



**YNH PROPERTY BHD**  
(561986-V)

Annual  
Report  
**2015**

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## NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at Hotel Sfera, 2479, Jalan Dato' Yu Neh Huat, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan, Malaysia on Thursday, 30 June 2016 at 11.45 a.m.

| <b>AGENDA</b>  | <b>RESOLUTION NO.</b> |
|--|-----------------------|
| 1. To receive the Audited Financial Statements for the year ended 31 December 2015, 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 twenty-five (25) Ordinary Share of RM1.00 each held in respect of the year ended 31 December 2015.   | 1                     |
| 3. To approve payment of Directors' Fees of RM152,830 in respect of the year ended 31 December 2015.   | 2                     |
| 4. To re-elect the following Director retiring pursuant to the Articles of Association of the Company:<br><br>Ching Nye Mi @ Chieng Ngie Chay  | 3                     |
| 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.   | 4                     |
| 6. To re-appoint Messrs Baker Tilly AC as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.  | 5                     |
| 7. To transact any other business appropriate to an Annual General Meeting.  |                       |
| 8. As Special Business:<br>To consider and, if thought fit, pass the following Resolutions:  |                       |
| <b>Ordinary Resolution No. 1 -<br/>Proposed Renewal of Share Buy Back Authority</b>  | 6                     |
| <p>"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:-</p> |                       |
| <p>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;</p>  |                       |
| <p>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 2015, the audited Retained Profits and Share Premium Account of the Company were RM156,992,102 and RM44,698,178 respectively; and</p>  |                       |

**NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING** (cont'd)

- |  |                              |
|--|------------------------------|
| <ul style="list-style-type: none"> <li>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):-                     <ul style="list-style-type: none"> <li>a) the shares so purchased may be cancelled; and/or</li> <li>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</li> <li>c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.</li> </ul> </li> </ul> | <p><b>RESOLUTION NO.</b></p> |
|--|------------------------------|

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**

7

"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 30 April 2016, 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 FOURTEENTH 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  
30 April 2016

**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 20 June 2016 shall be regarded as Member of the Company entitled to attend the Fourteenth Annual General Meeting or appoint one or two proxies to attend, speak and vote on his behalf.

## **NOTICE OF FOURTEENTH 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.

### **2015 ANNUAL REPORT**

The 2015 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 FOURTEENTH 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. Director who is standing for re-election**

Ching Nye Mi @ Chieng Ngie Chay, 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 136 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 2015 till 31 December 2015:

27 February 2015  
28 April 2015  
26 May 2015  
27 August 2015  
30 November 2015

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

| <b>Name of Directors</b>                  | <b>Number of Meetings</b> | <b>Number of Meetings Attended</b> |
|---|---------------------------|------------------------------------|
| Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS    | 5                         | 3                                  |
| 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  
(Managing 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  
(Managing 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

188, Jalan PPMP 3/3  
Pusat Perniagaan Manjung Point 3  
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  
Baker Tilly MH Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Malaysia.

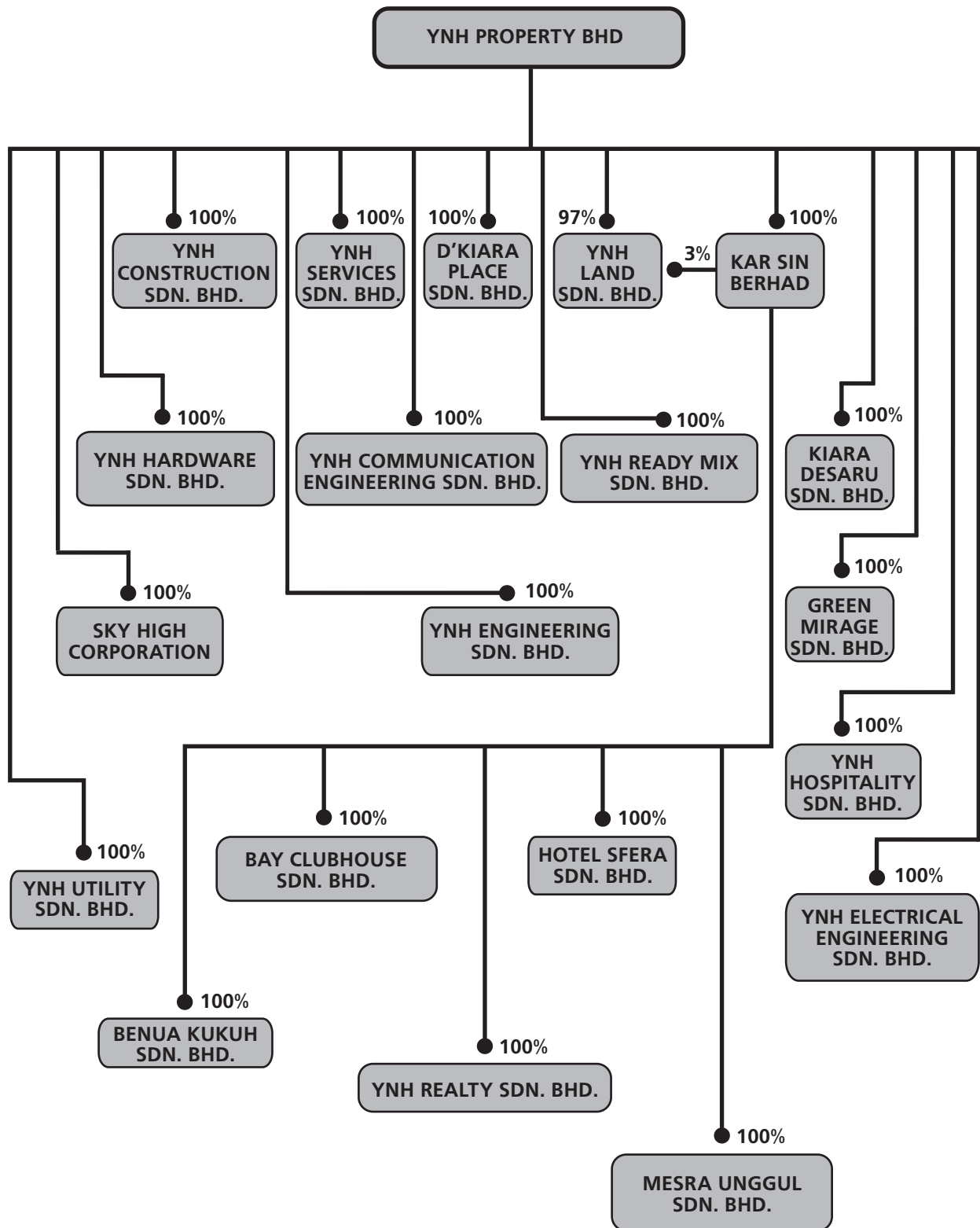
### **Principal Bankers**

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

54 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 three (3) out of the five (5) Board of Directors' Meetings held during the financial year ended 31 December 2015.

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.

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

58 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 2015.

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.

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

77 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 2015.

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.

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**CHING NYE MI @ CHIENG NGIE CHAY**

69 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 2015.

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**

52 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 2015.

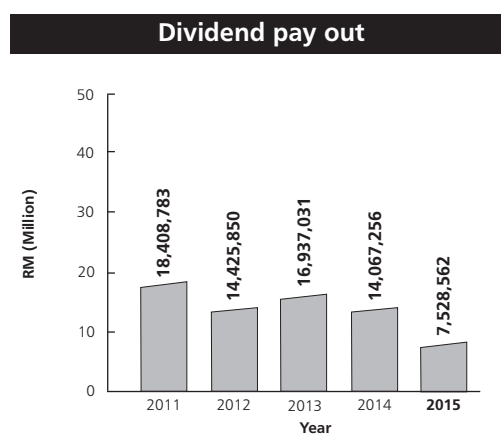
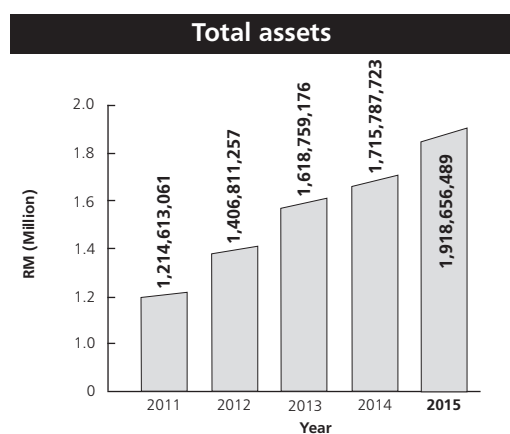
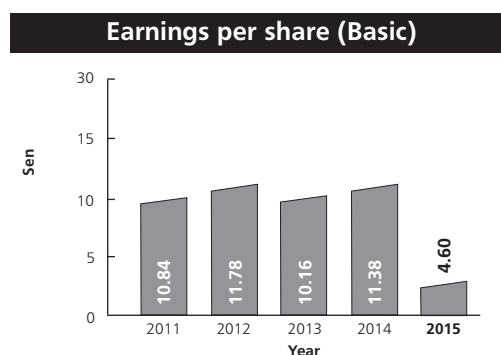
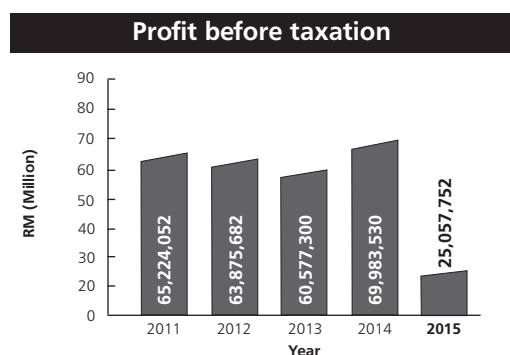
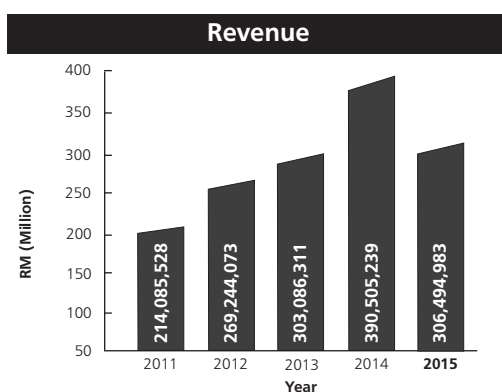
He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company.

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

## FINANCIAL HIGHLIGHTS

### FIVE YEARS FINANCIAL HIGHLIGHTS

|                                    | 2011          | 2012          | 2013          | 2014          | 2015          |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue (RM)                       | 214,085,528   | 269,244,073   | 303,086,311   | 390,505,239   | 306,494,983   |
| Profit before taxation (RM)        | 65,224,052    | 63,875,682    | 60,577,300    | 69,983,530    | 25,057,752    |
| Earnings per share (Basic)<br>-Sen | 10.84         | 11.78         | 10.16         | 11.38         | 4.60          |
| Total assets (RM)                  | 1,214,613,061 | 1,406,811,257 | 1,618,759,176 | 1,715,787,723 | 1,918,656,489 |
| Dividend pay out (RM)              | 18,408,783    | 14,425,850    | 16,937,031    | 14,067,256    | 7,528,562     |



## CHAIRMAN'S STATEMENT

### **Dear Valued Shareholders,**

On behalf of the Board of Directors of YNHP, I hereby present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2015.

The year under review had been a challenging one due to a more competitive playing field together with cooling measures being enforced by the central bank to reduce speculation in the property market in Malaysia. Furthermore, Malaysia's economy also suffered with the negative outlook on the Ringgit and also negative news by media.

The above negative outlook added further pressure and challenges to the property sector in Malaysia.

However, notwithstanding the challenges faced by the Company, I am pleased to report that YNH Property Bhd ("YNHP" or the "Company") managed to stay profitable with YNHP Group registering a total revenue of RM306.5 million in the Financial Year Ended 31 December 2015 ("FYE 2015") and Profit Before Taxation ("PBT") of RM25.1 million for FYE 2015.

For the financial year ended 31 December 2015, the Company had continued to focus on its projects in the Klang Valley and also in Seri Manjung.

### ***Development Projects in the Klang Valley***

#### ***Kiara 163, Mont Kiara***

The 6-acre mixed/development project in Mont Kiara, Kiara 163, was re-launched early 2015 had managed to get an encouraging take-up rate for the Small Office Versatile Office ("SOVO") commercial units.

The Kiara 163 Retail is also marketed by a leading retail consultant with a few international brands coming in as the anchor tenants. The concept for the Kiara 163 Retail is a lifestyle neighborhood mall for the convenience of the residents surrounding Mont Kiara.

In terms of the stage of construction, the Company had completed the substructure works and is currently working on building the superstructure for the Retail and also the SOVO as Phase 1. The Hotel Suites will be part of the 2nd Phase of the project.

#### ***Sfera Residensi, Puchong South***

The project in Puchong South called Sfera Residensi is one of the project that the Company is focusing on in the Klang Valley. This project is targeting a different group of purchasers/ buyers due to its attractive pricing. It is also part of the Company strategy to foray into the medium cost apartments range due to the more difficult and challenging economic conditions.

Sfera Residensi, though priced attractively, is very well located next to Giant Hypermarket in Seri Kembangan and also the retail shops nearby. It is also accessible to a number of highways, namely, the NKVE, LKSA, SILK and more recently a new access to the MEX highway. Further, the proposed MRT extension will include a station next to the development.

The sales have been very encouraging for both the commercial shop offices and the apartments.

The piling and substructure works for the project had already been completed. Currently, the Company is busy focusing on the superstructure works for this project.

**CHAIRMAN'S STATEMENT** (cont'd)***Development Projects in Perak***

The Group's other current on-going projects in Perak include Taman Desa Manjung, Desa Manjung Point, Pusat Perniagaan Manjung Point 3, Taman Sejati, Medan Makmur Jaya and Manjung Apartment.

**Review Of Operations and Prospect For The Year 2015**

For the year 2015, 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 residential units (Seri Manjung, Perak) will continue to contribute strongly to the Group's income. As such, the Board is cautiously optimistic of the Group's prospect for 2016.

Balance units from the Fraser Residence development in Kuala Lumpur is still being marketed and is expected to continue to contribute to the Group's earnings in 2016.

The Board is optimistic of our Kiara 163 mix development project, with a total internal targeted GDV of approximately RM1.2 billion, will contribute positively to the Group's earnings in 2016 and also for the next few years.

The Board is also optimistic of another project in the Klang Valley, Sfera Residensi in Puchong South, a medium cost residential apartment of 483 units will continue to have good sales due to the attractive pricing and also good accessibility.

The internal targeted GDV for Sfera Residensi is approximately RM425 million. The Board is confident that this development will contribute positively to the Group's earnings in 2016 and the next few 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.

In addition, with AEON Seri Manjung and Pantai Hospital Seri Manjung currently fully operational together with the planned development of an international school, this will further improve the value of the Company's existing and future developments of this township.

Last but not least, 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 an internal targeted GDV of approximately RM2.3 billion. The Menara YNH mixed development will comprise of the following mix, hotel, service apartments 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.



## **CHAIRMAN'S STATEMENT** (cont'd)

### **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 2015. Details of attendance of Directors at the Board Meetings are presented in the Statement Accompanying the Notice of the Fourteenth 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](http://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 complied with the Continuous Training Programme prescribed by Bursa Malaysia Securities Berhad and during the financial year, the following training programmes and seminars were attended by the Directors:-

- In house trainings by all Directors:
  - a) Summary of 2015 Budget Proposals
  - b) Updates of the 2014 & 2015 IFRS – Compliant MFRS  
Preparing MFRS-Compliant Financial Statements in 2014, 2015 and thereafter
  - c) GST for Developers and Contractors
  - d) Overcoming Corporate Governance Challenges In Boardroom
- Dato' Robert Lim @ Lim Git Hooi, DPMP, JP has also attended the Audit Committee Conference 2015 on Rising to New Challenges conducted by Bursa Malaysia Securities Berhad.
- Ding Ming Hea has also attended a Law Seminar on Islamic Financial Services Act 2013 organised by Association of Islamic Banking Institution Malaysia and a Workshop on Risk Management & Internal Control organised by Bursa Malaysia Securities Berhad.

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 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, 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 Sports Foundation, Medical Foundation and various Temples funds.

## 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<br>(Senior Independent Non-Executive Director) |
| Members  | : | Ching Nye Mi @ Chieng Ngie Chay<br>(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.
- f) training and orientation of directors.
- g) in connection with the Remuneration Committee, succession plan for senior officers and key group managers.

## CORPORATE GOVERNANCE STATEMENT (cont'd)

### 13. Board Committees (cont'd)

#### 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.

During the financial year, a Remuneration Committee Meeting was held on 27 February 2015.

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.

## CORPORATE GOVERNANCE STATEMENT (cont'd)

### 13. Board Committees (cont'd)

#### c) Remuneration Committee (cont'd)

##### Terms of Reference (cont'd)

##### Functions (cont'd)

The details of the remuneration for Directors of the Company received or receivable for the financial year ended 31 December 2015 by category and in bands of RM50,000 and RM500,000 are as described below:-

| Range of remuneration per annum | No. of Directors<br>(Executive) | No. of Directors<br>(Non-Executive) |
|---------------------------------|---------------------------------|-------------------------------------|
| RM50,001 to RM100,000           | -                               | 2                                   |
| RM100,001 to RM150,000          | -                               | 1                                   |
| RM150,001 to RM200,000          | -                               | -                                   |
| RM6,000,001 to RM6,500,000      | -                               | -                                   |
| RM6,500,001 to RM7,000,000      | 2                               | -                                   |

The remuneration packages of the Directors are as follows:-

| Remuneration packages       | Total per annum for the financial year ended 31 December 2015 |                               |
|-----------------------------|---|-------------------------------|
|                             | Executive Directors<br>RM                                     | Non-Executive Directors<br>RM |
| Fees                        | -   | 145,550                       |
| Salaries & other emoluments | 13,228,868  | 150,408                       |
| Benefits-in-kind            | 49,800  | -                             |
| <b>TOTAL</b>                | <b>13,278,668</b>   | <b>295,958</b>                |

#### 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.

### 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 Chon, 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.



## **CORPORATE GOVERNANCE STATEMENT** (cont'd)

### **14. Compliance with the Code** (cont'd)

- 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.
- (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**

No options, warrants or convertible securities were exercised 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 2015 amounted to RM10,500.

**7. Variation in Results**

There was no materials variance between the audited results for the financial year ended 31 December 2015 and unaudited results previously released for the financial quarter ended 31 December 2015.

**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 2015 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. 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 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 2015, the Internal Audit Function reviewed the property development segment covering the following areas, amongst others:
  - Review of the adequacy of internal control over expenditure cycle in property development segments and review policies and procedures for purchases and payments cycle. Ensure payments and payables are supported by adequate documentation and proper authorisation as per approved guidelines.
  - Follow up audits on the review of internal control for Project Fraser Residence Kuala Lumpur which focused on the implementation status of the agreed recommendations by internal auditors.

## 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 assistant 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, at least once every year

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 at least once 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.

