January 2018
 <u>Amendments/Improvements to FRSs</u>	
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2014
FRS 2 Share-based Payment	1 July 2014
FRS 3 Business Combinations	1 July 2014
FRS 5 Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7 Financial Instruments: Disclosures	1 January 2016
FRS 8 Operating Segments	1 July 2014
FRS 10 Consolidated Financial Statements	1 January 2016
FRS 11 Joint Arrangements	1 January 2016
FRS 12 Disclosures of Interests in Other Entities	1 January 2016
FRS 13 Fair Value Measurement	1 July 2014
FRS 101 Presentation of Financial Statements	1 January 2016
FRS 116 Property, Plant and Equipment	1 July 2014/ 1 January 2016
FRS 119 Employee Benefits	1 July 2014/ 1 January 2016
FRS 124 Related Party Disclosures	1 July 2014
FRS 127 Separate financial statements	1 January 2016
FRS 128 Investments in Associates and Joint Ventures	1 January 2016
FRS 138 Intangible Assets	1 July 2014/ 1 January 2016
FRS 140 Investment Property	1 July 2014

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(ii) New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)

A brief discussion on the above significant new FRSs and amendments/improvements to FRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement

FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment

FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting

FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(ii) **New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)**

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

Amendments to FRS 1 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to FRS 2 Share-based Payment

Amendments to FRS 2 clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to FRS 3 Business Combinations

Amendments to FRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to FRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to FRS 3 clarifies that FRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in FRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 5 introduces specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 8 Operating Segments

Amendments to FRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(ii) **New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)**

Amendments to FRS 8 Operating Segments (cont'd)

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets / liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to FRS 13 Fair Value Measurement

Amendments to FRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* or FRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132 *Financial Instruments: Presentation*.

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(ii) **New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)**

Amendments to FRS 116 Property, Plant and Equipment (cont'd)

Amendments to FRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by FRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 124 Related Party Disclosures

Amendments to FRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to FRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(ii) **New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)**

Amendments to FRS 140 Investment Property

Amendments to FRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in FRS 3 and investment property as defined in FRS 140 requires the separate application of both Standards independently of each other.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in FRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(iii) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2017. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2017. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(iii) MASB Approved Accounting Standards, MFRSs

MFRS 15 Revenue from Contracts with Customers (cont'd)

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the Amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group is currently assessing the impact of the adoption of this standard.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for those as disclosed in the accounting policy notes.

(c) 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. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting judgements and estimates

The significant areas of estimation uncertainty and critical judgements in applying accounting principles that have a significant effect on the amounts recognised in the financial statements are described below:

- (i) Revenue and cost of sales recognition (Note 4 and 5) – the Group recognises property development revenue and cost of sales by reference to the stage of completion of the development activity at the reporting date. The stage of completion is determined based on the proportion of development costs incurred for work performed to-date bears to the estimated total property development costs. Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profit/(loss) recognised.
- (ii) Tax expense (Note 10) - significant judgement is required in determining the taxability of certain gains, the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.
- (iii) Depreciation of property, plant and equipment (Note 12) – the cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years based on past experience with similar assets. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation charges.
- (iv) Classification between investment properties and property, plant and equipment – the Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Due to the commercial buildings rented out could not be sold separately from its hotel building, the Group has treated the whole property as property, plant and equipment.

- (v) Operating lease and finance lease for leasehold land – Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the financial lease, the lease will be classified as property, plant and equipment if it is for own use. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting judgements and estimates (cont'd)

- (vi) Classification between investment properties and inventories – certain completed properties which were developed by the Group for sale in the ordinary course of business have been let out to tenants. The Group has determined that their intention to sell these properties in the ordinary course of business remains unchanged and has classified these properties as inventories.
- (vii) Operating lease arrangement - The Group has entered into commercial property leases on its landed properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.
- (viii) Deferred tax assets (Note 16) – deferred tax assets are recognised for deductible temporary differences in respect of expenses, unutilised tax losses and unabsorbed capital allowances based on the projected future profits of the subsidiaries to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group.
- (ix) Impairment of goodwill (Note 17) – significant judgement is used in the estimation of the present value of future cash flows generated by the cash-generating units which involve uncertainties and are based on assumptions used and judgement made regarding estimates of future cash flows and discount rate.
- (x) Inventories (Note 19) – the saleability of inventories are reviewed by management on a periodic basis. This review involves comparison of the carrying value of the inventory items with the respective net realisable value. The purpose is to ascertain whether a write down to net realisable value is required to be made.
- (xi) Impairment loss on receivables (Note 20) – the Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.
- (xii) Construction contracts (Note 22) – significant judgement is used in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the works that are recoverable from the customers. In making judgements, the Group evaluates based on past experience and work of specialists.
- (xiii) Provision for rectification works (Note 32) – the Group recognised provision for rectification works on completed contracts. It is expected that most of these costs will be incurred when one year after the completion of construction contracts. Based on management's past experience, the provision is computed at 0.2% (2012: 0.2%) on the total contract sum of completed contracts.
- (xiv) Provision for future operating lease commitment (Note 32) – the Group recognised provision for future operating lease commitment where the expected benefits to be derived from the non-cancellable leaseback properties is less than the operating lease commitment. Significant assumptions and judgement are used in the estimation of the future income, expenses and discount rate of the leaseback properties.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all of its subsidiaries which are disclosed in Note 13 made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Subsidiaries are consolidated using the acquisition method, from the date of acquisition being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Where the present ownership interests in the acquiree entitles the holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The Group measures goodwill at the acquisition date as:

- (i) The fair value of the consideration transferred; plus
- (ii) The recognised amount of any non-controlling interests in the acquiree; plus
- (iii) If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- (iv) The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised FRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests, if any, prior to the effective date have not been restated to comply with the Standard.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Revenue recognition

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. Revenue is measured at the fair value of consideration received or receivable.

(i) Development properties

Revenue from development properties sold is recognised on the percentage of completion method when the outcome of the property development projects can be reliably estimated. The stage of completion is measured by the proportion that development costs incurred for work performed to-date bear to the estimated total development costs for units sold. Where foreseeable losses on development properties are anticipated, full allowance of those losses is made in the financial statements.

Revenue from the sale of completed development properties and land held for development are measured at fair value of the consideration received or receivable net of trade discounts and rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of properties can be estimated reliably, and there is no continuing management involvement with the properties.

(ii) Construction contract

Revenue from construction contracts is recognised on the percentage of completion method when the outcome of the construction contracts can be reliably estimated. The stage of completion is measured by reference to the certified work done to-date or by the proportion that contract costs incurred for work performed to-date bear to the estimated total construction costs. Where foreseeable losses on construction contracts are anticipated, full allowance of those losses is made in the financial statements.

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.

(iii) Goods sold

Revenue from sales of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(iv) Services

Revenue from rental of service apartments and hotel rooms, sales of food and beverage and other related income are recognised when the services are rendered.

(v) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Revenue recognition (cont'd)

(vi) Dividend income

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

(vii) Interest income

Interest income is recognised using the effective interest method.

(viii) Commission income

Commission income is recognised when services are rendered.

(c) Employee benefits

(i) Short Term Employee Benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense as incurred.

(iii) Employees' share option scheme

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share premium if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

(e) Leases

(i) Finance lease – the Group as lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease is capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

(ii) Operating lease – the Group as lessee

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

(iii) Operating lease – the Group as lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(f) Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior financial years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Tax expense (cont'd)

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. 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 be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as 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 costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use. Leasehold land is depreciated over the period of 98 years. All other property, plant and equipment are depreciated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

Buildings	1% - 2%
Plant and machinery	20%
Motor vehicles	20%
Tennis court	10%
Office equipment, furniture, fittings and renovations	10% - 20%
Crockery, glassware, cutlery, carpet and linen	12.5% - 25%

The residual values, useful lives and depreciation method are reviewed at each reporting date 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Property, plant and equipment (cont'd)

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.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(h) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided for on a straight-line basis over the estimated useful life.

Freehold land is not depreciated. Long term leasehold interest is depreciated over the lease period of 79 years. The completed buildings included in investment properties are depreciated over an estimated useful life of 50 years. Investment property under construction is not depreciated as the asset is not yet available for use. The residual values, useful lives and depreciation method are reviewed at each reporting date.

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 gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Investment property under construction is classified as investment property.

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of controls as mentioned above.

When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other holders;
- Potential voting rights, if such rights are substantive, held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- The nature of the Group's relationship with other parties and whether those other parties are acting on its behalf (i.e. they are 'de facto agents'); and
- Any additional facts and circumstances that indicate the Group 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Subsidiaries (cont'd)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The transaction costs of the investments shall be recognised as expense in the profit or loss in the period in which the costs are incurred.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(j) Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in profit or loss.

(k) 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.

(l) Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior financial years. The reversal of impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) 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. Costs consist of land, construction costs and other development costs including related overheads and capitalised borrowing costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in profit or loss by reference to the stage of completion of development activities at the reporting date.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of 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 defect 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.

Accrued billings within other current assets represent the excess of revenue recognised in profit or loss over billings to purchasers. Progress billings within other current liabilities represent the excess of billings to purchasers over revenue recognised in profit or loss.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method.

Cost of completed development properties is determined on specific identification basis and includes land, construction and appropriate development overheads.

The cost of building materials and consumables comprise costs of purchase. The cost of unsold properties comprises cost 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 estimated costs of completion and the estimated costs necessary to make the sale.

(o) Construction contracts

Construction contracts are measured at contract cost plus profit recognised to date less progress billing and recognised losses. Contract cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

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

When the cost incurred on construction contract plus profit recognised to date less recognised losses exceeds progress billings, the balance is classified as amounts due from customers on contracts. When progress billings exceed cost incurred plus recognised profits to date less recognised losses, the balance is classified as amounts due to customers on contracts.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) 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 have categorised financial assets in loans and receivables.

(i) 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, 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.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

(q) 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.

(i) 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, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Impairment of financial assets (cont'd)

(i) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

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

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

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

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft.

(s) Share capital and share issuance expenses

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(t) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(u) 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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial liabilities (cont'd)

(i) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and 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. Loans and 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.

(v) 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.

(w) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Contingencies

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

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

(y) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

(z) Fair value measurement

Fair value of an asset or liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in the 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, maximizing 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; and
- 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 each reporting date.

For the purpose of fair value disclosures, the Group had determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

4. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of:				
- development properties	291,632,293	209,306,643	-	-
- land held for property development	3,850,000	3,028,000	-	-
- completed property units	19,856,922	20,151,669	-	-
Commission income	408,900	660,400	-	-
Dividend income from a subsidiary	-	-	60,000,000	25,200,000
Income from estates	2,181,559	2,873,703	-	-
Revenue from room sales, food and beverages	34,521,474	30,502,819	-	-
Proceeds from contract work	34,967,188	33,416,033	-	-
Rental income on:				
- properties	1,975,056	2,427,044	-	-
- plant and equipment	1,111,847	720,000	-	-
	<u>390,505,239</u>	<u>303,086,311</u>	<u>60,000,000</u>	<u>25,200,000</u>

5. COST OF SALES

	Group	
	2014 RM	2013 RM
Property development costs (Note 18)	140,211,289	103,500,428
Cost of land held for property development sold (Note 15)	1,632,687	1,018,260
Cost of completed property units	9,217,989	8,171,279
Construction contract costs	22,317,220	32,786,423
Direct cost in respect of rental of plant and equipment	296,463	522,455
Estates costs	548,710	992,745
Hotel and other operation costs		
- rental of premises	21,643,790	21,504,607
- other costs	19,808,638	15,287,510
	<u>215,676,786</u>	<u>183,783,707</u>

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

6. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration				
- statutory audit				
- current	221,700	206,700	44,000	44,000
- other services	10,500	10,500	-	-
Depreciation of investment properties	170,095	162,488	-	-
Depreciation of property, plant and equipment	2,691,495	3,192,469	-	-
Employees benefits expense (Note 8)	31,760,076	31,655,233	-	-
Impairment loss on:				
- other receivables (Note 20)	468,257	554,558	-	-
- trade receivables (Note 20)	2,637,556	-	-	-
Loss on disposal of property, plant and equipment	-	2,974	-	-
Non-executive directors' remuneration (Note 9)	318,888	348,323	318,888	348,323
Property, plant and equipment written off	265,922	165,203	-	-
Provision for rectification works (Note 32)	922,040	148,826	-	-
Provision for future operating lease commitment (Note 32)	30,367,000	-	-	-
Rental guarantee return				
- included in cost of sales	21,643,790	21,504,607	-	-
- included in other operating expenses	2,983,756	2,982,756	-	-
Rental of lorry and tractor	646,080	1,400,880	-	-
Rental of plant and machinery	1,289,797	1,721,992	-	-
Rental of premises	1,419,767	1,576,939	-	-
Direct operating expenses from investment properties				
- Generated rental income	21,796	20,520	-	-
- Did not generate rental income	598,095	497,095	-	-
Gain on compulsory land acquisition by government	-	(690,068)	-	-
Gain on disposal of property, plant and equipment	(43,548)	-	-	-
Gain on changes in fair value of retention sum	-	(332,524)	-	-
Interest income	(692,676)	(524,938)	-	-
Profit from sale of building materials	(373,061)	(313,011)	-	-
Unrealised foreign exchange gain	(772,603)	(873,495)	-	-
Realised foreign exchange gain	-	(4,455)	-	-
Rental income from properties	(14,426,027)	(12,792,931)	-	-
Reversal of impairment loss on trade receivables (Note 20)	-	(527,566)	-	-
Reversal of provision for rectification works (Note 32)	-	(30,982)	-	-
Reversal of tax penalty previously accrued (Note 10)	(3,738,043)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

7. FINANCE COSTS

	Group	
	2014	2013
	RM	RM
Interest expense:		
- term loans	11,514,847	8,393,277
- bank overdrafts	3,567,369	2,446,135
- short term revolving credit	18,849,758	13,547,520
- others	308,415	-
	34,240,389	24,386,932
Interest expense capitalised in qualifying assets:		
- Property development costs (Note 18)	(2,866,704)	(1,318,482)
	31,373,685	23,068,450

8. EMPLOYEES BENEFITS EXPENSE

	Group	
	2014	2013
	RM	RM
Salaries, bonus and other staff related costs	26,971,237	26,546,047
Employee Provident Fund	4,084,797	3,702,060
Share options granted under ESOS	578,072	1,254,987
Socso	125,970	152,139
	31,760,076	31,655,233

Included in employees benefits expense of the Group are executive directors' remuneration amounting to RM14,657,650 (2013: RM13,926,466).

