



**YNH PROPERTY BHD**  
(Incorporated in Malaysia)

(561986-V)

Interim Financial Statements  
31.12.2015

**Condensed Consolidated Profit or Loss and Other Comprehensive Income  
For the Twelve Months Period Ended 31 December 2015**

	Note	3 months ended		12 months ended	
		31.12.2015 RM	31.12.2014 RM	31.12.2015 RM	31.12.2014 RM
Revenue		57,178,705	56,200,788	317,088,508	390,505,239
Cost of sales		(19,221,570)	(15,406,416)	(192,400,994)	(215,676,786)
Gross profit		37,957,135	40,794,372	124,687,514	174,828,453
Other income		4,707,832	3,541,984	29,688,813	21,808,486
Administrative expenses		(14,567,346)	(16,869,239)	(50,738,177)	(42,719,702)
Selling and marketing expenses		(1,629,404)	(3,118,873)	(9,210,952)	(11,147,576)
Other operating expenses		(10,533,473)	(6,160,566)	(36,234,379)	(41,412,446)
		(26,730,223)	(26,148,678)	(96,183,508)	(95,279,724)
Profit from operations		15,934,744	18,187,678	58,192,819	101,357,215
Finance costs	17	(13,538,533)	(9,941,145)	(37,466,050)	(31,373,685)
Profit before tax	17	2,396,211	8,246,533	20,726,769	69,983,530
Income tax expense	18	7,620,712	(4,170,109)	(1,592,940)	(23,269,903)
Profit for the period		10,016,923	4,076,424	19,133,829	46,713,627
Other comprehensive income					
-Foreign currency translation difference		(1,108,103)	723,116	5,607,957	858,804
Total comprehensive income for the period		8,908,820	4,799,540	24,741,786	47,572,431
Earnings per share (sen)					
Basic	26 (a)	2.49	1.00	4.74	11.38
Diluted	26 (b)	2.49	1.00	4.74	11.34

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Consolidated Statement of Financial Position  
As at 31 December 2015**

	<b>Note</b>	<b>As at 31.12.2015 RM</b>	<b>As at 31.12.2014 RM</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	197,314,622	189,023,560
Deferred tax assets		47,131,893	26,609,850
Investment properties	29	345,975,649	96,609,507
Goodwill on consolidation		17,626,036	17,626,036
Land held for future development		368,613,560	335,866,900
Other non-current assets	9(b)	321,046,670	280,641,412
		<u>1,297,708,430</u>	<u>946,377,265</u>
<b>CURRENT ASSETS</b>			
Property development costs		400,416,808	292,000,945
Inventories		48,460,997	284,585,712
Trade and other receivables	9(a)	88,888,139	135,770,667
Other current assets	9(c)	22,829,364	29,020,967
Tax recoverable		12,109,302	6,458,504
Term deposits and fixed income trust fund		548,705	544,758
Cash and bank balances		25,536,510	21,028,905
		<u>598,789,825</u>	<u>769,410,458</u>
<b>TOTAL ASSETS</b>		<u>1,896,498,255</u>	<u>1,715,787,723</u>

**Condensed Consolidated Statement of Financial Position as at 31 December 2015  
(Contd.)**

	Note	As at 31.12.2015 RM	As at 31.12.2014 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		441,446,129	441,446,129
Share premium		52,226,740	52,226,740
Treasury shares		(74,593,406)	(57,565,069)
Other reserves		33,092,753	27,484,796
Retained earnings		422,812,728	411,207,462
Total equity		<u>874,984,944</u>	<u>874,800,058</u>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		43,728,949	43,676,625
Provision		-	9,615,375
Long term liabilities	20	<u>259,348,810</u>	<u>214,358,808</u>
		<u>303,077,759</u>	<u>267,650,808</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		133,735,069	89,602,209
Other current liabilities	22	74,260	2,105,724
Provision	23	24,646,919	21,415,468
Borrowings	20	560,112,708	459,925,554
Income tax payable		(133,404)	287,902
		<u>718,435,552</u>	<u>573,336,857</u>
<b>TOTAL LIABILITIES</b>		<u>1,021,513,311</u>	<u>840,987,665</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,896,498,255</u>	<u>1,715,787,723</u>
NTA per share (RM)		<u>1.94</u>	<u>1.94</u>
Net asset per share (RM)		<u>1.98</u>	<u>1.98</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

