



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

(561986-V)

Interim Financial Statements  
31 March 2016

**Condensed Consolidated Profit or Loss and Other Comprehensive Income  
For the Three Months Period Ended 31 March 2016**

	Note	3 months ended		3 months ended	
		31.03.2016 RM	31.03.2015 RM	31.03.2016 RM	31.03.2015 RM
Revenue		44,509,161	103,229,107	44,509,161	103,229,107
Cost of sales		(11,214,551)	(74,230,871)	(11,214,551)	(74,230,871)
Gross profit		33,294,610	28,998,236	33,294,610	28,998,236
Other income	4(a)	7,524,513	3,774,470	7,524,513	3,774,470
Administrative expenses		(14,612,380)	(12,102,112)	(14,612,380)	(12,102,112)
Selling and marketing expenses		(993,788)	(3,622,167)	(993,788)	(3,622,167)
Other operating expenses	4(b)	(13,027,903)	(745,689)	(13,027,903)	(745,689)
		(28,634,071)	(16,469,968)	(28,634,071)	(16,469,968)
Profit from operations		12,185,052	16,302,738	12,185,052	16,302,738
Finance costs	17	(8,126,277)	(6,674,190)	(8,126,277)	(6,674,190)
Profit before tax	17	4,058,775	9,628,548	4,058,775	9,628,548
Income tax expense	18	(790,420)	(4,450,689)	(790,420)	(4,450,689)
Profit for the period		3,268,355	5,177,859	3,268,355	5,177,859
Other comprehensive income					
-Foreign currency translation difference		(3,177,830)	1,297,539	(3,177,830)	1,297,539
Total comprehensive income for the period		90,525	6,475,398	90,525	6,475,398
Earnings per share (sen)					
Basic	26 (a)	0.81	1.26	0.81	1.26
Diluted	26 (b)	0.81	1.25	0.81	1.25

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements.

**YNH PROPERTY BHD**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position****As at 31 March 2016**

	<b>Note</b>	<b>As at 31.03.2016 RM</b>	<b>As at 31.12.2015 RM</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	188,472,757	196,920,315
Deferred tax assets		49,202,557	46,443,976
Investment properties	29	343,478,603	344,965,129
Goodwill on consolidation		17,626,036	17,626,036
Land held for future development		374,897,071	368,615,659
Other non-current assets	9(b)	321,046,670	321,046,670
Receivables		6,774,861	6,774,861
		<u>1,301,498,555</u>	<u>1,302,392,646</u>
<b>CURRENT ASSETS</b>			
Property development costs		445,914,959	400,416,810
Inventories		60,180,804	48,871,673
Trade and other receivables	9(a)	72,285,661	81,289,711
Other current assets	9(c)	21,217,342	47,115,182
Tax recoverable		10,145,742	7,740,657
Term deposits and fixed income trust fund		550,313	986,126
Cash and bank balances		11,668,519	29,843,684
		<u>621,963,340</u>	<u>616,263,843</u>
<b>TOTAL ASSETS</b>		<u>1,923,461,895</u>	<u>1,918,656,489</u>

**Condensed Consolidated Statement of Financial Position as at 31 March 2016  
(Contd.)**

	Note	As at 31.03.2016 RM	As at 31.12.2015 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		37,094,810	44,698,178
Treasury shares		(66,990,271)	(74,593,405)
Other reserves		29,913,036	33,090,866
Retained earnings		433,050,355	429,782,000
Total equity		<u>874,514,059</u>	<u>874,423,768</u>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		43,372,513	43,372,513
Long term liabilities	20	<u>261,286,333</u>	<u>242,548,544</u>
		<u>304,658,846</u>	<u>285,921,057</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		109,484,684	128,099,019
Other current liabilities	22	23,720,255	52,160,689
Provision	23	21,244,789	21,376,920
Borrowings	20	588,940,316	556,452,529
Income tax payable		898,946	222,507
		<u>744,288,990</u>	<u>758,311,664</u>
<b>TOTAL LIABILITIES</b>		<u>1,048,947,836</u>	<u>1,044,232,721</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,923,461,895</u>	<u>1,918,656,489</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 2015 and the accompanying explanatory notes attached to the financial statements.