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

9. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive				
Salaries and other emoluments	9,772,920	9,127,570	-	-
Bonus	2,443,230	2,326,892	-	-
Employees Provident Fund	2,321,068	2,210,548	-	-
Share options granted under ESOS	120,432	261,456	-	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 8)	14,657,650	13,926,466	-	-
Estimated monetary value of benefits-in-kind	43,300	43,300	-	-
Total executive directors' remuneration (including benefits-in-kind)	14,700,950	13,969,766	-	-
Non-executive				
Fees	143,232	132,000	143,232	132,000
Share options granted under ESOS	37,056	80,448	37,056	80,448
Other emoluments	138,600	135,875	138,600	135,875
Total non-executive directors' emoluments	318,888	348,323	318,888	348,323
	15,019,838	14,318,089	318,888	348,323

10. TAX EXPENSE/(CREDIT)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax:				
Malaysian - current financial year	32,679,285	25,198,500	-	6,192,900
- prior financial year	(3,601,852)	257,542	(515,411)	5,614
Labuan - current financial year	20,000	21,113	-	-
- prior financial year	(3,033)	-	-	-
	29,094,400	25,477,155	(515,411)	6,198,514
Deferred tax:				
Origination and reversal of temporary differences	(5,418,434)	(8,527,528)	-	-
(Over)/Underprovision in prior financial year	(406,063)	464,147	-	-
Relating to changes in tax rate	-	446,400	-	-
	(5,824,497)	(7,616,981)	-	-
Tax expense/(credit)	23,269,903	17,860,174	(515,411)	6,198,514

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

10. TAX EXPENSE (cont'd)

The overprovision of current tax in prior financial years of the Group included amounts of RM2,915,972 (2013: RMnil) in respect of reversal of additional tax assessments for the years of assessment 1998 and 1999 on certain subsidiaries of the Company following the decision in favour of the Group in the Court of Appeal and the withdrawal of the appeal by the Inland Revenue Board. Accordingly, tax penalty of RM3,738,043 previously accrued was also reversed and included in other income during the financial year.

The reconciliation from the tax amount at statutory income tax rate to the Group's and of the Company's tax expense is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	69,983,530	60,577,300	59,269,904	24,527,954
Tax at the Malaysian statutory income tax rate of 25%	17,495,900	15,144,300	14,817,500	6,132,000
Expenses not deductible for tax purposes	1,238,898	517,365	182,500	60,900
Non-taxable income	(934,500)	(555,000)	(15,000,000)	-
Relating to changes in tax rates	-	512,000	-	-
Different tax rate in offshore company *	-	(132,587)	-	-
Deferred tax recognised at different tax rate	552,553	76,807	-	-
Utilisation of previously unrecognised deferred tax assets	-	(17,600)	-	-
Deferred tax asset not recognised during the financial year	8,928,000	1,593,200	-	-
(Over)/under provision in prior financial years				
- current tax	(3,604,885)	257,542	-	5,614
- deferred tax	(406,063)	464,147	(515,411)	-
Tax expense/(credit)	23,269,903	17,860,174	(515,411)	6,198,514

* The income tax expense for subsidiary incorporated in the Federal Territory of Labuan is based on the Labuan Business Activity Tax Act, 1990 which is computed at 3% of profit before tax or fixed sum of RM20,000 upon election.

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. The domestic corporate tax rate would be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 31 December 2014 and 31 December 2013 has reflected these changes.

The Group has unutilised tax losses and unabsorbed capital allowances of approximately RM20,869,720 (2013: RM14,526,600) and RM7,595,500 (2013: RM6,560,600) respectively, available for set-off against future taxable profits.

The Group also has available unutilised investment tax allowance of RM2,201,000 (2013: RM2,201,000) carried forward available for off-set against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2014	2013
	RM	RM
Profit for the financial year attributable to owners of the Company used in the computation of basic and diluted earnings per share	46,713,627	42,717,126
	<hr/>	<hr/>
	Number of shares	
Weighted average number of ordinary shares for basis earnings per share computation*	410,345,523	420,559,069
Effect of dilution		
- share options	1,759,635	5,085,242
	<hr/>	<hr/>
Weighted average number of ordinary shares for diluted earnings per share computation	412,105,158	425,644,311
	<hr/>	<hr/>

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year.

Since the end of the financial year, the Company has repurchased 200 of its issued ordinary shares from the open market to be held as treasury shares.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014 (cont'd)

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Tennis court RM	Office equipment, fittings and renovations RM	Crockery glassware, cutlery, carpet and linen RM	Total RM
Costs									
At 1.1.2014	85,391,913	2,599,469	11,327,306	45,377,358	4,768,701	70,004	7,705,287	911,324	158,151,362
Additions	465,664	32,733,619	237,871	16,162,433	1,782,714	-	6,769,931	89,599	58,241,831
Written off	-	-	(211,797)	(336,895)	-	-	(276,289)	(388,205)	(1,213,186)
Disposal	-	-	-	-	(178,970)	-	-	-	(178,970)
Effect of movement in exchange rates	-	-	-	2,311,283	-	-	-	-	2,311,283
At 31.12.2014	85,857,577	35,333,088	11,353,380	63,514,179	6,372,445	70,004	14,198,929	612,718	217,312,320
Accumulated Depreciation									
At 1.1.2014	-	72,613	1,574,034	8,877,585	2,800,076	70,002	3,626,416	536,739	17,557,465
Charge for the financial year	-	309,625	147,022	9,247,579	715,116	-	1,178,980	2,987	11,601,309
Written off	-	-	(32,357)	(314,050)	-	-	(212,652)	(388,205)	(947,264)
Disposal	-	-	-	-	(177,518)	-	-	-	(177,518)
Effect of movement in exchange rates	-	-	-	254,768	-	-	-	-	254,768
At 31.12.2014	-	382,238	1,688,699	18,065,882	3,337,674	70,002	4,592,744	151,521	28,288,760
Net Carrying Amount									
At 31.12.2014	85,857,577	34,950,850	9,664,681	45,448,297	3,034,771	2	9,606,185	461,197	189,023,560

The Group's long term leasehold land has remaining unexpired lease period of more than 50 years.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2014 (cont'd)

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM	Long term leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Tennis court RM	Office equipment, fittings and renovations RM	Crockery glassware, cutlery, carpet and linen RM	Total RM
Costs									
At 1.1.2013	61,883,242	2,355,862	11,307,139	12,572,156	3,592,244	70,004	6,611,274	911,324	99,303,245
Additions	23,508,671	243,607	20,167	33,224,817	1,255,329	-	1,572,044	-	59,824,635
Disposal	-	-	-	-	(78,872)	-	(47,895)	-	(126,767)
Written off	-	-	-	(494,220)	-	-	(430,136)	-	(924,356)
Effect of movement in exchange rates	-	-	-	74,605	-	-	-	-	74,605
At 31.12.2013	85,391,913	2,599,469	11,327,306	45,377,358	4,768,701	70,004	7,705,287	911,324	158,151,362
Accumulated Depreciation									
At 1.1.2013	-	48,326	1,433,907	7,530,556	2,453,190	70,002	2,878,361	536,739	14,951,081
Charge for the financial year	-	24,287	140,127	1,774,892	421,607	-	1,074,264	-	3,435,177
Disposal	-	-	-	-	(74,721)	-	(11,854)	-	(86,575)
Written off	-	-	-	(444,798)	-	-	(314,355)	-	(759,153)
Effect of movement in exchange rates	-	-	-	16,935	-	-	-	-	16,935
At 31.12.2013	-	72,613	1,574,034	8,877,585	2,800,076	70,002	3,626,416	536,739	17,557,465
Net Carrying Amount									
At 31.12.2013	85,391,913	2,526,856	9,753,272	36,499,773	1,968,625	2	4,078,871	374,585	140,593,897

The Group's long term leasehold land has remaining unexpired lease period of more than 50 years.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Motor vehicles under finance lease arrangements are as follows:

	Group	
	2014 RM	2013 RM
Cost	308,572	-
Net carrying amount	252,000	-

Titles of leasehold land with net carrying amount of RM19,000,508 (2013: RMnil) was alienated by a local council and is in the process of being transferred to the name of a subsidiary.

Freehold land and leasehold land with net carrying amount of RM92,197,986 (2013: RM76,045,276) are pledged as security for bank borrowings as mentioned in Note 29.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM	2013 RM
Unquoted shares, at cost	450,521,586	443,430,386
ESOS granted to employees of subsidiaries	-	1,254,987
	450,521,586	444,685,373
Less: Impairment loss	(10,000,000)	(10,000,000)
	440,521,586	434,685,373

The details of the subsidiaries which are incorporated and have principal place of business in Malaysia, are as follows:

Name of company	Principal activities	Proportion of ownership interest/ voting rights	
		2014 %	2013 %
Direct subsidiaries			
Kar Sin Berhad	Property development and cultivation and sale of oil palm produce	100	100
YNH Construction Sdn. Bhd.	General contracting	100	100
D'Kiara Place Sdn. Bhd.	Property development and provision of consultancy services	100	100
YNH Services Sdn. Bhd.	Provision of management services and lodging facilities	100	100
YNH Land Sdn. Bhd.	Property investment	97	97

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

13. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries which are incorporated and have principal place of business in Malaysia, are as follows: (cont'd)

Name of company	Principal activities	Proportion of ownership interest/ voting rights	
		2014 %	2013 %
Direct subsidiaries			
YNH Hardware Sdn. Bhd.	Dormant	100	100
YNH Ready Mix Sdn. Bhd.	Rental of plant and equipment	100	100
YNH Communication Engineering Sdn. Bhd.	Dormant	100	100
YNH Engineering Sdn. Bhd.	General contracting	100	100
Green Mirage Sdn. Bhd.	Dormant	100	100
YNH Hospitality Sdn. Bhd. @	Dormant	100	100
Sky High Corporation ^ # *	Rental of plant and machinery	100	100
Kiara Desaru Sdn. Bhd.	Dormant	100	100
YNH Electrical Engineering Sdn. Bhd.	General contracting	100	-
Indirect subsidiaries through Kar Sin Berhad			
Hotel Sfera Sdn. Bhd. (formerly known as Lead View Sdn. Bhd.)	Operation and management of a hotel and its related business and property investment	100	100
Mesra Unggul Sdn. Bhd.	Property investment and development	100	100
Bay Clubhouse Sdn. Bhd.	Property investment	100	100
YNH Land Sdn. Bhd.	Property investment	3	3
YNH Realty Sdn. Bhd.	Marketing agent	100	100
Benua Kukuh Sdn. Bhd.	Property investment	100	100

^ Audited by firm of chartered accountants affiliated with Baker Tilly AC.

The Company fully subscribed for 4,491,200 new ordinary shares in the subsidiary

@ The Company fully subscribed for 2,599,998 new ordinary shares of RM1 each in the subsidiary

* Incorporated and has principal place of business in the Federal Territory of Labuan, Malaysia

Acquisition of subsidiary

On 23 July 2014, the Company has acquired the entire equity interest in YNH Electrical Engineering Sdn. Bhd. for a cash consideration of RM2. The acquisition did not have a material impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2014 (cont'd)

14. INVESTMENT PROPERTIES

The movements of investment properties are as follows:

Group	Completed investment property RM	2014 Investment property under construction (IPUC) RM	Total RM	Completed investment property RM	2013 Investment property under construction (IPUC) RM	Total RM
Cost						
At beginning of the financial year	10,869,418	78,601,232	89,470,650	9,825,992	78,536,664	88,362,656
Additions	-	18,550	18,550	195,423	64,568	259,991
Transfer from land held for property development (Note 15)	7,658,443	-	7,658,443	269,269	-	269,269
Transfer from property development costs (Note 18)	-	-	-	578,734	-	578,734
At end of the financial year	18,527,861	78,619,782	97,147,643	10,869,418	78,601,232	89,470,650
Accumulated depreciation						
At beginning of the financial year	368,041	-	368,041	205,553	-	205,553
Additions	170,095	-	170,095	162,488	-	162,488
At end of the financial year	538,136	-	538,136	368,041	-	368,041
Net carrying amounts	17,989,725	78,619,782	96,609,507	10,501,377	78,601,232	89,102,609
Estimated fair value	30,111,507	438,815,768	468,927,275	20,083,823	433,618,700	453,702,523

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

14. INVESTMENT PROPERTIES (cont'd)

Included in the Group's investment properties are land held under long-term leasehold interest of RM565,055 (2013: RM565,055) which expires in the year ranging from 2081 to 2096.

Completed investment properties comprise 19 units double storey shophouses, commercial buildings, a sports complex and vacant land whilst IPUC consists of vacant land.

