

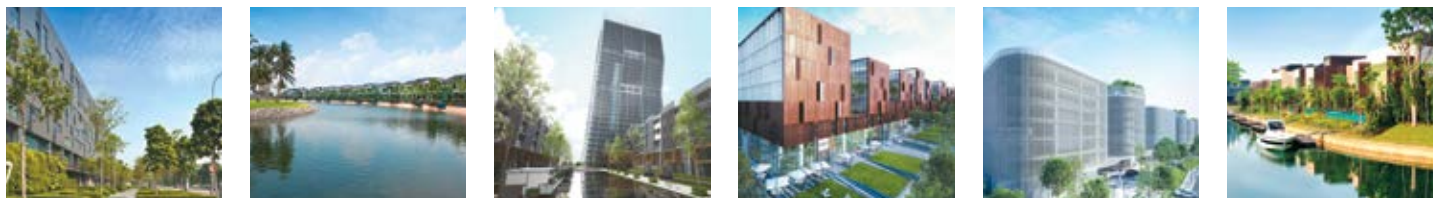


**YTL  
LAND &  
DEVELOPMENT  
BERHAD** 1116-M

the journey continues...



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Form of Proxy

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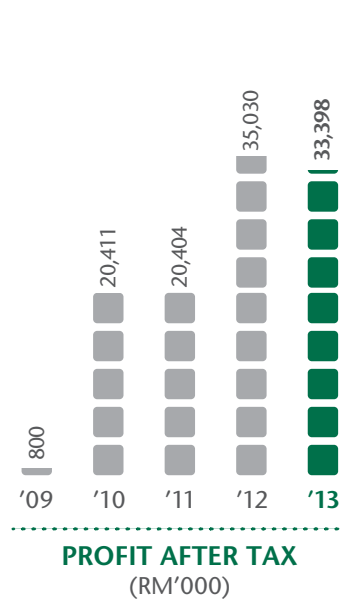
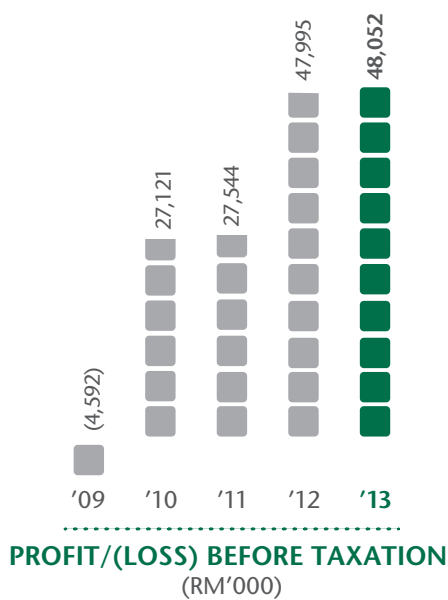
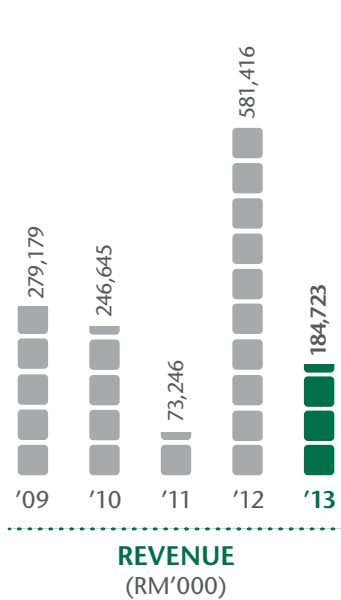


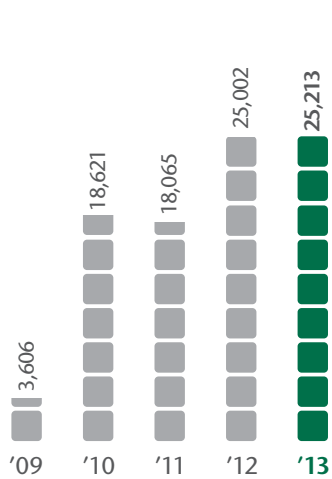




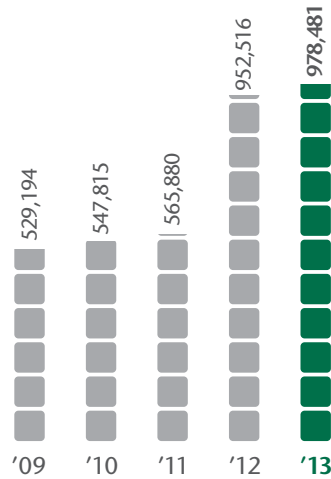
# FINANCIAL HIGHLIGHTS

|  | 2013      | 2012      | 2011    | 2010    | 2009    |
|--|-----------|-----------|---------|---------|---------|
| Revenue (RM'000)   | 184,723   | 581,416   | 73,246  | 246,645 | 279,179 |
| Profit/(Loss) Before Taxation (RM'000)                     | 48,052    | 47,995    | 27,544  | 27,121  | (4,592) |
| Profit After Taxation (RM'000)                             | 33,398    | 35,030    | 20,404  | 20,411  | 800     |
| Profit Attributable to Owners of the Parent (RM'000)       | 25,213    | 25,002    | 18,065  | 18,621  | 3,606   |
| Total Equity Attributable to Owners of the Parent (RM'000) | 978,481   | 952,516   | 565,880 | 547,815 | 529,194 |
| Earnings per Share (Sen)                                   | 3.04      | 3.02      | 2.26    | 2.37    | 0.44    |
| Total Assets (RM'000)                                      | 2,667,023 | 2,884,793 | 920,898 | 908,539 | 954,453 |
| Net Assets per Share (RM)                                  | 1.18      | 1.15      | 0.68    | 0.70    | 0.68    |

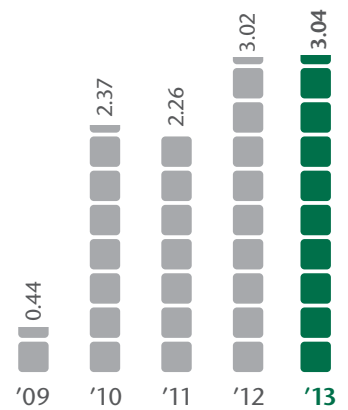




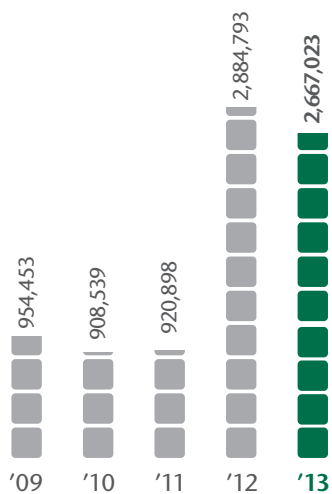
**PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT**  
(RM'000)



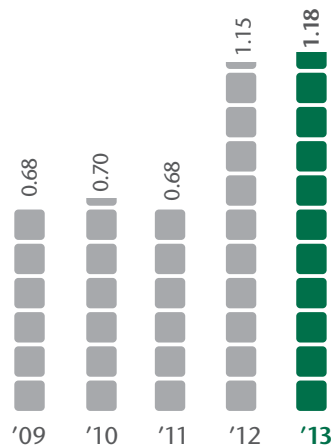
**TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT**  
(RM'000)



**EARNINGS PER SHARE**  
(SEN)



**TOTAL ASSETS**  
(RM'000)



**NET ASSETS PER SHARE**  
(RM)

## CHAIRMAN'S STATEMENT



DATO' SULEIMAN BIN ABDUL MANAN  
Chairman

On behalf of the Board of Directors of YTL Land & Development Berhad ("YTL L&D" or the "Company"), I have the pleasure of presenting to you the Annual Report and audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2013.

### OVERVIEW

The Group's performance for the financial year under review was satisfactory, resulting from the completion of offshore developments in Singapore and timing differences of new project launches.

The Malaysian economy performed better during the 2012 calendar year, registering gross domestic product (GDP) growth of 5.6% on the back of resilient domestic demand, compared to 5.1% in 2011. The first half of 2013, however, has seen growth moderate to an average of 4.2%, affected by a weaker external sector. In the domestic residential market, consumer sentiment remains stable, with new launches in Kuala Lumpur, Selangor, Johor and Perak drawing the highest take-up rates.



In July 2013, Bank Negara Malaysia announced measures to control excessive household debt levels and reinforce responsible lending practices, including a maximum tenure of 35 years for new mortgages and 10 years for personal loans, and the longer term impact of these new initiatives remains to be seen (sources: Ministry of Finance, Bank Negara Malaysia reports & updates).