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Condensed Consolidated Statement of Changes in Equity  
For the Twelve Months Period Ended 31 December 2015

	Attributable to Equity Holders of the Company							Total RM
	Share capital RM	Non-distributable			Distributable			
		Share Option Reserve RM	Share Premium RM	Translation Reserve RM	Capital Reserve RM	Treasury Shares RM	Retained profits RM	
<b>Opening balance at 1 January 2014</b>	426,147,129	1,557,184	50,153,299	47,938	26,578,054	(9,084,118)	372,636,600	868,036,086
<b>Comprehensive income</b>								
Profit for the year	-	-	-	-	-	-	46,713,627	46,713,627
<b>Other comprehensive income</b>								
-Foreign currency translation difference	-	-	-	858,804	-	-	-	858,804
<b>Transaction with owners</b>								
Purchase of treasury shares	-	-	-	-	-	(54,347,399)	-	(54,347,399)
Issue of ordinary shares under ESOS	15,299,000	-	5,825,620	-	-	-	-	21,124,620
ESOS exercise	-	(2,114,269)	2,114,269	-	-	-	-	-
ESOS lapsed	-	(58,043)	-	-	-	-	58,043	-
Share option granted under ESOS	-	615,128	-	-	-	-	-	615,128
Share dividend	-	-	(5,866,448)	-	-	5,866,448	-	-
Dividends	-	-	-	-	-	-	(8,200,807)	(8,200,807)
<b>Total transactions with owners</b>	15,299,000	(1,557,184)	2,073,441	-	-	(48,480,951)	(8,142,764)	(40,808,458)
<b>Closing balance at 31 December 2014</b>	441,446,129	-	52,226,740	906,742	26,578,054	(57,565,069)	411,207,463	874,800,059
<b>Opening balance at 1 January 2015</b>	441,446,129	-	52,226,740	906,742	26,578,054	(57,565,069)	411,207,462	874,800,058
<b>Comprehensive income</b>								
Profit for the year	-	-	-	-	-	-	19,133,829	19,133,829
<b>Other comprehensive income</b>								
Foreign currency translation difference	-	-	-	5,607,957	-	-	-	5,607,957
<b>Transactions with owners</b>								
Purchase of treasury shares	-	-	-	-	-	-	-	-
Share dividend	-	-	(7,528,562)	-	-	(24,556,900)	-	(24,556,900)
						7,528,562	-	-
<b>Total transactions with owners</b>	-	-	(7,528,562)	-	-	(17,028,338)	-	(24,556,900)
<b>Closing balance at 31 December 2015</b>	441,446,129	-	44,698,178	6,514,699	26,578,054	(74,593,407)	430,341,291	874,984,944

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Consolidated Statement of Cash Flow**  
**For the Twelve Months Period Ended 31 December 2015**

	<b>12 months ended 31.12.2015 RM</b>	<b>12 months ended 31.12.2014 RM</b>
Profit before taxation	<u>20,726,769</u>	<u>69,983,530</u>
Net cash (used in)/from operating activities	(15,822,672)	48,207,952
Net cash used in investing activities	(100,286,033)	(98,005,765)
Net cash generated from financing activities	<u>100,791,336</u>	<u>74,239,518</u>
<b>Net increase in cash and cash equivalents</b>	(15,317,368)	24,441,705
<b>Cash and cash equivalents at beginning of financial period</b>	(53,634,206)	(78,075,911)
<b>Cash and cash equivalents at end of financial period</b>	<u>(68,951,574)</u>	<u>(53,634,206)</u>