The Group's freehold land in investment properties with a net carrying amount of RM80,325,696 (2013: RM80,435,377) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

The estimated fair values of the completed investment properties and freehold land in IPUC were arrived at by the directors of the Company by reference to similar properties in the locality and adjusting for location, terrain, size, present market trends and other differences. The significant unobservable input used in the valuation method is price per square foot.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December are as follow:

Group	Fair Value Measurement using			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
2014				
Investment properties	-	-	468,927,275	468,927,275
2013				
Investment properties	-	-	453,702,523	453,702,523

15. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Cost				
2014				
At beginning of the financial year	247,750,844	43,751,785	45,589,060	337,091,689
Additions	16,391,787	501,507	44,968,567	61,861,861
Transfer to investment properties (Note 14)	-	(7,184,550)	(473,893)	(7,658,443)
Transfer to property development costs (Note 18)	(17,526,462)	-	(36,269,058)	(53,795,520)
Disposal of land (Note 5)	(698,236)	(44,626)	(889,825)	(1,632,687)
At end of the financial year	245,917,933	37,024,116	52,924,851	335,866,900

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

15. LAND HELD FOR PROPERTY DEVELOPMENT (cont'd)

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
2013				
At beginning of the financial year	239,733,380	42,511,485	50,622,669	332,867,534
Additions	42,925,888	980,000	14,553,625	58,459,513
Transfer to investment properties (Note 14)	-	(258,659)	(10,610)	(269,269)
Transfer from property development costs (Note 18)	2,104,833	476,450	138,529	2,719,812
Transfer to property development costs (Note 18)	(257,702)	(115,519)	(19,343,281)	(19,716,502)
Transfer to inventories	(3,089,385)	-	(324,824)	(3,414,209)
Disposal of land (Note 5)	(959,270)	-	(58,990)	(1,018,260)
Acquisition by government	(35,921)	-	(1,009)	(36,930)
Revocation of purchase	(32,500,000)	-	-	(32,500,000)
Reclassification	(170,979)	158,028	12,951	-
At end of the financial year	<u>247,750,844</u>	<u>43,751,785</u>	<u>45,589,060</u>	<u>337,091,689</u>

Freehold land and leasehold land and development expenditure of the Group with carrying amount of RM165,015,136 (2013: RM135,528,497) are pledged as security for bank borrowings as mentioned in Note 29.

Titles to certain freehold land and leasehold land and development expenditure of the Group with the following carrying amounts are registered under the names of the previous proprietors' name:

	Group	
	2014 RM	2013 RM
Land held for property development	<u>131,491,741</u>	<u>114,564,325</u>

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax assets				
At 1 January	20,750,552	15,005,736	-	-
Recognised in profit or loss	5,859,298	5,744,816	-	-
At 31 December	<u>26,609,850</u>	<u>20,750,552</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
At 1 January	(43,641,824)	(45,513,989)	-	-
Recognised in profit or loss	(34,801)	1,872,165	-	-
At 31 December	<u>(43,676,625)</u>	<u>(43,641,824)</u>	<u>-</u>	<u>-</u>

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

16. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

The components of deferred tax assets and liabilities as at the reporting date are as follows:-

	Group	
	2014	2013
	RM	RM
Deferred tax assets		
Deductible temporary differences in respect of expenses	556,000	122,300
Arising from transfer of property development cost to investment properties	1,351,700	1,351,700
Differences between the carrying amount of property, plant and equipment and its tax base	(928,700)	(893,400)
Interest attributable to property development cost	15,141,700	11,357,200
Unabsorbed capital allowances	843,100	845,400
Unrealised profit on development properties	9,546,250	7,867,552
Unutilised tax losses	99,800	99,800
	26,609,850	20,750,552
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and its tax base	(875,777)	(390,100)
Unabsorbed capital allowances	-	48,500
Deductible temporary differences in respect of expenses	162,274	54,600
Fair value adjustment on consolidation	(42,963,122)	(43,354,824)
	(43,676,625)	(43,641,824)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group	
	2014	2013
	RM	RM
Investment tax allowance	2,201,000	2,201,000
Provision for future operating lease commitment	30,367,000	-
Unutilised tax losses	20,453,720	14,110,600
Unabsorbed capital allowances	4,082,000	3,593,000
	57,103,720	19,904,600

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

17. GOODWILL ON CONSOLIDATION

	Group	
	2014	2013
	RM	RM
At beginning/end of the financial year	17,626,036	17,626,036

The carrying amounts of goodwill allocated to the Group's cash generating unit ("CGU") are based on the CGU's excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. The goodwill was allocated to the Group's property development segment.

The recoverable amount of a Cash Generating Unit ("CGU") is determined based on value-in-use calculations using 5 years of cash flow projections from financial budgets and projections approved by management. Cash flows beyond the five-year period are extrapolated using growth rates stated below.

The calculation of value-in-use for the CGU is most sensitive to the following key assumptions:

- (i) Budgeted gross margins – Gross margins are based on management's estimate on the industry trends and historical gross margins achieved.
- (ii) Growth rates – Growth rates are based on the Company's estimates calculated based on sector and industry trends, general market and economic conditions, planned and existing projects and other available information for the next 5 years and assuming no growth for subsequent years.
- (iii) Pre-tax discount rate – Discount rate reflects the current market assessment of the risks specific to the segment. This is the benchmark used by the management to assess operating performance and to evaluate future investment proposals.

No impairment loss was required for the goodwill assessed as its recoverable amount was in excess of its carrying amount.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of goodwill to materiality exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

18. PROPERTY DEVELOPMENT COSTS

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group 2014				
Cumulative property development costs				
At beginning of the financial year	147,197,427	42,498,492	290,539,743	480,235,662
Cost incurred during the financial year	2,285,967	-	176,192,990	178,478,957
Transfer from land held for property development (Note 15)	17,759,425	-	36,036,095	53,795,520
Adjustment on completion of projects	(3,126,087)	(30,032,147)	(273,901,640)	(307,059,874)
Unsold units transferred to inventories	(115,298)	(7,476,481)	(71,842,270)	(79,434,049)
At end of the financial year	164,001,434	4,989,864	157,024,918	326,016,216
Cumulative costs recognised in profit or loss				
At beginning of the financial year	(15,521,903)	(17,369,985)	(167,971,968)	(200,863,856)
Recognised during the financial year (Note 5)	(2,532,446)	(13,516,907)	(124,161,936)	(140,211,289)
Adjustment on completion of projects	3,126,087	30,032,147	273,901,640	307,059,874
At end of the financial year	(14,928,262)	(854,745)	(18,232,264)	(34,015,271)
Property development costs at end of the financial year	149,073,172	4,135,119	138,792,654	292,000,945

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

18. PROPERTY DEVELOPMENT COSTS (cont'd)

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
2013				
Cumulative property development costs				
At beginning of the financial year	150,348,002	44,920,439	181,196,468	376,464,909
Cost incurred during the financial year	4,347,843	232,139	157,866,981	162,446,963
Transfer from land held for property development (Note 15)	257,702	115,519	19,343,281	19,716,502
Transfer to investment properties (Note 14)	-	(578,734)	-	(578,734)
Transfer to land held or property development (Note 15)	(2,104,833)	(476,450)	(138,529)	(2,719,812)
Adjustment on completion of projects	(1,476,430)	(1,714,421)	(19,962,924)	(23,153,775)
Unsold units transferred to inventories	(4,174,857)	-	(47,765,534)	(51,940,391)
At end of the financial year	147,197,427	42,498,492	290,539,743	480,235,662
Cumulative costs recognised in profit or loss				
At beginning of the financial year	(13,915,067)	(9,499,904)	(97,102,232)	(120,517,203)
Recognised during the financial year (Note 5)	(3,083,266)	(9,584,502)	(90,832,660)	(103,500,428)
Adjustment on completion of projects	1,476,430	1,714,421	19,962,924	23,153,775
At end of the financial year	(15,521,903)	(17,369,985)	(167,971,968)	(200,863,856)
Property development costs at end of the financial year	131,675,524	25,128,507	122,567,775	279,371,806

Included in property development costs incurred during the financial year are:

	Group 2014 RM	2013 RM
Depreciation of property, plant and equipment	8,909,814	242,708
Interest on borrowing capitalised (Note 7)	2,866,704	1,318,482
Rental of equipment	650,193	1,359,925

The Group's freehold and leasehold land and development expenditure with a net carrying amount of RM246,974,296 (2013: RM226,536,720) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

Title of leasehold land of the Group with property development costs of RM289,396,628 (2013: RM226,403,622) was registered under the name of a third party.

Included in development expenditure is an amount of RM27,843,130 (2013: RM21,470,740) being entitlement of landowners pursuant to joint venture agreements and turnkey contracts to undertake property development projects. The titles to the development land will be transferred from landowners to the purchasers of the properties.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

19. INVENTORIES

	Group	
	2014 RM	2013 RM
Cost		
Building materials and consumables	359,243	340,055
Properties held for sale	283,944,821	230,516,858
Stationery and housekeeping supplies	281,648	191,024
	284,585,712	231,047,937

The Group's inventories amounting to RM209,555,696 (2013: RM212,376,054) are pledged to secure the Group's bank borrowings as mentioned in Note 29.

Included in inventories is a shopping complex and a private medical centre with carrying amount of RM198,428,122 (2013: RM198,607,733) developed for sale with tenancy.

20. RECEIVABLES AND DEPOSITS

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Trade					
Trade receivables		116,600,426	92,970,079	-	-
Less: Allowance for impairment loss		(3,170,962)	(533,406)	-	-
	(a)	113,429,464	92,436,673	-	-
Non-trade					
Other receivables		19,193,305	13,300,832	26,113	-
Less: Allowance for impairment loss		(1,968,399)	(1,500,142)	-	-
	(b)	17,224,906	11,800,690	26,113	-
Sundry deposits		5,116,297	3,981,487	-	-
Amounts owing by subsidiaries	(c)	-	-	57,448,995	84,677,535
		22,341,203	15,782,177	57,475,108	84,677,535
		135,770,667	108,218,850	57,475,108	84,677,535

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

20. RECEIVABLES AND DEPOSITS (cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and generally on credit terms ranging from 14 to 180 (2013: 14 to 180) days. Credit terms for sales of commercial properties range from 14 to 270 (2013: 14 to 270) days.

Included in trade receivables are:

- (i) an amount of RM5,953,215 (2013: RM1,837,730) owing by a company related to a director;
- (ii) an amount of RM4,241,034 (2013: RM6,803,613) owing by certain directors of the Company;
- (iii) an amount of RM2,096,006 (2013: RM2,303,913) owing by persons related to directors; and
- (iv) retention sums amounting to RM26,933,715 (2013: RM4,927,324) held by stakeholders.

The amounts owing by a company related to a director, certain directors and persons related to directors are in respect of purchase of properties from the Group and is under the normal credit term granted to customers.

Ageing analysis of trade receivables

	Group	
	2014	2013
	RM	RM
Neither past due nor impaired	42,563,049	47,879,093
1 to 30 days past due not impaired	19,865,359	10,058,903
31 to 60 days past due not impaired	32,720,009	12,874,127
61 to 90 days past due not impaired	5,925,345	5,243,153
91 to 120 days past due not impaired	1,995,947	6,046,223
121 to 150 days past due not impaired	2,677,975	3,302,671
More than 121 days past due not impaired"	7,681,780	7,032,503
	70,866,415	44,557,580
Impaired	3,170,962	533,406
	<u>116,600,426</u>	<u>92,970,079</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired comprise property purchasers mostly with end financing facilities from reputable end-financiers and the government whilst the others are creditworthy customers with good payment records with the Group.

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM70,866,415 (2013: RM44,557,580) that are past due at the reporting date but not impaired because there have been no significant changes in the credit quality of the debtors and the amounts are still considered recoverable. These trade receivables that are past due but not impaired are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

20. RECEIVABLES AND DEPOSITS (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired

The movements of the allowance accounts used to record the impairment loss are as follows:

	Group	
	2014	2013
	RM	RM
At beginning of the financial year	533,406	1,060,972
Charge for the financial year (Note 6)	2,637,556	-
Reversal of impairment losses (Note 6)	-	(527,566)
	<hr/>	<hr/>
At end of the financial year	<u>3,170,962</u>	<u>533,406</u>

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

(b) Other receivables

Included in other receivables are amounts of:

- (i) RM612,792 (2013: RM611,852) advanced to a third party in connection with a turnkey construction agreement for the construction of residential properties; and
- (ii) RM13,389,345 (2013: RM8,073,910) being housing loan interest paid in advance for the purchasers during the development period which will be settled by the purchasers upon completion of the properties.
- (iii) RM1,415,054 (2013: RMnil) owing by a company related to a director arising from sale of building materials. This amount is unsecured, non-interest bearing and on credit term of 30 days.

The movements of the allowance accounts used to record the impairment loss on other receivables are as follows:

	Group	
	2014	2013
	RM	RM
At beginning of the financial year	1,500,142	945,584
Charge for the financial year (Note 6)	468,257	554,558
	<hr/>	<hr/>
At end of the financial year	<u>1,968,399</u>	<u>1,500,142</u>

(c) Amount owing by subsidiaries

These amounts are unsecured, interest free, expected to be settled in cash and are receivable on demand.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

21. OTHER NON-CURRENT/CURRENT ASSETS

	Note	Group		Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Non-current					
Deposits for joint venture and turnkey contracts	(a)	280,641,412	308,072,972	-	-
Current					
Accrued billings in respect of property development cost		10,365,829	12,780,654	-	-
Advances to sub-contractor		3,688,105	4,188,604	-	-
Amounts due from customers for contract works (Note 22)		12,122,814	20,343,708	-	-
Deposits for acquisition of development lands		335,548	90,561	-	-
Deposits for joint venture and turnkey contracts		-	30,000	-	-
Mobilisation deposits	(b)	2,333,200	2,333,200	-	-
Prepayments	(c)	175,471	15,559,031	2,077	2,077
		<u>29,020,967</u>	<u>55,325,758</u>	<u>2,077</u>	<u>2,077</u>

(a) Deposits for joint venture and turnkey contracts

The security deposits for joint venture and turnkey contract transactions in other non-current assets are for development work which has yet to commence. The directors are reasonably optimistic that these development works will commence in the future and therefore ensure the recovery of the security deposits. Security deposits amounting to RM165,009,900 (2013: RM165,109,900) related to freehold land are pledged to secure bank facilities granted to subsidiary as mentioned in Note 29.

(b) Mobilisation deposits

These amounts are paid to architects and other professional services for future development projects. The directors, after considering all relevant and available information, are of the opinion that these amounts are fully recoverable.