Just after the close of the financial year, in July 2013, the Group sold out the first two blocks of The Fennel during its preview for this newest phase of Sentul East. The resounding success replicated the overwhelming response to The Capers, launched in 2011 to similarly significant levels of interest.

Meanwhile, the Group's Sandy Island luxury waterfront collection in Singapore's Sentosa Cove continues to make its mark in the international real estate arena, winning the award for **Best Residential (Low Rise)** at the **FIABCI Singapore Property Awards 2012**. Sandy Island's win in the Singapore awards qualified the development to compete in FIABCI's international awards against the best developments in the world, and Sandy Island was named the **Gold Winner for Best Residential (Low Rise)** at the **FIABCI Prix d'Excellence Awards 2013**, the international real estate industry's top accolade.

## FINANCIAL PERFORMANCE

The Group's revenue stood at RM184.7 million for the financial year ended 30 June 2013, compared to RM581.4 million for the previous financial year ended 30 June 2012, whilst profit attributable to owners of the parent increased marginally to RM25.2 million this year over RM25.0 million last year. The decrease in revenue arose mainly due to timing differences of new project launches and the absence of revenue contributed by offshore subsidiaries following the completion of projects.

## REVIEW OF OPERATIONS

The newest phase of the Group's Sentul development, The Fennel, consists of 916 units housed in four high-rise towers, the first two of which were sold out during their preview in July this year. Amongst its many features and unique architectural elements, The Fennel offers two suspended salt-water swimming pools and a multitude of 'tropical verandas', reinterpreted as a series of pocket gardens and sky forests set on selected floors throughout the towers.

Progress is ongoing on **The Capers** at Sentul East, which features 489 units housed in a pair of towers and 5-storey low-rise blocks on the podium floors of the towers. The tower units offer 2-bedroom and 3+1-bedroom configurations, whilst the low-rise suites feature 4+1-bedroom duplexes and 2+1-bedroom suites. Set in proximity to each other, The Capers and The Fennel will, upon completion, transform the silhouette of the Kuala Lumpur skyline.

In Sentul East, a skywalk across Jalan Sentul connecting the d6 and d7 commercial phases was completed in September 2013, providing a seamless connection between the two buildings. The d6-d7 link is the first phase of the **Sentul Skywalk**, an integral element of Sentul East's holistic pedestrian circulation system, designed to enhance the appeal and functionality alike of this stylish and cosmopolitan business precinct.

In Singapore, the Group's premium residential project in the city is a luxury condominium on **Orchard Boulevard**, one of the most prestigious residential addresses in Singapore. Located near the world famous shopping street, Orchard Road, the freehold development is designed by multi-award winning Italian architect and designer Antonio Citterio, renowned for designing the Bvlgari hotels and resort in Milan, London and Bali. The project has received planning approval from Urban Redevelopment







Authority of Singapore, and construction has commenced. Featuring 77 exclusive residences, the project is slated for completion by 2015, with plans to preview selected units to the market next year.

**Sandy Island**, the Group's maiden residential project in Singapore, completed last year, was honoured with the prestigious FIABCI Prix d'Excellence Award 2013 for Best Residential (Low Rise) in recognition of its outstanding design. The international FIABCI Prix d'Excellence Award is the first-ever for YTL L&D and adds to the project's numerous accolades, including the Southeast Asia Property Awards 2011 for Best Architectural (South East Asia) and Best Housing Development (Singapore) and CNBC Asia-Pacific Property Awards 2009 for Best Development (Singapore) and Best Development Marketing (International).

The Group undertakes consultancy and marketing services for the **Lake Fields** and **Midfields** developments in Sungei Besi, being developed by its sister company, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd. The third and final phase of **The Trillium**, part of Lake Fields' commercial development, consisting of 94 units of 3-storey shop offices, was completed in November 2012. In Lake Fields' residential phases,

**Dale**, which comprises 343 units of 3-storey homes with built-up areas of 2,600 sq. ft., was completed in October 2012, whilst construction on **Grove and Reed** is still underway and progressing well.

Meanwhile, at the Midfields development, **Midfields Condominium** was completed in December 2012, whilst the commercial phase of 40 units of 3-storey shop offices, **Midfields Square**, was completed in May 2013.

## CORPORATE SOCIAL RESPONSIBILITY

The Group believes that effective corporate social responsibility can deliver benefits to its businesses and its shareholders by enhancing reputation and business trust, risk management, relationships with regulators, staff motivation and retention, customer loyalty and long-term shareholder value.

Social responsibility and sustainability are key values of the Group and YTL L&D places a high priority on acting responsibly in the conduct of its business. The Group is part of the wider network of the YTL group of companies under the umbrella of its parent company, YTL Corporation Berhad, which has a long-standing commitment to creating successful, profitable and sustainable businesses.







The Group remains committed to developing truly branded homes with innovative and sustainable living concepts, built to strict standards, for the well-being of all homeowners within the Group's communities.

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

## FUTURE PROSPECTS

The outlook for Malaysia's economy remains fairly stable with GDP growth for the full 2013 calendar year expected to average between 4.5% and 5.0%, anchored by the continued resilience of domestic demand and supported by a gradual improvement in the external sector. The domestic property market has remained stable despite wider economic uncertainties, both locally and internationally, but the effects of recent measures introduced by Bank Negara Malaysia to manage household debt levels remain to be seen, and any future increases in lending rates or changes in financing conditions would have a knock-on effect on the market (*sources: Ministry of Finance, Bank Negara Malaysia updates*).

The Group's future developments will remain focused on designs and concepts that surpass conventional approaches and keep pace with demographic shifts in the marketplace. Whilst much of this shift is fuelled by a new generation of young adults and first-time homebuyers whose lifestyle and corresponding housing preferences are translating into new trends in the industry, the Group will also continue to adhere to its proven combination of fine craftsmanship, truly innovative design and inspiring architectural elements that appeal to investment-savvy purchasers and homeowners alike in mature markets.

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

**DATO' SULEIMAN BIN ABDUL MANAN**  
DPMS



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Seventy-Third Annual General Meeting of YTL Land & Development Berhad (“the Company”) will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 26th day of November, 2013 at 11.00 a.m. to transact the following business:-

## AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2013 together with the Reports of the Directors and Auditors thereon; *Please refer Explanatory Note A*
2. To re-elect the following Directors who retire pursuant to Article 84 of the Company’s Articles of Association:-
  - (i) Dato’ Sri Michael Yeoh Sock Siong *Resolution 1*
  - (ii) Dato’ Mark Yeoh Seok Kah *Resolution 2*
3. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-
  - (i) “THAT Dato’ Suleiman Bin Abdul Manan, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.” *Resolution 3*
  - (ii) “THAT Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.” *Resolution 4*
  - (iii) “THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.” *Resolution 5*
4. To approve the payment of Directors’ fees amounting to RM430,000 for the financial year ended 30 June 2013; *Resolution 6*
5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. *Resolution 7*

## AS SPECIAL BUSINESS

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

### ORDINARY RESOLUTIONS:-

6. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS
  - (i) “THAT approval be and is hereby given to Dato’ Cheong Keap Tai, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company.” *Resolution 8*
  - (ii) “THAT subject to the passing of the Ordinary Resolution 5, approval be and is hereby given to Eu Peng Meng @ Leslie Eu, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company.” *Resolution 9*



## 7. PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.”

*Resolution 10*

## 8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

“THAT subject to the Company’s compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company’s Memorandum and Articles of Association and the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (“the Proposed Share Buy-Back”) provided that:-

- (i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders’ mandate for share buy-back which was obtained at the Annual General Meeting held on 27 November 2012 the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
- (ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2013, the audited Accumulated Losses and Share Premium Account of the Company were RM7,152,000 and RM177,471,000 respectively; and
- (iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
  - (a) the shares so purchased may be cancelled; and/or
  - (b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
  - (c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

## Notice of Annual General Meeting

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

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

**Resolution 11**

### 9. PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 4 November 2013 subject to the following:-

- (i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholder mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate."

**Resolution 12**



# Notice of Annual General Meeting

## SPECIAL RESOLUTION:-

### 10. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

“THAT the proposed amendments to the Articles of Association of the Company as set out in Appendix ‘A’ of the Statement/Circular to Shareholders dated 4 November 2013 be and are hereby approved and adopted AND THAT the Directors be and are hereby authorised to carry out all the necessary steps to give effect to the amendments.”