### ***Review of the statement by external auditors***

As required by paragraph 15.23 of Bursa Securities Listing Requirements, the external auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance engagement was performed in accordance with ISAE3000, Assurance Engagement other than Audits or Review of Historical Financial Information and Recommended Practice Guide ("RPG") 5, Guidance for Auditors on the Review of Directors' Statement on Internal Control included in the Annual Report.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention has causes them to believe that this statement is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate. RPG 5 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

## AUDIT COMMITTEE REPORT

### MEMBERS OF THE COMMITTEE

| <b>Name of Members</b>                    | <b>Directorship</b>                          | <b>Designation</b>    |
|---|--|-----------------------|
| Dato' Robert Lim @ Lim Git Hooi, DPMP, JP | Senior Independent<br>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:

| <b>Name</b>                               | <b>Number of Meetings Attended</b> |
|---|------------------------------------|
| 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 2015 were RM56,000.

## 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 2015.

### 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

|                               | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|-------------------------------|---------------------|-----------------------|
| Profit for the financial year | 18,574,538          | 96,713,139            |
| Profit attributable to:       |                     |                       |
| Owners of the Company         | 18,574,538          | 96,713,139            |

### DIVIDENDS

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

- (i) distribution of treasury shares as final share dividend at the ratio of 1 treasury share for every 100 existing ordinary shares of RM1 each. A total of 3,977,119 treasury shares amounting to RM7,528,562 in respect of the financial year ended 31 December 2014 was distributed on 29 September 2015; and
- (ii) distribution of treasury shares as first interim share dividend at the ratio of 1 treasury share for every 100 existing ordinary shares of RM1 each in respect of the current financial year as declared on 30 November 2015. A total of 4,016,637 treasury shares was distributed on 29 February 2016.
- (iii) distribution of treasury shares as first interim share dividend at the ratio of 1 treasury share for every 25 existing ordinary shares of RM1 each held in respect of the financial year ending 31 December 2016 as declared on 13 April 2016. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date.

The directors have recommended a final share dividend at the ratio of 1 treasury share for every 25 existing ordinary shares of RM1 each held in respect of the current financial year, 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.

### 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 those 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**

No shares or debentures were issued 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' INTEREST**

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

|   | Note | Number of ordinary shares of RM1 each |            |              |                  |
|---|------|---------------------------------------|------------|--------------|------------------|
|   |      | At<br>1.1.2015                        | Bought     | Sold         | At<br>31.12.2015 |
| <b>Direct interest</b>                    |      |                                       |            |              |                  |
| Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS   | *    | 64,908,511                            | 53,628,119 | (21,004,500) | 97,532,130       |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT   | *    | 52,139,284                            | 13,573,381 | (40,546,900) | 25,165,765       |
| Dato' Lim Git Hooi @ Robert Lim, DPMP, JP |      | 948,346                               | 9,483      | -            | 957,829          |
| Ching Nye Mi @ Chieng Ngie Chay           |      | 4,819,461                             | 48,192     | -            | 4,867,653        |
| Ding Ming Hea                             |      | 1,585,348                             | 15,851     | -            | 1,601,199        |

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

**Number of ordinary shares of RM1 each**

|   | <b>Note</b> | <b>At<br/>1.1.2015</b> | <b>Bought</b> | <b>Sold</b>  | <b>At<br/>31.12.2015</b> |
|---|-------------|------------------------|---------------|--------------|--------------------------|
| <b>Indirect interest</b>                |             |                        |               |              |                          |
| Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS | **          | 67,946,697             | 21,795,312    | (56,548,833) | 33,193,176               |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT | **          | 80,580,343             | 57,053,695    | (36,506,433) | 101,127,605              |
| Ching Nye Mi @ Chieng Ngie Chay         | ***         | 24                     | -             | -            | 24                       |

\* 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' 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 34 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.

**TREASURY SHARES**

The shareholders of the Company, by a resolution passed in the Annual General Meeting held on 30 June 2015, 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 12,683,300 of its issued ordinary shares from the open market at an average price of RM1.89 per share. The total consideration paid for the repurchase including transaction costs was RM24,556,898. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

On 29 September 2015, the Company distributed a final dividend by way of distribution of treasury shares as share dividend at the ratio of one (1) treasury share for every hundred (100) existing ordinary shares of RM1 each held. A total of 3,977,119 treasury shares were distributed to the entitled shareholders in relation to the share dividend.

As at 31 December 2015, the Company held as treasury shares a total of 39,405,515 of its 441,446,129 issued ordinary shares. Such treasury shares are held at a carrying amount of RM74,593,405 and further relevant details are disclosed in Note 25 to the financial statements.

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

### **SIGNIFICANT EVENT SUBSEQUENT TO END OF THE FINANCIAL YEAR**

The details of significant event subsequent to the end of the financial year are disclosed in Note 43 to the financial statements.

### **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 23 April 2016.

**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 38 to 122 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 123 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 23 April 2016.

**DATO' YU KUAN HUAT,**

DPMP, PMP, AMP, PPT

**DATO' DR. YU KUAN CHON,**

DIMP, PPT, MBBS

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## **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 38 to 122 and the supplementary information as set out on page 123 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  
Ipoh in the State of Perak Darul Ridzuan  
on 23 April 2016

**DATO' DR. YU KUAN CHON**

DIMP, PPT, MBBS

Before me

**CHONG TAT CHEONG (A 234)**

Pesuruhjaya Sumpah  
(Commissioner for Oaths)

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**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 2015 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 38 to 122.

*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 2015 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 123 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**  
2967/07/17 (J)  
Chartered Accountant

Kuala Lumpur  
23 April 2016

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

|   | Note | Group         |               | Company     |            |
|---|------|---------------|---------------|-------------|------------|
|   |      | 2015<br>RM    | 2014<br>RM    | 2015<br>RM  | 2014<br>RM |
| Revenue   | 4    | 306,494,983   | 390,505,239   | 100,000,000 | 60,000,000 |
| Cost of sales   | 5    | (177,456,321) | (215,676,786) | -           | -          |
| <b>Gross profit</b>   |      | 129,038,662   | 174,828,453   | 100,000,000 | 60,000,000 |
| Other income  |      | 26,454,074    | 21,808,486    | 2,100       | -          |
| Administrative expenses   |      | (49,410,020)  | (42,719,702)  | (688,961)   | (730,096)  |
| Selling and marketing expenses  |      | (7,477,316)   | (11,147,576)  | -           | -          |
| Other operating expenses  |      | (36,080,349)  | (41,412,446)  | (2,600,000) | -          |
|   |      | (92,967,685)  | (95,279,724)  | (3,288,961) | (730,096)  |
| Profit from operations  | 6    | 62,525,051    | 101,357,215   | 96,713,139  | 59,269,904 |
| Finance costs   | 7    | (37,467,299)  | (31,373,685)  | -           | -          |
| <b>Profit before tax</b>  |      | 25,057,752    | 69,983,530    | 96,713,139  | 59,269,904 |
| Tax (expense)/credit  | 10   | (6,483,214)   | (23,269,903)  | -           | 515,411    |
| <b>Profit for the financial year</b>  |      | 18,574,538    | 46,713,627    | 96,713,139  | 59,785,315 |
| <b>Other comprehensive income, net of tax</b>                                   |      |               |               |             |            |
| <i>Items that may be reclassified subsequently to profit or loss:</i>           |      |               |               |             |            |
| Foreign currency translation difference   |      | 5,606,070     | 858,804       | -           | -          |
| <b>Total comprehensive income</b>   |      | 24,180,608    | 47,572,431    | 96,713,139  | 59,785,315 |
| <b>Profit attributable to:</b>  |      |               |               |             |            |
| Owners of the Company   |      | 18,574,538    | 46,713,627    | 96,713,139  | 59,785,315 |
| <b>Total comprehensive income attributable to:</b>                              |      |               |               |             |            |
| Owners of the Company   |      | 24,180,608    | 47,572,431    | 96,713,139  | 59,785,315 |
| <b>Earnings per share attributable to owners of the Company (sen per share)</b> | 11   |               |               |             |            |
| - Basic   |      | 4.60          | 11.38         |             |            |
| - Diluted   |      | 4.60          | 11.34         |             |            |

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 2015

|                                    |      | Group                |                      | Company            |                    |
|------------------------------------|------|----------------------|----------------------|--------------------|--------------------|
|                                    | Note | 2015<br>RM           | 2014<br>RM           | 2015<br>RM         | 2014<br>RM         |
| <b>ASSETS</b>                      |      |                      |                      |                    |                    |
| <b>Non-current assets</b>          |      |                      |                      |                    |                    |
| Property, plant and equipment      | 12   | 196,920,315          | 189,023,560          | -                  | -                  |
| Investments in subsidiaries        | 13   | -                    | -                    | 538,421,586        | 440,521,586        |
| Investment properties              | 14   | 344,965,129          | 96,609,507           | -                  | -                  |
| Land held for property development | 15   | 368,615,659          | 335,866,900          | -                  | -                  |
| Deferred tax assets                | 16   | 46,443,976           | 26,609,850           | -                  | -                  |
| Goodwill on consolidation          | 17   | 17,626,036           | 17,626,036           | -                  | -                  |
| Other non-current assets           | 21   | 321,046,670          | 280,641,412          | -                  | -                  |
| Receivables                        | 20   | 6,774,861            | 8,907,110            | -                  | -                  |
|                                    |      | <u>1,302,392,646</u> | <u>955,284,375</u>   | <u>538,421,586</u> | <u>440,521,586</u> |
| <b>Current assets</b>              |      |                      |                      |                    |                    |
| Property development costs         | 18   | 400,416,810          | 292,000,945          | -                  | -                  |
| Inventories                        | 19   | 48,871,673           | 284,585,712          | -                  | -                  |
| Receivables and deposits           | 20   | 81,289,711           | 126,863,557          | 33,239,553         | 57,475,108         |
| Other current assets               | 21   | 47,115,182           | 29,020,967           | 2,077              | 2,077              |
| Tax recoverable                    |      | 7,740,657            | 6,458,504            | 317,650            | 940,160            |
| Term deposits and short term fund  | 23   | 986,126              | 544,758              | -                  | -                  |
| Cash and bank balances             | 24   | 29,843,684           | 21,028,905           | 130,229            | 129,015            |
|                                    |      | <u>616,263,843</u>   | <u>760,503,348</u>   | <u>33,689,509</u>  | <u>58,546,360</u>  |
| <b>TOTAL ASSETS</b>                |      | <u>1,918,656,489</u> | <u>1,715,787,723</u> | <u>572,111,095</u> | <u>499,067,946</u> |



## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (cont'd)

|   | Note | Group                |                      | Company            |                    |
|---|------|----------------------|----------------------|--------------------|--------------------|
|   |      | 2015<br>RM           | 2014<br>RM           | 2015<br>RM         | 2014<br>RM         |
| <b>EQUITY AND LIABILITIES</b>                       |      |                      |                      |                    |                    |
| <b>Equity attributable to owners of the Company</b> |      |                      |                      |                    |                    |
| Share capital                                       | 25   | 441,446,129          | 441,446,129          | 441,446,129        | 441,446,129        |
| Share premium                                       | 25   | 44,698,178           | 52,226,740           | 44,698,178         | 52,226,740         |
| Treasury shares                                     | 25   | (74,593,405)         | (57,565,069)         | (74,593,405)       | (57,565,069)       |
| Other reserves                                      | 26   | 33,090,866           | 27,484,796           | -                  | -                  |
| Retained earnings                                   | 27   | 429,782,000          | 411,207,462          | 156,992,102        | 60,278,963         |
| <b>Total equity</b>                                 |      | <b>874,423,768</b>   | <b>874,800,058</b>   | <b>568,543,004</b> | <b>496,386,763</b> |
| <b>Non-current liabilities</b>                      |      |                      |                      |                    |                    |
| Borrowings  | 28   | 242,548,544          | 214,358,808          | -                  | -                  |
| Provisions  | 31   | -                    | 9,615,375            | -                  | -                  |
| Deferred tax liabilities                            | 16   | 43,372,513           | 43,676,625           | -                  | -                  |
| Payables  | 29   | 16,182,820           | -                    | -                  | -                  |
|   |      | 302,103,877          | 267,650,808          | -                  | -                  |
| <b>Current liabilities</b>                          |      |                      |                      |                    |                    |
| Payables and accruals                               | 29   | 111,916,199          | 86,121,279           | 3,568,091          | 2,681,183          |
| Other current liabilities                           | 30   | 52,160,689           | 5,586,654            | -                  | -                  |
| Provisions  | 31   | 21,376,920           | 21,415,468           | -                  | -                  |
| Tax payable   |      | 222,507              | 287,902              | -                  | -                  |
| Borrowings  | 28   | 556,452,529          | 459,925,554          | -                  | -                  |
|   |      | 742,128,844          | 573,336,857          | 3,568,091          | 2,681,183          |
| <b>Total liabilities</b>                            |      | <b>1,044,232,721</b> | <b>840,987,665</b>   | <b>3,568,091</b>   | <b>2,681,183</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <b>1,918,656,489</b> | <b>1,715,787,723</b> | <b>572,111,095</b> | <b>499,067,946</b> |

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 2015

| Group                                   | Note | ←-----Attributable to owners of the Company-----→ |                     |                               |                          |                              |                            |                          | Total equity<br>RM |
|---|------|---|---------------------|-------------------------------|--------------------------|------------------------------|----------------------------|--------------------------|--------------------|
|   |      | Share capital<br>RM                               | Share premium<br>RM | Share option<br>reserve<br>RM | Capital<br>reserve<br>RM | Translation<br>reserve<br>RM | Retained<br>earnings<br>RM | Treasury<br>shares<br>RM |                    |
| <b>2015</b>                             |      |   |                     |                               |                          |                              |                            |                          |                    |
| At 1 January 2015                       |      | 441,446,129                                       | 52,226,740          | -                             | 26,578,054               | 906,742                      | 411,207,462                | (57,565,069)             | 874,800,058        |
| <b>Comprehensive income</b>             |      |   |                     |                               |                          |                              |                            |                          |                    |
| Profit for the financial year           |      | -   | -                   | -                             | -                        | -                            | 18,574,538                 | -                        | 18,574,538         |
| <b>Other comprehensive income</b>       |      |   |                     |                               |                          |                              |                            |                          |                    |
| Foreign currency translation difference |      | -   | -                   | -                             | -                        | 5,606,070                    | -                          | -                        | 5,606,070          |
| Total comprehensive income              |      | -   | -                   | -                             | -                        | 5,606,070                    | 18,574,538                 | -                        | 24,180,608         |
| <b>Transactions with owners</b>         |      |   |                     |                               |                          |                              |                            |                          |                    |
| Share buy back                          | 25   | -   | -                   | -                             | -                        | -                            | -                          | (24,556,898)             | (24,556,898)       |
| Share dividends                         | 32   | -   | (7,528,562)         | -                             | -                        | -                            | -                          | 7,528,562                | -                  |
| Total transactions with owners          |      | -   | (7,528,562)         | -                             | -                        | -                            | -                          | (17,028,336)             | (24,556,898)       |
| At 31 December 2015                     |      | 441,446,129                                       | 44,698,178          | -                             | 26,578,054               | 6,512,812                    | 429,782,000                | (74,593,405)             | 874,423,768        |

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 2015 (cont'd)

| Group                                   | Note | ←-----Attributable to owners of the Company-----> |                               |                            |                       |                           |                         |                       | Total equity<br>RM |
|---|------|---|-------------------------------|----------------------------|-----------------------|---------------------------|-------------------------|-----------------------|--------------------|
|   |      | Share capital<br>RM                               | ←-----Non-distributable-----> |                            |                       | Distributable             |                         | Treasury shares<br>RM |                    |
|   |      |   | Share premium<br>RM           | Share option reserve<br>RM | Capital reserve<br>RM | Translation reserve<br>RM | Retained earnings<br>RM |                       |                    |
| <b>2014</b>                             |      |   |                               |                            |                       |                           |                         |                       |                    |
| 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        |
| <b>Comprehensive income</b>             |      |   |                               |                            |                       |                           |                         |                       |                    |
| Profit for the financial year           |      | -   | -                             | -                          | -                     | -                         | 46,713,627              | -                     | 46,713,627         |
| <b>Other comprehensive income</b>       |      |   |                               |                            |                       |                           |                         |                       |                    |
| Foreign currency translation difference |      | -   | -                             | -                          | -                     | 858,804                   | -                       | -                     | 858,804            |
|   |      | -   | -                             | -                          | -                     | 858,804                   | 46,713,627              | -                     | 47,572,431         |
| <b>Transactions with owners</b>         |      |   |                               |                            |                       |                           |                         |                       |                    |
| 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                         | 32   | -   | (5,866,448)                   | -                          | -                     | -                         | -                       | 5,866,448             | -                  |
| Dividends                               | 32   | -   | -                             | -                          | -                     | -                         | (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 2015 (cont'd)

|  | Note | ←-----Attributable to owners of the Company-----→ |  |                               |   |                          | Total equity<br>RM |
|--|------|---|--|-------------------------------|---|--------------------------|--------------------|
|  |      | Share capital<br>RM                               | ←-----Non-distributable-----→<br>Share premium<br>RM | Share option<br>reserve<br>RM | Distributable<br>Retained<br>earnings<br>RM | Treasury<br>shares<br>RM |                    |
| <b>Company<br/>2015</b>  |      |   |  |                               |   |                          |                    |
| At 1 January 2015  |      | 441,446,129                                       | 52,226,740   | -                             | 60,278,963                                  | (57,565,069)             | 496,386,763        |
| Profit for the financial year,<br>representing total<br>comprehensive income<br>for the financial year |      | -   | -  | -                             | 96,713,139                                  | -                        | 96,713,139         |
| <b>Transaction with owners</b>   |      |   |  |                               |   |                          |                    |
| Share buy back   | 25   | -   | -  | -                             | -   | (24,556,898)             | (24,556,898)       |
| Share dividends  | 32   | -   | (7,528,562)  | -                             | -   | 7,528,562                | -                  |
| Total transactions with owners   |      | -   | (7,528,562)  | -                             | -   | (17,028,336)             | (24,556,898)       |
| At 31 December 2015  |      | 441,446,129                                       | 44,698,178   | -                             | 156,992,102                                 | (74,593,405)             | 568,543,004        |