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Condensed Consolidated Statement of Changes in Equity  
For the Three Months Period Ended 31 March 2016

	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 2015</b>	441,446,129	-	52,226,740	906,742	26,578,054	(57,565,069)	411,207,462	874,800,058
<b><u>Comprehensive income</u></b>								
Profit for the year	-	-	-	-	-	-	5,177,859	5,177,859
<b><u>Other comprehensive income</u></b>								
-Foreign currency translation difference	-	-	-	1,297,539	-	-	-	1,297,539
<b><u>Transaction with owners</u></b>								
Purchase of treasury shares	-	-	-	-	-	(231)	-	(231)
<b>Total transactions with owners</b>	-	-	-	-	-	(231)	-	(231)
<b>Closing balance at 31 March 2015</b>	441,446,129	-	52,226,740	2,204,281	26,578,054	(57,565,300)	416,385,321	881,275,225
<b>Opening balance at 1 January 2016</b>	441,446,129	-	44,698,178	6,512,812	26,578,054	(74,593,405)	429,782,000	874,423,768
<b><u>Comprehensive income</u></b>								
Profit for the year	-	-	-	-	-	-	3,268,355	3,268,355
<b><u>Other comprehensive income</u></b>								
Foreign currency translation difference	-	-	-	(3,177,830)	-	-	-	(3,177,830)
<b><u>Transactions with owners</u></b>								
Purchase of treasury shares	-	-	-	-	-	-	-	-
Share dividend	-	-	(7,603,368)	-	-	7,603,368	-	-
<b>Total transactions with owners</b>	-	-	(7,603,368)	-	-	7,603,134	-	(234)
<b>Closing balance at 31 March 2016</b>	441,446,129	-	37,094,810	3,334,982	26,578,054	(66,990,271)	433,050,355	874,514,059

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the financial statements.

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**Condensed Consolidated Statement of Cash Flow**  
**For the Three Months Period Ended 31 March 2016**

	<b>3 months ended 31.03.2016 RM</b>	<b>3 months ended 31.12.2015 RM</b>
Profit before taxation	<u>4,058,775</u>	<u>25,057,752</u>
Net cash used in operating activities	(71,279,136)	(8,036,985)
Net cash from/( used in) investing activities	1,441,208	(76,343,300)
Net cash generated from financing activities	<u>20,702,776</u>	<u>94,405,110</u>
<b>Net increase in cash and cash equivalents</b>	(49,135,152)	10,024,825
<b>Cash and cash equivalents at beginning of financial period</b>	(43,609,381)	(53,634,206)
<b>Cash and cash equivalents at end of financial period</b>	<u>(92,744,533)</u>	<u>(43,609,381)</u>

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

Fixed deposits	550,313	986,126
Less: pledged fixed deposits	(550,313)	(548,706)
	-	437,420
* Cash and bank balances	11,668,519	29,843,684
Bank overdraft (included within borrowings in Note 20)	<u>(104,413,052)</u>	<u>(73,890,485)</u>
	<u>(92,744,533)</u>	<u>(43,609,381)</u>

\* Included in cash at banks of the Group are amounts of RM 6,839,359 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 2015 and the accompanying explanatory notes attached to the financial statements.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016****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 2015 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 2015. 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 2015.

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

The auditors' report on the financial statements for the year ended 31 December 2015 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 March 2016 except as describe below:

- (a) During the current financial year, the Group has recognised a foreign exchange gain of RM2,929,310 due to exposure to US Dollar borrowing. The amount has been reflected as other operating income in the current financial year.
- (b) Included in other operating expenses in the current quarter is rental lease expenses of RM 13,233,749.

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### **NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

#### **4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE (Contd.)**

(c) The Group had on 13 April 2016 announced the followings:

(i) Proposed Bonus Issue

Proposed bonus issue of up to 88,289,225 new ordinary shares of RM1.00 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) Proposed Increase in Authorised Share Capital

Proposed increase in 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.

(iii) Proposed M&A Amendments

Proposed amendments to the Memorandum and Articles of Association of YNH ("M&A") to facilitate the Proposed Increase in Authorised Share Capital.