*Resolution 13*

By Order of the Board,

**HO SAY KENG**

Company Secretary

KUALA LUMPUR

4 November 2013

# Notice of Annual General Meeting

## NOTES:-

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. An instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 19 November 2013. Only a depositor whose name appears on the General Meeting Record of Depositors as at 19 November 2013 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

## EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

## EXPLANATORY NOTES TO SPECIAL BUSINESS

### Resolution pertaining to the Continuing in Office as Independent Non-Executive Directors

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolutions 8 and 9 are to enable Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu to continue serving as Independent Directors of the Company to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The justifications of the Board of Directors for recommending and supporting the resolutions for their continuing in office as Independent Directors are set out under the Statement on Corporate Governance in the Company's Annual Report 2013.

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

Resolution 10 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Seventy-Second Annual General Meeting held on 27 November 2012 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Seventy-Third Annual General Meeting to be held on 26 November 2013.

Resolution 10, if passed, will enable the Directors to allot and issue ordinary shares at any time from unissued share capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's issued share capital for the time being without convening a general meeting which will be both time and cost consuming. The S132D Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

### Resolution pertaining to the Renewal of Authority to Buy-Back Shares of the Company

For Resolution 11, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 4 November 2013 which is despatched together with the Company's Annual Report 2013.

### Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 12, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 4 November 2013 which is despatched together with the Company's Annual Report 2013.

### Resolution pertaining to the Proposed Amendments to Articles of Association of the Company

For Resolution 13, details of the Proposed Amendments to Articles of Association are set out in Appendix 'A' of the Statement/Circular dated 4 November 2013 which is despatched together the Company's Annual Report 2013.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

## DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

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



## BOARD OF DIRECTORS

### Chairman

**Dato' Suleiman Bin Abdul Manan**  
DPMS

### Managing Director

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

### Directors

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

**Dato' Cheong Keap Tai**

**Dato' Yeoh Seok Kian**

DSSA  
BSc (Hons) Bldg, MCIQB, FFB

**Dato' Yeoh Seok Hong**

DSPN, JP  
BE (Hons) Civil & Structural Engineering, FFB

**Dato' Sri Michael Yeoh Sock Siong**

DIMP, SSAP  
BE (Hons) Civil & Structural Engineering, FFB

**Dato' Mark Yeoh Seok Kah**

DSSA  
LLB (Hons)

**Dato' Hamidah Binti Maktar**

DIMP  
BA (Hons)

**Eu Peng Meng @ Leslie Eu**

BCom, FCILT

## COMPANY SECRETARY

Ho Say Keng

## REGISTERED OFFICE

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

## BUSINESS OFFICE

10th Floor, Yeoh Tiong Lay Plaza  
55 Jalan Bukit Bintang  
55100 Kuala Lumpur  
Tel : 603 2117 0088  
603 2142 6633  
Fax : 603 2141 2703

## REGISTRAR

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

## SOLICITORS

Lee, Perara & Tan  
Izral Partnership  
SL Chee & Wong

## AUDIT COMMITTEE

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

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

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

## NOMINATION COMMITTEE

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

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

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

## AUDITORS

**Ernst & Young (AF 0039)**  
Chartered Accountants

## PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad  
CIMB Bank Berhad  
OCBC Bank (Malaysia) Berhad  
Standard Chartered Bank Malaysia Berhad  
The Bank of Tokyo-Mitsubishi UFJ, Ltd  
United Overseas Bank Limited

## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market (7.10.1973)

## PROFILE OF THE BOARD OF DIRECTORS

### DATO' SULEIMAN BIN ABDUL MANAN

Malaysian, aged 75, was appointed to the Board on 18 December 1991 and is the Non-Executive Chairman of the Company. Dato' Suleiman obtained his education from the Malay College, Kuala Kangsar, University Malaya and L'Institut International D'Administration Publique, Paris. He was a member of the Malaysian Administrative and Foreign Service for 13 years. After resigning from the Civil Service in 1972, he was appointed Deputy General Manager of Malaysian Shipyard & Engineering (1972-1975), Managing Director of Malaysian Rubber Development Corporation (1975-1982), Group Managing Director of Kumpulan Perangas Selangor (1982-1986). He became an entrepreneur and entered the corporate world in 1987. He built Lot 10 Shopping Centre, Star Hill Centre and JW Marriott Hotel. He took control of YTL Land & Development Berhad and became its Chairman and privatised KTM lands into the Sentul Raya new township. He relinquished control of the Company in April 2001 but remained as Chairman.

### TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 59, was appointed to the Board on 10 May 2001 as an Executive Director and has been the Managing Director since then. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. He became the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a force comprising five listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust.

He is presently the Managing Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, and is the Executive Chairman and Managing Director of YTL e-Solutions Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad, and YTL Starhill Global REIT Management Limited, which is the manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis sits on the boards of several public companies such as YTL Industries Berhad and YTL Cement Berhad, and private utilities companies including Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustee of YTL Foundation. Tan Sri Francis is also an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited, and is a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council, and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012.

He was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific in 2005.

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010.

### TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, aged 73, was appointed to the Board on 12 June 2006 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee and a member of the Audit Committee. Tan Sri Datuk Seri Panglima Dr. Abu Hassan holds a PhD in Sociology from Michigan State University, U.S.A., a MA and Bachelor of Arts (Hons) Second Class Upper from University of Malaya ("UM"), a D.Agr.Sc. (Honorary) from Kinki University, Japan and D. Mgmt. (Honorary) from Open University Malaysia.

He served as Tutor in the Faculty of Arts of UM from 1969 to 1971. This was followed by 23 years of service with University Kebangsaan Malaysia where he held various positions as Lecturer, Department Head to Professor in the Department of Anthropology & Sociology, Dean of the Faculty of Social Sciences & Humanities, and Deputy Vice Chancellor of Student Affairs. From 1994 to 2005, Tan Sri Datuk Seri Panglima Dr. Abu Hassan who was a Distinguished Fulbright Hays scholar, served as the Founding and First Vice Chancellor of University Malaysia Sabah. While serving as Vice Chancellor, he also held distinguished appointments both nationally and internationally. Nationally, he was Chairman of the Malaysian Vice Chancellors Committee, Chairman of the Malaysian Examination Council, member of the Malaysian



## Profile of the Board of Directors

National Higher Education Council and board member of National Productivity Corporation. On the international front, he represented Malaysia as Chairman of the Council of the University Mobility of Asia Pacific, Chairman of the Malaysian-Australian Vice Chancellors Committee, board member of the Association of Commonwealth Universities as well as board member of the Association of South East Asian Institutions of Higher Learning. He was the Chairman of both Permai Polyclinic Sdn Bhd and Malaysian-American Commission on Educational Exchange. Tan Sri Datuk Seri Panglima Dr. Abu Hassan is a director of YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad, as well as Chairman of Malaysian Qualification Agency and Meteor Doc. Sdn Bhd.

### **DATO' CHEONG KEAP TAI**

Malaysian, aged 65, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee and Nomination Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a member of the Malaysian Institute of Certified Public Accountants, member of Malaysian Institute of Taxation and Licensed Tax Agent and a member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong was the Executive Director, Partner and Chairman of the Governance Board of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director, Partner and Chairman of the Governance Board of PricewaterhouseCoopers until his retirement in December 2003. He is currently also a director of YTL Corporation Berhad, YTL e-Solutions Berhad, Gromutual Berhad and several private limited companies.

### **DATO' YEOH SEOK KIAN**

Malaysian, aged 56, has been an Executive Director of the Company since 10 May 2001. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He is also the Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities companies, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of

Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

### **DATO' YEOH SEOK HONG**

Malaysian, aged 54, was appointed to the Board on 10 May 2001 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and is currently overseeing the building of the fourth generation (4G) Worldwide Interoperability for Microwave Access (WiMAX) network by YTL Communications Sdn Bhd. He serves as an Executive Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation.

### **DATO' SRI MICHAEL YEOH SOCK SIONG**

Malaysian, aged 53, was appointed to the Board on 10 May 2001 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as an Executive Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad and private utilities companies, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore.