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 2015 (cont'd)

|  | Note | ←-----Attributable to owners of the Company-----→ |  |                               |   |                          | Total equity<br>RM |
|--|------|---|--|-------------------------------|---|--------------------------|--------------------|
|  |      | Share capital<br>RM                               | ←-----Non-distributable-----→<br>Share premium<br>RM | Share option<br>reserve<br>RM | Distributable<br>Retained<br>earnings<br>RM | Treasury<br>shares<br>RM |                    |
| <b>Company<br/>2014</b>  |      |   |  |                               |   |                          |                    |
| 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,<br>representing total<br>comprehensive income<br>for the financial year |      | -   | -  | -                             | 59,785,315                                  | -                        | 59,785,315         |
| <b>Transaction with owners</b>   |      |   |  |                               |   |                          |                    |
| 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  | 32   | -   | (5,866,448)  | -                             | -   | 5,866,448                | -                  |
| Dividends  | 32   | -   | -  | -                             | (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 CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

|   | Note | Group       |             | Company       |              |
|---|------|-------------|-------------|---------------|--------------|
|   |      | 2015<br>RM  | 2014<br>RM  | 2015<br>RM    | 2014<br>RM   |
| <b>Cash Flows from Operating Activities</b>                         |      |             |             |               |              |
| Profit before tax   |      | 25,057,752  | 69,983,530  | 96,713,139    | 59,269,904   |
| Adjustments for:-   |      |             |             |               |              |
| Impairment loss on:   |      |             |             |               |              |
| - trade receivables (Note 20)                                       |      | -           | 2,637,556   | -             | -            |
| - other receivables (Note 20)                                       |      | 498,039     | 468,257     | -             | -            |
| Reversal of impairment loss on trade receivables (Note 20)          |      | (2,667,126) | -           | -             | -            |
| Reversal of impairment loss on other receivables (Note 20)          |      | (1,305,821) | -           | -             | -            |
| Depreciation of investment properties                               |      | 3,852,928   | 170,095     | -             | -            |
| Depreciation of property, plant and equipment                       |      | 5,958,699   | 2,691,495   | -             | -            |
| Dividend income   |      | -           | -           | (100,000,000) | (60,000,000) |
| Gain on disposal of property, plant and equipment                   |      | -           | (43,548)    | -             | -            |
| Interest expense (Note 7)   |      | 37,467,299  | 31,373,685  | -             | -            |
| Interest income   |      | (1,630,918) | (692,676)   | -             | -            |
| Property, plant and equipment written off                           |      | 85,070      | 265,922     | -             | -            |
| Provision for future operating lease commitment (Note 31)           |      | 11,464,625  | 30,367,000  | -             | -            |
| Provision for rectification works (Note 31)                         |      | 522,232     | 922,040     | -             | -            |
| Reversal of tax penalty previously accrued                          |      | -           | 3,738,043   | -             | -            |
| Unrealised loss/(gain) on foreign exchange                          |      | 5,261,525   | (772,603)   | -             | -            |
| Share options granted under ESOS                                    |      | -           | 615,128     | -             | 37,056       |
| Operating profit/(loss) before working capital changes carried down |      | 84,564,304  | 141,723,924 | (3,286,861)   | (693,040)    |

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (cont'd)

|   | Note | Group        |              | Company     |            |
|---|------|--------------|--------------|-------------|------------|
|   |      | 2015<br>RM   | 2014<br>RM   | 2015<br>RM  | 2014<br>RM |
| Operating profit/(loss) before working capital changes brought down |      | 84,564,304   | 141,723,924  | (3,286,861) | (693,040)  |
| Change in property development costs                                |      | (99,218,752) | (26,491,149) | -           | -          |
| Change in inventories   |      | 37,479,367   | 25,896,273   | -           | -          |
| Change in receivables   |      | 7,893,346    | (5,382,009)  | 26,113      | (26,113)   |
| Change in contract work-in-progress                                 |      | (10,970,778) | 8,220,894    | -           | -          |
| Change in payables  |      | 61,368,201   | (32,864,120) | (23,090)    | 66,111     |
| Cash generated from/(used in) operations                            |      | 81,115,688   | 111,103,813  | (3,283,838) | (653,042)  |
| Utilisation of provision for rectification works                    |      | (889,155)    | (455,991)    | -           | -          |
| Utilisation of provision for future operating lease                 |      | (20,751,625) | -            | -           | -          |
| Dividend received   |      | -            | -            | -           | 60,000,000 |
| Interest paid   |      | (41,173,811) | (34,240,389) | -           | -          |
| Interest received   |      | 1,630,918    | 692,676      | -           | -          |
| Recharge of share options under ESOS to subsidiaries received       |      | -            | -            | -           | 1,254,987  |
| Tax refunded  |      | 990,610      | -            | 622,510     | -          |
| Tax paid  |      | (28,959,610) | (28,892,157) | -           | -          |
| Net cash (used in)/from operating activities carried down           |      | (8,036,985)  | 48,207,952   | (2,661,328) | 60,601,945 |

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (cont'd)

|   | Note | Group        |              | Company     |             |
|---|------|--------------|--------------|-------------|-------------|
|   |      | 2015<br>RM   | 2014<br>RM   | 2015<br>RM  | 2014<br>RM  |
| Net cash (used in)/from operating activities brought down |      | (8,036,985)  | 48,207,952   | (2,661,328) | 60,601,945  |
| <b>Cash flows from investing activities</b>               |      |              |              |             |             |
| Land held for property development - net of disposals     |      | (10,162,374) | (60,229,174) | -           | -           |
| Placement of pledged fixed deposits                       |      | (15,820)     | (10,646)     | -           | -           |
| Additions in investment properties                        |      | (49,722,028) | (18,550)     | -           | -           |
| Proceeds from disposal of property, plant and equipment   |      | -            | 45,000       | -           | -           |
| (Advances to)/Repayment from subsidiaries                 |      | -            | -            | 26,809,442  | 27,806,612  |
| Subscription of additional shares in subsidiaries         | 13   | -            | -            | (499,998)   | (7,091,198) |
| Acquisition of subsidiaries                               | 13   | -            | -            | (2)         | (2)         |
| Purchase of property, plant and equipment                 | 33   | (16,443,078) | (37,792,395) | -           | -           |
| Net cash (used in)/from investing activities carried down |      | (76,343,300) | (98,005,765) | 26,309,442  | 20,715,412  |



## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (cont'd)

|  | Note | Group        |              | Company      |              |
|--|------|--------------|--------------|--------------|--------------|
|  |      | 2015<br>RM   | 2014<br>RM   | 2015<br>RM   | 2014<br>RM   |
| Net cash (used in)/from investing activities brought down    |      | (76,343,300) | (98,005,765) | 26,309,442   | 20,715,412   |
| <b>Cash flows from financing activities</b>                  |      |              |              |              |              |
| Dividends paid   | 32   | -            | (8,200,808)  | -            | (8,200,808)  |
| Shares buy back  | 25   | (24,556,898) | (54,347,399) | (24,556,898) | (54,347,399) |
| Proceeds from issue of shares                                |      | -            | 21,124,620   | -            | 21,124,620   |
| Drawdown of short term revolving credit                      |      | 80,374,054   | 118,124,768  | -            | -            |
| Drawdown of term loans                                       |      | 20,005,962   | -            | -            | -            |
| Proceeds from refinancing with finance lease                 |      | 42,099,275   | -            | -            | -            |
| Payment of finance lease                                     |      | (9,927,325)  | (87,340)     | -            | -            |
| Advances from/(Repayment to) subsidiaries                    |      | -            | -            | 909,998      | (40,166,752) |
| Repayments of term loans                                     |      | (7,050,757)  | (1,949,215)  | -            | -            |
| Net cash from/(used in) financing activities                 |      | 100,944,311  | 74,664,626   | (23,646,900) | (81,590,339) |
| Effect of changes in exchange rate                           |      | (6,539,201)  | (425,108)    | -            | -            |
| Net increase/(decrease) in cash and cash equivalents         |      | 10,024,825   | 24,441,705   | 1,214        | (272,982)    |
| Cash and cash equivalents at beginning of the financial year |      | (53,634,206) | (78,075,911) | 129,015      | 401,997      |
| Cash and cash equivalents at end of the financial year       | 33   | (43,609,381) | (53,634,206) | 130,229      | 129,015      |

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 2015

### 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. 188, Jalan PPMP 3/3, Pusat Perniagaan Manjung Point 3, 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 23 April 2016.

### 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 and Amendments/Improvements to FRSs**

##### **(i) Adoption of Amendments/Improvements to FRSs**

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

##### Amendments/improvements to FRSs

|       |  |
|-------|--|
| FRS 1 | First-time Adoption of Financial Reporting Standards |
| FRS 2 | Share-based Payment                                  |
| FRS 3 | Business Combinations                                |
| FRS 8 | Operating Segments                                   |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### (a) Statement of compliance (cont'd)

##### New FRSs and Amendments/Improvements to FRSs (cont'd)

##### (i) Adoption of Amendments/Improvements to FRSs (cont'd)

The Group and the Company had adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:- (cont'd)

##### Amendments/improvements to FRSs (cont'd)

|         |                               |
|---------|-------------------------------|
| FRS 13  | Fair Value Measurement        |
| FRS 116 | Property, Plant and Equipment |
| FRS 119 | Employee Benefits             |
| FRS 124 | Related Party Disclosures     |
| FRS 138 | Intangible Assets             |
| FRS 140 | Investment Property           |

The adoption of the above amendments/improvements to FRSs 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:-

|  |   | <b>Effective for<br/>financial periods<br/>beginning on<br/>or after</b> |
|--|---|--|
| <u>New FRSs</u>                        |   |  |
| FRS 9                                  | Financial Instruments                                       | 1 January 2018   |
| <u>Amendments/Improvements to FRSs</u> |   |  |
| FRS 5                                  | Non-current Asset Held for Sale and Discontinued Operations | 1 January 2016   |
| FRS 7                                  | Financial Instruments: Disclosures                          | 1 January 2016   |
| FRS 10                                 | Consolidated Financial Statements                           | To be determined<br>by MASB/<br>1 January 2016                           |
| FRS 11                                 | Joint Arrangements  | 1 January 2016   |
| FRS 12                                 | Disclosures of Interests in Other Entities                  | 1 January 2016   |
| FRS 101                                | Presentation of Financial Statements                        | 1 January 2016   |
| FRS 107                                | Statement of Cash Flows                                     | 1 January 2017   |
| FRS 112                                | Income Taxes  | 1 January 2017   |
| FRS 116                                | Property, Plant and Equipment                               | 1 January 2016   |
| FRS 119                                | Employee Benefits   | 1 January 2016   |
| FRS 127                                | Separate financial statements                               | 1 January 2016   |
| FRS 128                                | Investments in Associates and Joint Ventures                | To be determined<br>by MASB/<br>1 January 2016                           |
| FRS 138                                | Intangible Assets   | 1 January 2016   |

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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### (a) Statement of compliance (cont'd)

##### New FRSs and Amendments/Improvements to FRSs (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)

##### **FRS 9 Financial Instruments**

Key requirements of FRS 9:-

- 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 statements 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 statements of financial position.

- 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.
- 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.

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

Amendments to FRS 5 introduce specific guidance on 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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### (a) Statement of compliance (cont'd)

##### **New FRSs and Amendments/Improvements to FRSs (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 7 Financial Instruments: Disclosures***

Amendments to FRS 7 provide 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 101 Presentation of Financial Statements***

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify 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 prohibit 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 127 Separate Financial Statements***

Amendments to FRS 127 allow 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 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the following limited circumstances:

- when 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.

##### ***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, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### (a) Statement of compliance (cont'd)

##### New FRSs and Amendments/Improvements to FRSs (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 2018. 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 ending 31 December 2018. The main effects arising from the transition to the MFRSs Framework are discussed below.

MASB also has issued MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 (Agriculture: Bearer Plants). MFRS 15 is effective for annual periods beginning on or after 1 January 2018 while the Bearer Plants amendments is effective for annual periods beginning on or after 1 January 2016.

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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### (a) Statement of compliance (cont'd)

##### New FRSs and Amendments/Improvements to FRSs (cont'd)

##### (iii) MASB Approved Accounting Standards, MFRSs (cont'd)

###### ***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:

- (i) identify the contracts with a customer;
- (ii) identify the performance obligation in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contract;
- (v) recognise revenue when (or as) the entity satisfies a performance obligation.

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.

###### ***MFRS 141 Agriculture; Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture***

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.

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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

#### (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.

#### (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 and investment properties (Note 12 and 14) – the cost of property, plant and equipment and investment properties are 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.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

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

- (iv) 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.
- (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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 2. BASIS OF PREPARATION (cont'd)

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

- (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 31) – 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 31) – 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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Consolidation

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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (b) Revenue recognition (cont'd)

##### (i) Development properties (cont'd)

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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (f) Tax expense (cont'd)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (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.

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.



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (m) Property development costs (cont'd)

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 2015 (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 2015 (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 2015 (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 2015 (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 2015 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (aa) Earnings per share

##### (i) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by weighted average number of ordinary shares outstanding during the financial year.

##### (ii) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

### 4. REVENUE

|  | Group              |                    | Company            |                   |
|--|--------------------|--------------------|--------------------|-------------------|
|  | 2015<br>RM         | 2014<br>RM         | 2015<br>RM         | 2014<br>RM        |
| Sale of:                                       |                    |                    |                    |                   |
| - development properties                       | 93,204,905         | 291,632,293        | -                  | -                 |
| - land held for property<br>development        | 46,557,000         | 3,850,000          | -                  | -                 |
| - completed property units                     | 71,638,506         | 19,856,922         | -                  | -                 |
| Commission income                              | -                  | 408,900            | -                  | -                 |
| Dividend income from a<br>subsidiary           | -                  | -                  | 100,000,000        | 60,000,000        |
| Income from estates                            | 2,300,251          | 2,181,559          | -                  | -                 |
| Revenue from room sales,<br>food and beverages | 60,312,583         | 34,521,474         | -                  | -                 |
| Proceeds from contract work                    | 21,918,416         | 34,967,188         | -                  | -                 |
| Rental income on:                              |                    |                    |                    |                   |
| - properties                                   | 10,523,522         | 1,975,056          | -                  | -                 |
| - plant and equipment                          | 39,800             | 1,111,847          | -                  | -                 |
|  | <u>306,494,983</u> | <u>390,505,239</u> | <u>100,000,000</u> | <u>60,000,000</u> |

**NOTES TO THE FINANCIAL STATEMENTS**

– 31 DECEMBER 2015 (cont'd)

**5. COST OF SALES**

|  | <b>Group</b>       |                    |
|--|--------------------|--------------------|
|  | <b>2015<br/>RM</b> | <b>2014<br/>RM</b> |
| Property development costs (Note 18)                         | 64,524,881         | 140,211,289        |
| Cost of land held for property development<br>sold (Note 15) | 4,960,992          | 1,632,687          |
| Cost of completed property units                             | 19,020,488         | 9,217,989          |
| Construction contract costs                                  | 21,373,351         | 22,317,220         |
| Direct cost in respect of rental of plant and equipment      | 96,409             | 296,463            |
| Estates costs  | 310,279            | 548,710            |
| Hotel and other operation costs                              |                    |                    |
| - rental of premises   | 27,952,149         | 21,643,790         |
| - other costs  | 39,217,772         | 19,808,638         |
|  | <b>177,456,321</b> | <b>215,676,786</b> |

**6. PROFIT FROM OPERATIONS**

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

|  | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | <b>2015<br/>RM</b> | <b>2014<br/>RM</b> | <b>2015<br/>RM</b> | <b>2014<br/>RM</b> |
| Auditors' remuneration                                       |                    |                    |                    |                    |
| - statutory audit  |                    |                    |                    |                    |
| - current  | 244,500            | 221,700            | 53,000             | 44,000             |
| - over provision in<br>prior financial year                  | -                  | -                  | 4,000              | -                  |
| - other services   | 10,500             | 10,500             | 10,500             | 10,500             |
| Depreciation of investment<br>properties                     | 3,852,928          | 170,095            | -                  | -                  |
| Depreciation of property,<br>plant and equipment             | 5,958,699          | 2,691,495          | -                  | -                  |
| Employees benefits expense<br>(Note 8)                       | 44,661,590         | 31,760,076         | -                  | -                  |
| Impairment loss on:  |                    |                    |                    |                    |
| - other receivables (Note 20)                                | 498,039            | 468,257            | -                  | -                  |
| - trade receivables (Note 20)                                | -                  | 2,637,556          | -                  | -                  |
| - investment in subsidiaries                                 | -                  | -                  | 2,600,000          | -                  |
| Interest expenses (Note 7)                                   | 37,467,299         | 31,373,685         | -                  | -                  |
| Non-executive directors'<br>remuneration (Note 9)            | 295,958            | 318,888            | 295,958            | 318,888            |
| Property, plant and<br>equipment written off                 | 85,070             | 265,922            | -                  | -                  |
| Provision for rectification<br>works (Note 31)               | 522,232            | 922,040            | -                  | -                  |
| Provision for future operating<br>lease commitment (Note 31) | 11,464,625         | 30,367,000         | -                  | -                  |



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 6. PROFIT FROM OPERATIONS (cont'd)

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

|  | Group        |              | Company    |            |
|--|--------------|--------------|------------|------------|
|  | 2015<br>RM   | 2014<br>RM   | 2015<br>RM | 2014<br>RM |
| Rental of premises   |              |              |            |            |
| - included in cost of sales                                | 27,952,149   | 21,643,790   | -          | -          |
| - included in other operating expenses                     | 29,344,345   | 4,403,523    | -          | -          |
| Rental of lorry and tractor                                | 1,330,360    | 646,080      | -          | -          |
| Rental of plant and machinery                              | 43,310       | 1,289,797    | -          | -          |
| Direct operating expenses from investment properties       |              |              |            |            |
| - Generated rental income                                  | 900,321      | 21,796       | -          | -          |
| - Did not generate rental income                           | 606,086      | 598,095      | -          | -          |
| Gain on disposal of property, plant and equipment          | -            | (43,548)     | -          | -          |
| Interest income  | (1,630,918)  | (692,676)    | -          | -          |
| Profit from sale of building materials                     | (1,494,444)  | (373,061)    | -          | -          |
| Unrealised foreign exchange loss/(gain)                    | 5,261,525    | (772,603)    | -          | -          |
| Rental income from unsold completed properties             | (4,649,702)  | (12,253,326) | -          | -          |
| Rental income from properties                              |              |              |            |            |
| - included in revenue                                      | (10,523,522) | (1,915,056)  | -          | -          |
| - included in other income                                 | (3,627,045)  | (2,172,701)  | -          | -          |
| Reversal of impairment loss on trade receivables (Note 20) | (2,667,126)  | -            | -          | -          |
| Reversal of impairment loss on other receivables (Note 20) | (1,305,821)  | -            | -          | -          |
| Reversal of tax penalty previously accrued (Note 10)       | -            | (3,738,043)  | -          | -          |

### 7. FINANCE COSTS

|  | Group       |             |
|--|-------------|-------------|
|  | 2015<br>RM  | 2014<br>RM  |
| Interest expense:                                  |             |             |
| - term loans                                       | 12,251,035  | 11,514,847  |
| - bank overdrafts                                  | 3,700,413   | 3,567,369   |
| - short term revolving credit                      | 23,719,461  | 18,849,758  |
| - others   | 1,502,902   | 308,415     |
|  | 41,173,811  | 34,240,389  |
| Interest expense capitalised in qualifying assets: |             |             |
| - Property development costs (Note 18)             | (3,706,512) | (2,866,704) |
|  | 37,467,299  | 31,373,685  |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 8. EMPLOYEES BENEFITS EXPENSE

|   | Group      |            |
|---|------------|------------|
|   | 2015<br>RM | 2014<br>RM |
| Salaries, bonus and other staff related costs | 38,851,507 | 26,971,237 |
| Employees Provident Fund                      | 5,578,727  | 4,084,797  |
| Share options granted under ESOS              | -          | 578,072    |
| Socso   | 231,356    | 125,970    |
|   | 44,661,590 | 31,760,076 |

Included in employees benefits expense of the Group are executive directors' remuneration amounting to RM13,228,868 (2014: RM14,657,650).