The above proposal is subject to approval from Bursa Securities and shareholders approval in this coming Extraordinary General Meeting.

(d) On 20 April 2016, the Group announced an exercise to undertake a proposed establishment of a new employees' share scheme involving up to 15% of the issued and paid-up capital of YNH (excluding treasury shares) to eligible directors and employees of YNH and its subsidiaries which are not dormant ("Eligible Persons") at any one time, which comprises the following:-

(i) a proposed share option plan ("Proposed Share Option Plan") involving the granting of rights to Eligible Persons to subscribe for new ordinary shares of RM1.00 each in YNH ("YNH Shares" or "Shares") at a pre-determined price; and

(ii) a share grant plan ("Proposed Share Grant Plan") which entitles the Eligible Persons to receive new and/or existing YNH Shares at no consideration and/or the equivalent cash value of such shares or combination thereof, based on certain vesting conditions or performance targets to be met.

The above proposal is subject to approval from Bursa Securities and shareholders approval in this coming Extraordinary General Meeting.

#### **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 2015. 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 MARCH 2016****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 March 2016 and the date of this interim report except the followings:

**(a) Treasury Shares**

During the financial year, the Company repurchased 100 of its issued ordinary shares from the open market at an average price of RM 1.90 per share. The total consideration paid for the repurchase including transaction costs was RM234 and this was financed by internally generated funds. Total treasury shares repurchased as at 31 March 2016 is 35,388,978 ordinary shares of RM 1 each, representing a cumulative 8% of the total paid up share capital of the company as at 31 March 2016. 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 March 2016, which are within the Group's objectives for capital management, are as follows:

	<b>31.03.2016</b>	<b>31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Total borrowing	850,226,649	799,001,073
Trade and other payables	109,484,684	128,099,019
Less: Term deposits	(550,313)	(986,126)
Less: cash and bank balances	(11,668,519)	(29,843,684)
Net debts	<u>947,492,501</u>	<u>896,270,282</u>
Equity attributable to the owners of parents	<u>874,514,059</u>	<u>874,423,768</u>
Capital and net debts	<u>1,822,006,560</u>	<u>1,770,694,050</u>
Gearing ratio	<u>52%</u>	<u>51%</u>

A higher borrowings is recorded is mainly due a higher working capital requirement as a result of a slower sales during the current financial year.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

**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 March 2016 are as follows:

	<b>31.03.2016</b>
	<b>RM</b>
Drawdown of revolving credit	1,965,221
Drawdown of term loan (Net of repayment)	18,737,789
Share buy back	(234)

**7. DIVIDEND PAID**

In respect of the financial year ended 31 December 2015, 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 4,016,637 treasury share worth of RM 7,603,368 had been distributed on 28.2.2016.

**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 2015.

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

	<b>As at</b>	<b>As at</b>
	<b>31.03.2016</b>	<b>31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	47,476,743	61,761,741
Less: Provision for impairment	(509,658)	(503,836)
	<hr/>	<hr/>
	46,967,085	61,257,905
Other receivables	25,318,576	20,031,806
	<hr/>	<hr/>
	72,285,661	81,289,711

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

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

The ageing analysis for the trade receivables are as follows:

	As at 31.03.2016 RM	As at 31.12.2015 RM
Neither past due nor impaired	23,468,886	36,680,619
1-30 days	4,230,186	1,705,071
31-60 days	3,996,068	4,387,923
61-90 days	5,193,871	1,925,434
91-120 days	4,408,029	5,212,612
121-150 days	730,513	1,132,587
>150 days	4,939,532	10,213,659
	23,498,199	24,577,286
Impaired	509,658	503,836
	<u>47,476,743</u>	<u>61,761,741</u>

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 7,540,950 (2015-RM10,216,392).

**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**

There is no change in the composition of the Group since the last financial year until the date of this interim report.

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

There is no contingent liabilities and contingent assets for the period ended 31 March 2016 and the date of this interim financial report.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

**13. CAPITAL COMMITMENTS**

**RM**

Contracted by not provided for

1,005,756.00

**14. PERFORMANCE REVIEW**

The Group's cumulative turnover for the current financial period ended 31 March 2016 is RM44,509,161 (year 2015-RM103,229,107) and profit before taxation is reported at RM 4,058,775 (year 2015-RM9,628,548). The Group registered a lower profit before taxation for the financial period compared to previous year correspondence quarter due to 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 profit recognition from Taman Desa Manjung, and sales of development land.