(c) Prepayments

Included in the prepayments in the previous financial year was RM15,200,390 incurred to construct certain properties for a local council in consideration of the eventual alienation of a parcel of land to a subsidiary of the Company. During the financial year, the prepayment was transferred to property, plant and equipment following the alienation of the land to the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

22. AMOUNT DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2014 RM	2013 RM
Construction contract cost incurred to date	59,042,960	56,273,551
Attributable profits	28,549,079	16,266,037
	<hr/>	<hr/>
	87,592,039	72,539,588
Less: Progress billings received and receivable	(77,574,949)	(55,479,142)
	<hr/>	<hr/>
	10,017,090	17,060,446
	<hr/>	<hr/>
Presented as:		
Gross amounts due from customers on contracts (Note 21)	12,122,814	20,343,708
Gross amounts due to customers on contracts (Note 31)	(2,105,724)	(3,283,262)
	<hr/>	<hr/>
	10,017,090	17,060,446
	<hr/>	<hr/>

23. TERM DEPOSITS AND FIXED INCOME FUND

	Group	
	2014 RM	2013 RM
Fixed income fund with licensed fund management company		
- redeemable at call	11,872	3,402,099
- redeemable upon 7 days notice	-	335,840
Cash deposit with licensed banks	532,886	522,240
	<hr/>	<hr/>
	544,758	4,260,179
	<hr/>	<hr/>

The interest rates and maturities of deposits as at the reporting date are as follows:

	Maturities		Interest rates	
	2014 Days	2013 Days	2014 %	2013 %
Licensed fund management company				
- Fixed income fund	Not applicable	Not applicable	2.17 - 2.71	2.17 - 2.71
Licensed banks				
- Term deposits	15 - 352	15 - 352	2.15 - 3.15	2.35 - 3.15

The fixed deposits amounting to RM532,886 (2013: RM522,204) are pledged as security for bank guarantee facilities granted to the Group.

Included in fixed deposits is an amount of RM138,498 (2013: RM138,498) held in trust by a director of the Company.

24. CASH AND BANK BALANCES

Group

Included in cash at banks of the Group are amounts of RM5,329,183 (2013: RM6,682,097) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2014 (cont'd)

25. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of RM 1 each		Group and Company			
			← Amount →			
			Share capital (issued and fully paid)	Treasury shares	Share capital (issued and fully paid) RM	Share premium RM
At 1 January 2013	412,833,129	(367,978)	412,833,129	37,478,176	450,311,305	(727,293)
Issue of ordinary shares:						
- Pursuant to exercise of ESOS	13,314,000	-	13,314,000	5,059,320	18,373,320	-
ESOS exercised	-	-	-	7,615,803	7,615,803	-
Share buy back	-	(4,517,000)	-	-	-	(8,356,825)
At 31 December 2013	426,147,129	(4,884,978)	426,147,129	50,153,299	476,300,428	(9,084,118)
Issue of ordinary shares:						
- Pursuant to exercise of ESOS	15,299,000	-	15,299,000	5,825,620	21,124,620	-
ESOS exercised	-	-	-	2,114,269	2,114,269	-
Share dividends	-	3,150,744	-	(5,866,448)	(5,866,448)	5,866,448
Share buy back	-	(28,965,100)	-	-	-	(54,347,399)
As at 31 December 2014	441,446,129	(30,699,334)	441,446,129	52,226,740	493,672,869	(57,565,069)

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

25. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

(a) Share capital

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

(b) Ordinary shares issued pursuant to ESOS

During the financial year, the Company issued 15,299,000 (2013: 13,314,000) ordinary shares at an average issue price of RM1.38 (2013: RM1.38) per ordinary share for cash, pursuant to the Company's ESOS. The share premium of RM5,825,620 (2013: RM5,059,320) arising therefrom have been included in the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(c) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act, 1965 in Malaysia.

(d) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 28,965,100 (2013: 4,517,000) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year. The total amount paid to acquire the shares was RM54,347,399 (2013: RM8,356,825) and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing 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. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

26. OTHER RESERVES

Group	Share option reserve RM	Capital reserve RM	Translation reserve RM	Total RM
Transactions with owners:				
At 1 January 2013	8,094,078	26,578,054	-	34,672,132
Foreign currency translation reserve	-	-	47,938	47,938
Share options granted under ESOS	1,335,435	-	-	1,335,435
ESOS exercised	(7,615,803)	-	-	(7,615,803)
ESOS lapsed	(256,526)	-	-	(256,526)
At 31 December 2013	1,557,184	26,578,054	47,938	28,183,176
Foreign currency translation reserve	-	-	858,804	858,804
Share options granted under ESOS	615,128	-	-	615,128
ESOS exercised	(2,114,269)	-	-	(2,114,269)
ESOS lapsed	(58,043)	-	-	(58,043)
At 31 December 2014	-	26,578,054	906,742	27,484,796
Company				
Transactions with owners:				
At 1 January 2013	8,094,078	-	-	8,094,078
Share options granted under ESOS	1,335,435	-	-	1,335,435
ESOS exercised	(7,615,803)	-	-	(7,615,803)
ESOS lapsed	(256,526)	-	-	(256,526)
At 31 December 2013	1,557,184	-	-	1,557,184
Share options granted under ESOS	615,128	-	-	615,128
ESOS exercised	(2,114,269)	-	-	(2,114,269)
ESOS lapsed	(58,043)	-	-	(58,043)
At 31 December 2014	-	-	-	-

The nature and purpose of each category of reserves are as follows:

(a) Share option reserve

Share option reserve represents the equity-settled share options granted to employees (Note 28). This reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

(b) Capital reserve

This arose from the changes in fair value of the subsidiaries acquired.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

26. OTHER RESERVES (cont'd)

(c) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of entities within the Group with functional currencies other than RM (foreign operations).

27. RETAINED EARNINGS

The Company is able to distribute dividends out of its entire retained earnings under the single tier system.

28. EMPLOYEE BENEFITS

Employees' share option scheme ("ESOS")

Eligible employees of the Group participate in an equity-settled, share-based compensation plan, i.e. Employees' Share Options Scheme ("ESOS") operated by the Company to acquire ordinary shares of the Company.

The Company's ESOS is governed by the bye-laws approved by its shareholders at an Extraordinary General Meeting held on 29 June 2009. The Company had on 5 January 2010 and 20 December 2013 granted 39,840,000 and 500,000 new shares respectively to the eligible employees of the Group. The ESOS, which was implemented on 5 January 2010 and was in force for a period of 5 years, expired on 4 August 2014.

The salient features of the ESOS are as follows:

- (a) The total number of options to be offered under the ESOS shall be subject to a maximum of 10% of the issued and paid-up share capital of the Company at any point in time;
- (b) Any natural person who is employed full-time by and on the payroll of the Company and its subsidiaries and who fulfils the conditions of eligibility stipulated in the bye-laws shall be eligible to participate in the ESOS. Employees include the directors of the Group;
- (c) The subscription price for each new share shall be based on the weighted average of the market price of the Company shares for the five (5) market days immediately preceding the date on which the option is granted less a discount of up to 10% or the par value of the Company share, whichever is the higher;
- (d) The ESOS shall be in force for a duration of five (5) years from its commencement and may, if the Board deems fit and upon the recommendation of the options committee, be extended for a further five (5) years;
- (e) The options granted may be exercised according to the following scale in respect of a maximum of the following:

Maximum percentage of options exercisable from date of acceptance				
Year 1	Year 2	Year 3	Year 4	Year 5
20%	20%	20%	20%	20%

Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the option period. All unexercised options shall be exercisable in the last year of the option period. Any options which remain unexercised at the expiry date of option period shall be automatically terminated; and

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

28. EMPLOYEE BENEFITS (cont'd)

Employee share option scheme (“ESOS”) (cont'd)

The salient features of the ESOS were as follows: (cont'd)

- (f) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company except that the shares so issued will not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to shareholders prior to the date of allotment of the new shares.

Movement of share options during the financial year

The following table illustrates the number (“No.”) and weighted average exercise prices (“WAEP”) of, and movements in, share options during the financial year:

	2014		2013	
	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 January	15,719,000	1.38	28,981,000	1.38
- Granted	-	1.48	500,000	1.48
- Exercised	(15,299,000)	1.38	(13,314,000)	1.38
- Lapsed	(420,000)	1.39	(448,000)	1.38
Outstanding at 31 December	-	-	15,719,000	1.38
Exercisable at 31 December	-	-	7,251,000	1.38

The weighted average fair value of options granted in the year 2010 was 32.70 sen.

The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.94 (2013: RM1.92).

The weighted average exercise price for options outstanding at the end of the financial year was RMnil (2013: RM1.383). The weighted average remaining contractual life for these options is Nil. (2013: 1 year).

Fair value of share options granted

The fair value of the share options granted in the year 2010 was estimated using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the option pricing models for the financial year ended 31 December 2010:

	Black-Scholes 2010
Dividend yield (%)	7.26%
Expected volatility (%)	38.8% - 47.2%
Risk free interest rate (%)	2.3% - 3.8%
Expected life of option	5 years
Weighted average share price (RM)	1.55

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

29. BORROWINGS

	Group	
	2014 RM	2013 RM
Non-current		
Secured:		
Term loans	214,341,356	220,731,866
Finance lease liabilities	17,452	-
	214,358,808	220,731,866
Current		
Secured:		
Bank overdrafts (Note 34(b))	74,674,983	98,369,934
Revolving credits	377,690,385	259,565,617
Term loans	7,455,378	3,014,083
Finance lease liabilities	104,808	-
	459,925,554	360,949,634
	674,284,362	581,681,500

Bank overdrafts

Bank overdrafts are denominated in Ringgit Malaysia, bear interest ranging from 6.60% to 8.10% (2013: 6.90% to 8.10%) per annum and are secured by the following:

- (i) legal charges over certain property, plant and equipment, land held for property development, investment properties, development properties and inventories of the subsidiaries; and
- (ii) corporate guarantee from the Company.

Revolving credits

Revolving credits which are denominated in Ringgit Malaysia, bear interest at rates ranging from 4.55% to 5.50% (2013: 4.55% to 5.50%) per annum and are secured by the following:

- (i) legal charges over certain property, plant and equipment, land held for property development, investment properties, development properties and inventories of the subsidiaries;
- (ii) legal charge over land held for property development in the name of a joint venture partner; and
- (iii) corporate guarantee from the Company.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

29. BORROWINGS (cont'd)

The terms and conditions of the term loans of the Group are as follows:

	Repayment terms	Interest rate	Security	Amounts outstanding	
				2014 RM	2013 RM
(i)	Repayable by 5 quarterly instalments of RM9,000,000 commencing at the end of 12 months from first drawdown or payment by way of redemption, whichever is earlier	1.65% above bankers' cost of funds	Legal charge over certain inventories of the Group*	3,573,733	2,684,316
(ii)	Repayable by 84 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM11,933, 49th to 83rd instalment of RM14,709 and 84th instalment of RM5,127,197	1.50% above bankers' cost of funds	Legal charge over certain inventories of the Group*	5,855,939	5,999,177
(iii)	Repayable by 84 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM107,401, 49th to 83rd instalment of RM132,377 and 84th instalment of RM46,144,773	1.50% above bankers' cost of funds	Legal charge over certain inventories of the Group*	52,703,450	53,99,532
(iv)	Repayable by 84 monthly instalments commencing on the 19th month from the first drawdown. 19th to 48th instalment of RM11,933, 49th to 83rd instalment of RM14,709 and 84th instalment of RM5,127,197	1.50% above bankers' cost of funds	Legal charge over certain inventories of the Group*	5,882,162	6,024,410

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

29. BORROWINGS (cont'd)

The terms and conditions of the term loans of the Group are as follows: (cont'd)

	Repayment terms	Interest rate	Security	Amounts outstanding	
				2014 RM	2013 RM
(v)	Repayable by 84 monthly installments commencing on the 19th month from the first drawdown. 19th to 48th installment of RM107,401, 49th to 83rd installment of RM132,377 and 84th installment of RM46,144,773	1.50% above bankers' cost of funds	Legal charge over certain inventories of the Group*	52,939,454	54,219,689
(vi)	Repayable by 47 monthly installments of RM111,459 each commencing on the 37th month from the first drawdown.	1.50% above bankers' cost of funds	Legal charge over certain joint development land of the Group*	5,357,974	5,355,960
(vii)	Repayable by 84 monthly installments of RM107,143 each commencing on the 37th month from the first drawdown.	1.50% above bankers' cost of funds	Legal charge over certain joint development land of the Group*	9,042,534	9,037,597
(viii)	Repayable by 156 monthly installments commencing on the 49th month from the first drawdown. 49th to 60th installment of RM50,000, 61st to 96th installment of RM125,000, 97th to 132nd installment of RM175,000, 133rd to 156th installment of RM225,000, 157th to 168th installment of RM275,000, 169th to 192nd installment of RM325,000, 193rd to 203rd installment of RM375,000 and 204th installment of RM8,775,000	1.50% above bankers' cost of funds	Legal charge over certain inventories of the Group*	36,396,743	36,390,157

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

29. BORROWINGS (cont'd)

The terms and conditions of the term loans of the Group are as follows: (cont'd)

Repayment terms	Interest rate	Security	Amounts outstanding	
			2014 RM	2013 RM
(viv) Repayable by 59 monthly installment of RM834,000 each with final principal repayment of RM794,000 commencing 37th from the date of first drawdown.	1.65% above bankers' cost of funds	Legal charge over certain development land of the Group*	50,044,745	50,042,111
			221,796,734	223,745,949

* The term loans are also guaranteed by the Company.

The term loans bear interest at rates ranging from 4.5% to 6.0% (2013: 4.5% to 6.0%) per annum.

The maturity profile of loans and borrowings of the Group is as follows:

	Group	
	2014 RM	2013 RM
On demand or within one year	459,925,554	360,949,634
More than 1 year and less than 5 years	53,736,578	72,154,547
More than 5 years	160,622,230	148,577,319
	674,284,362	581,681,500

Finance lease liabilities

Finance lease liabilities are payable as follows:

2014	Future minimum lease payment RM	Future finance charges RM	Present value of minimum lease payment RM
Less than 1 year	108,072	3,264	104,808
later than 1 year but not more than 5 years	17,548	96	17,452
	125,620	3,360	122,260

The finance lease liabilities bear effective interest at rates ranging from 4.42% to 4.61% (2013:nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

30. PAYABLES AND ACCRUALS

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Trade					
Trade payables	(a)	33,245,475	32,790,235	-	-
Non-trade					
Other payables	(b)	42,629,703	59,557,302	394,993	337,421
Deposits		4,054,391	3,684,435	-	-
Accruals		9,574,840	8,450,231	54,554	46,015
Amount owing to a director		97,800	16,016	-	-
Amount owing to a subsidiary	(c)	-	-	2,231,636	42,398,388
		56,356,734	71,707,984	2,681,183	42,781,824
		89,602,209	104,498,219	2,681,183	42,781,824

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 90 days (2013: 14 to 90 days).