### 9. DIRECTORS' REMUNERATION

|   | Group      |            | Company    |            |
|---|------------|------------|------------|------------|
|   | 2015<br>RM | 2014<br>RM | 2015<br>RM | 2014<br>RM |
| <b>Executive:</b>   |            |            |            |            |
| Salaries and other emoluments   | 10,261,566 | 9,772,920  | -          | -          |
| Bonus   | 855,130    | 2,443,230  | -          | -          |
| Employees Provident Fund  | 2,112,172  | 2,321,068  | -          | -          |
| Share options granted under ESOS  | -          | 120,432    | -          | -          |
|   | 13,228,868 | 14,657,650 | -          | -          |
| Total executive directors' remuneration (excluding benefits-in-kind) (Note 8) |            |            |            |            |
| Estimated monetary value of benefits-in-kind                                  | 49,800     | 43,300     | -          | -          |
|   | 13,278,668 | 14,700,950 | -          | -          |
| Total executive directors' remuneration (including benefits-in-kind)          |            |            |            |            |
| <b>Non-executive:</b>   |            |            |            |            |
| Fees  | 145,550    | 143,232    | 145,550    | 143,232    |
| Share options granted under ESOS  | -          | 37,056     | -          | 37,056     |
| Other emoluments  | 150,408    | 138,600    | 150,408    | 138,600    |
|   | 295,958    | 318,888    | 295,958    | 318,888    |
| Total non-executive directors' emoluments                                     | 13,574,626 | 15,019,838 | 295,958    | 318,888    |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 10. TAX EXPENSE/(CREDIT)

|  | Group               |                    | Company    |                  |
|--|---------------------|--------------------|------------|------------------|
|  | 2015<br>RM          | 2014<br>RM         | 2015<br>RM | 2014<br>RM       |
| <b>Current tax:</b>  |                     |                    |            |                  |
| Malaysian-current financial year                           | 25,978,984          | 32,679,285         | -          | -                |
| -prior financial year                                      | 437,484             | (3,601,852)        | -          | (515,411)        |
| Labuan -current financial year                             | 20,000              | 20,000             | -          | -                |
| -prior financial year                                      | -                   | (3,033)            | -          | -                |
|  | <u>26,436,468</u>   | <u>29,094,400</u>  | <u>-</u>   | <u>(515,411)</u> |
| <b>Deferred tax:</b>                                       |                     |                    |            |                  |
| Origination and reversal of temporary differences          | (17,572,566)        | (5,418,434)        | -          | -                |
| Recognition of previously unrecognised deferred tax assets | (2,407,450)         | -                  | -          | -                |
| Under/(Over)provision in prior financial year              | 26,762              | (406,063)          | -          | -                |
|  | <u>(19,953,254)</u> | <u>(5,824,497)</u> | <u>-</u>   | <u>-</u>         |
| Tax expense/(credit)                                       | <u>6,483,214</u>    | <u>23,269,903</u>  | <u>-</u>   | <u>(515,411)</u> |

In the previous financial year, the overprovision of current tax in prior financial years of the Group included amounts of RM2,915,972 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 in the previous financial year.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 10. TAX EXPENSE/(CREDIT) (cont'd)

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      |              |
|---|-------------|-------------|--------------|--------------|
|   | 2015<br>RM  | 2014<br>RM  | 2015<br>RM   | 2014<br>RM   |
| Profit before tax   | 25,057,752  | 69,983,530  | 96,713,139   | 59,269,904   |
| Tax at the Malaysian statutory income tax rate of 25%       | 6,264,400   | 17,495,900  | 24,178,300   | 14,817,500   |
| Expenses not deductible for tax purposes                    | 2,615,098   | 1,238,898   | 821,700      | 182,500      |
| Non-taxable income  | (78,924)    | (934,500)   | (25,000,000) | (15,000,000) |
| Different tax rate in offshore company *                    | 120,700     | -           | -            | -            |
| Deferred tax recognised at different tax rate               | 484,703     | 552,553     | -            | -            |
| Utilisation of previously unrecognised deferred tax assets  | (5,188,000) | -           | -            | -            |
| Deferred tax asset not recognised during the financial year | 4,208,441   | 8,928,000   | -            | -            |
| Recognition of previously unrecognised deferred tax asset   | (2,407,450) | -           | -            | -            |
| Under/(Over) provision in prior financial years             |             |             |              |              |
| - current tax   | 437,484     | (3,604,885) | -            | -            |
| - deferred tax  | 26,762      | (406,063)   | -            | (515,411)    |
| Tax expense/(credit)  | 6,483,214   | 23,269,903  | -            | (515,411)    |

\* 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% (2014: 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 2015 and 31 December 2014 has reflected these changes.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (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:

|   | <b>Group</b>            |             |
|---|-------------------------|-------------|
|   | <b>2015</b>             | <b>2014</b> |
|   | <b>RM</b>               | <b>RM</b>   |
| Profit for the financial year attributable to owners of the Company used in the computation of basic and diluted earnings per share | 18,574,538              | 46,713,627  |
|   | <b>Number of shares</b> |             |
| Weighted average number of ordinary shares for basis earnings per share computation*  | 403,931,985             | 410,345,523 |
| Effect of dilution  |                         |             |
| - share options   | -                       | 1,759,635   |
| Weighted average number of ordinary shares for diluted earnings per share computation   | 403,931,985             | 412,105,158 |

\* 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 100 of its issued ordinary shares from the open market to be held as treasury shares.

There have been no 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 2015 (cont'd)

**12. PROPERTY, PLANT AND EQUIPMENT**

| <b>Group</b>                         | <b>Freehold land<br/>RM</b> | <b>Long term leasehold land<br/>RM</b> | <b>Buildings<br/>RM</b> | <b>Plant and machinery<br/>RM</b> | <b>Motor vehicles<br/>RM</b> | <b>Tennis court<br/>RM</b> | <b>Office equipment, furnitures, fittings and renovations<br/>RM</b> | <b>Crockery glassware, cutlery, carpet and linen<br/>RM</b> | <b>Construction in Progress<br/>RM</b> | <b>Total<br/>RM</b> |
|--------------------------------------|-----------------------------|--|-------------------------|-----------------------------------|------------------------------|----------------------------|--|---|--|---------------------|
| <b>Costs</b>                         |                             |  |                         |                                   |                              |                            |  |   |  |                     |
| At 1.1.2015                          | 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         |
| Additions                            | 5,890                       | 1,026,207                              | 251,476                 | 9,935,943                         | 393,755                      | -                          | 3,847,522  | 291,110   | 691,175                                | 16,443,078          |
| Written off                          | -                           | -                                      | -                       | (333,309)                         | -                            | -                          | (391,674)  | -   | -                                      | (724,983)           |
| Effect of movement in exchange rates | -                           | -                                      | -                       | 9,351,883                         | -                            | -                          | -  | -   | -                                      | 9,351,883           |
| At 31.12.2015                        | 85,863,467                  | 36,359,295                             | 11,604,856              | 82,468,696                        | 6,766,200                    | 70,004                     | 17,654,777   | 903,828   | 691,175                                | 242,382,298         |
| <b>Accumulated Depreciation</b>      |                             |  |                         |                                   |                              |                            |  |   |  |                     |
| At 1.1.2015                          | -                           | 382,238                                | 1,688,699               | 18,065,882                        | 3,337,674                    | 70,002                     | 4,592,744  | 151,521   | -                                      | 28,288,760          |
| Charge for the financial year        | -                           | 425,379                                | 257,599                 | 11,950,855                        | 604,829                      | -                          | 1,937,072  | 69,780  | -                                      | 15,245,514          |
| Written off                          | -                           | -                                      | -                       | (308,105)                         | -                            | -                          | (331,808)  | -   | -                                      | (639,913)           |
| Effect of movement in exchange rates | -                           | -                                      | -                       | 2,567,622                         | -                            | -                          | -  | -   | -                                      | 2,567,622           |
| At 31.12.2015                        | -                           | 807,617                                | 1,946,298               | 32,276,254                        | 3,942,503                    | 70,002                     | 6,198,008  | 221,301   | -                                      | 45,461,983          |
| <b>Net Carrying Amount</b>           |                             |  |                         |                                   |                              |                            |  |   |  |                     |
| At 31.12.2015                        | 85,863,467                  | 35,551,678                             | 9,658,558               | 50,192,442                        | 2,823,697                    | 2                          | 11,456,769   | 682,527   | 691,175                                | 196,920,315         |

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

## NOTES TO THE FINANCIAL STATEMENTS

- 31 DECEMBER 2015 (cont'd)

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

| Group                                | Freehold land<br>RM | Long term leasehold land<br>RM | Buildings<br>RM | Plant and machinery<br>RM | Motor vehicles<br>RM | Tennis court<br>RM | Office equipment, furnitures, fittings and renovations<br>RM | Crockery glassware, cutlery, carpet and linen<br>RM | Total<br>RM |
|--------------------------------------|---------------------|--------------------------------|-----------------|---------------------------|----------------------|--------------------|--|---|-------------|
| <b>Costs</b>                         |                     |                                |                 |                           |                      |                    |  |   |             |
| 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 |
| <b>Accumulated Depreciation</b>      |                     |                                |                 |                           |                      |                    |  |   |             |
| 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  |
| <b>Net Carrying Amount</b>           |                     |                                |                 |                           |                      |                    |  |   |             |
| 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 2015 (cont'd)

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

Motor vehicles and plant and machinery under finance lease arrangements are as follows:

|                     | Group             |                        |                   |                        |
|---------------------|-------------------|------------------------|-------------------|------------------------|
|                     | 2015<br>RM        | Plant and<br>machinery | 2014<br>RM        | Plant and<br>machinery |
|                     | Motor<br>vehicles |                        | Motor<br>vehicles |                        |
| Cost                | 308,572           | 50,361,731             | 308,572           | -                      |
| Net carrying amount | 196,457           | 32,001,998             | 252,000           | -                      |

Titles of leasehold land with net carrying amount of RM20,526,864 (2014: RM20,022,203) which was alienated by a local council is in the process of being transferred to the name of a subsidiary.

Freehold land and leasehold land with net carrying amount of RM115,812,265 (2014: RM92,197,986) are pledged as security for bank borrowings as mentioned in Note 28.

### 13. INVESTMENTS IN SUBSIDIARIES

|                          | Company                    |                  |
|--------------------------|----------------------------|------------------|
|                          | 2015<br>RM                 | 2014<br>RM       |
| Unquoted shares, at cost | 451,021,586                | 450,521,586      |
| Less: Impairment loss    | (12,600,000)               | (10,000,000)     |
| Quasi loan               | 438,421,586<br>100,000,000 | 440,521,586<br>- |
|                          | 538,421,586                | 440,521,586      |

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amount are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

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<br>interest/ voting rights |           |
|----------------------------|---|--|-----------|
|                            |   | 2015<br>%  | 2014<br>% |
| <b>Direct subsidiaries</b> |   |  |           |
| 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       |



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (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 |           |
|---|---|---|-----------|
|   |   | 2015<br>%                                       | 2014<br>% |
| <b>Direct subsidiaries</b>              |   |   |           |
| YNH Services Sdn. Bhd.                  | Provision of management services and lodging facilities | 100   | 100       |
| YNH Land Sdn. Bhd.                      | Property investment                                     | 97  | 97        |
| 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.                  | Property investment holding                             | 100   | 100       |
| YNH Hospitality Sdn. Bhd.               | Provision of management services and lodging facilities | 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   | 100       |
| YNH Utility Sdn. Bhd.                   | Dormant   | 100   | -         |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (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 |           |
|---|--|--|-----------|
|   |  | 2015<br>%                                      | 2014<br>% |
| <b>Indirect subsidiaries through Kar Sin Berhad</b> |  |  |           |
| Hotel Sfera 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 499,998 new ordinary shares of RM1 each in the subsidiary.

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

\*\* D'Kiara Place Sdn. Bhd.'s shares are held in trust by Kar Sin Berhad as a trustee for the Company.

#### Acquisition of subsidiary

On 28 April 2015, the Company has acquired the entire equity interest in YNH Utility 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 2015 (cont'd)

14. INVESTMENT PROPERTIES

The movements of investment properties are as follows:

| Group  | Completed investment property RM | 2015 Investment property under construction (IPUC) RM | Total RM    | Completed investment property RM | 2014 Investment property under construction (IPUC) RM | Total RM    |
|--|----------------------------------|---|-------------|----------------------------------|---|-------------|
| <b>Cost</b>  |                                  |   |             |                                  |   |             |
| At beginning of the financial year                         | 18,527,861                       | 78,619,782  | 97,147,643  | 10,869,418                       | 78,601,232  | 89,470,650  |
| Additions  | 49,722,028                       | -   | 49,722,028  | -                                | 18,550  | 18,550      |
| Transfer from land held for property development (Note 15) | -                                | -   | -           | 7,658,443                        | -   | 7,658,443   |
| Transfer from inventories                                  | 202,486,522                      | -   | 202,486,522 | -                                | -   | -           |
| Reclassification   | 1,079,096                        | (1,079,096)   | -           | -                                | -   | -           |
| At end of the financial year                               | 271,815,507                      | 77,540,686  | 349,356,193 | 18,527,861                       | 78,619,782  | 97,147,643  |
| <b>Accumulated depreciation</b>                            |                                  |   |             |                                  |   |             |
| At beginning of the financial year                         | 538,136                          | -   | 538,136     | 368,041                          | -   | 368,041     |
| Charge for the financial year                              | 3,852,928                        | -   | 3,852,928   | 170,095                          | -   | 170,095     |
| At end of the financial year                               | 4,391,064                        | -   | 4,391,064   | 538,136                          | -   | 538,136     |
| Net carrying amounts                                       | 267,424,443                      | 77,540,686  | 344,965,129 | 17,989,725                       | 78,619,782  | 96,609,507  |
| Estimated fair value                                       | 321,919,190                      | 431,244,000   | 753,163,190 | 30,111,507                       | 438,815,768   | 468,927,275 |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 14. INVESTMENT PROPERTIES (cont'd)

Included in the Group's investment properties are land held under long-term leasehold interest of RM545,237 (2014: RM555,146) which expires in the year ranging from 2081 to 2096.

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

The Group's freehold and leasehold investment properties with a net carrying amount of RM279,642,707 and RM10,978,003 respectively (2014: RM80,325,696 and RMNil) are pledged to secure the Group's bank borrowings as mentioned in Note 28.

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<br>RM |
|-----------------------|------------------------------|---------------|---------------|-------------|
|                       | Level 1<br>RM                | Level 2<br>RM | Level 3<br>RM |             |
| <b>2015</b>           |                              |               |               |             |
| Investment properties | -                            | -             | 753,163,190   | 753,163,190 |
| <b>2014</b>           |                              |               |               |             |
| Investment properties | -                            | -             | 468,927,275   | 468,927,275 |

### 15. LAND HELD FOR PROPERTY DEVELOPMENT

| Group  | Freehold<br>land<br>RM | Leasehold<br>land<br>RM | Development<br>expenditure<br>RM | Total<br>RM |
|--|------------------------|-------------------------|----------------------------------|-------------|
| <b>Cost</b>                                      |                        |                         |                                  |             |
| <b>2015</b>                                      |                        |                         |                                  |             |
| At beginning of the financial year               | 245,684,970            | 37,024,116              | 53,157,814                       | 335,866,900 |
| Reclassification                                 | 168,004                | (168,004)               | -                                | -           |
| Additions #                                      | 25,253,009             | -                       | 13,626,878                       | 38,879,887  |
| Transfer to property development costs (Note 18) | (970,389)              | -                       | (199,747)                        | (1,170,136) |
| Disposal of land (Note 5)                        | -                      | (1,433,027)             | (3,527,965)                      | (4,960,992) |
| At end of the financial year                     | 270,135,594            | 35,423,085              | 63,056,980                       | 368,615,659 |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

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

| Group  | Freehold<br>land<br>RM | Leasehold<br>land<br>RM | Development<br>expenditure<br>RM | Total<br>RM        |
|--|------------------------|-------------------------|----------------------------------|--------------------|
| <b>Cost<br/>2014</b>                             |                        |                         |                                  |                    |
| 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) | (17,759,425)           | -                       | (36,036,095)                     | (53,795,520)       |
| Disposal of land (Note 5)                        | (698,236)              | (44,626)                | (889,825)                        | (1,632,687)        |
| At end of the financial year                     | <u>245,684,970</u>     | <u>37,024,116</u>       | <u>53,157,814</u>                | <u>335,866,900</u> |

# Included an amount of RM23,756,521 on deferred payment terms.

Freehold land and leasehold land and development expenditure of the Group with carrying amount of RM185,916,003 (2014: RM165,015,136) are pledged as security for bank borrowings as mentioned in Note 28.

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              |                    |
|------------------------------------|--------------------|--------------------|
|                                    | 2015<br>RM         | 2014<br>RM         |
| Land held for property development | <u>162,110,201</u> | <u>131,491,741</u> |

Titles of freehold land with carrying amount of RM23,816,507 (2014: RMNil) have been on lien holder's caveat by the vendor's financier.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 16. DEFERRED TAX ASSETS/(LIABILITIES)

|                                 | Group        |              | Company    |            |
|---------------------------------|--------------|--------------|------------|------------|
|                                 | 2015<br>RM   | 2014<br>RM   | 2015<br>RM | 2014<br>RM |
| <b>Deferred tax assets</b>      |              |              |            |            |
| At 1 January                    | 26,609,850   | 20,750,552   | -          | -          |
| Recognised in profit or loss    | 19,834,126   | 5,859,298    | -          | -          |
| At 31 December                  | 46,443,976   | 26,609,850   | -          | -          |
| <b>Deferred tax liabilities</b> |              |              |            |            |
| At 1 January                    | (43,676,625) | (43,641,824) | -          | -          |
| Recognised in profit or loss    | 304,112      | (34,801)     | -          | -          |
| At 31 December                  | (43,372,513) | (43,676,625) | -          | -          |

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

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

|  | Group        |              |
|--|--------------|--------------|
|  | 2015<br>RM   | 2014<br>RM   |
| <b>Deferred tax assets</b>   |              |              |
| Deductible temporary differences in respect of expenses arising from transfer of property development cost or inventories to investment properties | 73,500       | 556,000      |
| Differences between the carrying amount of property, plant and equipment and its tax base  | 1,351,700    | 1,351,700    |
| Interest attributable to property development cost   | (1,012,900)  | (928,700)    |
| Provision for future operating lease commitment  | 18,973,800   | 15,141,700   |
| Unabsorbed capital allowances  | 5,059,200    | -            |
| Unrealised profit on development properties  | 883,400      | 843,100      |
| Unutilised tax losses  | 21,115,276   | 9,546,250    |
|  | -            | 99,800       |
|  | 46,443,976   | 26,609,850   |
| <b>Deferred tax liabilities</b>  |              |              |
| Differences between the carrying amount of property, plant and equipment and its tax base  | (1,043,809)  | (875,777)    |
| Deductible temporary differences in respect of expenses  | 88,024       | 162,274      |
| Fair value adjustment on consolidation   | (42,416,728) | (42,963,122) |
|  | (43,372,513) | (43,676,625) |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

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

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

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2015</b>  | <b>2014</b> |
|   | <b>RM</b>    | <b>RM</b>   |
| Investment tax allowance                        | 2,201,000    | 2,201,000   |
| Provision for future operating lease commitment | -            | 30,367,000  |
| Unutilised tax losses                           | 36,864,400   | 20,453,720  |
| Unabsorbed capital allowances                   | 5,333,343    | 4,082,000   |
|   | 44,398,743   | 57,103,720  |

### 17. GOODWILL ON CONSOLIDATION

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2015</b>  | <b>2014</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| 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.