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

Fixed deposits	548,705	544,758
Less: pledged fixed deposits	(548,705)	(532,886)
	-	11,872
* Cash and bank balances	25,536,510	21,028,905
Bank overdraft (included within borrowings in Note 20)	<u>(94,488,084)</u>	<u>(74,674,983)</u>
	<u>(68,951,574)</u>	<u>(53,634,206)</u>

- \* Included in cash at banks of the Group are amounts of RM 11,679,847 held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015****1. BASIS OF PREPARATION**

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

- (i) The requirement of the Financial Reporting Standards ("FRS") Standard 134: Interim Financial Reporting; and
- (ii) Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the quarterly condensed financial report. These explanatory notes attached to the quarterly condensed financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014. The significant accounting policies adopted for the quarterly condensed financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2014.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

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

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 December 2015 except as describe below:

- (a) During the current financial year, the Group has recognised a foreign exchange loss of RM5,612,840 due to exposure to US Dollar borrowing. The amount has been reflected as other operating expenses in the current financial year.
- (b) During the current quarter of the year, the Group has recognised a reversal of provision for onerous contract for Fraser Residence, resulting a gain of RM4,217,000. This amount has been included in other operating income during the current quarter of the financial year.

**5. CHANGES IN ESTIMATES**

The Group has not submitted any financial forecast or projections to any authority during the current quarter and prior financial year ended 31 December 2014. There were no changes in estimates that have had a material effect in the current quarter results.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015****6. CAPITAL MANAGEMENT, DEBT AND EQUITY SECURITIES**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 December 2015 and the date of this interim report except the followings:

**(a) Treasury Shares**

During the financial year, the Company repurchased 12,683,300 of its issued ordinary shares from the open market at an average price of RM 1.93 per share. The total consideration paid for the repurchase including transaction costs was RM24,556,899 and this was financed by internally generated funds. Total treasury shares repurchased as at 31 December 2015 is 39,405,515 ordinary shares of RM 1 each, representing a cumulative 8.93% of the total paid up share capital of the company as at 31 December 2015. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. No further repurchase of treasury shares subsequent to the fourth quarter until the date of this interim financial statement.

**(b) Capital Management**

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

For capital management purposes, the Group consider shareholders' equity to be the key component in the Group's capital structure. The Group monitors capital base on gearing ratio. The ratio is calculated on total borrowings to total capital and net debts. The Group's strategy is to maintain a gearing ratio of 20%-55%. The gearing ratio as at 31 December 2015, which are within the Group's objectives for capital management, are as follows:

	31.12.2015	31.12.2014
	RM	RM
Total borrowing	819,461,518	674,284,362
Trade and other payables	133,735,069	89,602,209
Less: Term deposits	(548,705)	(544,758)
Less: cash and bank balances	(25,536,510)	(21,028,905)
Net debts	927,111,372	742,312,908
Equity attributable to the owners of parents	874,984,944	874,800,058
Capital and net debts	1,802,096,316	1,617,112,966
Gearing ratio	51%	46%

A higher borrowings is recorded is mainly due a higher working capital requirement, the purchase of fixed assets and share repurchase made during the current financial year.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015**

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

**(c) Capital Management (contd.)**

The details of the issuance and repayment of debts and equity instrument in the current quarter ended 31 December 2015 are as follows:

	<b>31.12.2015</b>
	<b>RM</b>
Drawdown of revolving credit	80,374,053
Drawdown of term loan	54,667,018
Repayment of term loan	(9,677,013)
Share buy back	(24,556,898)

**7. DIVIDEND PAID**

In respect of the financial year ended 31 December 2014, the Company paid a final share dividend on the basis of 1 treasury share for every 100 existing ordinary shares of RM1 each held. A total of 3,977,119 treasury share worth of RM 7,528,561 had been distributed on 29.9.2015.