Included in trade payables are:

- (i) an amount owing to companies related to certain directors of RM3,184,176 (2013: RM2,468,000), which is under normal trade term; and
- (ii) retention sums of RM3,344,497 (RM4,464,905).

(b) Other payables

Included in other payables of the Group are:

- (i) unsecured advances to the Group amounting to RM14,693,712 (2013: RM33,584,876) which are owing to a company in which certain directors have significant financial interest. The amounts owing are non-interest bearing, expected to be settled in cash and are repayable on demand;
- (ii) landowners' entitlement amounting to RM11,738,181 (2013: RM6,465,791) pursuant to the joint venture agreements entered into with the landowners; and
- (iii) deposits received from property purchasers amounting to RM3,480,930 (2013: RMnil).

(c) This amount is unsecured, interest free, expected to be settled in cash and is repayable on demand.

31. OTHER CURRENT LIABILITIES

	Group	
	2014 RM	2013 RM
Progress billings in respect of property development costs	-	16,790,572
Amounts due to customers on contracts (Note 22)	2,105,724	3,283,262
	2,105,724	20,073,834

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

32. PROVISIONS

Group	Future Operating Lease Commitment RM	Rectification Work RM	Total RM
2014			
At beginning of the financial year	-	197,794	197,794
Provision during the financial year (Note 6)	30,367,000	922,040	31,289,040
Utilitisation during the financial year	-	(455,991)	(455,991)
At end of the financial year	30,367,000	663,843	31,030,843
2013			
At beginning of the financial year	-	371,662	371,662
Provision during the financial year (Note 6)	-	148,826	148,826
Utilitisation during the financial year	-	(291,712)	(291,712)
Reversal during the financial year (Note 6)	-	(30,982)	(30,982)
At end of the financial year	-	197,794	197,794

The above provisions are classified as follows:

Group	Future Operating Lease Commitment RM	Rectification Work RM	Total RM
2014			
Non-current	9,615,375	-	9,615,375
Current	20,751,625	663,843	21,415,468
	30,367,000	663,843	31,030,843
2013			
Non-current	-	-	-
Current	-	197,794	197,794
	-	197,794	197,794

Rectification work

A provision is recognised for expected rectification works on completed contracts. It is expected that most of these costs will be incurred within one year after the completion of the construction contract.

Based on management's past experience, provision for rectification works are computed at 0.2% (2013: 0.2%) on the total contracted sum of completed contracts.

Future operating lease commitment

The Group entered into non-cancellable leaseback of service apartments from purchasers at 8% per annum of the respective units' sales consideration for the period up to January 2017. A provision is recognised where the expected benefits to be derived by the Group from the service apartments is less than the operating lease commitments. The obligation for the discounted future payments, net of expected income, has been provided for.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

33. DIVIDENDS

	Group/Company 2014 RM	2013 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- final single tier dividend for 2013: 2.0 sen (2012: 2.5 sen) per share	8,200,808	10,618,377
- interim share dividend for 2014: 1 treasury share for 130 ordinary shares (2013: Nil)	5,866,448	-
- interim single tier dividend for 2013: 1.5 sen	-	6,318,654
	<u>14,067,256</u>	<u>16,937,031</u>

The directors have recommended a final share dividend on the basis of 1 treasury share for every 100 existing ordinary shares of RM1 each held, to be approved by shareholders in the forthcoming Annual General Meeting. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date. The financial statements for the current financial year do not reflect the final dividend. Such dividend, if approved will be accounted for in the equity as a distribution of treasury shares in the financial year ending 31 December 2015.

34. NOTES TO STATEMENTS OF CASH FLOWS

(a) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with aggregate costs of RM58,241,831 (2013: RM59,824,635), which were satisfied as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Finance lease arrangement	209,600	-	-	-
Cash payments	37,792,395	59,824,635	-	-
Transfer from prepayments	20,239,836	-	-	-
	<u>58,241,831</u>	<u>59,824,635</u>	<u>-</u>	<u>-</u>

(b) Cash and cash equivalents as at end of the financial year

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Term deposits and fixed income fund	544,758	4,260,179	-	-
Cash and bank balances	21,028,905	16,556,084	129,015	401,997
Bank overdrafts (Note 29)	(74,674,983)	(98,369,934)	-	-
	<u>(53,101,320)</u>	<u>(77,553,671)</u>	<u>129,015</u>	<u>401,997</u>
Term deposits pledged (Note 23)	(532,886)	(522,240)	-	-
	<u>(53,634,206)</u>	<u>(78,075,911)</u>	<u>129,015</u>	<u>401,997</u>

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

35. RELATED PARTY DISCLOSURES

- (a) For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a related party relationship with its subsidiaries, key management personnel, companies related to directors and persons related to directors. Companies related to directors refer to companies in which certain directors of the Company have substantial financial interests.

- (b) Related party transactions

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

(Received and receivable from)/ Paid and payable to related parties	Transactions	Group	
		2014 RM	2013 RM
Director related company/firm			
Various Promotion Sdn. Bhd.	Purchase of construction materials	1,253,359	1,232,159
Rapid Synergy Bhd.	Rental of property	70,488	63,360
Kar Sin Hardware Sdn. Bhd.	Rental of equipment and transportation	3,893,236	3,599,205
	Upkeep of motor vehicles	-	(211,013)
	Sale of properties	(7,019,000)	-
Kar Sin Ready Mix Sdn. Bhd.	Purchase of construction materials	4,864,226	5,812,158
	Rental income of properties	-	(143,247)
	Rental income of equipment	(60,000)	-
	Rental of motor vehicles	(342,000)	(720,000)
	Sale of properties	(6,042,938)	-
N.A.B. Holdings Sdn. Bhd.	Rental of properties	-	82,013
	Renovation works	-	152,800
	Rental of equipment and transportation	258,960	-
Yu & Associates	Legal services	7,641,871	8,764,055
	Rental of office	36,000	-
Kar Sin One Sdn. Bhd.	Sale of properties	(888,000)	-
	Sale of building materials	(1,415,054)	-
Halim & Yu Sdn. Bhd.	Sale of properties	(1,517,796)	-

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

35. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions and balances are as follows: (cont'd)

(Received and receivable from)/ Paid and payable to related parties	Group	2014	2013
		RM	RM
Director related company/firm	Transactions		
Director			
- directors	Sale of properties	(11,923,284)	(3,751,610)
- persons related to directors	Sale of properties	(2,906,554)	(10,204,900)
	Legal services	27,348	-
- directors	Guarantee return payable	7,128,024	2,353,464
- persons related to directors	Guarantee return payable	659,604	659,604

Companies related to a director:

- (i) Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT, who is the managing director and major shareholder of YNH Property Bhd., owns 85% equity interest in Kar Sin Hardware Sdn. Bhd.
- (ii) Kar Sin Ready Mix Sdn. Bhd. is a company in which Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT holds 50% equity interest and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS holds the remaining 50% equity interest.
- (iii) N.A.B. Holdings Sdn. Bhd. is a company in which Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT owns 75% equity interest.
- (iv) Yu & Associates is a solicitor firm owned by sibling of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT and Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS.
- (v) Rapid Synergy Bhd. is a company in which Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS is a non-independent and non-executive director.
- (vi) Various Promotion Sdn. Bhd. is a company owned by spouse of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (vii) Kar Sin One Sdn. Bhd. is a company owned by the sons of Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT.
- (viii) Halim & Yu Sdn. Bhd. is a company owned by Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT and his spouse.
- (vii) The guarantee return payable is in respect of purchase guarantee return of Lot 163 (Fraser Place Kuala Lumpur) in which all the purchasers are entitled to a 8% guarantee return for the unit purchased and leased back.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

35. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions and balances are as follows: (cont'd)

Sales of properties

The sales of properties represent the agreed consideration as per the sale and purchase agreements entered into between the Group and the related parties on sales of completed properties and properties under development.

Information regarding outstanding balances arising from related party transactions as at the reporting date is disclosed in Notes 20 and 30.

(c) Compensation of key management personnel

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive				
Salaries and other emoluments	9,772,920	9,127,570	-	-
Employees Provident Fund	2,321,068	2,210,548	-	-
Bonus	2,443,230	2,326,892	-	-
Share options granted under option	120,432	261,456	-	-
Estimated monetary value of benefits-in-kind	43,300	43,300	-	-
	<u>14,700,950</u>	<u>13,969,766</u>	-	-
Non-executive				
Directors' fees	143,232	132,000	143,232	132,000
Other emoluments	138,600	135,875	138,600	135,875
Share options granted under option	37,056	80,448	37,056	80,448
	<u>318,888</u>	<u>348,323</u>	<u>318,888</u>	<u>348,323</u>
	<u>15,019,838</u>	<u>14,318,089</u>	<u>318,888</u>	<u>348,323</u>

Directors' interest in employees' share option scheme

During the financial year, the directors exercised their options for 3,480,000 ordinary shares (2013: 6,560,000) of the Company at a price of RM1.38 each, with a total cash consideration of RM4,802,400 (2013: RM9,052,800) paid to the Company.

At the reporting date, the total number of outstanding share options granted by the Company to the above-mentioned directors under the ESOS plan amounts to Nil (2013: 3,320,000).

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

36. FINANCIAL INSTRUMENTS

(a) Categories of financial statements

The following table analyses the financial assets and liabilities in the statements of financial position by class of financial instruments to which they are assigned, and therefore by the measurement basis.

Group 2014 Financial assets	Loans and receivables RM	Total RM
Receivables and deposits	135,770,667	135,770,667
Accrued billings in respect of property development cost	10,365,829	10,365,829
Amount due from customers for contract works	12,122,814	12,122,814
Cash and cash equivalents	21,573,663	21,573,663
	179,832,973	179,832,973

Group 2014 Financial liabilities	Financial liabilities at amortised cost RM	Total RM
Payables and accruals	86,121,279	86,121,279
Borrowings	674,284,362	674,284,362
	760,405,641	760,405,641

Group 2013 Financial assets	Loans and receivables RM	Total RM
Receivables and deposits	108,218,850	108,218,850
Accrued billings in respect of property development cost	12,780,654	12,780,654
Amount due from customers for contract works	20,343,708	20,343,708
Cash and cash equivalents	20,816,263	20,816,263
	162,159,475	162,159,475

Group 2013 Financial liabilities	Financial liabilities at amortised cost RM	Total RM
Payables and accruals	104,498,219	104,498,219
Borrowings	581,681,500	581,681,500
	686,179,719	686,179,719

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

(a) Categories of financial statements (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by class of financial instruments to which they are assigned, and therefore by the measurement basis. (cont'd)

Company 2014 Financial assets	Loans and receivables RM	Total RM
Receivables and deposits	57,475,108	57,475,108
Cash and cash equivalents	129,015	129,015
	57,604,123	57,604,123
Company 2014 Financial liabilities	Financial liabilities at amortised cost RM	Total RM
Payables and accruals	2,681,183	2,681,183
	2,681,183	2,681,183
Company 2013 Financial assets	Loans and receivables RM	Total RM
Receivables and deposits	84,677,535	84,677,535
Cash and cash equivalents	401,997	401,997
	85,079,532	85,079,532
Company 2013 Financial liabilities	Financial liabilities at amortised cost RM	Total RM
Payables and accruals	42,781,824	42,781,824
	42,781,824	42,781,824

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(b) Borrowings

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

The carrying amounts of long term floating rate loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Financial Controller. The Audit Committee provides independent oversight to the effectiveness of risk management process.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and amounts owing by related parties. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on its subsidiaries' credit facilities.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The Group does not have any significant credit risk exposure to any individual customer or groups of customers. The Group uses ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

The maximum exposure to credit risk amounts to RM674,284,362 (2013: RM581,681,500) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on its repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it is unlikely the subsidiaries will default within the guarantee period.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount RM	Total Contractual Cash flows RM	On demand or within one year RM	One to five years RM	More than five years RM
2014					
Group					
Financial liabilities:					
Trade and other payables	86,121,279	86,121,279	86,121,279	-	-
Borrowings	674,284,362	712,740,461	468,970,372	70,765,854	173,004,235
	<u>760,405,641</u>	<u>798,861,740</u>	<u>555,091,651</u>	<u>70,765,854</u>	<u>173,004,235</u>
Company					
Financial liabilities:					
Trade and other payables	2,681,183	2,681,183	2,681,183	-	-
	<u>2,681,183</u>	<u>2,681,183</u>	<u>2,681,183</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk

	Carrying amount RM	Total Contractual Cash flows RM	On demand or within one year RM	One to five years RM	More than five years RM
2013					
Group					
Financial liabilities:					
Trade and other payables	104,498,219	104,498,219	104,498,219	-	-
Borrowings	581,681,500	627,995,859	373,062,947	79,848,799	175,084,113
	<u>686,179,719</u>	<u>732,494,078</u>	<u>477,561,166</u>	<u>79,848,799</u>	<u>175,084,113</u>
Company					
Financial liabilities:					
Trade and other payables	42,781,824	42,781,824	42,781,824	-	-
	<u>42,781,824</u>	<u>42,781,824</u>	<u>42,781,824</u>	<u>-</u>	<u>-</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets mainly include cash deposits with licensed banks. Deposits are placed for better yield returns than cash at banks and to satisfy conditions for bank guarantee.

The Group's interest bearing financial liabilities comprise bank overdrafts, revolving credits and term loans.