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 materially exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 18. PROPERTY DEVELOPMENT COSTS

|   | Freehold<br>land<br>RM | Leasehold<br>land<br>RM | Development<br>expenditure<br>RM | Total<br>RM         |
|---|------------------------|-------------------------|----------------------------------|---------------------|
| <b>Group<br/>2015</b>   |                        |                         |                                  |                     |
| <b>Cumulative property<br/>development costs</b>              |                        |                         |                                  |                     |
| At beginning of the financial year                            | 164,001,434            | 4,989,864               | 157,024,918                      | 326,016,216         |
| Cost incurred during the<br>financial year                    | 8,455,785              | -                       | 167,566,675                      | 176,022,460         |
| Transfer from land held for<br>property development (Note 15) | 970,389                | -                       | 199,747                          | 1,170,136           |
| Adjustment on completion<br>of projects                       | (3,110,888)            | (290,738)               | (19,218,830)                     | (22,620,456)        |
| Unsold units transferred<br>to inventories                    | (95,314)               | (5,616)                 | (4,150,920)                      | (4,251,850)         |
| At end of the financial year                                  | <u>170,221,406</u>     | <u>4,693,510</u>        | <u>301,421,590</u>               | <u>476,336,506</u>  |
| <b>Cumulative costs recognised<br/>in profit or loss</b>      |                        |                         |                                  |                     |
| At beginning of the financial year                            | (14,928,262)           | (854,745)               | (18,232,264)                     | (34,015,271)        |
| Recognised during the<br>financial year (Note 5)              | (5,131,754)            | (27,744)                | (59,365,383)                     | (64,524,881)        |
| Adjustment on completion<br>of projects                       | 3,110,888              | 290,738                 | 19,218,830                       | 22,620,456          |
| At end of the financial year                                  | <u>(16,949,128)</u>    | <u>(591,751)</u>        | <u>(58,378,817)</u>              | <u>(75,919,696)</u> |
| Property development costs<br>at end of the financial year    | <u>153,272,278</u>     | <u>4,101,759</u>        | <u>243,042,773</u>               | <u>400,416,810</u>  |



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 18. PROPERTY DEVELOPMENT COSTS (cont'd)

|   | Freehold<br>land<br>RM | Leasehold<br>land<br>RM | Development<br>expenditure<br>RM | Total<br>RM   |
|---|------------------------|-------------------------|----------------------------------|---------------|
| <b>Group<br/>2014</b>   |                        |                         |                                  |               |
| <b>Cumulative property<br/>development costs</b>              |                        |                         |                                  |               |
| At beginning of the financial year                            | 147,197,427            | 42,498,492              | 290,539,743                      | 480,235,662   |
| Cost incurred during the<br>financial year                    | 2,285,967              | -                       | 176,192,990                      | 178,478,957   |
| Transfer from land held for<br>property development (Note 15) | 17,759,425             | -                       | 36,036,095                       | 53,795,520    |
| Adjustment on completion<br>of projects                       | (3,126,087)            | (30,032,147)            | (273,901,640)                    | (307,059,874) |
| Unsold units transferred<br>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   |
| <b>Cumulative costs recognised<br/>in profit or loss</b>      |                        |                         |                                  |               |
| At beginning of the financial year                            | (15,521,903)           | (17,369,985)            | (167,971,968)                    | (200,863,856) |
| Recognised during the<br>financial year (Note 5)              | (2,532,446)            | (13,516,907)            | (124,161,936)                    | (140,211,289) |
| Adjustment on completion<br>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<br>at end of the financial year    | 149,073,172            | 4,135,119               | 138,792,654                      | 292,000,945   |

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

|   | Group      |            |
|---|------------|------------|
|   | 2015<br>RM | 2014<br>RM |
| Depreciation of property, plant and equipment | 5,146,016  | 8,909,814  |
| Employee benefits expense (Note a)            | 6,853,466  | 5,455,783  |
| Interest on borrowing capitalised (Note 7)    | 3,706,512  | 2,866,704  |
| Rental of equipment                           | 506,051    | 650,193    |
|   |            |            |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 18. PROPERTY DEVELOPMENT COSTS (cont'd)

(a) Included in employee benefits expenses are the followings:-

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2015</b>  | <b>2014</b> |
|   | <b>RM</b>    | <b>RM</b>   |
| Salaries, bonus and other staff related costs | 6,344,251    | 5,207,630   |
| Employees Provident Fund                      | 465,924      | 223,356     |
| Socso   | 43,291       | 24,797      |
|   | 6,853,466    | 5,455,783   |

The Group's freehold and leasehold land and development expenditure with a net carrying amount of RM356,443,890 (2014: RM246,974,296) are pledged to secure the Group's bank borrowings as mentioned in Note 28.

Title of leasehold land of the Group with property development costs of RM10,386,763 (2014: RM15,751,036) registered under the name of a third party.

Included in development expenditure is an amount of RM3,326,861 (2014: RM27,843,130) 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.

### 19. INVENTORIES

|                                      | <b>Group</b> |             |
|--------------------------------------|--------------|-------------|
|                                      | <b>2015</b>  | <b>2014</b> |
|                                      | <b>RM</b>    | <b>RM</b>   |
| <b>Cost</b>                          |              |             |
| Building materials and consumables   | 376,089      | 359,243     |
| Properties held for sale             | 48,058,509   | 283,944,821 |
| Stationery and housekeeping supplies | 437,075      | 281,648     |
|                                      | 48,871,673   | 284,585,712 |

The Group's inventories amounting to RMNil (2014: RM209,940,196) are pledged to secure the Group's bank borrowings as mentioned in Note 28.

Included in inventories in previous financial year was a shopping complex and a private medical centre with carrying amount of RM202,486,522. The shopping complex and private medical centre had been transferred to investment properties during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 20. RECEIVABLES AND DEPOSITS

|                                     | Note | Group       |             | Company    |            |
|-------------------------------------|------|-------------|-------------|------------|------------|
|                                     |      | 2015<br>RM  | 2014<br>RM  | 2015<br>RM | 2014<br>RM |
| <b>Non-current</b>                  |      |             |             |            |            |
| <b>Non-trade</b>                    |      |             |             |            |            |
| Other receivables                   | (b)  | 6,774,861   | 8,907,110   | -          | -          |
| <b>Trade</b>                        |      |             |             |            |            |
| Trade receivables                   |      | 61,761,741  | 116,600,426 | -          | -          |
| Less: Allowance for impairment loss |      | (503,836)   | (3,170,962) | -          | -          |
|                                     | (a)  | 61,257,905  | 113,429,464 | -          | -          |
| <b>Non-trade</b>                    |      |             |             |            |            |
| Other receivables                   |      | 14,510,542  | 10,286,195  | -          | 26,113     |
| Less: Allowance for impairment loss |      | (1,160,617) | (1,968,399) | -          | -          |
|                                     | (b)  | 13,349,925  | 8,317,796   | -          | 26,113     |
| GST refundable                      |      | 2,890,473   | -           | -          | -          |
| Sundry deposits                     |      | 3,791,408   | 5,116,297   | -          | -          |
| Amounts owing by subsidiaries       | (c)  | -           | -           | 33,239,553 | 57,448,995 |
|                                     |      | 20,031,806  | 13,434,093  | 33,239,553 | 57,475,108 |
|                                     |      | 81,289,711  | 126,863,557 | 33,239,553 | 57,475,108 |

#### (a) Trade receivables

Trade receivables are non-interest bearing and generally on credit terms ranging from 14 to 180 (2014: 14 to 180) days. Credit terms for sales of commercial properties range from 14 to 270 (2014: 14 to 270) days.

Included in trade receivables are:

- (i) an amount of RM206,445 (2014: RM5,953,215) owing by a company related to a director;
- (ii) an amount of RM3,626,542 (2014: RM4,241,034) owing by certain directors of the Company;
- (iii) an amount of RM4,941,670 (2014: RM2,096,006) owing by persons related to directors; and
- (iv) retention sums amounting to RM16,046,713 (2014: RM26,933,715) 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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 20. RECEIVABLES AND DEPOSITS (cont'd)

#### (a) Trade receivables (cont'd)

##### Ageing analysis of trade receivables

|  | <b>Group</b>      |                    |
|--|-------------------|--------------------|
|  | <b>2015</b>       | <b>2014</b>        |
|  | <b>RM</b>         | <b>RM</b>          |
| Neither past due nor impaired            | 36,680,619        | 42,563,049         |
| 1 to 30 days past due not impaired       | 1,705,071         | 19,865,359         |
| 31 to 60 days past due not impaired      | 4,387,923         | 32,720,009         |
| 61 to 90 days past due not impaired      | 1,925,434         | 5,925,345          |
| 91 to 120 days past due not impaired     | 5,212,612         | 1,995,947          |
| 121 to 150 days past due not impaired    | 1,132,587         | 2,677,975          |
| More than 121 days past due not impaired | 10,213,659        | 7,681,780          |
|  | 24,577,286        | 70,866,415         |
| Impaired                                 | 503,836           | 3,170,962          |
|  | <u>61,761,741</u> | <u>116,600,426</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.

##### Receivables that are impaired

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

|  | <b>Group</b>   |                  |
|--|----------------|------------------|
|  | <b>2015</b>    | <b>2014</b>      |
|  | <b>RM</b>      | <b>RM</b>        |
| At beginning of the financial year     | 3,170,962      | 533,406          |
| Charge for the financial year (Note 6) | -              | 2,637,556        |
| Reversal of impairment losses (Note 6) | (2,667,126)    | -                |
| At end of the financial year           | <u>503,836</u> | <u>3,170,962</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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 20. RECEIVABLES AND DEPOSITS (cont'd)

#### (b) Other receivables

Included in other receivables are amounts of:

- (i) RM614,338 (2014: RM612,792) advanced to a third party in connection with a turnkey construction agreement for the construction of residential properties; and
- (ii) RM9,396,730 (2014: RM11,320,709) 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) RM1,059,968 (2014: RM1,415,054) 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:

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2015</b>  | <b>2014</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| At beginning of the financial year     | 1,968,399    | 1,500,142   |
| Charge for the financial year (Note 6) | 498,039      | 468,257     |
| Reversal of impairment losses (Note 6) | (1,305,821)  | -           |
| At end of the financial year           | 1,160,617    | 1,968,399   |

#### (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 2015 (cont'd)

### 21. OTHER NON-CURRENT/CURRENT ASSETS

|  | Note | Group             |                   | Company      |              |
|--|------|-------------------|-------------------|--------------|--------------|
|  |      | 2015<br>RM        | 2014<br>RM        | 2015<br>RM   | 2014<br>RM   |
| <b>Non-current</b>                                       |      |                   |                   |              |              |
| Deposits for joint venture and turnkey contracts         | (a)  | 321,046,670       | 280,641,412       | -            | -            |
| <b>Current</b>   |      |                   |                   |              |              |
| Accrued billings in respect of property development cost |      | 10,216,392        | 10,365,829        | -            | -            |
| Advances to sub-contractor                               |      | -                 | 3,688,105         | -            | -            |
| Amounts due from customers for contract works (Note 22)  |      | 27,234,391        | 12,122,814        | -            | -            |
| Deposits for acquisition of development lands            |      | 90,561            | 335,548           | -            | -            |
| Mobilisation deposits                                    | (b)  | 8,586,432         | 2,333,200         | -            | -            |
| Prepayments  |      | 987,406           | 175,471           | 2,077        | 2,077        |
|  |      | <u>47,115,182</u> | <u>29,020,967</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 RM199,857,900 (2014: RM165,109,900) related to freehold land are pledged to secure bank facilities granted to subsidiary as mentioned in Note 28.

#### (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.

**NOTES TO THE FINANCIAL STATEMENTS**

– 31 DECEMBER 2015 (cont'd)

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

|   | <b>Group</b> |              |
|---|--------------|--------------|
|   | <b>2015</b>  | <b>2014</b>  |
|   | <b>RM</b>    | <b>RM</b>    |
| Construction contract cost incurred to date             | 64,677,823   | 59,042,960   |
| Attributable profits                                    | 26,246,845   | 28,549,079   |
|   | <hr/>        | <hr/>        |
|   | 90,924,668   | 87,592,039   |
| Less: Progress billings received and receivable         | (87,054,538) | (77,574,949) |
| Less: Foreseeable losses                                | (69,168)     | -            |
|   | <hr/>        | <hr/>        |
|   | 3,800,962    | 10,017,090   |
|   | <hr/>        | <hr/>        |
| Presented as:   |              |              |
| Gross amounts due from customers on contracts (Note 21) | 27,234,391   | 12,122,814   |
| Gross amounts due to customers on contracts (Note 30)   | (23,433,429) | (2,105,724)  |
|   | <hr/>        | <hr/>        |
|   | 3,800,962    | 10,017,090   |
|   | <hr/>        | <hr/>        |

Included in amounts due from customers incurred during the financial year are:

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2015</b>  | <b>2014</b> |
|   | <b>RM</b>    | <b>RM</b>   |
| Depreciation of property, plant and equipment | 4,140,799    | 2,097,983   |
| Employee benefits expenses (Note a)           | 524,796      | 48,967      |
| Rental of plant and machinery                 | 1,275,849    | 900,063     |
| Rental of equipment                           | 1,345,340    | 501,697     |
|   | <hr/>        | <hr/>       |

(a) Included in employee benefits expenses are the followings:-

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2015</b>  | <b>2014</b> |
|   | <b>RM</b>    | <b>RM</b>   |
| Salaries, bonus and other staff related costs | 524,796      | 48,967      |
|   | <hr/>        | <hr/>       |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 23. TERM DEPOSITS AND SHORT TERM FUND

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2015</b>  | <b>2014</b> |
|   | <b>RM</b>    | <b>RM</b>   |
| Short term fund with licensed fund management company |              |             |
| - redeemable at call                                  | 437,420      | 11,872      |
| Cash deposit with licensed banks                      | 548,706      | 532,886     |
|   | 986,126      | 544,758     |

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

|                 | <b>Maturities</b> |             | <b>Interest rates</b> |             |
|-----------------|-------------------|-------------|-----------------------|-------------|
|                 | <b>2015</b>       | <b>2014</b> | <b>2015</b>           | <b>2014</b> |
|                 | <b>Days</b>       | <b>Days</b> | <b>%</b>              | <b>%</b>    |
| Licensed banks  |                   |             |                       |             |
| - Term deposits | 15 - 352          | 15 - 352    | 2.15 - 3.15           | 2.15 - 3.15 |

The fixed deposits amounting to RM548,706 (2014: RM532,886) are pledged as security for bank guarantee facilities granted to the Group.

Included in fixed deposits is an amount of RM156,186 (2014: RM151,145) 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 RM9,044,037 (2014: RM5,329,183) 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 2015 (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 2014              | 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)     |
| At 31 December 2014            | 441,446,129                            | (30,699,334) | 441,446,129                           | 52,226,740      | 493,672,869                              | (57,565,069)     |
| Share dividends                | -                                      | 3,977,119    | -                                     | (7,528,562)     | (7,528,562)                              | 7,528,562        |
| Share buy back                 | -                                      | (12,683,300) | -                                     | -               | -  | (24,556,898)     |
| As at 31 December 2015         | 441,446,129                            | (39,405,515) | 441,446,129                           | 44,698,178      | 486,144,307                              | (74,593,405)     |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (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 previous financial year, the Company issued 15,299,000 ordinary shares at an average issue price of RM1.38 per ordinary share for cash, pursuant to the Company's ESOS. The share premium of RM5,825,620 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 12,683,300 (2014: 28,965,100) 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 RM24,556,898 (2014: RM54,347,399) 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 2015 (cont'd)

### 26. OTHER RESERVES

| Group                                | Share option<br>reserve<br>RM | Capital<br>reserve<br>RM | Translation<br>reserve<br>RM | Total<br>RM |
|--------------------------------------|-------------------------------|--------------------------|------------------------------|-------------|
| <b>Transactions with owners:</b>     |                               |                          |                              |             |
| At 1 January 2014                    | 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  |
| Foreign currency translation reserve | -                             | -                        | 5,606,070                    | 5,606,070   |
| At 31 December 2015                  | -                             | 26,578,054               | 6,512,812                    | 33,090,866  |
| <b>Company</b>                       |                               |                          |                              |             |
| <b>Transactions with owners:</b>     |                               |                          |                              |             |
| At 1 January 2014                    | 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. 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.

#### (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).

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 27. RETAINED EARNINGS

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

### 28. BORROWINGS

|                              | Group       |             |
|------------------------------|-------------|-------------|
|                              | 2015<br>RM  | 2014<br>RM  |
| <b>Non-current</b>           |             |             |
| Secured:                     |             |             |
| Term loans                   | 224,305,476 | 214,341,356 |
| Finance lease liabilities    | 18,243,068  | 17,452      |
|                              | 242,548,544 | 214,358,808 |
| <b>Current</b>               |             |             |
| Secured:                     |             |             |
| Bank overdrafts (Note 33(b)) | 73,890,485  | 74,674,983  |
| Revolving credits            | 458,064,439 | 377,690,385 |
| Term loans                   | 10,446,463  | 7,455,378   |
| Finance lease liabilities    | 14,051,142  | 104,808     |
|                              | 556,452,529 | 459,925,554 |
|                              | 799,001,073 | 674,284,362 |

#### **Bank overdrafts**

Bank overdrafts are denominated in Ringgit Malaysia, bear interest ranging from 6.85% to 8.35% (2014: 6.60% 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 5.15% to 5.50% (2014: 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 2015 (cont'd)

### 28. BORROWINGS (cont'd)

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

|       | Repayment terms  | Interest rate                      | Security  | Amounts outstanding |            |
|-------|--|------------------------------------|---|---------------------|------------|
|       |  |                                    |   | 2015<br>RM          | 2014<br>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  |
| (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* | 5,711,025           | 5,855,939  |
| (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* | 51,399,360          | 52,703,450 |
| (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* | 5,738,546           | 5,882,162  |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 28. 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 |            |
|--------|--|------------------------------------|--|---------------------|------------|
|        |  |                                    |  | 2015<br>RM          | 2014<br>RM |
| (v)    | 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*            | 51,619,687          | 52,939,454 |
| (vi)   | Repayable by 47 monthly instalments 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* | 4,910,754           | 5,357,974  |
| (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* | 7,644,564           | 9,042,534  |
| (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*            | 40,824,368          | 36,396,743 |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 28. 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 |             |
|---|------------------------------------|--|---------------------|-------------|
|   |                                    |  | 2015<br>RM          | 2014<br>RM  |
| (vii) 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* | 66,903,635          | 50,044,745  |
|   |                                    |  | 234,751,939         | 221,796,734 |

\* The term loans are guaranteed by the Company.

The term loans bear interest at rates ranging from 4.5% to 6.0% (2014: 4.5% to 6.0%) per annum.