The Company announced to distribute an interim share dividend to the entitled shareholders at the ratio of one (1) treasury shares for every one hundred (100) ordinary shares of RM 1 each held. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date. The entitlement date and distribution date on the treasury shares are on 29 January 2016 and 29 February 2016 respectively.

**8. CARRYING AMOUNT OF REVALUED ASSETS**

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2014.

**9(a) TRADE AND OTHER RECEIVABLES**

	<b>As at</b>	<b>As at</b>
	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	59,991,549	116,600,426
Less: Provision for impairment	(509,658)	(3,170,962)
	<hr/>	<hr/>
	59,481,891	113,429,464
Other receivables	29,406,248	22,341,203
	<hr/>	<hr/>
	88,888,139	135,770,667

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015****9(a) TRADE AND OTHER RECEIVABLES (Contd.)**

The ageing analysis for the trade receivables are as follows:

	As at 31.12.2015 RM	As at 31.12.2014 RM
Neither past due nor impaired	13,769,048	42,563,049
1-30 days	454,971	19,865,359
31-60 days	3,459,833	32,720,009
61-90 days	11,342,880	5,925,345
91-120 days	2,843,478	1,995,947
121-150 days	2,192,487	2,677,975
>150 days	25,419,194	7,681,780
	45,712,843	70,866,415
Impaired	509,658	3,170,962
	59,991,549	116,600,426

The management is of the opinion that no further provision for doubtful debts is required for those trade receivables which are more than 150 days as most of the receivables are secured by financial institutions.

**9(b)** Other non current assets represent security deposits for various joint venture projects.

**9(c)** Included in other current assets is accrued billings in respect of property development of RM 10,216,393 (2014-RM10,365,829).

**10. SUBSEQUENT EVENTS**

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

**11. CHANGES IN COMPOSITION OF THE GROUP**

The Company had on 28 April 2015 acquired the entire issued and paid up capital of YNH Utility Sdn Bhd, comprising two (2) ordinary shares of RM1 each from Dato' Yu Kuan Huat and Dato' Yu Kuan Chon for a total consideration of RM2. The intended principal activity of YNH Utility Sdn Bhd is dealing with water and other liquids of everyday descriptions. YNH Utility Sdn Bhd has yet to commence operation as at the date of acquisition.

**12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There is no contingent liabilities and contingent assets for the period ended 31 December 2015 and the date of this interim financial report.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015****13. CAPITAL COMMITMENTS**

There was no capital commitment for the interim financial statement ended 31 December 2015 and as at the date of this report.

**14. PERFORMANCE REVIEW**

The Group's cumulative turnover for the current financial year ended 31 December 2015 is RM317,088,508 (year 2014-RM390,505,239) and profit before taxation is reported at RM 20,726,769 (year 2014-RM69,983,530). The Group registered a lower profit before taxation for the financial period compared to previous year correspondence quarter due to the completion of project Fraser Residence Kuala Lumpur and a much softer take up rate in the project currently undertaken by the Company due to the current weak economic condition and Bank Negara credit tightening guideline. The Group's performance for this year is mainly derived from progressive sales of unsold units in Fraser Residence Kuala Lumpur, progressive profit recognition from Taman Desa Manjung, and sales of development land.

On a quarter to quarter basis, the current quarter profit before taxation of RM2,396,211 is lower than previous quarter of RM 4,031,273. This is due to lesser new launches of project in the current year and a much softer take up rate in the project currently undertaken by the Company.

**15. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**16. COMMENTARY ON PROSPECTS**

The local and global economic climate remains challenging. Taking into consideration of the reduced contributions from existing projects, the Board look forward for an improvement in the current economic climate and a relaxation in the banking guideline over the subsequent quarters for a reversal of its performance.