On a quarter to quarter basis, the current quarter profit before taxation of RM4,058,775 is higher than previous quarter of RM 2,396,211. This is mainly due to recognition of a gain on foreign exchange of RM2,929,310 during the current quarter of the year.

**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 MARCH 2016****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 RM 383 million, and is expected to contribute to the Company for the next three financial years.

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>3 months ended</b> <b>31.03.2016</b> <b>RM</b>
Short term revolving interest	4,872,164
Term loan interest	2,123,387
Overdraft interest	<u>1,130,726</u>
and crediting	<b>3 months ended</b> <b>31.03.2016</b> <b>RM</b>
Interest income	<u>24,631</u>

**18. INCOME TAX EXPENSE**

	<b>3 months ended</b> <b>31.03.2016</b> <b>RM</b>	<b>3 months ended</b> <b>31.03.2015</b> <b>RM</b>	<b>3 months ended</b> <b>31.03.2016</b> <b>RM</b>	<b>3 months ended</b> <b>31.03.2015</b> <b>RM</b>
Tax expense for the period:				
Malaysian income tax	(2,790,551)	(12,780,000)	(2,790,551)	(12,780,000)
Deferred tax	2,000,131	8,329,311	2,000,131	8,329,311
	<u>(790,420)</u>	<u>(4,450,689)</u>	<u>(790,420)</u>	<u>(4,450,689)</u>

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

**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>3 months ended 31.03.2016 RM</b>
Profit before taxation	<u>4,058,775</u>
Taxation at applicable statutory tax rate	(1,014,694)
Expenses not deductible for tax purposes	(483,976)
Income not taxable	732,328
Others timing differences	<u>(24,078)</u>
Tax expense for the quarter/year	<u>(790,420)</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 31.03.2016 RM</b>	<b>As at 31.12.2015 RM</b>
<b>Current</b>		
Secured-Bank overdraft and revolving credit	564,442,711	531,954,924
Secured-Term loan	10,446,463	10,446,463
Secured-Finance lease liabilities	14,051,142	14,051,142
<b>Non-current</b>		
Secured-Term loan	243,043,265	224,305,476
Secured-Finance lease liabilities	18,243,068	18,243,068
-	<u>850,226,649</u>	<u>799,001,073</u>

All of the above borrowings are denominated in Ringgit Malaysia. Included in current portion of loan and borrowing is RM104,413,052 (2015-RM73,890,485) of bank overdraft.

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**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 (2015-RM 74,260 ).

**23. PROVISION**

	As at 31.03.2016 RM	As at 31.12.2015 RM
Opening	21,376,920	31,030,843
Provision during the period/year	-	11,986,857
Utilisation/ written back during the period/year	(132,131)	(21,640,780)
Closing	<u>21,244,789</u>	<u>21,376,920</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 2015, the Company paid an interim share dividend on the basis of 1 treasury share for every 100 existing ordinary shares of RM1 each held. A total of 4,016,637 treasury share worth of RM7,603,368 had been distributed on 29 February 2016.

The Company announced to distribute an interim 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. 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 26 April 2016 and 20 May 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 quarter 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 31.03.2016 RM	3 months ended 31.03.2015 RM	3 months ended 31.03.2016 RM	3 months ended 31.03.2015 RM
Net profit for the period	3,268,355	5,177,859	3,268,355	5,177,859
Weighted average number of ordinary shares in issue	403,424,091	410,746,765	403,424,091	410,746,765
Basic earnings per share (sen)	0.81	1.26	0.81	1.26

**(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 31.03.2016 RM	3 months ended 31.03.2015 RM	3 months ended 31.03.2016 RM	3 months ended 31.03.2015 RM
Net profit for the period	3,268,355	5,177,859	3,268,355	5,177,859
Weighted average number of ordinary shares in issue	402,041,514	410,746,765	403,931,985	410,746,765
Adjustment for assumed exercise of ESOS	-	3,426,711	-	3,426,711
Adjusted weighted number of ordinary shares in issue	402,041,514	414,173,476	403,931,985	414,173,476
Diluted earnings per share (sen)	0.81	1.25	0.81	1.25