## Profile of the Board of Directors

### **DATO' MARK YEOH SEOK KAH**

Malaysian, aged 48, was appointed to the Board on 10 May 2001 as an Executive Director. He graduated from King's College, University of London, with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves as an Executive Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Cement Berhad and private utilities companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

### **DATO' HAMIDAH BINTI MAKTAR**

Malaysian, aged 59, was appointed to the Board on 17 March 1998 as an Executive Director. She obtained her BA Honours from the University of Malaya. She joined Nestle Malaysia Sdn Bhd in 1977 and in 1984 joined Matsushita Sales & Service as the Marketing Manager. In 1987, she left to join BP Malaysia as the Corporate Communications Manager. In 1989, at BP Malaysia, Dato' Hamidah was appointed the Retail District Manager for Peninsular Malaysia and in 1991, she was promoted to undertake both local and regional responsibilities as Business Support Manager for Malaysia and Singapore and Regional Brand Manager for South East Asia. She was made the EXCO member or Top Management Team of BP Malaysia and represented South East Asia for the BP Brand Global Panel in the Reimaging of BP worldwide. In 1994, she left the multinational to join Landmarks Berhad as the Managing Director of Sungei Wang Plaza. Dato' Hamidah joined the Company in 1996 as Group General Manager and was redesignated to Group Director of Operations in March 1997. In 1998, she was appointed Managing Director designate to undertake the restructuring exercise of the group until its completion in May 2001.

### **EU PENG MENG @ LESLIE EU**

Malaysian, aged 78, was appointed to the Board on 15 June 2001 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee and a member of the Nomination Committee. Mr Leslie Eu graduated with a Bachelor of Commerce degree from the University College Dublin, Ireland. He is a Fellow of the Chartered Institute of Logistics and Transport and was one of the founding directors of Global Maritime Ventures Berhad. He has been in the shipping business for more than 50 years. He was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a board member of Lembaga Pelabuhan Kelang from 1970 to 1999 and Lloyd's Register of Shipping (Malaysia) Bhd from 1983 to 2009. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the boards of YTL Corporation Berhad and YTL Cement Berhad. He is also a director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.



## DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 5 Board meetings were held and the details of attendance are as follows:-

|   | Attendance |
|---|------------|
| Dato' Suleiman Bin Abdul Manan                        | 5          |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping             | 5          |
| Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman | 5          |
| Dato' Cheong Keap Tai                                 | 5          |
| Dato' Yeoh Seok Kian                                  | 3          |
| Dato' Yeoh Seok Hong                                  | 5          |
| Dato' Sri Michael Yeoh Sock Sing                      | 4          |
| Dato' Mark Yeoh Seok Kah                              | 3          |
| Dato' Hamidah Binti Maktar                            | 4          |
| Eu Peng Meng @ Leslie Eu                              | 4          |

### Notes:

**1. Family Relationship with Director and/or Major Shareholder**

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah are siblings. Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay, the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah, is a deemed major shareholder of the Company. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

**2. Conflict of Interest**

None of the Directors has any conflict of interest with the Company.

**3. Conviction of Offences**

None of the Directors has been convicted of any offences in the past ten (10) years.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

In preparing the financial statements for the financial year ended 30 June 2013, the Directors have:

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

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

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



## MEMBERS

**Eu Peng Meng @ Leslie Eu**

*(Chairman/Independent Non-Executive Director)*

**Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman**

*(Member/Independent Non-Executive Director)*

**Dato' Cheong Keap Tai**

*(Member/Independent Non-Executive Director)*

## TERMS OF REFERENCE

### PRIMARY PURPOSES

The Committee shall:-

1. Provide assistance to the Board of Directors ("Board") in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for YTL Land & Development Berhad and its subsidiaries ("Group").
2. Assist to improve the Company and the Group's business efficiency, the quality of the accounting function, the system of internal controls and the audit function to strengthen the confidence of the public in the Company and the Group's reported results.
3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.
4. Enhance the independence of both the external and internal auditors' function through active participation in the audit process.
5. Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.
6. Act upon the Board's request to investigate and report on any issues or concerns in regard to the management of the Company and the Group.
7. Review existing practices and recommend to management to formalise an ethics code for all executives and members of the staff of the Company and the Group.
8. Instil discipline and control to reduce incidence of fraud.

## COMPOSITION

1. The Committee shall be appointed by the Board from amongst their number and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.
2. At least one member of the Audit Committee:-
  - (a) must be a member of the Malaysian Institute of Accountants; or
  - (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
    - (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - (ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
  - (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").
3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.
4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.
5. In the event of any vacancy in the Committee resulting in the non-compliance of sub-paragraph 15.09(1) of the Bursa Securities Main Market Listing Requirements ("Main LR"), the Company must fill the vacancy within three (3) months.

## AUTHORITY

The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:-

1. have explicit authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;

# Audit Committee Report

3. have full and unrestricted access to any information pertaining to the Company and the Group;
  4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
  5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
  6. be able to convene meetings with the internal auditors without the presence of other directors and employees of the Company, whenever deemed necessary; and
  7. to meet with the external auditors at least twice a year without the presence of the other directors and employees of the Company.
- (c) Recommend the nomination of a person or persons as external auditors and the audit fee;
  - (d) Review any letter of resignation from the external auditors of the Company;
  - (e) Review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
  - (f) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors.

## FUNCTIONS AND DUTIES

The Committee shall, amongst others, discharge the following functions:-

### 1. Financial Reporting

- (a) Review the quarterly financial results and annual financial statements prior to its recommendation to the Board for approval, focusing particularly on:-
  - changes in or implementation of major accounting policies and practices;
  - significant and unusual events;
  - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Company and the Group;
  - compliance with applicable approved accounting standards, other statutory and legal requirements and the going concern assumption.

### 2. External Audit

- (a) Review the audit plan, scope of audit and audit report with the external auditors;
- (b) Review the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Company and the Group's operations and efforts and processes taken to reduce the Company and the Group's operational risks;

### 3. Internal Audit

- (a) Review 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;
- (b) Review the internal audit programme, 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;
- (c) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the internal auditors.

### 4. Related Party Transactions

- (a) Review any related party transaction and conflict of interest situation that may arise within the Company/ Group and any related parties outside the Company/ Group including any transaction, procedure or course of conduct that raises questions of management integrity.

### 5. Employees Share Option Scheme ("ESOS")

- (a) Verify allocation of share options to the eligible employees pursuant to the criteria set out in the By-Laws of the ESOS in accordance to the Main LR.

### 6. Other Matters

- (a) Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company/Group and ensure the effective discharge of the Committee's duties and responsibilities;

- (b) Promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Main LR.

## MEETINGS

1. To form a quorum in respect of a meeting of the Committee, the majority of members present must be Independent Directors.
2. The Committee shall meet at least five (5) times a year, although additional meetings may be called at any time at the discretion of the Chairman of the Committee. An agenda shall be sent to all members of the Committee and any other persons who may be required/invited to attend. All meetings to review the quarterly financial results and annual financial statements, shall be held prior to such quarterly financial results and annual financial statements being presented to the Board for approval.
3. Notwithstanding item 2 above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter which should be brought to the attention of the Directors or shareholders.
4. The external auditors and internal auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.
5. The Committee may invite any Board member or any member of the management within the Company/Group whom the Committee thinks fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.
6. The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.
7. The Committee may establish any regulations from time to time to govern its administration.

## MINUTES

1. The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
2. Minutes of each meeting shall also be distributed to the members of the Committee prior to each meeting.
3. Detailed minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.
4. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee or the Board.

## SECRETARY

The Secretary to the Committee shall be the Company Secretary.

## SUMMARY OF ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2013 in discharging its functions:-

### 1. Financial Reporting

- (a) Reviewed the quarterly financial results and annual financial statements to ensure compliance with the Main LR, Financial Reporting Standards and other statutory and regulatory requirements prior to its recommendation to the Board for approval.



# Audit Committee Report

## 2. External Audit

- (a) Reviewed the external auditors' scope of work and their audit plan and recommended the proposed audit fee to the Board for approval;
- (b) Reviewed with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

## 3. Internal Audit

- (a) Reviewed the internal auditors' audit plan to ensure adequate scope and coverage of activities of the Company and the Group;
- (b) Reviewed with the internal auditors, the internal audit reports on their findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management;
- (c) Reviewed the adequacy and competency of the internal audit function and the profiles of the internal auditors.

## 4. Related Party Transactions

- (a) Reviewed the related party transactions entered into by the Company/Group in compliance with the Main LR;
- (b) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature within the Company/Group prior to its recommendation to the Board for approval for inclusion in the circular to the shareholders in relation to the proposed renewal of shareholder mandate and new shareholder mandate for RRPT.

## 5. Annual Report

- (a) Reviewed the Audit Committee Report and Statement on Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.