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

- i) 2 Blocks of 43 storey of Hotel Suites (584 units) with facilities and multi-storey car park,
- ii) 1 Small Office Versatile Office ("SOVO") Tower,
- iii) 1 shopping mall and basement car park.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015****16. COMMENTARY ON PROSPECTS (Contd.)**

The Kiara 163 project has a total GDV of approximately RM1.0 billion with 60% of the GDV comprising of service apartments which are planned to be sold fully furnished and also managed by a reputable manager, with a similar concept like Fraser Place KL. The retail shopping mall will also be one of the main attraction of the development where residents/ tenants have seamless life, work and play lifestyle. Piling and sub-structure work for Kiara 163 has already commenced in the previous financial year.

Another project which is currently undertaken by the Company is Sfera Residensi, which is located at Puchong South, Selangor. The project will have a Gross Development Value of approximately RM383 million, and is expected to contribute to the Company for the next three financial years. Piling and substructure work has already commenced during the previous financial year.

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

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

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

The Group had successfully completed the construction of AEON Mall Seri Manjung in year 2012 and Pantai Specialist Centre at Seri Manjung in November 2013. The presence of AEON Mall Seri Manjung Shopping Centre and Pantai Specialist Centre will further enhance the value of the balance 700 acres of undeveloped landbanks in the Manjung Point Township.

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**16. COMMENTARY ON PROSPECTS (Contd.)**

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

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

**17. PROFIT BEFORE TAXATION**

This is arrived at after charging:	<b>12 months ended</b> <b>31.12.2015</b> <b>RM</b>
Short term revolving interest	23,719,461
Term loan interest	9,294,528
Overdraft interest	<u>4,452,061</u>
and crediting	<b>12 months ended</b> <b>30.09.2015</b> <b>RM</b>
Interest income	<u>492,137</u>

**18. INCOME TAX EXPENSE**

	<b>3 months ended</b> <b>31.12.2015</b> <b>RM</b>	<b>3 months ended</b> <b>31.12.2014</b> <b>RM</b>	<b>12 months ended</b> <b>31.12.2015</b> <b>RM</b>	<b>12 months ended</b> <b>31.12.2014</b> <b>RM</b>
Tax expense for the period:				
Malaysian income tax	(3,141,503)	(8,789,809)	(23,836,442)	(29,094,400)
Deferred tax	10,789,384	4,619,700	22,243,502	5,824,497
	<u>7,647,881</u>	<u>(4,170,109)</u>	<u>(1,592,940)</u>	<u>(23,269,903)</u>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015**

**18. INCOME TAX EXPENSE (Contd.)**

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

	<b>12 months ended 31.12.2015 RM</b>
Profit before taxation	<u>20,726,769</u>
Taxation at applicable statutory tax rate	(5,181,692)
Expenses not deductible for tax purposes	(3,160,433)
Income not taxable	6,480,651
Others timing differences	<u>268,534</u>
Tax expense for the quarter/year	<u>(1,592,940)</u>

**19. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES**

There were no sales of unquoted investments and no other sales of properties for the quarter ended 31 December 2015 except for the sales of development properties in the ordinary course of business.

**20. LOAN AND BORROWINGS**

	<b>As at 31.12.2015 RM</b>	<b>As at 31.12.2014 RM</b>
<b>Current</b>		
Secured-Bank overdraft and revolving credit	552,552,522	452,470,176
Secured-Term loan	7,560,186	7,455,378
<b>Non-current</b>		
Secured-Term loan	259,348,810	214,358,808
	<u>819,461,518</u>	<u>674,284,362</u>

All of the above borrowings are denominated in Ringgit Malaysia. Included in current portion of loan and borrowing is RM94,488,084 (2014-RM 74,674,983) of bank overdraft.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2015**

**21. PROFIT FORECAST**

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

**22. OTHER CURRENT LIABILITIES**

Included in other current liabilities is accrued billing of RM 74,260 (2014-RM Nil).