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**27. RELATED PARTY TRANSACTION**

The Group's related party transactions cumulative period-to-date ended 31 March 2016 are as follows:

<b>Party</b>	<b>Transaction</b>	<b>31.03.2016</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	2,730,088
	Rental of properties and equipment received	15,000
	Sales of properties	-
		<hr/>
Transaction with person connected with Directors	Rental paid for service apartment	567,906
	Legal services and disbursement paid (including stamp duty etc.)	755,609
	Sales of properties	7,586,400
	Rental of properties received	9,000

<b>Party</b>	<b>Transaction</b>	<b>31.03.2016</b> <b>RM</b>
Transaction with Directors	Sales of properties	-
	Rental paid for service apartment and office	3,034,809
Transaction with Directors	Legal services and disbursement paid (including stamp duty etc.)	-

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

	<b>31.03.2016</b> <b>RM</b>
Type of compensation	
Salaries and allowances (including employer EPF portion)	3,344,816
Directors fee	-
Employee share option	-
	<hr/>
	3,344,816

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

<b>28. REALISED AND UNREALISED PROFITS</b>	<b>30.03.2016</b>	<b>31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Total retained profits of YNH Property and its subsidiaries		
-Realised profits	665,599,224	652,105,638
-Unrealised profits	(3,615,530)	(2,265,530)
	<u>661,983,694</u>	<u>649,840,108</u>
Consolidation adjustments	<u>(228,933,339)</u>	<u>(220,058,108)</u>
Total group retained profits as per consolidated accounts	<u>433,050,355</u>	<u>429,782,000</u>

**29. INVESTMENT PROPERTIES**

	Completed investment property RM	Investment property under construction RM	Total RM
<b>Cost</b>			
At 1 January	271,815,507	77,540,686	349,356,193
Additions	-	-	-
As at 31 March	<u>271,815,507</u>	<u>77,540,686</u>	<u>349,356,193</u>
<b>Accumulated amortisation</b>			
At 1 January	4,391,064	-	4,391,064
Additions	1,486,526	-	1,486,526
As at 31 March	<u>5,877,590</u>	<u>-</u>	<u>5,877,590</u>
<b>Net carrying amounts</b>	<u>265,937,917</u>	<u>77,540,686</u>	<u>343,478,603</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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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016****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. The Group had on 26 April 2016 announced that all the conditions in the MOU have been met, save for the Building and Renovation Contract Agreement ("B&RCA"), which have been mutually waived by both parties. Based on the above, the MOU is deemed unconditional and has been completed.

**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 27 May 2016.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2016**

**32. SEGMENTAL REPORTING**

	Property Development & Construction		Hotel & Hospitality		Adjustment & Elimination		Consolidated	
	31.03.2016 RM	31.03.2015 RM	31.03.2016 RM	31.03.2015 RM	31.03.2016 RM	31.03.2015 RM	31.03.2016 RM	31.03.2015 RM
<b>Revenue</b>								
External customers	25,153,684	91,877,035	19,355,477	11,352,072	-	-	44,509,161	103,229,107
Inter-segment			28,750	23,041	(28,750)	(23,041)	-	-
<b>Results</b>								
Interest income	24,631	11,682	-	-	-	-	24,631	11,682
Dividend income	-	-	-	-	-	-	-	-
Depreciation	748,252	2,734,158	1,461,604	250,595	-	-	2,209,856	2,984,753
Finance cost	6,067,597	6,674,190	2,058,680	-	-	-	8,126,277	6,674,190
Profit/( loss) before taxation	3,433,457	17,876,175	625,318	(8,247,627)	-	-	4,058,775	9,628,548
<b>Segment assets</b>	1,651,678,072	1,695,509,768	271,783,823	77,637,491	-	-	1,923,461,895	1,773,147,259
<b>Segment liabilities</b>	856,690,760	855,521,725	192,257,076	36,350,309	-	-	1,048,947,836	891,872,034