## INTERNAL AUDIT FUNCTION

The objective of the Internal Audit ("IA") is to help management evaluate the effectiveness and efficiency of the internal control systems. The IA is part of the Company and the Group's governance system, and according to the Malaysian Code of Corporate Governance, the IA is in charge of supervising internal control activities. IA's goal is to focus mainly on risk-based audits related to operations and compliance that are aligned with the risks of the Company and the Group to ensure that the relevant controls addressing those risks are reviewed.

The activities of the internal audit function during the year under review include:-

1. Developed the annual internal audit plan and proposed the plan to the Committee.
2. Conducted scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommended improvements where necessary.
3. Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Presented audit findings to the Committee for consideration.
5. Conducted recurrent related party transactions reviews to assess accuracy and completeness of reporting.

Costs amounting to approximately RM72,675 were incurred in relation to the internal audit function for the financial year ended 30 June 2013.

## NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of five (5) Audit Committee meetings were held and the details of attendance are as follows:-

|   | <b>Attendance</b> |
|---|-------------------|
| Eu Peng Meng @ Leslie Eu                              | 4                 |
| Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman | 5                 |
| Dato' Cheong Keap Tai                                 | 4                 |

# STATEMENT ON CORPORATE GOVERNANCE

for the financial year ended 30 June 2013

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

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

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

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code for the financial year ended 30 June 2013. This statement explains the Company’s application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, including, where otherwise indicated, explanations of its alternative measures and processes.

## ROLES & RESPONSIBILITIES OF THE BOARD

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

- Reviewing and adopting strategic plans for the YTL L&D Group;
- Overseeing the conduct of the YTL L&D Group’s business operations and financial performance;
- Identifying principal risks affecting the YTL L&D Group’s businesses and maintaining a sound system of internal control and mitigation measures;
- Succession planning;

- Overseeing the development and implementation of shareholder communications policies; and
- Reviewing the adequacy and integrity of the YTL L&D Group’s management information and internal controls system.

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

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

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

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

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

# Statement on Corporate Governance

for the financial year ended 30 June 2013

The Board's functions are governed and regulated by the Memorandum and Articles of Association of the Company and the various applicable legislation, Listing Requirements and other regulations and codes. In accordance with the Code, a formal charter will also be drawn up for the Board's adoption at a later date.

Board meetings are scheduled with due notice in advance at least 5 times a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL L&D Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2013.

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

The Directors have full and unrestricted access to all information pertaining to the YTL L&D Group's business and affairs to enable them to discharge their duties. Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting.

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

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with

relevant legislation and regulations. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of the Company.

## COMPOSITION & INDEPENDENCE OF THE BOARD

The Board currently has 10 Directors, comprising 6 executive members and 4 non-executive members, 3 of whom are independent. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent.

In accordance with the Company's Articles of Association, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments. Directors who are over seventy years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129 of the Companies Act 1965. The names and details of Directors seeking re-election at the forthcoming AGM are disclosed in the *Notice of Annual General Meeting* and the *Profile of the Board of Directors*, respectively, in this Annual Report.

The appointment of Directors has generally been undertaken by the Board as a whole, with the Managing Director recommending candidates suitable for appointment to the Board, and the final endorsement being made by the entire Board to ensure the required mix of skills, experience and expertise of members of the Board. However, on 23 May 2013, the Board established a Nomination Committee to take responsibility for this function and will begin reporting on the activities of this committee in the next financial year.

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre to lead the YTL L&D Group successfully. In general, the remuneration of the Directors is reviewed against the performance of the individual and the YTL L&D Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member.



# Statement on Corporate Governance

for the financial year ended 30 June 2013

The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

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

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

Together, the Directors believe that the structure of the Board satisfactorily reflects the interests of its shareholders and is able to provide clear effective leadership to the YTL L&D Group. The composition of the Board reflects the wide range of business, commercial and financial experience essential in the management and direction of a corporation with international presence. A brief description of the background of each Director is presented in the *Profile of the Board of Directors* in this Annual Report.

The Code includes a recommendation that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Board does not have set term limits for its members and considers instead the ability of the Directors to continue to serve and act in the best interests of the YTL L&D Group. The Independent Non-Executive Directors must also fulfil the criteria for independence set out in the Listing Requirements. It is the Board's view that the length of service of the Independent Directors who have served on the Board for more than 9 years does not interfere with their exercise of independent judgment or their ability to act in the best interests of the YTL L&D Group. The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management or daily operations of the YTL L&D Group. These Directors serve in a professional capacity and do not have executive roles or business ties to the Company.

Length of service enables the Independent Non-Executive Directors to better understand the YTL L&D Group and its businesses over the long-term and, therefore, better serve the interests of the Company and its shareholders by having a long-term familiarity with and understanding of the Company, its operations and growth strategies.

The Board is satisfied with the skills, contributions and independent judgment that Dato' Cheong Keap Tai and Mr Eu Peng Meng @ Leslie Eu, who have served for 9 years or more, bring to the Board. In view thereof, the Board recommends and supports the resolutions for their re-appointment as Independent Non-Executive Directors of the Company which will be tabled for shareholders' approval at the forthcoming AGM of the Company.

## BOARD COMMITMENT

In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL L&D Group thereby enabling them to discharge their duties effectively. The details of each Director's attendance of Board meetings are also disclosed in the *Profile of the Board of Directors* in this Annual Report.

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the YTL L&D Group operates, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. All Directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Throughout the financial year under review, the Directors attended various briefings, conferences, seminar programmes and speaking engagements covering areas that included corporate governance, leadership, relevant industry updates and global business developments which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

# Statement on Corporate Governance

for the financial year ended 30 June 2013

## INTEGRITY IN FINANCIAL REPORTING

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

The Audit Committee met 5 times during the financial year ended 30 June 2013. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the *Audit Committee Report* in this Annual Report.

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

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

In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, to present a true and fair assessment of the Company's position and prospects. Interim financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities.

## RISK MANAGEMENT

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

## CORPORATE DISCLOSURE & COMMUNICATION WITH SHAREHOLDERS

The YTL L&D Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting stakeholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders.

Accordingly, the Board ensures that shareholders are kept well-informed of any major development of the YTL L&D Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Company's corporate website at [www.ytlland.com](http://www.ytlland.com) and the YTL Corporation Berhad Group's community website at [www.ytlcommunity.com](http://www.ytlcommunity.com), in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

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

# Statement on Corporate Governance

for the financial year ended 30 June 2013

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

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

The rights of shareholders, including the right to demand a poll, are found in the Articles of Association of the Company. At the 72nd AGM of the Company, held on 27 November 2012, the resolutions put forth for shareholders' approval were voted on by a show of hands as there were no shareholder demands for voting to be done by way of a poll.

This statement was approved by the Board of Directors on 3 October 2013.



# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2013

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

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

## RESPONSIBILITIES OF THE BOARD

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

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

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

The Board is committed to maintaining a sound internal control structure that includes processes for continuous monitoring and review of effectiveness of control activities,

and to govern the manner in which the YTL L&D Group and its staff conduct themselves. The principal features which formed part of the YTL L&D Group’s system of internal control can be summarised as follows:-

- **Authorisation Procedures:** The YTL L&D Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL L&D Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interests of shareholders.
- **Authority Levels:** The YTL L&D Group has delegated authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.  
  
The authority of the Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, interest rate risk management, investments, insurance and designation of authorised signatories.
- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL L&D Group’s state of affairs are disclosed to shareholders after review and audit by the external auditors.
- **Internal Compliance:** The YTL L&D Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies, as well as changes to legal and regulatory compliance requirements relevant to the YTL L&D Group. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

# Statement on Risk Management & Internal Control

for the financial year ended 30 June 2013

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

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

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

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

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

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

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

a weekly basis to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL L&D Group Managing Director, Executive Directors and senior managers.

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

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

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

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

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

# Statement on Risk Management & Internal Control

for the financial year ended 30 June 2013

In terms of financial risk, the YTL L&D Group's operations are subject to liquidity risk, credit risk, interest rate risk and foreign currency risk. The YTL L&D Group's financial risk management policy seeks to ensure that adequate resources are available to manage these risks and to create value for its shareholders. The Board reviews and agrees policies and procedures for the management of these risks. It is not in the YTL L&D Group's policy to engage in speculative transactions. Further discussion and details on the YTL L&D Group's financial risk management is contained in Note 38 of the *Notes to the Financial Statements* in this Annual Report.

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

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

## REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs Ernst & Young, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2013, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

## CONCLUSION

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

This statement was approved by the Board of Directors on 3 October 2013.



# DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

for the financial year ended 30 June 2013

At the last Annual General Meeting of YTL Land & Development Berhad (“YTL L&D”) held on 27 November 2012, the Company had obtained a mandate from its shareholders to allow YTL L&D and/or its subsidiaries (“YTL L&D Group”) to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL L&D or its subsidiaries (“Recurrent Related Party Transactions”).

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Main LR”), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2013 pursuant to the said shareholder mandate are as follows:-

## Companies in the YTL L&D Group involved in the Recurrent Related Party Transactions

| Related Party                               | Nature of Transactions  | Interested Related Parties            | Nature of Relationship   | Value of Transactions RM'000 |
|---|---|---------------------------------------|--|------------------------------|
| Bayumaju Development Sdn Bhd,               | Subsidiaries <sup>(e)</sup> of YTL Corporation <sup>(b)</sup> (“YTL Corporation Group”)                 | YTL <sup>(a)</sup>                    | ^Major Shareholder/<br>^Person<br>Connected <sup>(1)</sup>       | 127,914                      |
| Lakefront Pte Ltd,                          | Car parking fees paid to Related Party;   | YTL Corporation <sup>(b)</sup>        | ^Major Shareholder/<br>^Person<br>Connected <sup>(2)</sup>       |                              |
| Pakatan Perakbina Sdn Bhd,                  | Provision of construction materials by Related Party;   | Tan Sri Yeoh Tiong Lay <sup>(c)</sup> | ^Major Shareholder/<br>^Person<br>Connected <sup>(1)(2)(3)</sup> |                              |
| Sandy Island Pte Ltd,                       | Provision of hotel related services by Related Party;   | Yeoh Siblings <sup>(d)</sup>          | Directors<br>(1)(2)(3)   |                              |
| Sentul Raya Sdn Bhd,                        | Rental received from Related Party for Lot 183, Seksyen 83, Sentul Park, Kuala Lumpur premises;         |                                       |  |                              |
| Syarikat Kemajuan Perumahan Negara Sdn Bhd, | Project management and marketing agent fees paid by Related Party;                                      |                                       |  |                              |
| YTL L&D,                                    | Rental of premises at Starhill Gallery and Lot 10 Shopping Centre, Kuala Lumpur from Related Party;     |                                       |  |                              |
| YTL Westwood Properties Pte Ltd             | Rentals received or paid for use of residential premises;<br><br>Management fees paid to Related Party. |                                       |  |                              |

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

for the financial year ended 30 June 2013

## Definitions:-

- |                                      |   |
|--------------------------------------|---|
| (a) YTLSh                            | – Yeoh Tiong Lay & Sons Holdings Sdn Bhd  |
| (b) YTL Corporation                  | – YTL Corporation Berhad  |
| (c) Tan Sri Yeoh Tiong Lay           | – Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay   |
| (d) Yeoh Siblings                    | – Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah |
| (e) Subsidiaries of YTL Corporation  | – Excluding YTL L&D, YTL e-Solutions Berhad, YTL Power International Berhad and their subsidiaries  |
| ^ Major Shareholder/Person Connected | – As defined in Paragraph 1.01 of the Main LR   |

## Notes:-

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

# ANALYSIS OF SHARE/IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK (ICULS) HOLDINGS

as at 27 September 2013

Class of shares : Ordinary shares of RM0.50 each

Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

## DISTRIBUTION OF SHAREHOLDINGS

| Size of holding                          | No. of Shareholders | %             | No. of Shares <sup>#</sup> | % <sup>#</sup> |
|--|---------------------|---------------|----------------------------|----------------|
| Less than 100                            | 1,353               | 7.02          | 21,800                     | 0.00           |
| 100 – 1,000                              | 8,125               | 42.18         | 4,060,792                  | 0.49           |
| 1,001 – 10,000                           | 7,298               | 37.88         | 33,966,095                 | 4.10           |
| 10,001 – 100,000                         | 2,252               | 11.69         | 66,820,296                 | 8.06           |
| 100,001 to less than 5% of issued shares | 234                 | 1.22          | 189,502,885                | 22.85          |
| 5% and above of issued shares            | 2                   | 0.01          | 534,800,834                | 64.50          |
| <b>Total</b>                             | <b>19,264</b>       | <b>100.00</b> | <b>829,172,702</b>         | <b>100.00</b>  |

## THIRTY LARGEST SHAREHOLDERS

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

| Name   | No. of Shares | % <sup>#</sup> |
|--|---------------|----------------|
| 1 YTL Corporation Berhad   | 477,870,593   | 57.63          |
| 2 Maybank Securities Nominees (Tempatan) Sdn Bhd<br>– Construction Lease (M) Sdn Bhd for Bara Aktif Sdn Bhd (DLR 072)                          | 56,930,241    | 6.87           |
| 3 Maybank Securities Nominees (Tempatan) Sdn Bhd<br>– Construction Lease (M) Sdn Bhd for Dato' Mohamed Zainal Abidin bin Abdul Kadir (DLR 072) | 35,617,470    | 4.30           |
| 4 Maybank Securities Nominees (Tempatan) Sdn Bhd<br>– Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd (DLR 072)                          | 16,888,946    | 2.04           |
| 5 Maybank Securities Nominees (Tempatan) Sdn Bhd<br>– Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)                       | 14,871,794    | 1.79           |
| 6 CIMSEC Nominees (Tempatan) Sdn Bhd<br>– Pemasaran Simen Negara Sdn Bhd   | 10,111,630    | 1.22           |
| 7 Yeoh Tiong Lay & Sons Holdings Sdn Bhd   | 8,021,600     | 0.97           |
| 8 DB (Malaysia) Nominee (Asing) Sdn Bhd<br>– Exempt An for Deutsche Bank Ag Singapore (PWM Asing)  | 7,269,600     | 0.88           |
| 9 Yeoh Tiong Lay & Sons Holdings Sdn Bhd   | 6,402,200     | 0.77           |
| 10 Bara Aktif Sdn Bhd  | 4,200,000     | 0.51           |
| 11 Maybank Securities Nominees (Tempatan) Sdn Bhd<br>– Construction Lease (M) Sdn Bhd for Raja Dato' Wahid Bin Raja Kamaral Zaman (DLR 072)    | 3,896,438     | 0.47           |
| 12 Yeoh Tiong Lay & Sons Holdings Sdn Bhd  | 3,432,500     | 0.41           |
| 13 Citigroup Nominees (Asing) Sdn Bhd<br>– CBNY for Dimensional Emerging Markets Value Fund  | 3,111,800     | 0.38           |
| 14 Citigroup Nominees (Tempatan) Sdn Bhd<br>– Employees Provident Fund Board (Alliance Inv)  | 3,000,000     | 0.36           |
| 15 HSBC Nominees (Asing) Sdn Bhd<br>– Exempt An for BNP Paribas Securities Services (Singapore-SGD)  | 2,994,800     | 0.36           |
| 16 HSBC Nominees (Asing) Sdn Bhd<br>– BBH (LUX) Sca for Nikko Am Asia-Pacific Ex-Japan Fund (Nikkogb Umb FD)                                   | 2,797,700     | 0.34           |
| 17 YTL Corporation Berhad  | 2,119,300     | 0.26           |



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

as at 27 September 2013

## THIRTY LARGEST SHAREHOLDERS (CONT'D.)

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

| Name  | No. of Shares      | %#           |
|---|--------------------|--------------|
| 18 Eagletron Venture Corp.  | 1,981,600          | 0.24         |
| 19 Public Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Lee Kwong Joo (E-KLC)                               | 1,784,300          | 0.22         |
| 20 Kenanga Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Lee Kwong Joo (001)                                | 1,744,500          | 0.21         |
| 21 HSBC Nominees (Asing) Sdn Bhd<br>– BBH and CO Boston for Southeast Asia Equity Mother Fund (NMTB)                          | 1,501,100          | 0.18         |
| 22 Citigroup Nominees (Asing) Sdn Bhd<br>– CBNY for DFA Emerging Markets Small Cap Series                                     | 1,286,200          | 0.16         |
| 23 HSBC Nominees (Asing) Sdn Bhd<br>– BBH and CO Boston for Daiwa Asean Intraregional Demand Equity Fund (JTSB RB)            | 1,272,300          | 0.15         |
| 24 HLB Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Lee Kwong Joo  | 1,189,200          | 0.14         |
| 25 Cartaban Nominees (Asing) Sdn Bhd<br>– SSBT Fund C021 for College Retirement Equities Fund                                 | 1,133,600          | 0.14         |
| 26 Wong Keat Keong  | 1,034,600          | 0.13         |
| 27 Affin Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (TAN6986M)              | 1,000,000          | 0.12         |
| 28 Maybank Securities Nominees (Asing) Sdn Bhd<br>– UOB-Kay Hian Pte Ltd for Tan Chwee Huat                                   | 1,000,000          | 0.12         |
| 29 Ong Swee Lian  | 1,000,000          | 0.12         |
| 30 Citigroup Nominees (Asing) Sdn Bhd<br>– CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc | 949,200            | 0.11         |
| <b>Total</b>  | <b>676,413,212</b> | <b>81.58</b> |

## SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

| Name  | Direct      | No. of Shares Held |                          | %#    |
|---|-------------|--------------------|--------------------------|-------|
|   |             | %#                 | Indirect                 |       |
| YTL Corporation Berhad  | 479,989,993 | 57.89              | –                        | –     |
| Yeoh Tiong Lay & Sons Holdings Sdn Bhd                                | 17,856,300  | 2.15               | 479,989,993 <sup>①</sup> | 57.89 |
| Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay<br>Bara Aktif Sdn Bhd | –           | –                  | 497,846,293 <sup>②</sup> | 60.04 |
| Dato' Mohamed Zainal Abidin bin Abdul Kadir                           | 61,130,241  | 7.37               | –                        | –     |
| Raja Dato' Wahid bin Raja Kamaral Zaman                               | 35,688,752  | 4.30               | 78,019,187 <sup>③</sup>  | 9.41  |
|   | 3,896,438   | 0.47               | 61,130,241 <sup>④</sup>  | 7.37  |

① Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.

② Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd & YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.

③ Deemed interests by virtue of interests held by Bara Aktif Sdn Bhd & MZK Realty Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

④ Deemed interests by virtue of interests held by Bara Aktif Sdn Bhd pursuant to section 6A of the Companies Act, 1965.

# Based on the issued and paid-up share capital of the Company of RM422,172,451.00 comprising 844,344,902 ordinary shares net of 15,172,200 treasury shares retained by the Company as per Record of Depositors.

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

as at 27 September 2013

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

## DISTRIBUTION OF ICULS 2011/2021 HOLDINGS

| Size of holding                         | No. of<br>ICULS 2011/2021<br>Holders | %             | No. of<br>ICULS<br>2011/2021 | %             |
|---|--------------------------------------|---------------|------------------------------|---------------|
| Less than 100                           | 25                                   | 0.67          | 1,019                        | 0.00          |
| 100 – 1,000                             | 898                                  | 24.24         | 576,059                      | 0.06          |
| 1,001 – 10,000                          | 2,047                                | 55.27         | 8,052,226                    | 0.81          |
| 10,001 – 100,000                        | 601                                  | 16.23         | 16,814,019                   | 1.70          |
| 100,001 to less than 5% of issued ICULS | 132                                  | 3.56          | 184,611,411                  | 18.61         |
| 5% and above of issued ICULS            | 1                                    | 0.03          | 781,731,629                  | 78.82         |
| <b>Total</b>                            | <b>3,704</b>                         | <b>100.00</b> | <b>991,786,363</b>           | <b>100.00</b> |

## THIRTY LARGEST ICULS 2011/2021 HOLDERS

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

| Name   | No. of<br>ICULS<br>2011/2021 | %     |
|--|------------------------------|-------|
| 1 YTL Corporation Berhad   | 781,731,629                  | 78.82 |
| 2 Onn Kok Puay (Weng Guopei)   | 28,442,100                   | 2.87  |
| 3 Maybank Nominees (Tempatan) Sdn Bhd<br>– Etiqa Insurance Berhad (Shareholder's FD)               | 15,292,000                   | 1.54  |
| 4 Maybank Securities Nominees (Asing) Sdn Bhd<br>– Maybank Kim Eng Securities Pte Ltd (69003)      | 15,177,011                   | 1.53  |
| 5 Onn Ping Lan   | 14,512,900                   | 1.46  |
| 6 Lucky Star Pte. Ltd.   | 10,934,200                   | 1.10  |
| 7 Maybank Nominees (Tempatan) Sdn Bhd<br>– Etiqa Insurance Berhad (Life Par Fund)                  | 8,002,100                    | 0.81  |
| 8 Maybank Nominees (Tempatan) Sdn Bhd<br>– Etiqa Insurance Berhad (Non-Par Fund 2)                 | 7,211,000                    | 0.73  |
| 9 Yeoh Tiong Lay & Sons Holdings Sdn Bhd   | 4,812,960                    | 0.49  |
| 10 JF Apex Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Teo Kwee Hock (Margin)  | 4,528,400                    | 0.46  |
| 11 DB (Malaysia) Nominee (Asing) Sdn Bhd<br>– Exempt an for Deutsche Bank AG Singapore (PWM Asing) | 4,361,760                    | 0.44  |
| 12 Soo Boon Choo   | 4,000,000                    | 0.40  |
| 13 Yeoh Tiong Lay & Sons Holdings Sdn Bhd  | 3,841,320                    | 0.39  |

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

as at 27 September 2013

## THIRTY LARGEST ICULS 2011/2021 HOLDERS (CONT'D.)

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

| Name   | No. of ICULS 2011/2021 | %            |
|--|------------------------|--------------|
| 14 Gitigroup Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Koh Kim Teck (471848) | 3,200,000              | 0.32         |
| 15 MKW Jaya Sdn. Bhd.  | 2,600,000              | 0.26         |
| 16 Maybank Nominees (Tempatan) Sdn Bhd<br>– Etiqa Insurance Berhad (Par Fund 2)                    | 2,455,100              | 0.25         |
| 17 Maybank Nominees (Tempatan) Sdn Bhd<br>– H'ng Siew Tuan   | 2,374,100              | 0.24         |
| 18 Ng Ho Fatt  | 2,229,500              | 0.22         |
| 19 JF Apex Nominees (Tempatan) Sdn Bhd<br>– Pledged Securities Account for Teo Siew Lai (Margin)   | 2,119,400              | 0.21         |
| 20 Yeoh Tiong Lay & Sons Holdings Sdn Bhd  | 2,059,500              | 0.21         |
| 21 Chan Choi Ee  | 2,021,200              | 0.20         |
| 22 Ong Bee Lian  | 1,800,000              | 0.18         |
| 23 Foong Wye Soon  | 1,630,000              | 0.16         |
| 24 Heng Ah Lik   | 1,590,000              | 0.16         |
| 25 Chan Shao Perng   | 1,500,000              | 0.15         |
| 26 Onn Soo Eng (Weng Shuying)  | 1,346,600              | 0.14         |
| 27 YTL Corporation Berhad  | 1,271,580              | 0.13         |
| 28 Liew Kon Mun  | 1,267,500              | 0.13         |
| 29 Maybank Securities Nominees (Asing) Sdn Bhd<br>– Pledged Securities Account for Onn Ping Lan    | 1,200,000              | 0.12         |
| 30 Eagletron Venture Corp.   | 1,188,960              | 0.12         |
| <b>Total</b>   | <b>934,700,820</b>     | <b>94.24</b> |

# STATEMENT OF DIRECTORS' INTERESTS

in the company and related corporations as at 27 September 2013

## THE COMPANY

### YTL Land & Development Berhad

| Name                           | Direct | No. of Shares Held |                           | %    |
|--------------------------------|--------|--------------------|---------------------------|------|
|                                |        | %                  | Indirect                  |      |
| Dato' Suleiman Bin Abdul Manan | 45,188 | 0.01               | 242,848 <sup>(1)(2)</sup> | 0.03 |
| Dato' Yeoh Seok Kian           | 61,538 | 0.01               | –                         | –    |

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

## HOLDING COMPANY

### YTL Corporation Berhad

| Name   | Direct      | No. of Shares Held |                           | %    |
|--|-------------|--------------------|---------------------------|------|
|  |             | %                  | Indirect                  |      |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 133,001,216 | 1.28               | –                         | –    |
| Dato' Yeoh Seok Kian                                 | 55,481,889  | 0.54               | 4,844,248 <sup>(2)</sup>  | 0.05 |
| Dato' Yeoh Seok Hong                                 | 44,535,079  | 0.43               | 23,549,759 <sup>(2)</sup> | 0.23 |
| Dato' Sri Michael Yeoh Sock Siong                    | 53,652,534  | 0.52               | 19,332,622 <sup>(2)</sup> | 0.19 |
| Dato' Mark Yeoh Seok Kah                             | 20,081,152  | 0.19               | 4,005,597 <sup>(2)</sup>  | 0.04 |
| Dato' Hamidah Binti Maktar                           | 755,333     | 0.01               | –                         | –    |