**23. PROVISION**

	<b>As at</b> <b>31.12.2015</b>	<b>As at</b> <b>31.12.2014</b>
	<b>RM</b>	<b>RM</b>
Opening	31,030,843	197,794
Provision during the period/year	519,231	31,289,040
Utilisation/ written back during the period/year	(6,903,155)	(455,991)
Closing	<u>24,646,919</u>	<u>31,030,843</u>

**24. CHANGES IN MATERIAL LITIGATION**

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

**25. DIVIDEND PAYABLE**

In respect of the financial year ended 31 December 2014, the Company paid a final share dividend on the basis of 1 treasury share for every 100 existing ordinary shares of RM1 each held. A total of 3,977,119 treasury share worth of RM7,528,561 had been distributed on 29.9.2015.

The Company announced to distribute an interim share dividend to the entitled shareholders at the ratio of one (1) treasury shares for every one hundred (100) ordinary shares of RM 1 each held. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date. The entitlement date and distribution date on the treasury shares are on 29 January 2016 and 29 February 2016 respectively.

The Company has recommended to distribute a final share dividend to the entitled shareholders at the ratio of one (1) treasury shares for every twenty five (25) ordinary shares of RM 1 each held, to be approved by shareholders in the forthcoming Annual General Meeting. The actual treasury shares to be distributed will depend on the issued share capital on the entitlement date. The financial statements for the current financial year do not reflect the final dividend. Such dividend, if approved will be accounted for in the equity as a distribution of treasury shares in the financial year ending 31 December 2016.

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**25. DIVIDEND PAYABLE (Contd.)**

The Company has a dividend policy of at least 30% of profit after taxation be fixed for future declaration of dividend.

**26. EARNING PER SHARE**

**(a) Basic**

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

	3 months ended 31.12.2015 RM	3 months ended 31.12.2014 RM	12 months ended 31.12.2015 RM	12 months ended 31.12.2014 RM
Net profit for the period	10,016,923	4,076,424	19,133,829	46,713,627
Weighted average number of ordinary shares in issue	402,041,514	405,837,820	403,931,985	410,345,523
Basic earnings per share (sen)	2.49	1.00	4.74	11.38

**(b) Diluted**

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

	3 months ended 31.12.2015 RM	3 months ended 31.12.2014 RM	12 months ended 31.12.2015 RM	12 months ended 31.12.2014 RM
Net profit for the period	10,016,923	4,076,424	19,133,829	46,713,627
Weighted average number of ordinary shares in issue	402,041,514	405,837,820	403,931,985	410,345,523
Adjustment for assumed exercise of ESOS	-	2,114,286	-	1,759,635
Adjusted weighted number of ordinary shares in issue	402,041,514	407,952,106	403,931,985	412,105,158
Diluted earnings per share (sen)	2.49	1.00	4.74	11.34



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**27. RELATED PARTY TRANSACTION**

The Group's related party transactions cumulative period-to-date ended 31 December 2015 are as follows:

<b>Party</b>	<b>Transaction</b>	<b>31.12.2015</b> <b>RM</b>
Transaction with non-group members	Rental of equipment and transportation payable, purchase of construction material, rental of land and properties and entitlement payable	14,817,561
	Rental of properties and equipment received	60,000
	Sales of properties	6,309,000
Transaction with person connected with Directors	Rental paid for service apartment	2,084,141
	Legal services and disbursement paid (including stamp duty etc.)	2,894,022
	Sales of properties	10,859,274
	Rental of properties received	36,000

<b>Party</b>	<b>Transaction</b>	<b>31.12.2015</b> <b>RM</b>
Transaction with Directors	Sales of properties	22,365,685
	Rental paid for service apartment and office	10,522,142
Transaction with Directors	Legal services and disbursement paid (including stamp duty etc.)	580,340

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

	<b>31.12.2015</b> <b>RM</b>
Type of compensation	
Salaries and allowances (including employer EPF portion)	13,379,262
Directors fee	145,550
Employee share option	-
	<u>13,524,812</u>