The fixed deposits placed with licensed banks at fixed rate exposes the Group to fair value interest rate risk. The bank overdrafts, revolving credits and term loans totaling RM674,162,102 (2013: RM581,681,500) at floating rate expose the Group to cash flow interest rate risk whilst the finance lease payable of RM122,260 (2013: RMnil) expose the Group to fair value interest rate risk.

The Group actively reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of asset.

Sensitivity analysis for the interest rate risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in RM interest rate, with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk (cont'd)

	Group Increase/ (decrease) in basis points	Effect on profit net of tax RM
2014		
- Ringgit Malaysia	25	1,264,000
- Ringgit Malaysia	(25)	(1,264,000)
2013		
- Ringgit Malaysia	25	(1,090,700)
- Ringgit Malaysia	(25)	1,090,700

39. 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 maximise 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 payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

During the financial year, the Group monitors capital using a gearing ratio, which is net debts divided by total capital plus net debts. The gearing equity ratio as at 31 December 2014 and 2013 were as follows:

	Note	2014 RM	2013 RM
Borrowings	29	674,284,362	581,681,500
Trade and other payables	30	89,602,209	104,498,219
Less: Term deposits and Fixed income fund	34 (b)	(544,758)	(4,260,179)
Less: Cash and bank balances	34 (b)	(21,028,905)	(16,556,084)
Net debts		742,312,908	665,363,456
Equity attributable to the owners of the Company		874,800,058	868,036,086
Total capital and net debts		1,617,112,966	1,533,399,542
Gearing ratio		46%	43%

A subsidiary is required to comply with externally imposed capital requirements on certain debt-service ratio, debt-to-equity ratio, loan-to-valuation ratio, interest cover ratio and to maintain certain level of shareholders' equity in respect of its bank borrowings. The subsidiary has complied with those capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

40. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on two reportable operating segments as follows:

(a) The property development segment

The property development segment is in business of constructing, developing residential and commercial properties. This reportable segment has been formed by aggregating the property construction/ development operating segment, estates, trading or supply of construction materials and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

(b) The hotel and hospitality segment

Hotel and hospitality segment is the operation of and management of a hotel and its related business.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

The executive directors monitor the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax. Group income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments were carried out on negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2014 (cont'd)

40. SEGMENT INFORMATION (cont'd)

	Property Development		Hotel and Hospitality		Adjustment and elimination		Notes	Per consolidated financial statements	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM		2014 RM	2013 RM
Revenue:									
External customers	355,983,765	272,583,492	34,521,474	30,502,819	-	-		390,505,239	303,086,311
Inter-segment	-	-	97,731	106,292	(97,731)	(106,292)	A	-	-
	355,983,765	272,583,492	34,619,205	30,609,111	(97,731)	(106,292)		390,505,239	303,086,311
Results:									
Interest income	658,941	524,938	332,015	333,342	(298,280)	(333,342)	B	692,676	524,938
Depreciation	1,757,694	2,406,252	1,103,896	948,705	-	-		2,861,590	3,354,957
Finance costs	31,270,637	23,356,008	401,328	45,784	(298,280)	(333,342)	B	31,373,685	23,068,450
Other non-cash expenses	4,680,276	2,191,199	30,595,627	12,823	-	-	C	35,275,903	2,204,022
Segment profit/(loss)	108,154,509	66,178,486	(38,170,979)	(5,601,186)	-	-		69,983,530	60,577,300
Assets:									
Additions to non-current assets other than financial instruments and deferred tax assets	112,661,367	166,103,968	7,460,875	5,051,731	-	-	D	120,122,242	171,155,699
Segment assets	1,685,941,639	1,585,844,037	29,846,084	32,915,139	-	-		1,715,787,723	1,618,759,176
Liabilities:									
Segment total liabilities	799,955,267	715,009,237	41,032,398	35,713,853	-	-		840,987,665	750,723,090

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

40. SEGMENT INFORMATION (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B The following item is deducted from segment interest income/finance costs to arrive at "Interest income/Finance costs" presented in the notes to the financial statements:

	2014 RM	2013 RM
Inter-segment interest	298,280	333,342

C Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2014 RM	2013 RM
Property, plant and equipment written off	6	265,922	165,203
Impairment loss on trade and other receivables	20	3,105,813	554,558
Share-based payments	28	615,128	1,335,435
Provisions	32	31,289,040	148,826
		<u>35,275,903</u>	<u>2,204,022</u>

D Additions to non-current assets other than financial instruments and deferred tax assets consist of:

	2014 RM	2013 RM
Land held for property development	61,861,861	58,459,513
Property, plant and equipment	58,241,831	59,824,635
Investment properties	18,550	259,991
Deposits for joint venture and turnkey contracts	-	52,611,560
	<u>120,122,242</u>	<u>171,155,699</u>

Geographical information

The Group's operations are located only in Malaysia.

Major customer information

There is no single customer with revenue equal or more than 10% of the Group revenue.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2014 (cont'd)

41. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessee

The future aggregate minimum lease payments under non-cancellable operating lease contracted for as at the reporting date but not recognised as liabilities are as follows:

	Group	
	2014 RM	2013 RM
Future minimum rental payments:		
Not later than 1 year	46,877,366	25,818,716
Later than 1 year and not later than 5 years	43,100,706	19,986,192
	<u>89,978,072</u>	<u>45,804,908</u>
Less: Provision for future operating lease commitment (Note 32)	(30,367,000)	-
	<u>59,611,072</u>	<u>45,804,908</u>

The operating lease commitments are in respect of leaseback of service apartments and office suites from the purchasers at 8% per annum of the respective units' sale consideration for the purpose of operating the serviced residence, sub-lease of office suite and use as business premises. The lease for the service apartments is for a period of 2 years from the commencement date as set out in the respective leaseback agreements and may be extended for another 3 years. The lease for the office suites is for a period of 3 years from the commencement date as set out in the respective leaseback agreements and may be extended for a period of between 2 years and 15 years.

There are no restrictions placed upon the Group by entering into the lease.

(b) The Group as lessor

The Group has entered into property leases, which comprise freehold land with shopping complex and freehold land with private hospital, with non-cancellable lease terms of 10 years. The lease with the shopping complex may be renewed for a further 3 terms of 5 years each and contain a clause to enable upward revision on each renewal while the lease with private hospital may be renewed for a further 15 years at the option of the lessee.

The future minimum rentals receivable under non-cancellable operating lease at the reporting date but not recognised as receivables, are as follows:

	Group	
	2014 RM	2013 RM
Future minimum rental receivables:		
Not later than 1 year	10,987,000	9,967,000
Later than 1 year and not later than 5 years	52,108,000	49,558,000
Later than 5 years	74,976,840	88,513,840
	<u>138,071,840</u>	<u>148,038,840</u>

42. CAPITAL COMMITMENT

	Group	
	2014 RM	2013 RM
In respect of property, plant and equipment approved and contracted for:-		
- purchase of land	-	3,058,131
	<u>-</u>	<u>3,058,131</u>

SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED PROFIT OR LOSS

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at 31 December 2014 and 31 December 2013 is analysed as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries				
- Realised	569,982,582	516,565,369	60,278,963	8,636,413
- Unrealised	17,122,700	13,469,495	-	-
	<u>587,105,282</u>	<u>530,034,864</u>	<u>60,278,963</u>	<u>8,636,413</u>
Less: Consolidated adjustments	(175,897,820)	(157,398,264)	-	-
Total retained earnings	<u>411,207,462</u>	<u>372,636,600</u>	<u>60,278,963</u>	<u>8,636,413</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purpose.

LIST OF PROPERTIES

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut, Perak (Old Lot No.1557 & 1932)						
- Portion for own investment (PT2781-2782)	Property, plant and equipment	27.9423	Agricultural / for investment	Freehold	5,141,000	2001
- Portion for fixed asset (G28079, PT2722-2780, 2785, 2822-2823)	Property, plant and equipment	142.5100	Agricultural / for investment	Freehold	26,449,000	2001
Lot 1612, Mukim Kota Lama Kiri, Kuala Kangsar	Property, plant and equipment	13.1374	Agricultural / for investment	Freehold	4,113,000	2001
Lot 2795, Mukim Lumut, Daerah Manjung, Perak	Property, plant and equipment	25.0000	Agricultural / for investment	Freehold	15,246,000	2001
Lot 36480 & Lot 36481, Sungai Terap, Perak	Property, plant and equipment	25.3180	Agricultural / for investment	Leasehold (28.11.2109)	2,259,000	2011 *
Lot 17196 to Lot 17201, Lot 17205-Lot 17208, Mukim Lumut, Daerah Manjung, Perak	Property, plant and equipment	88.9700	-	Leasehold (7.1.2107)	20,022,000	-
HS (D) Dgs 11772 PT8073 Mukim Lumut, Perak	Vacant Land and approved for development	6.9277	Proposed development – residential	Freehold	2,680,000	2001
Lot 11442-Lot 11447, Mukim Ulu Langat, Daerah Ulu Langat, Daerah Selangor	Property, plant and equipment	6.6139	Ready mixed site	Freehold	7,664,000	2013 *
Lot 198272, Mukim Hulu Kinta, Daerah Kinta, Perak	Property, plant and equipment	3.0000	Vacant land	Leasehold (9.8.2051)	2,267,000	2014
PT913, Mukim Sungai Buluh, Daerah Petaling, Selangor	Property, plant and equipment	0.8812	Ready mixed site	Leasehold (1.3.2114)	3,152,000	2014
PT914, Muim Sungai Buluh, Daerah Petaling, Selangor	Property, plant and equipment	0.8187	Ready mixed site	Leasehold (1.3.2114)	2,929,000	2014
PT2176, Mukim Sungai Buluh, Daerah Petaling, Selangor	Property, plant and equipment	0.5090	Ready mixed site	Leasehold (8.9.2054)	1,847,000	2014
Lot 6555 – PT2791, PT2793, Mukim of Lumut, Daerah Manjung, Perak	Planted with palm oil and approved for development	25.0000	Proposed mixed development – commercial and residential	Freehold	5,389,000	2001
Lot 6555 - PT2792, PT2793, Mukim Lumut, Daerah Manjung, Perak	Planted with palm oil and approved for development	75.0000	Proposed Hock Chew Centre and an International School with mixed development	Freehold	16,862,000	2001
Portion for future development (PT2791, PT2792, PT2793), Perak	Planted with palm oil and approved for development	-	Pinggiran Manjung Point - commercial and residential	Freehold	-	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
PT2796, PT2797, part PT2798, part PT2799, Mukim Lumut, Perak	Vacant land approved for development	37.9600	Proposed commercial development	Freehold	8,150,000	2001
Entry No.1577 Lot 712 Mukim Lumut, Perak	Planted with palm oil and approved for development	-	Proposed mixed development – commercial and residential	Freehold	477,000	2001
Entry No. 1380 Lot 1387 Mukim Lumut, Perak		4.7750		Freehold		
HS (D) Dgs 1203/78 Lot 2740 Mukim Pengkalan Bharu, HS (D) Dgs 1204/78 Lot 2741 Mukim Pengkalan Bharu, Perak	Planted with palm oil and approved for development	9.6040	Taman Suria, Pantai Remis – commercial and residential	Freehold	1,178,000	2001
				Freehold		
Geran 36493, Lot 495 & Geran 36944, Lot 496, Town of Lumut, Daerah Manjung, Perak	Vacant Land and approved for development	0.7013	Proposed mixed development – commercial and residential	Freehold	1,230,000	2001
CT 17320 Lot 117 Town of Lumut, Perak	Vacant Land and approved for development	0.8343	Proposed mixed development – commercial and residential	Freehold	128,000	2001
EMR 379 Lot 380 Mukim Pengkalan Bharu, Perak	Vacant Land and approved for development	1.3713	Proposed mixed development	Freehold	288,000	2001
HS (D) Dgs 1042/78 Lot 5493 (New lot 13100) Mukim Lumut, Perak	Planted with palm oil and approved for development	7.5992	Taman Layar, Kg. Acheh, Sitiawan – commercial and residential	Freehold	2,813,000	2001
EMR 9714 Lot 10054 Mukim Sitiawan, Perak	Planted with palm oil and approved for development	3.0813	Proposed mixed development – commercial and residential	Freehold	413,000	2001
EMR 5198 Lot 4622 Mukim Sitiawan, Perak	Planted with palm oil and approved for development	5.0375	Proposed mixed development – commercial and residential	Freehold	987,000	2001
Geran 7585 Lot 16050 Mukim Sitiawan, Perak	Planted with palm oil and approved for development	9.4932	Taman Sejati III, Sitiawan – commercial and residential	Freehold	2,264,000	2001
Geran 7419 Lot 15655 Mukim Sitiawan, Perak	Planted with palm oil and approved for development	3.0378	Proposed development – residential	Freehold	1,373,000	2001
HS(D)Dgs1673/83 PT10382 & (Lot No. 25893 25900) HS(D)Dgs 1680/83 PT10389 Mukim Sitiawan, Perak	Vacant Land	0.0406	Proposed mixed development – residential and commercial	99 years (23.9.2082)	45,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
HS(D)Dgs 830/89 PT625 Bandar Lumut, Perak	Vacant Land	0.7500	Proposed development – residential	60 years (7.6.2049)	273,000	2001
Lot 1983, Lot 1984 (GM1246, GM1247) Mukim Lumut, Daerah Manjung, Perak	Vacant Land	2.9709	Agricultural land	Freehold land	249,000	2004 *
Bal Lot 6154 & 6555 & Lot 6518 Mkm Lumut (Old Lot No. 1557 & 1932) PT2789-PT2790, Perak	Vacant Land	50.0042	Proposed for clubhouse usage	Freehold	9,045,000	2004 *
Lot 140, Town of Lumut, Perak	Vacant Land	0.6875	Proposed mixed development	Freehold	164,000	2005 *
Lot 732, 733, all in Mukim of Sitiawan, Perak	Vacant Land	0.0166	Proposed mixed development	Freehold	89,000	2005 *
GM 2017 Lot 263 Town of Sitiawan, Perak	Vacant Land and approved for development	1.0000	Proposed development – commercial	Freehold	853,000	2001
Lot 31776-31780 PT47587-47591 Mukim Sitiawan (Old Lot No. 15173-15177) Perak	Vacant Land and approved for development	0.1977	Proposed mixed development – commercial and residential	99 years (5.5.2088)	163,000	2001
Balance Lot 4818 Mukim Lumut (PT6677, 6678, 4118-4133, 4510-4592, 4673-4778, 4840-4853, PN84692, PN84694) Perak	Vacant Land and approved for development	0.4531	Taman Samudera, Phase 10 & 11 – commercial and residential	99 years (27.3.2093 [PT 6677 & 6678] and 19.5.2091 [the rest])	1,560,000	2001
Geran 7270-7273 Lot 14851-14854 Mukim Sitiawan, Perak	Vacant Land and approved for development	23.8745	Taman Limbungan, Kg. Aceh, Sitiawan – commercial and residential	Freehold	5,942,000	2001
Geran 7274 Lot 14855 Mukim Sitiawan (Old Lot No. 34043) (Lot 31656) Perak						
Geran 7276 Lot 14857 Mukim Sitiawan (Old Lot No. 34045) (Lot 21658), Perak						
GM 375 & 376 Lot 6493 & 6494 Mukim Lumut (Old EMR No. 2424 Lot 4275), Perak	Vacant Land and approved for development	1.1162	Proposed development – commercial	Freehold	709,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
EMR 9488 Lot 9187 Mukim Sitiawan, Perak	Vacant Land and approved for development	0.5074	Proposed mixed development – commercial and residential	Freehold	63,000	2001
HS (M) 1528 PT1728 Mukim Sitiawan, Perak	Vacant Land and approved for development				49,000	
PT22973-PT22975, Bandar Baru, Sri Manjung, Perak - Commercial Complex	Vacant Land and approved for development	0.3810	Commercial Land, Jalan Lumut, Sri Manjung	99 years (25.2.2101)	354,000	2001
- Shops unit		0.0760		99 years (25.2.2101)	70,000	
Lot 246 Village of Pekan Gurney, Perak	Vacant Land and approved for development	2.9000	Taman Delima, Ayer Tawar – residential	Freehold	439,000	2001
Lot 4818 Mukim Lumut HS (D) Dgs 3618-3663 (Lot 10685)-Hawker Center Perak	Vacant Land and approved for development	2.2692	Taman Samudera, Sri Manjung – commercial and residential	99 years (29.9.2094)	3,514,000	2001
Geran 18770 Lot 3335 Mukim Pengkalan Bharu Perak	Vacant Land and approved for development	18.2026	Taman Bintang, Pantai Remis – commercial and residential	Freehold	2,552,000	2001
Geran 9851 Lot 379 Town of Lumut, Perak	Vacant Land and approved for development	1.7468	Lumut Ria Condominium, Lumut – residential	Freehold	3,844,000	2001
Lot 6555 – PT 2786 Mukim of Lumut Perak	Vacant Land and approved for development	0.6458	Taman Desa, Manjung Point – residential	Freehold	230,000	1993
Lot 5,6,182,524,1145-1147 (Trong), Perak	Vacant Land and approved for development	1.5287	Taman Seri Trong Perak, Taiping – commercial	Freehold	396,000	1996
Lot 15541, Geran 7305, Mukim of Sitiawan, Perak	Vacant Land	4.0395	Proposed mixed development	Freehold	1,296,000	2003 *
Geran 21668 Lot 6274 Mukim Beruas, Perak	Planted with palm oil and not approved for development	75.0000	Proposed mixed development – commercial and residential	Freehold	2,813,000	2001
Lot 14785-14788 (old lot 26789-26793), PT19589-PT19637 Mukim Sitiawan, Perak	Vacant Land and approved for development	5.3822	Proposed mixed development – commercial and residential	Leasehold	4,195,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
Lot 17768, PT4860 and Lot 17769, PT4861 & PT4862 Mukim Lumut, Perak	Vacant Land and approved for development	5.0783	Proposed mixed development – commercial and residential	99 years (29.04.2101)	4,779,000	2001
Lot 803, EMR1616, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	2.9749	Proposed mixed development	Freehold	1,244,000	2004 *
Lot 716, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	0.0231	Proposed mixed development	Freehold	163,000	2005 *
Lot 717, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	0.0214	Proposed mixed development	Freehold	155,000	2005 *
Lot 721, Village of Simpang Empat, Mukim Sitiawan, Daerah Manjung, Perak	Vacant Land and approved for development	0.0148	Proposed mixed development	Freehold	130,000	2005 *
Lot 722, undivided 1/3 land under HSM 86/68, Mukim Sitiawan, Perak	Vacant Land and approved for development	0.0255	Proposed mixed development	Freehold	91,000	2005 *
Lot 188, Mukim Lumut, Daerah Manjung, Perak	Vacant Land and approved for development	4.5000	Proposed mixed development	Freehold	2,039,000	2005 *
Lot 5614 (GRN61063) and Lot 5615 (GRN61064), Mukim Batang Padang, Perak	Vacant Land approved for development	14.7438	Proposed mixed development	Freehold	656,000	2005 *
Lot 448 (New lot 13707, Mukim Batu, Daerah Kuala Lumpur	Vacant land approved for development	6.4870	Proposed high rise condominium	Freehold	23,051,000	2007 *
Lot 3719, HSD 83603, Wilayah Persekutuan, Daerah Kuala Lumpur	Vacant land approved for development	2.9800	Proposed mixed development	Freehold	12,180,000	2007 *
Lot 41023, 41024, 41025, 41026 Mukim Lumut, Daerah Manjung, Perak	Vacant land approved for development	48.6197	Proposed mixed development	Freehold	24,089,000	2007 *
Lot 1612, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.6813	Proposed mixed development	Freehold	209,000	2008 *
Lot 15666, Mukim Sitiawan, Perak	Vacant land approved for development	2.3201	Proposed mixed development	Freehold	1,260,000	2008 *
Lot 15700, Mukim Sitiawan, Perak	Vacant land approved for development	1.5511	Proposed mixed development	Freehold	860,000	2008 *