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

|  | Group       |             |
|--|-------------|-------------|
|  | 2015<br>RM  | 2014<br>RM  |
| On demand or within one year           | 556,452,529 | 459,925,554 |
| More than 1 year and less than 5 years | 193,270,263 | 53,736,578  |
| More than 5 years                      | 49,278,281  | 160,622,230 |
|  | 799,001,073 | 674,284,362 |

### Finance lease liabilities

Finance lease liabilities are payable as follows:

| 2015  | Future minimum lease payment<br>RM | Future finance charges<br>RM | Present value of minimum lease payment<br>RM |
|---|------------------------------------|------------------------------|--|
| Within 1 year                               | 15,857,706                         | 1,806,564                    | 14,051,142                                   |
| Later than 1 year but not more than 5 years | 18,436,599                         | 193,531                      | 18,243,068                                   |
|   | 34,294,305                         | 2,000,095                    | 32,294,210                                   |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 28. BORROWINGS (cont'd)

#### Finance lease liabilities (cont'd)

Finance lease liabilities are payable as follows: (cont'd)

| 2014  | Future minimum lease payment<br>RM | Future finance charges<br>RM | Present value of minimum lease payment<br>RM |
|---|------------------------------------|------------------------------|--|
| Within 1 year                               | 108,072                            | 3,264                        | 104,808                                      |
| Later than 1 year but not more than 5 years | 17,548                             | 96                           | 17,452                                       |
|   | <u>125,620</u>                     | <u>3,360</u>                 | <u>122,260</u>                               |

The finance lease liabilities bear effective interest at rates ranging from 3.61% to 4.61% (2014: 4.42% to 4.61%) per annum.

### 29. PAYABLES AND ACCRUALS

|                              | Note | Group<br>2015<br>RM | 2014<br>RM        | Company<br>2015<br>RM | 2014<br>RM       |
|------------------------------|------|---------------------|-------------------|-----------------------|------------------|
| <b>Non-current</b>           |      |                     |                   |                       |                  |
| <b>Non-trade</b>             |      |                     |                   |                       |                  |
| Land costs payable           | (c)  | <u>16,182,820</u>   | -                 | -                     | -                |
| <b>Current</b>               |      |                     |                   |                       |                  |
| <b>Trade</b>                 |      |                     |                   |                       |                  |
| Trade payables               | (a)  | 46,045,809          | 33,245,475        | -                     | -                |
| <b>Non-trade</b>             |      |                     |                   |                       |                  |
| Other payables               | (b)  | 35,993,897          | 39,148,773        | 378,248               | 394,993          |
| Land costs payable           | (c)  | 11,000,000          | -                 | -                     | -                |
| GST payable                  |      | 2,197,451           | -                 | -                     | -                |
| Deposits                     |      | 2,998,754           | 4,054,391         | -                     | -                |
| Accruals                     |      | 13,401,167          | 9,574,840         | 48,209                | 54,554           |
| Amount owing to a director   |      | 279,121             | 97,800            | -                     | -                |
| Amount owing to a subsidiary | (d)  | -                   | -                 | 3,141,634             | 2,231,636        |
|                              |      | <u>65,870,390</u>   | <u>52,875,804</u> | <u>3,568,091</u>      | <u>2,681,183</u> |
|                              |      | <u>111,916,199</u>  | <u>86,121,279</u> | <u>3,568,091</u>      | <u>2,681,183</u> |



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 29. PAYABLES AND ACCRUALS (cont'd)

(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 (2014: 14 to 90 days).

Included in trade payables are:

- (i) amount owing to companies related to certain directors of RM3,384,683 (2014: RM3,184,176), which is under normal trade term; and
- (ii) retention sums of RM1,599,220 (2014: RM3,344,497).

(b) Other payables

Included in other payables of the Group are:

- (i) unsecured advances to the Group amounting to RM17,303,323 (2014: RM14,693,712) which are owing to companies 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 RM1,961,073 (2014: RM11,738,181) pursuant to the joint venture agreements entered into with the landowners.
- (c) Land costs payable which is under deferred payment terms have been derived based on discount rate of 6%.
- (d) This amount is unsecured, interest free, expected to be settled in cash and is repayable on demand.

### 30. OTHER CURRENT LIABILITIES

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2015</b>  | <b>2014</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| Progress billings in respect of property development costs | 74,260       | -           |
| Amounts due to customers on contracts (Note 22)            | 23,433,429   | 2,105,724   |
| Deposits from purchasers of properties                     | 28,653,000   | 3,480,930   |
|  | 52,160,689   | 5,586,654   |

Deposits are deposits received from property purchasers amounting to RM28,653,000 (2014: RM3,480,930).

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 31. PROVISIONS

| Group   | Future Operating<br>Lease Commitment<br>RM | Rectification<br>Work<br>RM | Total<br>RM  |
|---|--|-----------------------------|--------------|
| <b>2015</b>                                     |  |                             |              |
| At beginning of the financial year              | 30,367,000                                 | 663,843                     | 31,030,843   |
| Provision during the financial year<br>(Note 6) | 11,464,625                                 | 522,232                     | 11,986,857   |
| Utilitisation during the financial year         | (20,751,625)                               | (889,155)                   | (21,640,780) |
| At end of the financial year                    | 21,080,000                                 | 296,920                     | 21,376,920   |
| <b>2014</b>                                     |  |                             |              |
| At beginning of the financial year              | -  | 197,794                     | 197,794      |
| Provision during the financial year<br>(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   |

The above provisions are classified as follows:

| Group       | Future Operating<br>Lease Commitment<br>RM | Rectification<br>Work<br>RM | Total<br>RM |
|-------------|--|-----------------------------|-------------|
| <b>2015</b> |  |                             |             |
| Current     | 21,080,000                                 | 296,920                     | 21,376,920  |
|             | 21,080,000                                 | 296,920                     | 21,376,920  |
| <b>2014</b> |  |                             |             |
| 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  |

#### 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% (2014: 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 2015 (cont'd)

### 32. DIVIDENDS

|   | <b>Group/Company</b> |                  |
|---|----------------------|------------------|
|   | <b>2015</b>          | <b>2014</b>      |
|   | <b>RM</b>            | <b>RM</b>        |
| Recognised during the financial year:   |                      |                  |
| Dividends on ordinary shares:   |                      |                  |
| - final single tier dividend of 4 sen per share in respect of financial year ended 31 December 2013 | -                    | 8,200,808        |
| Share dividends:  |                      |                  |
| - final share dividend for 2014: 1 for every 100 existing ordinary shares                           | 7,528,562            | -                |
| - interim share dividend for 2014: 1 treasury share for every 130 existing ordinary shares          | -                    | 5,866,448        |
|   | <u>7,528,562</u>     | <u>5,866,448</u> |

Since the financial year ended 31 December 2015, the Company declared:

- (i) distribution of treasury shares as interim share dividend at the ratio of 1 treasury share for every 100 ordinary shares of RM1 each in respect of the financial year ended 31 December 2015. A total of 4,016,637 treasury shares was distributed on 29 February 2016.
- (ii) distribution of treasury shares as first interim share dividend at the ratio of 1 treasury share for every 25 existing ordinary shares of RM1 each held in respect of the financial year ending 31 December 2016. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date.

The directors have recommended a final share dividend on the basis of 1 treasury share for every 25 existing ordinary shares of RM1 each held in respect of the financial year ended 31 December 2015, 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 interim and final dividends. Such dividends, if approved, will be accounted for in the equity as a distribution of treasury shares in the financial year ending 31 December 2016.

### 33. 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 RM16,586,350 (2014: RM58,241,831), which were satisfied as follows:

|                           | <b>Group</b>      |                   | <b>Company</b> |             |
|---------------------------|-------------------|-------------------|----------------|-------------|
|                           | <b>2015</b>       | <b>2014</b>       | <b>2015</b>    | <b>2014</b> |
|                           | <b>RM</b>         | <b>RM</b>         | <b>RM</b>      | <b>RM</b>   |
| Finance lease arrangement | -                 | 209,600           | -              | -           |
| Cash payments             | 16,443,078        | 37,792,395        | -              | -           |
| Transfer from prepayments | -                 | 20,239,836        | -              | -           |
|                           | <u>16,443,078</u> | <u>58,241,831</u> | <u>-</u>       | <u>-</u>    |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 33. NOTES TO STATEMENTS OF CASH FLOWS (cont'd)

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

|                                     | Group        |              | Company    |            |
|-------------------------------------|--------------|--------------|------------|------------|
|                                     | 2015<br>RM   | 2014<br>RM   | 2015<br>RM | 2014<br>RM |
| Term deposits and fixed income fund | 986,126      | 544,758      | -          | -          |
| Cash and bank balances              | 29,843,684   | 21,028,905   | 130,229    | 129,015    |
| Bank overdrafts (Note 28)           | (73,890,485) | (74,674,983) | -          | -          |
|                                     | (43,060,675) | (53,101,320) | 130,229    | 129,015    |
| Term deposits pledged (Note 23)     | (548,706)    | (532,886)    | -          | -          |
|                                     | (43,609,381) | (53,634,206) | 130,229    | 129,015    |

### 34. RELATED PARTY DISCLOSURES

#### (a) Identity of related parties

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)/<br>Paid and payable to related parties | Transactions                           | Group      |             |
|--|--|------------|-------------|
|  |  | 2015<br>RM | 2014<br>RM  |
| <b>Director related company/firm</b>                                   |  |            |             |
| Arena Inovasi Sdn. Bhd.  | Entitlement payable                    | 2,035,836  | 7,144,421   |
| Various Promotion Sdn. Bhd.  | Purchase of construction materials     | 1,221,932  | 1,253,359   |
| Rapid Synergy Bhd.   | Rental of property                     | 72,864     | 70,488      |
| Kar Sin Hardware Sdn. Bhd.   | Rental of equipment and transportation | 4,356,113  | 3,893,236   |
|  | Sale of properties                     | -          | (7,019,000) |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 34. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions (cont'd)

| (Received and receivable from)/<br>Paid and payable to related parties | Transactions                           | Group        |              |
|--|--|--------------|--------------|
|  |  | 2015<br>RM   | 2014<br>RM   |
| <b>Director related company/firm</b>                                   |  |              |              |
| Kar Sin Ready Mix Sdn. Bhd.  | Purchase of construction materials     | 5,098,376    | 4,864,226    |
|  | Rental income of properties            | (60,000)     | (60,000)     |
|  | Rental of motor vehicles               | -            | (342,000)    |
|  | Sale of properties                     | -            | (6,042,938)  |
| N.A.B. Holdings Sdn. Bhd.  | Rental of equipment and transportation | 232,440      | 258,960      |
| Yu & Associates  | Legal services                         | 2,894,022    | 7,641,871    |
|  | Rental of office receivable            | (36,000)     | (36,000)     |
| Kar Sin One Sdn. Bhd.  | Sale of properties                     | (2,929,000)  | (888,000)    |
|  | Sale of building materials             | -            | (1,415,054)  |
| Halim & Yu Sdn. Bhd.   | Sale of properties & renovation work   | (5,120,000)  | (1,517,796)  |
| Kar Sin City Sdn. Bhd.   | Sale of properties                     | (4,601,330)  | -            |
| <b>Director</b>  |  |              |              |
| - directors  | Sale of properties                     | (21,732,302) | (11,923,284) |
|  | Legal services                         | 580,340      | 27,348       |
|  | Guarantee return payable               | 10,522,142   | 7,128,024    |
| - persons related to directors   | Sale of properties                     | (6,257,944)  | (2,906,554)  |
|  | Employee benefits                      | 6,259,815    | 4,626,856    |
|  | Guarantee return payable               | 2,084,141    | 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. and 75% equity interest in N.A.B Holdings 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) 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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 34. RELATED PARTY DISCLOSURES (cont'd)

(b) Related party transactions (cont'd)

Companies related to a director: (cont'd)

- (iv) Rapid Synergy Bhd. is a company in which Dato' Dr. Yu Kuan Chon, DIMP, PPT, MBBS is a non-independent and non-executive director.
- (v) Various Promotion Sdn. Bhd. is a company owned by spouse of Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT.
- (vi) Kar Sin One Sdn. Bhd. is a company owned by the sons of Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT.
- (vii) Halim & Yu Sdn. Bhd. is a company owned by Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT and his spouse.
- (viii) Kar Sin City Sdn. Bhd. is a company owned by the daughters of Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT.
- (ix) Arena Inovasi Sdn. Bhd. is a wholly-owned subsidiary of Perumahan Manjung Sdn. Bhd. Perumahan Manjung Sdn. Bhd. is a company in which Dato' Yu Kuan Huat DPMP, PMP, AMP, PPT and Dato' Dr Yu Kuan Chon, DIMP, PPT, MBBS both holds 46% equity interest.
- (x) The guarantee return payable is in respect of purchase guarantee return of Lot 163 (Fraser Place Kuala Lumpur) and Lot 188 (Fraser Residence Kuala Lumpur) in which all the purchasers are entitled to for the unit purchased and leased back.

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 29.

(c) Compensation of key management personnel

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2015<br>RM | 2014<br>RM | 2015<br>RM | 2014<br>RM |
| <b>Executive</b>                                       |            |            |            |            |
| Salaries and other emoluments                          | 10,261,566 | 9,772,920  | -          | -          |
| Employees Provident Fund                               | 2,112,172  | 2,321,068  | -          | -          |
| Bonus  | 855,130    | 2,443,230  | -          | -          |
| Share options granted under option                     | -          | 120,432    | -          | -          |
| Estimated monetary value of benefits-in-kind           | 49,800     | 43,300     | -          | -          |
| Total compensation to executive directors carried down | 13,278,668 | 14,700,950 | -          | -          |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 34. RELATED PARTY DISCLOSURES (cont'd)

(c) Compensation of key management personnel (cont'd)

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2015<br>RM | 2014<br>RM | 2015<br>RM | 2014<br>RM |
| Total compensation to executive directors brought down | 13,278,668 | 14,700,950 | -          | -          |
| <b>Non-executive</b>                                   |            |            |            |            |
| Directors' fees  | 145,550    | 143,232    | 145,550    | 143,232    |
| Other emoluments                                       | 150,408    | 138,600    | 150,408    | 138,600    |
| Share options granted under option                     | -          | 37,056     | -          | 37,056     |
|  | 295,958    | 318,888    | 295,958    | 318,888    |
|  | 13,574,626 | 15,019,838 | 295,958    | 318,888    |

Directors' interest in employees' share option scheme

In the previous financial year, the directors exercised their options for 3,480,000 ordinary shares of the Company at a price of RM1.38 each, with a total cash consideration of RM4,802,400 paid to the Company.

### 35. 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.

|  |   |                     |
|--|---|---------------------|
| <b>Group<br/>2015<br/>Financial assets</b>               | <b>Loans and<br/>receivables<br/>RM</b>                       | <b>Total<br/>RM</b> |
| Receivables and deposits                                 | 85,174,099  | 85,174,099          |
| Accrued billings in respect of property development cost | 10,216,392  | 10,216,392          |
| Amount due from customers for contract works             | 27,234,391  | 27,234,391          |
| Cash and cash equivalents                                | 30,829,810  | 30,829,810          |
|  | 153,454,692   | 153,454,692         |
| <b>Group<br/>2015<br/>Financial liabilities</b>          | <b>Financial<br/>liabilities at<br/>amortised cost<br/>RM</b> | <b>Total<br/>RM</b> |
| Payables and accruals                                    | 125,901,568   | 125,901,568         |
| Borrowings   | 799,001,073   | 799,001,073         |
|  | 924,902,641   | 924,902,641         |

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 35. 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)

|   |   |                     |
|---|---|---------------------|
| <b>Group<br/>2014<br/>Financial assets</b>                  | <b>Loans and<br/>receivables<br/>RM</b>                       | <b>Total<br/>RM</b> |
| Receivables and deposits                                    | 135,770,667   | 135,770,667         |
| Accrued billings in respect of<br>property development cost | 10,365,829  | 10,365,829          |
| Amount due from customers<br>for contract works             | 12,122,814  | 12,122,814          |
| Cash and cash equivalents                                   | 21,573,663  | 21,573,663          |
|   | <hr/>   | <hr/>               |
|   | 179,832,973   | 179,832,973         |
|   | <hr/>   | <hr/>               |
| <b>Group<br/>2014<br/>Financial liabilities</b>             | <b>Financial<br/>liabilities at<br/>amortised cost<br/>RM</b> | <b>Total<br/>RM</b> |
| Payables and accruals                                       | 86,121,279  | 86,121,279          |
| Borrowings  | 674,284,362   | 674,284,362         |
|   | <hr/>   | <hr/>               |
|   | 760,405,641   | 760,405,641         |
|   | <hr/>   | <hr/>               |
| <b>Company<br/>2015<br/>Financial assets</b>                | <b>Loans and<br/>receivables<br/>RM</b>                       | <b>Total<br/>RM</b> |
| Receivables and deposits                                    | 33,239,553  | 33,239,553          |
| Cash and cash equivalents                                   | 130,229   | 130,229             |
|   | <hr/>   | <hr/>               |
|   | 33,369,782  | 33,369,782          |
|   | <hr/>   | <hr/>               |
| <b>Company<br/>2015<br/>Financial liabilities</b>           | <b>Financial<br/>liabilities at<br/>amortised cost<br/>RM</b> | <b>Total<br/>RM</b> |
| Payables and accruals                                       | 3,568,091   | 3,568,091           |
|   | <hr/>   | <hr/>               |



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 35. 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)

| <b>Company<br/>2014<br/>Financial assets</b>      | <b>Loans and<br/>receivables<br/>RM</b>                       | <b>Total<br/>RM</b> |
|---|---|---------------------|
| Receivables and deposits                          | 57,475,108  | 57,475,108          |
| Cash and cash equivalents                         | 129,015   | 129,015             |
|   | 57,604,123  | 57,604,123          |
|   |   |                     |
| <b>Company<br/>2014<br/>Financial liabilities</b> | <b>Financial<br/>liabilities at<br/>amortised cost<br/>RM</b> | <b>Total<br/>RM</b> |
| Payables and accruals                             | 2,681,183   | 2,681,183           |
|   |   |                     |

### 36. 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.

The fair value of other receivable (non-current) and land cost payable are estimated by discounting future cash flows using current lending/borrowing rates for similar types of arrangements.