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<b>28. REALISED AND UNREALISED PROFITS</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM</b>	<b>RM</b>
Total retained profits of YNH Property and its subsidiaries		
-Realised profits	629,513,244	569,982,582
-Unrealised profits	20,570,758	17,122,700
	<u>650,084,002</u>	<u>587,105,282</u>
Consolidation adjustments	<u>(220,760,830)</u>	<u>(175,897,820)</u>
Total group retained profits as per consolidated accounts	<u>429,323,172</u>	<u>411,207,462</u>

**29. INVESTMENT PROPERTIES**

	Completed investment property RM	Investment property under construction RM	Total RM
<b>Cost</b>			
At 1 January	18,527,861	78,619,782	97,147,643
Additions	250,473,212	-	250,473,212
As at 30 June	<u>269,001,073</u>	<u>78,619,782</u>	<u>347,620,855</u>
<b>Accumulated amortisation</b>			
At 1 January	538,136	-	538,136
Additions	1,107,070	-	1,107,070
As at 30 June	<u>1,645,206</u>	<u>-</u>	<u>1,645,206</u>
<b>Net carrying amounts</b>	<u>267,355,867</u>	<u>78,619,782</u>	<u>345,975,649</u>

The investment property comprises AEON Mall Seri Manjung, Pantai Hospital Seri Manjung, a hotel and service apartment block, 19 units double storey shop houses , a sport recreational complex, a petrol station and certain vacant land.

**30. UPDATE OF MEMORANDUM OF UNDERSTANDING**

- (i) The Group has on 4 February 2015 entered into a Memorandum of Understanding ("MOU") in relation to a proposed hotel to be branded as " Hilton Kuala Lumpur City Centre & Residences", to be managed by Hilton Worldwide Manage Limited, for its Menara YNH Development in Kuala Lumpur City Centre. No further changes arise from the date of the MOU to the date of this interim report.

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**30. UPDATE OF MEMORANDUM OF UNDERSTANDING (Contd.)**

- (ii) The Group has on 21 December 2015 entered into a Memorandum of Understanding ("MOU") with Ruby Premium Sdn Bhd, a wholly-owned subsidiary of Fong Yu Investment Pte Ltd, in relation to a proposed development of Lot 2497, Lot 2498 and Lot 2499, Mukim Kuala Lumpur. No further changes arise from the date of the MOU to the date of this interim report.

**31. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 February 2016.

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**32. SEGMENTAL REPORTING**

	Property Development & Construction		Hotel & Hospitality		Adjustment & Elimination		Consolidated	
	31.12.2015 RM	31.12.2014 RM	31.12.2015 RM	31.12.2014 RM	31.12.2015 RM	31.12.2014 RM	31.12.2015 RM	31.12.2014 RM
<b>Revenue</b>								
External customers	254,639,153	355,983,765	62,449,355	34,521,474	-	-	317,088,508	390,505,239
Inter-segment	-	-	73,518	65,275	(73,518)	(65,275)	-	-
<b>Results</b>								
Interest income	492,137	658,941	752,705	332,015	(752,702)	(298,280)	492,140	692,676
Dividend income	525,000	-	-	-	(525,000)	-	-	-
Depreciation	3,599,946	1,757,694	5,048,319	1,103,896	-	-	8,648,265	2,861,590
Finance cost	30,613,436	31,270,637	6,852,614	401,328	-	(298,280)	37,466,050	31,373,685
Profit/( loss) before taxation	9,738,556	108,154,509	10,988,213	(38,170,979)	-	-	20,726,769	69,983,530
<b>Segment assets</b>	1,697,716,186	1,685,941,639	198,782,069	29,846,084	-	-	1,896,498,255	1,715,787,723
<b>Segment liabilities</b>	797,672,177	799,955,267	223,841,134	41,032,398	-	-	1,021,513,311	840,987,665