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
PT 11202 & PT 11388, Mukim Bentong, Pahang	Vacant land	94.8518	Proposed mixed development and resort development	Freehold	16,425,000	2008 *
Lot 382868 (old PT 212710), Mukim Hulu Kinta, Daerah Kinta, Perak	Vacant land approved for development	1.4020	Proposed commercial development	Leasehold (24.7.2105)	5,230,000	2008 *
PT 2788, Mukim Lumut, Daerah Manjung, Perak	Vacant land approved for development	15.0000	Proposed mixed development	Freehold	13,077,000	2008 *
PT 357017, Mukim Hulu Kinta, Daerah Kinta, Perak	Vacant land approved for development	1.0035	Proposed mixed development	Leasehold (4.6.2103)	2,431,000	2008 *
Lot 29760 & 29761, Mukim Sungai Terap, Daerah Kinta, Perak	Vacant land approved for development	36.0000	Proposed mixed development	Leasehold (25.11.2101)	5,749,000	2008 *
PT 6152, Mukim Pengkalan Baharu, Perak	Vacant land approved for development	2.9208	Proposed mixed development	Freehold	615,000	2008 *
Lot 337443-Lot 307541, Mukim Kampar, Daerah Kampar, Perak	Vacant land approved for development	3.4590	Proposed mixed development	Leasehold (10.2.2103)	1,507,000	2009 *
Lot 51845 (Old Lot 180, PT22972), Bandar Baru Seri Manjung, Mukim Sitiawan, Daerah Majung, Perak	Vacant land approved for development	5.1200	Proposed commercial development	Leasehold (15.6.2099)	3,988,000	2001
PT6151, Mukim Pengkalan Baru, Perak	Vacant land approved for development	3.1604	Proposed mixed development	Freehold	991,000	2011 *
Lot 6254, Lot 307627-Lot 307696, PT 17105-PT 17194, Lot 308020-Lot 308097, Lot 305190, Mukim Kampar, Perak	Vacant land approved for development	12.7000	Proposed mixed development	Freehold	17,554,000	2012 *
Lot 40931, Mukim Sitiawan, Perak	Vacant land	1.4600	Proposed mixed development	Freehold	517,000	2011 *
Lot 412, Mukim Pengkalan Baharu, Perak	Vacant land	2.0000	Proposed mixed development	Freehold	21,000	2011 *
PT10860 (PT 17284, Bal Pantai Hospital land) Mukim Lumut, Perak	Vacant land	1.3040	Proposed mixed development	Freehold	1,073,000	2011 *
Lot 1077, Geran 11310, Section 57, Kuala Lumpur	-	-	Proposed Menara YNH	Freehold	10,325,000	2004

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
Lot 38321 (Lot 16060), Mukim Sitiawan, Perak	Vacant land	1.0243	Residential development	Freehold	15,000	2012 *
Lot 303864-Lot 303915, Mukim Belanja	Vacant land	2.0200	Residential development	Leasehold (29.1.2103)	400,000	2012 *
Lot 3624 (Lot 302158), Mukim Belanja	Vacant land	6.8053	Residential development	Leasehold (24.9.2100)	619,000	2012 *
Lot 214, Mukim of Kuala Lumpur	Vacant land approved for development	2.8760	High Rise development	Freehold	32,934,000	2012 *
Lot 4958, Mukim Sayung, Kuala Kangsar	Vacant land	1.6500	Residential development	Freehold	395,000	2012 *
Lot 4959,3332,3334,3337, Mukim Sayung, Kuala Kangsar	Vacant land	8.5600	Residential development	Freehold	2,853,000	2012 *
Geran 7256 Lot 14837 Mukim Sitiawan, Perak	Vacant land	4.9424	Residential development	Freehold	408,000	2012 *
Geran 7444, Lot 15680, Mukim Sitiawan (Balance of land), Perak	Vacant land	0.6771	Residential development	Freehold	227,000	2012 *
PT 28260, Lot 16059, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	0.0440	Residential development	Freehold	6,000	2012 *
Lot 42693, Mukim Sitiawan	Vacant land	2.8892	Residential development	Freehold	1,156,000	2012 *
Lot 966 EMR 1237 Mukim Sitiawan, Perak	Vacant land	0.8900	Taman Mutiara - residential	Freehold	242,000	2012 *
Lot 4818 (Balance of commercial) (Plot 1, 22 dsth, and balance of land), Perak	Vacant land	0.9100	Taman Samudera, residential	Leasehold (19.5.2091)	75,000	2001 *
Lot 9910 (PT 2818, PT 2819, PT 2803, PT 2804 & PT 2805) Balance Phase III, net off sports complex & bowling centre, Mukim Lumut, Daerah Manjung, Perak	Vacant land	2.7573	Pusat Perniagaan Manjung Point Seksyen 3	Freehold	910,000	2001 *
HSD 15538, PT 5018, Bandar Teluk Intan, Perak	Vacant land	0.1289	Commercial development - Bandar Baru Teluk Intan	Leasehold (24.09.2100)	387,000	2001 *
Lot 2264-2270 (PT32893-PT32899) Daerah Majung, Pekan Sitiawan	Vacant commercial plots	0.2456	Vacant commercial plots	Leasehold (18.9.2016)	1,010,000	2013 *

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
Lot 605, Mukim Kamunting, Daerah Larut & Matang, Perak	Vacant land	9.9440	Vacant land	Freehold	2,687,000	2013 *
Lot 549, Mukim Kamunting, Daerah Larut & Matang, Perak	Vacant land	48.0000	Vacant land	Freehold	11,468,000	2013 *
PT2800, PT2801, PT2802 (New - Lot 9907, 9908, 9909) (8.33 commercial area and Plot 1-132 residential), Perak	Development properties	12.9000	Manjung point Township	Freehold	3,281,000	2001
Lot 1.88, Kampar	Vacant land	1.8800	Vacant land	Freehold	420,000	2013 *
PT320-PT331, Daerah Petaling, Selangor	Vacant land	1.5736	Vacant land	Freehold	15,000,000	2013 *
Lot 2569, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	1.9840	Mixed development	Freehold	5,431,000	2014
Lot 730, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	5.4687	Mixed development	Freehold	2,466,000	2014
Lot 14825 & Lot 14826, Mukim Sitiawan, Daerah Manjung, Perak	Vacant land	8.1297	-	Freehold	9,030,000	2014
PT28552, Mukim Sitiawan, Perak	Vacant land	0.3936	-	Leasehold (27.1.2103)	285,000	-
Lot PT6676, 9445 and Lot 9240 to Lot 9248, Mukim of Lumut, Perak	Property, plant and equipment	1.4394	Hotel operation	Freehold	20,171,000	2001
DEVELOPMENT PROPERTIES						
Lot 374, Mukim Pengkalan Baru, Perak	Development properties	0.1929	Proposed development - commercial	Freehold	244,000	2004 *
Lot 4818 (PT4511-4571) Cosmos portion & 16 house, Mukim Lumut, Perak	Development properties	1.1937	Proposed development - commercial (Taman Samudera)	Leasehold (19.5.2091)	590,000	2001
Lot 4818 - Balance of Phase 9 (Shop unit) Mukim Lumut (PT6398-PT6411, PT6412-PT6421), Perak	Development properties	0.8434	Proposed development - commercial (Taman Samudera)	99 years (19.5.2091)	16,000	2001
PT 2812-2814 (Giant shop land), Perak	Development properties	0.3856	Pusat Perniagaan Manjung Point 1	Freehold	76,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
Lot 4818 (behind office land - 24 shops land), Perak	Development properties	1.1789	Proposed development of commercial units	Leasehold (19.5.2091)	141,000	2001
Lot 4818 (behind office land - 12 units 2 1/1 house vacant plots)	Development properties		Proposed development of commercial units		686,000	2001
Lot 4818 (behind office land - LVSB car park & vacant land, PT10411), Perak	Development properties		Proposed development of commercial units (Taman Samudera)		706,000	2001
PT2783-PT2784 (PT8177), Mukim Lumut, Perak	Vacant land approved for development	16.5300	Residential development	Freehold	11,327,000	2012
Lot 44, Mukim of Sitiawan Perak	Development properties	0.3650	Commercial development - Medan Sitiawan	Freehold	1,408,000	2005 *
EMR 523 Lot 600 Mukim Pengkalan Bharu, Perak	Development properties	0.1547	Taman Bahtera – commercial and residential	Freehold	48,000	2001
Geran 7582 Lot 16047 Mukim Sitiawan, Perak	Development properties	1.4839	Taman Sejati IV, Sitiawan – commercial and residential	Freehold	63,000	2001
CT 21662 Lot 11430 (New Lot 5942) Mukim Sitiawan, Perak	Development properties	0.1075	Proposed mixed development – commercial and residential	Freehold	171,000	2001
Lot 26805 part of Geran 7255 Lot 14836 Mukim Sitiawan, Perak	Development properties	1.4316	Taman Pelabuhan, Kg Acheh, Sitiawan – commercial and residential	Freehold	763,000	2001
Lot 10465, Mukim Sitiawan, Perak	Development properties	0.0960	Commercial development	Freehold	196,000	2002
Lot 1883 & Lot 1884, Mukim Batu, Kuala Lumpur	Development properties	6.0000	Commercial development Proposed Kiara 163	Freehold	195,175,000	2008 *
PT 2818, PT2819, PT2803, PT 2804 & PT 2805 (Jusco shops Phase I, II & IIA), Mukim Lumut, Daerah Manjung, Perak	Development properties	27.7690	Pusat Perniagaan Manjung Point Seksyen 3	Freehold	1,227,000	2001
Lot 6555 - PT2842 (Lot 10913) Mukim of Lumut, Perak	Vacant land, proposed high rise flat	12.5317	Residential development	Freehold	13,244,000	2001
Lot 48732, PT74000, Daerah Petaling, Mukim Petaling, Kuala Lumpur	Vacant land approved for development	2.3790	Proposed high rise condominium	Freehold	41,300,000	2013