#### (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.

The fair value of finance lease is estimated using discounted cash flow analysis, based on current lending rates for similar types of arrangements.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

The carrying amounts of financial assets and liabilities recognised in the financial statements are reasonable approximation of their fair values except as follows:

|                                 | <b>Group<br/>Carrying<br/>Amount<br/>RM</b> | <b>Fair<br/>Value<br/>RM</b> |
|---------------------------------|---|------------------------------|
| <b>2015</b>                     |   |                              |
| <b>Financial assets</b>         |   |                              |
| Other receivables (non-current) | 6,774,861                                   | 6,774,861                    |
| <b>Financial liabilities</b>    |   |                              |
| Finance lease liabilities       | 32,294,210                                  | 30,518,968                   |
| Land costs payable              | 27,182,820                                  | 27,182,820                   |
| <b>2014</b>                     |   |                              |
| <b>Financial assets</b>         |   |                              |
| Other receivables (non-current) | 8,907,110                                   | 8,907,110                    |
| <b>Financial liabilities</b>    |   |                              |
| Finance lease liabilities       | 122,260                                     | 122,260                      |

### 37. FAIR VALUE MEASUREMENT

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, the lowest level input that is significant to the fair value measurement as whole:-

- (a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 37. FAIR VALUE MEASUREMENT (cont'd)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

|                                 | Fair value of financial instruments not carried at fair value |                   |                   |                   |
|---------------------------------|---|-------------------|-------------------|-------------------|
|                                 | Amount<br>RM'000  | Level 1<br>RM'000 | Level 2<br>RM'000 | Level 3<br>RM'000 |
| <b>2015</b>                     |   |                   |                   |                   |
| <b>Group</b>                    |   |                   |                   |                   |
| Other receivables (non-current) | 6,774,861   | -                 | -                 | 6,774,861         |
| Finance lease liabilities       | 30,518,968  | -                 | -                 | 30,518,968        |
| Land costs payable              | 27,182,820  | -                 | -                 | 27,182,820        |
|                                 | <hr/>   |                   |                   |                   |
| <b>2014</b>                     |   |                   |                   |                   |
| <b>Group</b>                    |   |                   |                   |                   |
| Other receivables (non-current) | 8,907,110   | -                 | -                 | 8,907,110         |
| Finance lease liabilities       | 122,260   | -                 | -                 | 122,260           |
|                                 | <hr/>   |                   |                   |                   |

#### Policy on transfer between levels

The fair value of assets and liabilities to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

During the financial year ended 31 December 2015 and 2014, there was no transfer between the fair value measurement hierarchy.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

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

#### (a) Credit risk (cont'd)

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.

##### 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 RM766,706,863 (2014: RM674,162,102) 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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

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

#### (b) Liquidity risk (cont'd)

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<br>amount<br>RM | Total<br>Contractual<br>Cash flows<br>RM | On demand<br>or within one<br>year<br>RM | One to five<br>years<br>RM | More than<br>five years<br>RM |
|-------------------------------|--------------------------|--|--|----------------------------|-------------------------------|
| <b>2015</b>                   |                          |  |  |                            |                               |
| <b>Group</b>                  |                          |  |  |                            |                               |
| <b>Financial liabilities:</b> |                          |  |  |                            |                               |
| Trade and other payables      | 125,901,568              | 125,901,568                              | 125,901,568                              | -                          | -                             |
| Borrowings                    | 799,001,073              | 859,512,277                              | 570,296,010                              | 222,732,604                | 66,483,663                    |
|                               | <u>924,902,641</u>       | <u>985,413,845</u>                       | <u>696,197,578</u>                       | <u>222,732,604</u>         | <u>66,483,663</u>             |
| <b>Company</b>                |                          |  |  |                            |                               |
| <b>Financial liabilities:</b> |                          |  |  |                            |                               |
| Trade and other payables      | 3,568,091                | 3,568,091                                | 3,568,091                                | -                          | -                             |
| Financial guarantee contracts | -                        | 766,706,863                              | 766,706,863                              | -                          | -                             |
|                               | <u>3,568,091</u>         | <u>770,274,954</u>                       | <u>770,274,954</u>                       | <u>-</u>                   | <u>-</u>                      |
| <b>2014</b>                   |                          |  |  |                            |                               |
| <b>Group</b>                  |                          |  |  |                            |                               |
| <b>Financial liabilities:</b> |                          |  |  |                            |                               |
| 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>            |
| <b>Company</b>                |                          |  |  |                            |                               |
| <b>Financial liabilities:</b> |                          |  |  |                            |                               |
| Trade and other payables      | 2,681,183                | 2,681,183                                | 2,681,183                                | -                          | -                             |
| Financial guarantee contracts | -                        | 674,162,102                              | 674,162,102                              | -                          | -                             |
|                               | <u>2,681,183</u>         | <u>676,843,285</u>                       | <u>676,843,285</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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

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

#### (c) Interest rate risk (cont'd)

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 RM766,706,863 (2014:RM674,162,102) at floating rate expose the Group to cash flow interest rate risk whilst the finance lease payable of RM32,294,210 (2014: RM122,260) 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.

|                    | <b>Group</b>  |   |
|--------------------|---|---|
|                    | <b>Increase/<br/>(decrease) in<br/>basis points</b> | <b>Effect on<br/>profit net of tax<br/>RM</b> |
| <b>2015</b>        |   |   |
| - Ringgit Malaysia | 25  | (1,498,127)                                   |
| - Ringgit Malaysia | (25)  | 1,498,127                                     |
|                    | <hr/>   | <hr/>   |
| <b>2014</b>        |   |   |
| - Ringgit Malaysia | 25  | (1,264,000)                                   |
| - Ringgit Malaysia | (25)  | 1,264,000                                     |
|                    | <hr/>   | <hr/>   |

### 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 2015 and 31 December 2014.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 39. CAPITAL MANAGEMENT (cont'd)

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 ratio as at 31 December 2015 and 2014 were as follows:

|   | Note   | 2015<br>RM    | 2014<br>RM    |
|---|--------|---------------|---------------|
| Borrowings  | 28     | 799,001,073   | 674,284,362   |
| Trade and other payables                            | 29     | 128,099,019   | 86,121,279    |
| Less: Term deposits and<br>Short term fund          | 33 (b) | (986,126)     | (544,758)     |
| Less: Cash and bank balances                        | 33 (b) | (29,843,684)  | (21,028,905)  |
| Net debts   |        | 896,270,282   | 738,831,978   |
| Equity attributable to the owners of the<br>Company |        | 874,423,768   | 874,800,058   |
| Total capital and net debts                         |        | 1,770,694,050 | 1,613,632,036 |
| Gearing ratio                                       |        | 51%           | 46%           |

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.

### 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 2015 (cont'd)

**40. SEGMENT INFORMATION** (cont'd)

|  | Property Development |               | Hotel and Hospitality |              | Adjustment and elimination |            | Notes | Per consolidated financial statements |               |
|--|----------------------|---------------|-----------------------|--------------|----------------------------|------------|-------|---------------------------------------|---------------|
|  | 2015<br>RM           | 2014<br>RM    | 2015<br>RM            | 2014<br>RM   | 2015<br>RM                 | 2014<br>RM |       | 2015<br>RM                            | 2014<br>RM    |
| <b>Revenue:</b>  |                      |               |                       |              |                            |            |       |                                       |               |
| External customers   | 246,182,400          | 355,983,765   | 60,312,583            | 34,521,474   | -                          | -          |       | 306,494,983                           | 390,505,239   |
| Inter-segment  | -                    | -             | 92,026                | 97,731       | (92,026)                   | (97,731)   | A     | -                                     | -             |
|  | 246,182,400          | 355,983,765   | 60,404,609            | 34,619,205   | (92,026)                   | (97,731)   |       | 306,494,983                           | 390,505,239   |
| <b>Results:</b>  |                      |               |                       |              |                            |            |       |                                       |               |
| Interest income  | 1,286,004            | 658,941       | 1,097,619             | 332,015      | (752,705)                  | (298,280)  | B     | 1,630,918                             | 692,676       |
| Depreciation   | 7,471,074            | 1,757,694     | 2,340,553             | 1,103,896    | -                          | -          |       | 9,811,627                             | 2,861,590     |
| Finance costs  | 37,570,758           | 31,270,637    | 649,246               | 401,328      | (752,705)                  | (298,280)  | B     | 37,467,299                            | 31,373,685    |
| Other non-cash expenses/(income)   | 38,961,304           | 4,680,276     | (30,364,285)          | 30,595,627   | -                          | -          | C     | 8,597,019                             | 35,275,903    |
| Segment profit/(loss)  | 14,003,864           | 108,154,509   | 11,053,888            | (38,170,979) | -                          | -          |       | 25,057,752                            | 69,983,530    |
| <b>Assets:</b>   |                      |               |                       |              |                            |            |       |                                       |               |
| Additions to non-current assets other than financial instruments and deferred tax assets | 140,048,406          | 112,661,367   | 5,401,845             | 7,460,875    | -                          | -          | D     | 145,450,251                           | 120,122,242   |
| Segment assets   | 1,355,918,479        | 1,685,941,639 | 562,738,010           | 29,846,084   | -                          | -          |       | 1,918,656,489                         | 1,715,787,723 |
| <b>Liabilities:</b>  |                      |               |                       |              |                            |            |       |                                       |               |
| Segment total liabilities  | 707,846,442          | 799,955,267   | 336,386,279           | 41,032,398   | -                          | -          |       | 1,044,232,721                         | 840,987,665   |



## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (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:

|                        | <b>2015<br/>RM</b> | <b>2014<br/>RM</b> |
|------------------------|--------------------|--------------------|
| Inter-segment interest | 752,705            | 298,280            |

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

|  | <b>2015<br/>RM</b> | <b>2014<br/>RM</b> |
|--|--------------------|--------------------|
| Property, plant and equipment written off                  | 85,070             | 265,922            |
| Impairment loss on trade and other receivables             | 498,039            | 3,105,813          |
| Share-based payments                                       | -                  | 615,128            |
| Provision  | 11,986,857         | 31,289,040         |
| Reversal of impairment loss on trade and other receivables | (3,972,947)        | -                  |
|  | <u>8,597,019</u>   | <u>35,275,903</u>  |

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

|  | <b>2015<br/>RM</b> | <b>2014<br/>RM</b> |
|--|--------------------|--------------------|
| Land held for property development               | 38,879,887         | 61,861,861         |
| Property, plant and equipment                    | 16,443,078         | 58,241,831         |
| Investment properties                            | 49,722,028         | 18,550             |
| Deposits for joint venture and turnkey contracts | 40,405,258         | -                  |
|  | <u>145,450,251</u> | <u>120,122,242</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 2015 (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:

|   | <b>Group</b>      |                   |
|---|-------------------|-------------------|
|   | <b>2015</b>       | <b>2014</b>       |
|   | <b>RM</b>         | <b>RM</b>         |
| Future minimum rental payments:                                 |                   |                   |
| Not later than 1 year   | 52,768,585        | 46,877,366        |
| Later than 1 year and not later than 5 years                    | 14,910,873        | 43,100,706        |
|   | <u>67,679,458</u> | <u>89,978,072</u> |
| Less: Provision for future operating lease commitment (Note 31) | (21,080,000)      | (30,367,000)      |
|   | <u>46,599,458</u> | <u>59,611,072</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.

During the financial year, the Group entered into lease arrangements with property owners for the lease of certain service apartments for a period of 2 years from the commencement date as set out in the respective tenancy agreements and may be extended for another 3 years. The monthly rental of the said leases are computed based on the profit available for distribution after deduction of operating expenses and are distributed to respective property owners based on the floor area of respective properties held. It is not practicable to estimate the future aggregate minimum lease payments of the leases.

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.

## NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2015 (cont'd)

### 41. OPERATING LEASE ARRANGEMENTS (cont'd)

#### (b) The Group as lessor (cont'd)

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

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2015</b>  | <b>2014</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| Future minimum rental receivables:           |              |             |
| Not later than 1 year                        | 12,177,000   | 10,987,000  |
| Later than 1 year and not later than 5 years | 54,080,000   | 52,108,000  |
| Later than 5 years                           | 60,779,756   | 74,976,840  |
|  | 127,036,756  | 138,071,840 |

### 42. CAPITAL COMMITMENT

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2015</b>  | <b>2014</b> |
|  | <b>RM</b>    | <b>RM</b>   |
| <b>In respect of property, plant and equipment approved and contracted for:-</b> |              |             |
| - purchase of plant and machinery  | 1,005,756    | -           |

### 43. SIGNIFICANT EVENT SUBSEQUENT TO END OF THE FINANCIAL YEAR

On 13 April 2016, the Company proposed to undertake the following proposals ("Proposals"):

- (i) A bonus issue of up to 88,289,225 new ordinary shares of RM1 each in YNH ("Bonus Shares") on the basis of one (1) Bonus Share for every five (5) existing ordinary shares of RM1.00 each in YNH ("YNH Shares" or "Shares") on an entitlement date to be determined and announced later ("Entitlement Date");
- (ii) Increase in the authorised share capital of the Company from RM500,000,000 comprising 500,000,000 YNH Shares to RM1,000,000,000 comprising 1,000,000,000 YNH Shares; and
- (iii) Amendments to the Memorandum and Articles of Association of YNH.

## **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 2015 and 31 December 2014 is analysed as follows:

|   | <b>Group</b>       |                    | <b>Company</b>     |                   |
|---|--------------------|--------------------|--------------------|-------------------|
|   | <b>2015</b>        | <b>2014</b>        | <b>2015</b>        | <b>2014</b>       |
|   | <b>RM</b>          | <b>RM</b>          | <b>RM</b>          | <b>RM</b>         |
| Total retained earnings of the Company and its subsidiaries |                    |                    |                    |                   |
| - Realised  | 652,105,638        | 601,013,425        | 156,992,102        | 60,278,963        |
| - Unrealised  | (2,265,530)        | (13,908,143)       | -                  | -                 |
|   | <u>649,840,108</u> | <u>587,105,282</u> | <u>156,992,102</u> | <u>60,278,963</u> |
| Less: Consolidation adjustments                             | (220,058,108)      | (175,897,820)      | -                  | -                 |
| Total retained earnings                                     | <u>429,782,000</u> | <u>411,207,462</u> | <u>156,992,102</u> | <u>60,278,963</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 @ 31.12.15 (acres) | Existing use/ Proposed Usage   | Tenure (years)         | NBV @ 31.12.15 (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               | 5,142,000           | 2001                                  |
| - Portion for fixed asset (G28079, PT2722-2780, 2785, 2822-2823)                | Property, plant and equipment                      | 142.5100                               | Agricultural / for investment  | Freehold               | 26,447,000          | 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) | 2,235,000           | 2011 *                                |
| Lot 17196 to Lot 17201, Lot 17205-Lot 17208, Mukim Lumut, Daerah Manjung, Perak | Property, plant and equipment                      | 88.9700                                | Clubhouse / for investment   | Leasehold (7.1.2107)   | 20,527,000          | -                                     |
| HS (D) Dgs 11772 PT8073 Mukim Lumut, Perak                                      | Vacant Land and approved for development           | 6.9277                                 | Proposed development – residential   | Freehold               | 3,273,000           | 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 (9.8.2052)   | 2,209,000           | 2014                                  |
| PT913, Mukim Sungai Buluh, Daerah Petaling, Selangor                            | Property, plant and equipment                      | 0.8812                                 | Ready mixed site   | Leasehold (1.3.2114)   | 4,610,000           | 2014                                  |
| PT914, Mukim Sungai Buluh, Daerah Petaling, Selangor                            | Property, plant and equipment                      | 0.8187                                 | Ready mixed site   | Leasehold (1.3.2114)   | 4,283,000           | 2014                                  |
| PT2176, Mukim Sungai Buluh, Daerah Petaling, Selangor                           | Property, plant and equipment                      | 0.5090                                 | Ready mixed site   | Leasehold (8.9.2054)   | 2,683,000           | 2014                                  |
| Lot 6555 – PT2791, Mukim of Lumut, Daerah Manjung, Perak                        | Planted with palm oil and approved for development | 25.0000                                | Proposed mixed development – commercial and residential                      | Freehold               | 5,684,000           | 2001                                  |
| Lot 6555 - PT2792, PT2793, PT2794, 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 @ 31.12.15 (acres) | Existing use/ Proposed Usage                                  | Tenure (years)       | NBV @ 31.12.15 (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             | 10,575,000          | 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, Perak                                       | Planted with palm oil and approved for development | 9.6040                                 | Taman Suria, Pantai Remis – commercial and residential        | Freehold             | 1,180,000           | 2001                                  |
| HS (D) Dgs 1204/78 Lot 2741 Mukim Pengkalan Bharu, Perak                                       |  |  |   | 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             | 541,000             | 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             | 2,825,000           | 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             | 412,000             | 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             | 2,331,000           | 2001                                  |
| Geran 7419 Lot 15655 Mukim Sitiawan, Perak   | Planted with palm oil and approved for development | 3.0378                                 | Proposed development – residential                            | Freehold             | 1,430,000           | 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 @ 31.12.15 (acres) | Existing use/ Proposed Usage                                     | Tenure (years)   | NBV @ 31.12.15 (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   | 177,000             | 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   | 858,000             | 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]) | 1,569,000           | 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   | 5,948,000           | 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 @ 31.12.15 (acres) | Existing use/ Proposed Usage                             | Tenure (years)       | NBV @ 31.12.15 (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              | 2001                                  |
| 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<br>251,000  | 2001                                  |
| - Shops unit  |  | 0.0760                                 | Commercial   | 99 years (25.2.2101) |                     |                                       |
| 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                                  |
| Geran 7590 Lot 16055 Mukim Sitiawan, Perak                                | Vacant Land and approved for development<br>Vacant shop lot land | -                                      | Taman Sejati, Setiawan – commercial                      | Freehold             | -                   | 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             | 407,000             | 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           | 1989                                  |

\* Year of Acquisition



**LIST OF PROPERTIES** (cont'd)

| Location   | Description Property                     | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                            | Tenure (years)        | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|--|--|--|---|-----------------------|---------------------|---------------------------------------|
| 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             | 4,199,000           | 2001                                  |
| 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) | 4,783,000           | 2001                                  |
| Lot 803, EMR1616, Mukim Sitiawan, Daerah Manjung, Perak                      | Vacant Land and approved for development | 2.9749                                 | Proposed mixed development                              | Freehold              | 1,251,000           | 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              | 660,000             | 2005 *                                |
| Lot 448 (New lot 13707, Mukim Batu, Daerah Kuala Lumpur                      | Vacant land approved for development     | 6.4870                                 | Proposed high rise condominium                          | Freehold              | 23,054,000          | 2007 *                                |
| Lot 3719, HSD 83603, Wilayah Persekutuan, Daerah Kuala Lumpur                | Vacant land approved for development     | 2.9800                                 | Proposed mixed development                              | Freehold              | 12,321,000          | 2007 *                                |
| Lot 41023, 41024, 41025, 41026 Mukim Lumut, Daerah Manjung, Perak            | Vacant land approved for development     | 48.6197                                | Proposed mixed development                              | Freehold              | 24,090,000          | 2007 *                                |
| Lot 1612, Mukim Pengkalan Baharu, Perak                                      | Vacant land approved for development     | 2.6813                                 | Proposed mixed development                              | Freehold              | 215,000             | 2008 *                                |
| Lot 15666, Mukim Sitiawan, Perak   | Vacant land approved for development     | 2.3201                                 | Proposed mixed development                              | Freehold              | 1,274,000           | 2008 *                                |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location   | Description Property                 | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                      | Tenure (years)         | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|--|--------------------------------------|--|---|------------------------|---------------------|---------------------------------------|
| Lot 15700, Mukim Sitiawan, Perak   | Vacant land approved for development | 1.5511                                 | Proposed mixed development                        | Freehold               | 886,000             | 2008 *                                |
| PT 11202 & PT 11388, Mukim Bentong, Pahang   | Vacant land                          | 94.8518                                | Proposed mixed development and resort development | Freehold               | 17,466,000          | 2008 *                                |
| Lot 382868 (old PT 212710), Mukim Hulu Kinta, Daerah Kinta, Perak  | Vacant land approved for development | 0.7010                                 | Proposed commercial development                   | Leasehold (24.7.2105)  | 5,679,000           | 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 | 0.5017                                 | Proposed mixed development                        | Leasehold (4.6.2103)   | 660,000             | 2008 *                                |
| Lot 29760 & 29761, Mukim Sungai Terap, Daerah Kinta, Perak   | Vacant land approved for development | 36.0000                                | Proposed mixed development                        | Leasehold (25.11.2101) | 5,750,000           | 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)  | 4,028,000           | 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               | 18,248,000          | 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               | 29,000              | 2011 *                                |
| PT10860 (PT 17284, Bal Pantai Hospital land) Mukim Lumut, Perak  | Vacant land                          | 1.3040                                 | Proposed mixed development                        | Freehold               | 1,073,000           | 2011 *                                |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location   | Description Property                 | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                     | Tenure (years)         | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|--|--------------------------------------|--|--|------------------------|---------------------|---------------------------------------|
| Lot 38321 (Lot 16060), Mukim Sitiawan, Perak   | Vacant land                          | 1.0243                                 | Residential development                          | Freehold               | 29,000              | 2012 *                                |
| Lot 303864-Lot 303915, Mukim Belanja, Daerah Kinta   | Vacant land                          | 2.0200                                 | Residential development                          | Leasehold (29.1.2103)  | 400,000             | 2012 *                                |
| Lot 3624 (Lot 302158), Mukim Belanja, Daerah Kinta   | 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               | 37,724,000          | 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               | 3,157,000           | 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 966 EMR 1237 Mukim Sitiawan, Perak   | Vacant land                          | 0.8900                                 | Taman Mutiara - residential                      | Freehold               | 254,000             | 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)  | 82,000              | 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) | 388,000             | 2001 *                                |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location   | Description Property          | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                       | Tenure (years)        | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|--|-------------------------------|--|--|-----------------------|---------------------|---------------------------------------|
| Lot 605, Mukim Kamunting, Daerah Larut & Matang, Perak   | Vacant land                   | 9.9440                                 | Vacant land  | Freehold              | 2,804,000           | 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 | Vacant land                   | 12.9000                                | Manjung point Township                             | Freehold              | 3,240,000           | 2001                                  |
| Lot 1.88, Mukim Kampar, Perak  | Vacant land                   | 1.8800                                 | Vacant land  | Freehold              | 420,000             | 2013 *                                |
| PT320-PT331, Daerah Petaling, Selangor   | Vacant land                   | 1.5736                                 | Mixed development                                  | Freehold              | 14,969,000          | 2013 *                                |
| Lot 2569, Mukim Sitiawan, Daerah Manjung, Perak  | Vacant land                   | 1.9840                                 | Mixed development                                  | Freehold              | 5,485,000           | 2014                                  |
| Lot 730, Mukim Sitiawan, Daerah Manjung, Perak   | Vacant land                   | 5.4687                                 | Mixed development                                  | Freehold              | 2,594,000           | 2014                                  |
| Lot 14825 & Lot 14826, Mukim Sitiawan, Daerah Manjung, Perak   | Vacant land                   | 8.1297                                 | Mixed development                                  | Freehold              | 9,065,000           | 2014                                  |
| PT28552, Mukim Sitiawan, Perak   | Vacant land                   | 0.3936                                 | Mixed development                                  | Leasehold (27.1.2103) | 285,000             | -                                     |
| Lot 6505, Mukim Lumut, Daerah Manjung  | Vacant land                   | 4.0560                                 | Mixed development                                  | Freehold              | 9,415,000           | 2015                                  |
| Lot 6507, Mukim Lumut, Daerah Manjung  | Vacant land                   | 6.7150                                 | Mixed development                                  | Freehold              | 14,402,000          | 2015                                  |
| 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                                  |
| <b>DEVELOPMENT PROPERTIES</b>  |                               |  |  |                       |                     |                                       |
| 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        | 0.1937                                 | 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                                  |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location   | Description Property                 | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                                     | Tenure (years)        | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|--|--------------------------------------|--|--|-----------------------|---------------------|---------------------------------------|
| PT 2812-2814 (Giant shop land), Perak  | Development properties               | 0.3856                                 | Pusat Perniagaan Manjung Point 1                                 | Freehold              | 75,000              | 2001                                  |
| 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 (PT8176,8177), Mukim Lumut, Perak  | Vacant land approved for development | 16.5300                                | Residential development  | Freehold              | 15,708,000          | 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               | 0.1031                                 | 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              | 563,000             | 2001                                  |
| Lot 4818-Tangki - 14 house land - PT 10353-10361, 10288-10292, Perak   | Development properties               | -                                      | Residential development  | Leasehold (19.5.2091) | -                   | 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              | 243,919,000         | 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              | 1,247,000           | 2001                                  |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location  | Description Property  | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                     | Tenure (years)                     | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|---|---|--|--|------------------------------------|---------------------|---------------------------------------|
| Lot 6555 - PT2842 (Lot 10913) Mukim of Lumut, Perak                     | Vacant land, proposed high rise flat                              | 12.5317                                | Residential development                          | Freehold                           | 50,474,000          | 2001                                  |
| Lot 48732, PT74000, Daerah Petaling, Mukim Petaling, Kuala Lumpur       | Vacant land approved for development                              | 2.3790                                 | Proposed high rise condominium - Sfera Residensi | Freehold                           | 66,578,000          | 2013                                  |
| Lot 9910, 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                           | 1,532,000           | 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                           | 1,164,000           | 2011 *                                |
| Lot 6278 (PT14173-PT14186), Mukim Lumut, Perak                          | Development properties  | 0.9474                                 | Proposed mixed development                       | Freehold                           | 31,000              | 2011 *                                |
| Lot 42693, Mukim Sitiawan   | Development properties  | 2.5702                                 | Residential development                          | Freehold                           | 2,715,000           | 2012                                  |
| Lot 42693, Mukim Sitiawan   | Development properties  | 0.3190                                 | Commercial units                                 | Freehold                           | 129,000             | 2012                                  |
| Lot 6505, Mukim Lumut, Daerah Manjung                                   | Development properties  | 0.9615                                 | Commercial units                                 | Freehold                           | 1,894,000           | 2015                                  |
| Lot 6507, Mukim Lumut, Daerah Manjung                                   | Development properties  | 1.3089                                 | Commercial units                                 | Freehold                           | 4,711,000           | 2015                                  |
| <b>INVESTMENT PROPERTIES</b>  |   |  |  |                                    |                     |                                       |
| PT 6706-6724, Daerah Manjung (Fasa 2B), Perak                           | Investment property - shophouses                                  | 0.7019                                 | Shophouses                                       | Leasehold land (expired 29.8.2081) | 2,728,000           | 2001 *                                |
| Lot 1077, Geran 11310, Section 57, Kuala Lumpur                         | Investment property - Proposed Menara YNH                         | 3.0033                                 | Vacant Land                                      | Freehold                           | 89,057,000          | 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                           | 2,813,000           | 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                           | 2,993,000           | 2001                                  |
| Lot 10466 Stall & Futsal, Medan Sejahtera II, Mukim Sitiawan, Perak     | Investment property - Food Stall & Futsal                         | 1.0330                                 | Futsal and Foodcourt                             | Freehold                           | 1,834,000           | 2001 *                                |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location   | Description Property                | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage                | Tenure (years)         | NBV @ 31.12.15 (RM) | Year of Acquisition/ Last Revaluation |
|--|-------------------------------------|--|---|------------------------|---------------------|---------------------------------------|
| Hawker center, Taman Samudera, Seri Manjung, Perak               | Investment property - Hawker center | N/A                                    | Hawker center building                      | N/A                    | 485,000             | 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)   | 3,810,000           | 2008                                  |
| PT 17283, Mukim Lumut, Daerah Manjung                            | Investment property - Hotel         | 4.9380                                 | 5 storey private hospital (Pantai Hospital) | Freehold               | 51,174,000          | 2015                                  |
| PT 15074, Mukim Lumut, Daerah Manjung                            | Investment property - Hotel         | 30.2470                                | AEON Shopping Complex                       | Freehold               | 151,431,000         | 2015                                  |
| Lot 163, Jln Perak, Kuala Lumpur (Level 3, 4, 9, 12, 13)         | Investment property Hotel           | 0.9012                                 | Fraser Place Kuala Lumpur                   | Freehold               | 46,688,000          | 2015                                  |
| PT15244-PT15249, Mukim Lumut, Daerah Manjung, Perak              | Investment property - Hawker center | 0.6349                                 | Hotel Hawker center & car park              | Freehold               | 848,000             | 2001                                  |
| <b>JOINT DEVELOPMENT PROPERTIES</b>                              |                                     |  |   |                        |                     |                                       |
| Lot 4753, Mukim Batu, Daerah Kuala Lumpur                        | Joint development properties        | 5.1400                                 | Proposed high rise condominium              | Freehold               | 2,781,000           | 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) | 4,028,000           | N/A                                   |
| Lot 10153  | Joint development properties        | 34.672                                 | Proposed mixed development                  | Leasehold (22.11.2103) | 278,000             | 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               | 286,000             | N/A                                   |
| Lot 16061, Mukim Sitiawan, Daerah Manjung, Perak                 | Joint development properties        | 8.9360                                 | Mixed development                           | Freehold               | 13,000              | N/A                                   |

\* Year of Acquisition

**LIST OF PROPERTIES** (cont'd)

| Location  | Description Property                 | Remaining Land Area @ 31.12.15 (acres) | Existing use/ Proposed Usage | Tenure (years) | NBV @ 31.12.15 (RM)  | Year of Acquisition/ Last Revaluation |
|---|--------------------------------------|--|------------------------------|----------------|----------------------|---------------------------------------|
| Lot 2497-2499, Mukim Kuala Lumpur, Daerah Kuala Lumpur                  | Vacant land approved for development | 1.7953                                 | Proposed mixed development   | Freehold       | 5,570,000            | N/A                                   |
| PT12157 & PT12158 (Lot 47330 & Lot 47331), Mukim Dengkil, Daerah Sepang | Vacant land approved for development | 2.7000                                 | Proposed mixed development   | Freehold       | 427,000              | N/A                                   |
| Lot 299, Mukim Kuala Lumpur, Daerah Kuala Lumpur                        | Vacant land approved for development | -                                      | Proposed mixed development   | Freehold       | 238,000              | N/A                                   |
| Lot 224018, Mukim Hulu Kinta, Ipoh, Perak                               | Joint development properties         | 0.1400                                 | Commercial development       | Freehold       | 8,000                | N/A                                   |
| Lot 224019, Mukim Hulu Kinta, Ipoh, Perak                               | Joint development properties         | 0.1715                                 | Commercial development       | Leasehold      | 32,000               | N/A                                   |
| <b>GRAND TOTAL</b>  |                                      | <u>1,365.0993</u>                      |                              |                | <u>1,233,251,000</u> |                                       |



**STATEMENT OF SHAREHOLDINGS** as at 1 April 2016

|                                  |   |  |
|----------------------------------|---|--|
| Authorised Capital               | : | RM500,000,000.00                                     |
| Issued and Fully Paid-up Capital | : | RM406,057,151 (Excluding 35,388,978 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             | 5,109          | 56.35         | 194,668            | 0.05          |
| 100 – 1,000               | 1,953          | 21.54         | 507,713            | 0.12          |
| 1,001 – 10,000            | 1,268          | 13.98         | 3,885,909          | 0.96          |
| 10,001 – 100,000          | 450            | 4.96          | 12,258,363         | 3.02          |
| 100,001 – 20,302,856 (*)  | 285            | 3.15          | 344,898,567        | 84.94         |
| 20,302,857 and above (**) | 2              | 0.02          | 44,311,931         | 10.91         |
| <b>TOTAL</b>              | <b>9,067</b>   | <b>100.00</b> | <b>406,057,151</b> | <b>100.00</b> |

Note: \* - Less than 5% of issued holdings  
 \*\* - 5% and above of issued holdings

**SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2016**

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            | 106,137,322         | 26.14 | 25,549,585            | 6.29  | 131,686,907          | 32.47 |
| Dato' Yu Kuan Huat, DPMP, PMP, AMP, PPT            | 17,456,252          | 4.29  | 109,754,400           | 27.03 | 127,210,652          | 31.32 |
| Aberdeen Asset Management PLC and its subsidiaries | -                   | -     | 59,415,850            | 14.63 | 59,415,850           | 14.63 |
| Mitsubishi UFJ Financial Group, Inc. (MUFG)        | -                   | -     | 59,564,682            | 14.67 | 59,564,682           | 14.67 |
| Aberdeen Asset Management Asia Limited             | -                   | -     | 41,020,848            | 10.10 | 41,020,848           | 10.10 |
| Aberdeen International Fund Managers Limited       | -                   | -     | 22,241,832            | 5.48  | 22,241,832           | 5.48  |

**STATEMENT OF SHAREHOLDINGS** as at 1 April 2016

(cont'd)

**DIRECTORS' INTEREST AS AT 1 APRIL 2016**

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<br>Interest<br>(A) | %     | Deemed<br>Interest<br>(B) | %     | Total<br>Interest<br>(A+B) | %     |
|--|---------------------------|-------|---------------------------|-------|----------------------------|-------|
| Dato' Dr. Yu Kuan Chon,<br>DIMP, PPT, MBBS   | 106,137,322               | 26.14 | 25,549,585                | 6.29  | 131,686,907                | 32.47 |
| Dato' Yu Kuan Huat,<br>DPMP, PMP, AMP, PPT   | 17,456,252                | 4.29  | 109,754,400               | 27.03 | 127,210,652                | 31.32 |
| Dato' Robert Lim @ Lim Git Hooi,<br>DPMP, JP | 967,406                   | 0.24  | -                         | -     | 967,406                    | 0.24  |
| Ching Nye Mi @<br>Chieng Ngie Chay           | 4,916,327                 | 1.21  | 24                        | 0.00  | 4,916,351                  | 1.21  |
| Ding Ming Hea                                | 1,617,209                 | 0.40  | -                         | -     | 1,617,209                  | 0.40  |

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.

**LIST OF TOP THIRTY HOLDERS AS AT 1 APRIL 2016**

| Name of Holder  | Holdings   | %    |
|---|------------|------|
| 1. HSBC Nominees (Asing) Sdn Bhd<br>BNP Paribas Secs SVS LUX for Aberdeen Global  | 22,241,833 | 5.48 |
| 2. UOBM Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon  | 22,070,098 | 5.44 |
| 3. HSBC Nominees (Asing) Sdn Bhd<br>BNP Paribas Secs SVS Paris for Aberdeen Asian Smaller Companies<br>Investment Trust PLC | 16,467,752 | 4.06 |
| 4. Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon                                       | 14,795,574 | 3.64 |
| 5. RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (CEB)                             | 13,087,328 | 3.22 |
| 6. Citigroup Nominees (Tempatan) Sdn Bhd<br>Exempt AN for AIA Bhd   | 11,733,007 | 2.89 |
| 7. Cimsec Nominees (Tempatan) Sdn Bhd<br>CIMB Bank for Ng Paik Pheng (PBCL - OG0118)  | 10,885,206 | 2.68 |
| 8. JF Apex Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (Margin)                              | 8,399,954  | 2.07 |

**STATEMENT OF SHAREHOLDINGS** as at 1 April 2016

(cont'd)

**LIST OF TOP THIRTY HOLDERS AS AT 1 APRIL 2016** (cont'd)

| Name of Holder   | Holdings           | %            |
|--|--------------------|--------------|
| 9. Citigroup Nominees (Tempatan) Sdn Bhd<br>Employees Provident Fund Board (Aberdeen)                                | 8,151,377          | 2.01         |
| 10. Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Huat                               | 7,112,727          | 1.75         |
| 11. RHB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Lim Leong Wouh                                 | 6,850,303          | 1.69         |
| 12. Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ho Swee Ming                               | 6,723,532          | 1.66         |
| 13. Citigroup Nominees (Tempatan) Sdn Bhd<br>Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)                      | 6,700,024          | 1.65         |
| 14. TA Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon                                    | 5,634,836          | 1.39         |
| 15. Citigroup Nominees (Asing) Sdn Bhd<br>CBNY for Dimensional Emerging Markets Value Fund                           | 5,527,902          | 1.36         |
| 16. PM Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (A)                                | 5,318,054          | 1.31         |
| 17. RHB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Huat                                   | 5,021,861          | 1.24         |
| 18. Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Irama Gigih Sdn Bhd                        | 4,920,789          | 1.21         |
| 19. Maybank Securities Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Huat (Margin)           | 4,890,682          | 1.20         |
| 20. Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon                               | 4,564,082          | 1.12         |
| 21. MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (MGN-YKC0008M) | 4,226,996          | 1.04         |
| 22. RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Lim Fung Neng                          | 3,722,344          | 0.92         |
| 23. RHB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Lim Fung Neng                                  | 3,676,320          | 0.91         |
| 24. RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Chan Weng Fui (CEB)                    | 3,549,007          | 0.87         |
| 25. RHB Capital Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ho Swee Ming (CEB)                     | 3,371,790          | 0.83         |
| 26. AMSEC Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon                                 | 3,212,930          | 0.79         |
| 27. KAF Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon (YU198)                           | 3,183,000          | 0.78         |
| 28. Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Liew Kok Tze                               | 3,151,936          | 0.78         |
| 29. HLIB Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Yu Kuan Chon                                  | 3,122,106          | 0.77         |
| 30. Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account for Ching Nye Mi @ Chieng Ngie Chay            | 2,998,212          | 0.74         |
| <b>TOTAL</b>   | <b>225,311,562</b> | <b>55.49</b> |

**PROXY FORM**

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

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

| <b>Name of proxy &amp; NRIC No.</b> | <b>No. of shares</b> | <b>%</b> |
|-------------------------------------|----------------------|----------|
| 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 Fourteenth Annual General Meeting of the Company to be held on 30 June 2016 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

| <b>Ordinary Business</b>  |              | For | Against |
|---|--------------|-----|---------|
| 1. The declaration of a Final Dividend  | Resolution 1 |     |         |
| 2. The payment of Directors' Fees   | Resolution 2 |     |         |
| 3. The re-election of Director:<br>Ching Nye Mi @ Chieng Ngie Chay  | Resolution 3 |     |         |
| 4. The re-appointment of Director:<br>Dato' Robert Lim @ Lim Git Hooi, DPMP, JP   | Resolution 4 |     |         |
| 5. The re-appointment of Auditors and their remuneration  | Resolution 5 |     |         |
| <b>Special Business</b>   |              |     |         |
| 6. Ordinary Resolution No. 1 -<br>Proposed Renewal of Share Buy Back Authority  | Resolution 6 |     |         |
| 7. Ordinary Resolution No. 2 -<br>Proposed Renewal of Shareholders' Mandate and<br>New Shareholders' Mandate for Recurrent Related Party<br>Transactions of A Revenue or Trading Nature | Resolution 7 |     |         |

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 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 20 June 2016 shall be regarded as Member of the Company entitled to attend the Fourteenth 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. 188, Jalan PPMP 3/3, Pusat Perniagaan Manjung Point 3,  
32040 Seri Manjung, Perak Darul Ridzuan, Malaysia.

Tel: 6-05-688 1128 Fax: 6-05-688 1388

Email: [karsin@streamyx.com](mailto:karsin@streamyx.com)

Website: [www.ynhb.com.my](http://www.ynhb.com.my)