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
Plot 35-Plot 96, PPMP 2, Mukim Lumut, Daerah Manjung, Perak	Development properties	2.1945	Pusat Perniagaan Manjung Point Seksyen 2	Freehold	724,000	2001 *
Lot 1616, Mukim Pengkalan Baharu, Perak	Development properties	7.6061	Mixed development - Taman Pancur Damai	Freehold	1,400,000	2012 *
Lot 1440, Mukim Pengkalan Baharu, Perak	Development properties	1.1544	Mixed development	Freehold	1,758,000	2011 *
Lot 441, Mukim Pengkalan Baharu, Perak	Development properties	0.9694	Mixed development	Freehold	1,952,000	2011 *
Lot 6278 (PT14173-PT14186), Mukim Lumut, Perak	Development properties	0.9474	Proposed mixed development	Freehold	919,000	2011 *
INVESTMENT PROPERTIES						
PT 6706-6724, Daerah Manjung (Fasa 2B), Perak	Investment property - shophouses	0.7019	Shophouses	Leasehold land (expired 29.8.2081)	2,785,000	2001 *
Lot 1077, Geran 11310, Section 57, Kuala Lumpur	Investment property - Proposed Menara YNH	3.0033	Vacant Land	Freehold	77,540,000	2005
PT 2838 (Lot 13107), Mukim Lumut, Perak	Investment property - Proposed Hotel & a completed petrol station	5.0000	Vacant Land & Shell Petrol station building	Freehold	2,801,000	2011 *
Plot 276, Pusat Perniagaan Manjung Point Seksyen 1, Seri Manjung, Perak	Investment property - Multi purpose sports complex	2.2538	Multi purpose sports complex	Freehold	3,042,000	2001
Lot 10466 Stall & Futsal, Medan Sejahtera II, Mukim Sitiawan, Perak	Investment property - Food Stall & Futsal	1.0330	Futsal and Foodcourt	Freehold	1,802,000	2001 *
Hawker center, Taman Samudera, Seri Manjung, Perak	Investment property - Hawker center	N/A	Hawker center building	N/A	496,000	2009 *
Lot 382868 (old PT212710), Mukim Hulu Kinta, Daerah Kinta, Perak	Investment property - Hotel	1.4020	-	Leasehold (24.7.2105)	5,230,000	2008
PT357017, Mukim Hulu Kinta, Daerah Manjung, Perak	Investment property - Hotel	1.0035	-	Leasehold (4.6.2103)	2,431,000	2008
PT15244-PT15249, Mukim Lumut, Daerah Manjung, Perak	Investment property - Hawker center	0.6349	Hotel Hawker center & car park	Freehold	848,000	2001

* Year of Acquisition

LIST OF PROPERTIES (cont'd)

Location	Description Property	Remaining Land Area @ 31.12.14 (acres)	Existing use/ Proposed Usage	Tenure (years)	NBV @ 31.12.14 (RM)	Year of Acquisition/ Last Revaluation
JOINT DEVELOPMENT PROPERTIES						
HSD DGS 16751, PT9040 & PT9041, Mukim Lumut, Daerah Manjung, Perak	Joint development properties	40.0000	Mixed development	Leasehold (16.11.2099)	9,920,000	N/A
Lot 4753, Mukim Batu, Daerah Kuala Lumpur	Joint development properties	5.1400	Proposed high rise condominium	Freehold	2,623,000	N/A
Lot 449, Mukim Batu, Tempat Segambut, Daerah Kuala Lumpur	Joint development properties	5.0670	Proposed high rise condominium	Freehold	52,000	N/A
Lot 400, Mukim Lumut, Daerah Manjung, Perak	Joint development properties	36.9660	Proposed mixed development	Leasehold (15.11.2105)	2,412,000	N/A
Lot 13079, Mukim Lumut, Perak	Joint development properties	0.3200	Mixed development	Freehold	826,000	N/A
Lot 14838, Mukim Sitiawan, Daerah Manjung, Perak	Joint development properties	3.8968	Mixed development	Freehold	282,000	N/A
Lot 16061, Mukim Sitiawan, Daerah Manjung, Perak	Joint development properties	8.9360	Mixed development	Freehold	13,000	N/A
Lot 2497-2499, Mukim Kuala Lumpur, Daerah Kuala Lumpur	Vacant land approved for development	2.3937	Proposed mixed development	Freehold	7,067,000	N/A
PT12157 & PT12158 (Lot 47330 & Lot 47331), Mukim Dengkil, Daerah Sepang	Vacant land approved for development	2.7000	Proposed mixed development	Freehold	408,000	N/A
Lot 224018, Mukim Hulu Kinta, Ipoh, Perak	Joint development properties	0.1400	Commercial development	Freehold	5,000	N/A
Lot 224019, Mukim Hulu Kinta, Ipoh, Perak	Joint development properties	0.8715	Commercial development	Leasehold	621,000	N/A
GRAND TOTAL		1,326.4272			832,102,000	

* Year of Acquisition

STATEMENT OF SHAREHOLDINGS as at 13 May 2015

Authorised Capital	:	RM500,000,000.00
Issued and Fully Paid-up Capital	:	RM405,137,395 (Excluding 36,308,734 Treasury Shares)
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

BREAKDOWN OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	5,133	55.28	196,734	0.05
100 – 1,000	2,003	21.57	517,493	0.13
1,001 – 10,000	1,352	14.56	4,213,271	1.03
10,001 – 100,000	486	5.23	13,100,060	3.21
100,001 – 20,416,778 (*)	311	3.35	365,634,604	89.54
20,416,799 and above (**)	1	0.01	24,673,433	6.04
TOTAL	9,286	100.00	408,335,595 #	100.00

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings
 # - On 11 May 2015 to 13 May 2015, the Company had bought back 3,198,200 ordinary shares from the open market which has yet to be credited into the account based on the Record of Depositors as at 13 May 2015.

SUBSTANTIAL SHAREHOLDERS AS AT 13 MAY 2015

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Name of Substantial Shareholder	Direct Interest (A)	%	Indirect Interest (B)	%	Total Interest (A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	72,487,511	17.89	56,027,797	13.83	128,515,308	31.72
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	40,220,384	9.93	88,159,343	21.76	128,379,727	31.69
Aberdeen Asset Management PLC and its subsidiaries	-	-	62,923,273	15.53	62,923,273	15.53
Mitsubishi UFJ Financial Group, Inc.	-	-	63,015,273	15.55	63,015,273	15.55
Aberdeen Asset Management Asia Limited	-	-	43,855,654	10.82	43,855,654	10.82
Aberdeen International Fund Managers Limited	-	-	24,673,433	6.09	24,673,433	6.09

STATEMENT OF SHAREHOLDINGS as at 13 May 2015

(cont'd)

DIRECTORS' INTEREST AS AT 13 MAY 2015

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965 the Directors' interests in the ordinary share capital of RM1 each of the Company and its subsidiary companies are as follows:

Shares in the Company

Name of Director	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	72,487,511	17.89	56,027,797	13.83	128,515,308	31.72
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	40,220,384	9.93	88,159,343	21.76	128,379,727	31.69
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	948,346	0.23	-	-	948,346	0.23
Ching Nye Mi @ Chieng Ngie Chay	4,819,461	1.19	24	0.00	4,819,485	1.19
Ding Ming Hea	1,585,348	0.39	-	-	1,585,348	0.39

Options over Ordinary Shares of RM1.00 each at a price of RM1.38 each

Options in the Company Name of Director	Granted	%	Exercised	%	Balance	%
Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS	3,900,000	9.79	3,900,000	9.79	-	0
Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT	3,900,000	9.79	3,900,000	9.79	-	0
Dato' Robert Lim @ Lim Git Hooi, DPMP, JP	800,000	2.01	800,000	2.01	-	0
Ching Nye Mi @ Chieng Ngie Chay	800,000	2.01	800,000	2.01	-	0
Ding Ming Hea	800,000	2.01	800,000	2.01	-	0

By virtue of their interests in the Company, Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS and Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT are deemed to be interested in shares in the subsidiary companies to the extent that the Company has an interest.

None of the other Directors had any interest in shares in the Company's related corporations.

STATEMENT OF SHAREHOLDINGS as at 13 May 2015

(cont'd)

LIST OF TOP THIRTY HOLDERS AS AT 13 MAY 2015

Name of Holder	Holdings	%
1. HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs SVS LUX for Aberdeen Global	24,673,433	6.04
2. HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs SVS Paris for Aberdeen Asian Smaller Companies Investment Trust PLC	16,143,273	3.95
3. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon (CEB)	13,944,803	3.42
4. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Paik Pheng	12,691,317	3.11
5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	12,406,812	3.04
6. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	10,720,021	2.63
7. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	9,167,961	2.25
8. Citigroup Nominees (Tempatan) Sdn Bhd Employees Providen Fund Board (Aberdeen)	7,990,764	1.96
9. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	7,309,111	1.79
10. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	6,972,579	1.71
11. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Leong Wouh	6,798,144	1.66
12. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Swee Ming	6,748,375	1.65
13. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	6,743,976	1.65
14. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon (8076930)	6,716,726	1.64
15. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat (E-Tai/KMT)	6,438,000	1.58
16. Yu Kuan Huat	6,393,305	1.57
17. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon (Margin)	6,201,761	1.52
18. Ling Mooi Hung	5,690,453	1.39
19. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	5,343,066	1.31
20. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	5,168,000	1.27
21. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat (Margin)	4,794,317	1.17
22. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Huat	4,585,000	1.12
23. Teh Nai Sim	4,538,914	1.11
24. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yu Kuan Chon	4,474,153	1.10
25. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Fung Neng	3,848,640	0.94
26. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Fung Neng	3,649,000	0.89
27. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (FOREIGN)	3,599,962	0.88
28. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Yu Kuan Huat (STW-SFC)	3,443,222	0.84
29. Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB-Principal Equity Fund 2	3,349,171	0.82
30. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liew Kok Tze	3,313,913	0.81
TOTAL	223,858,172	54.82

PROXY FORM

I/We, _____
 NRIC No./Company No. _____ of _____
 _____ being a member of

YNH Property Bhd hereby appoint the following person(s):

Name of proxy & NRIC No.	No. of shares	%
1. _____	_____	_____
2. _____	_____	_____

or failing him/her

1. _____	_____	_____
2. _____	_____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on 30 June 2015 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	For	Against
1. The declaration of a Final Dividend		
2. The payment of Directors' Fees		
3. The re-election of Directors: Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT		
4. The re-appointment of Director: Dato' Robert Lim @ Lim Git Hooi, DPMP, JP		
5. The re-appointment of Auditors and their remuneration		
Special Business		
6. Ordinary Resolution No. 1 - Proposed Renewal of Share Buy Back Authority		
7. Ordinary Resolution No. 2 - Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature		

Please indicate with (✓) how you wish your vote to be cast.

No. of shares held	
CDS Account No.	

Date: _____

Signature of Shareholder

NOTE:

- a) A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend, speak and vote instead of him.
- b) A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- c) Where a member of the Company is an exempt authorised nominee 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.
- d) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- e) The instrument appointing a proxy must be deposited at the registered office of the Company, 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting.
- f) Depositors who appear in the Record of Depositors as at 22 June 2015 shall be regarded as Member of the Company entitled to attend the Thirteenth Annual General Meeting or appoint one or two proxies to attend, speak and vote on his behalf.

+If it is desired to appoint another person as a proxy, the words "the Chairman of the Meeting" should be deleted and the name of the proxy should be inserted in block capitals, and the alteration should be initialed.

In the case of a corporation, the proxy must be executed under its Common Seal, or under the hand of a duly authorised officer.



fold

80 Sen Stamp
(within Malaysia)

The Secretary
YNH PROPERTY BHD (561986-V)
55A, MEDAN IPOH 1A
MEDAN IPOH BISTARI
31400 IPOH, PERAK DARUL RIDZUAN
MALAYSIA

fold



YNH PROPERTY BHD

(Company No.: 561986-V)
(Incorporated in Malaysia)

No. 38, Jalan PPMP 7, Pusat Perniagaan Manjung Point 1,
32040 Seri Manjung, Perak Darul Ridzuan, Malaysia.
Tel: 6-05-688 1128 Fax: 6-05-688 1388 Email: karsin@streamyx.com

Website: www.ynhb.com.my