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



# Statement of Directors' Interests

in the company and related corporations as at 27 September 2013

## ULTIMATE HOLDING COMPANY

### Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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

## RELATED CORPORATIONS

### YTL e-Solutions Berhad

| Name                              | Direct | No. of Shares Held |                          | %    |
|-----------------------------------|--------|--------------------|--------------------------|------|
|                                   |        | %                  | Indirect                 |      |
| Dato' Sri Michael Yeoh Sock Siong | –      | –                  | 1,905,500 <sup>(2)</sup> | 0.14 |

### YTL Power International Berhad

| Name   | Direct     | No. of Shares Held |                          | %    |
|--|------------|--------------------|--------------------------|------|
|  |            | %                  | Indirect                 |      |
| Dato' Suleiman Bin Abdul Manan                       | –          | –                  | 1,230 <sup>(2)</sup>     | *    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 945,040    | 0.01               | –                        | –    |
| Dato' Yeoh Seok Kian                                 | 6,386,760  | 0.09               | 1,940,200 <sup>(2)</sup> | 0.03 |
| Dato' Yeoh Seok Hong                                 | 27,510,268 | 0.39               | 3,281,179 <sup>(2)</sup> | 0.05 |
| Dato' Sri Michael Yeoh Sock Siong                    | 7,601,744  | 0.11               | 1,019,291 <sup>(2)</sup> | 0.01 |
| Dato' Mark Yeoh Seok Kah                             | 7,665,920  | 0.11               | 1,093,601 <sup>(2)</sup> | 0.02 |
| Dato' Hamidah Binti Maktar                           | 3,895      | *                  | –                        | –    |

| Name   | Direct     | No. of Warrants 2008/2018 Held |                          | %    |
|--|------------|--------------------------------|--------------------------|------|
|  |            | %                              | Indirect                 |      |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 13,726,922 | 1.18                           | –                        | –    |
| Dato' Yeoh Seok Kian                                 | 3,698,792  | 0.32                           | 282,949 <sup>(2)</sup>   | 0.02 |
| Dato' Yeoh Seok Hong                                 | 2,969,004  | 0.26                           | 1,569,981 <sup>(2)</sup> | 0.14 |
| Dato' Sri Michael Yeoh Sock Siong                    | 6,073,302  | 0.52                           | 1,587,797 <sup>(2)</sup> | 0.14 |
| Dato' Mark Yeoh Seok Kah                             | 1,338,743  | 0.12                           | 267,039 <sup>(2)</sup>   | 0.02 |
| Dato' Hamidah Binti Maktar                           | 51,955     | *                              | –                        | –    |

| Name   | No. of Share Options |                        |
|--|----------------------|------------------------|
|  | Direct               | Indirect               |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 7,000,000            | –                      |
| Dato' Yeoh Seok Kian                                 | 5,000,000            | –                      |
| Dato' Yeoh Seok Hong                                 | 5,000,000            | 500,000 <sup>(2)</sup> |
| Dato' Sri Michael Yeoh Sock Siong                    | 5,000,000            | –                      |
| Dato' Mark Yeoh Seok Kah                             | 5,000,000            | –                      |

# Statement of Directors' Interests

in the company and related corporations as at 27 September 2013

## RELATED CORPORATIONS (CONT'D.)

### Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

### Infoscreen Networks PLC

| Name   | No. of Share Held |   |
|--|-------------------|---|
|  | Direct            | % |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 100               | * |

### YTL Corporation (UK) PLC

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

### YTL Construction (Thailand) Limited

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

### Samui Hotel 2 Co. Ltd

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

\* Negligible

(1) Deemed interests by virtue of interests held by Investma Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

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

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

## SCHEDULE OF SHARE BUY-BACK

for the financial year ended 30 June 2013

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

| Monthly Breakdown | No. of Shares<br>Purchased And<br>Retained As<br>Treasury Shares | Purchase Price<br>Per Share (RM) |         | Average Cost<br>Per Share<br>(RM) | Total Cost<br>(RM) |
|-------------------|--|----------------------------------|---------|-----------------------------------|--------------------|
|                   |  | Lowest                           | Highest |                                   |                    |
| August 2012       | 100  | 1.030                            | 1.030   | 1.44040                           | 144.04             |
| February 2013     | 100  | 0.855                            | 0.855   | 1.26530                           | 126.53             |
| <b>TOTAL</b>      | <b>200</b>   |                                  |         |                                   | <b>270.57</b>      |

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2013, a total of 15,172,100 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

# LIST OF PROPERTIES

as at 30 June 2013

| Location   | Tenure    | Land Area    | Description and Existing Use                 | Built up Area (sq. m.) | Approximate Age of Building (years) | Lease Expiry Date | Net Book Value as at 30 June 2013 RM'000 | Date of Acquisition |
|--|-----------|--------------|--|------------------------|-------------------------------------|-------------------|--|---------------------|
| Lot 1070N of Town Subdivision 24, Orchard Boulevard  | Freehold  | 1.427 acres  | Residential development                      | –                      | –                                   | –                 | 1,336,114                                | 22.11.2007          |
| Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur  | Freehold  | 37.592 acres | Park land                                    | –                      | –                                   | –                 | 25,997                                   | 1995                |
|  |           | 46.986 acres | Future development land                      | –                      | –                                   | –                 | 66,160                                   | 1995                |
|  |           | 65.346 acres | Mixed residential and commercial development | –                      | –                                   | –                 | 225,048                                  | 1995                |
|  |           | 2.349 acres  | Commercial development                       | –                      | –                                   | –                 | 4,394                                    | 2004                |
| PT 296, GRN 29723, Bandar Kuala Lumpur   | Freehold  | 3.255 acres  | Future development land                      | –                      | –                                   | –                 | 109,433                                  | 1992                |
| Lot 101, Section 63 (Grant No. 11238), Bandar Kuala Lumpur, Daerah Kuala Lumpur  | Freehold  | 0.978 acre   | Future development land                      | –                      | –                                   | –                 | 93,700                                   | 11.4.2008           |
| Lot 3543, HSD 68386, Mukim Kuala Lumpur  | Leasehold | 37.92 acres  | Future development land                      | –                      | –                                   | Year 2090         | 80,159                                   | 1990                |
| Lot 535, Section 0067 (Grant No. 27127), Bandar Kuala Lumpur, Daerah Kuala Lumpur  | Freehold  | 0.50 acre    | Future development land                      | –                      | –                                   | –                 | 58,417                                   | 25.1.2008           |
| H.S.(D) 2099, PT No. 2136/120, Mukim Bentong, Pahang   | Freehold  | 206 acres    | Future development land                      | –                      | –                                   | –                 | 55,165                                   | 1996                |
| Lot 203665, 27000, 27001 & 39079, 25167, 26999, 34588, 36453, 40080, 40993, 58545 & 57401, 236653-236677, 236707-236743, 236744-236894, 99964, 252475-252690, Batu 7, Tambun, Mukim Ulu Kinta, Daerah Kinta, Perak | Leasehold | 154.56 acres | Future development land                      | –                      | –                                   | Year 2096         | 40,954                                   | 1990                |
| H.S.(D) 2097, PT No. 2134/118, Mukim Bentong, Pahang   | Freehold  | 102 acres    | Future development land                      | –                      | –                                   | –                 | 32,420                                   | 1997                |
| Lot 534, Section 0067 (Grant No. 30470) Bandar Kuala Lumpur, Daerah Kuala Lumpur   | Freehold  | 0.25 acre    | Future development land                      | –                      | –                                   | –                 | 30,591                                   | 25.1.2008           |



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## Financial Statements

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The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

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

## RESULTS

|                           | Group<br>RM'000 | Company<br>RM'000 |
|---------------------------|-----------------|-------------------|
| Profit net of tax         | 33,398          | 5,580             |
| Attributable to:          |                 |                   |
| Owners of the parent      | 25,213          | 5,580             |
| Non-controlling interests | 8,185           | –                 |
|                           | 33,398          | 5,580             |

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

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

## DIVIDENDS

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

## DIRECTORS

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

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

# Directors' Report

## DIRECTORS' BENEFITS

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

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

## DIRECTORS' INTERESTS

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

### The Company

|                                | Number of ordinary shares of RM0.50 each   |          |                        |                           |
|--------------------------------|--|----------|------------------------|---------------------------|
|                                | As at<br>1.7.2012  | Acquired | Disposed               | As at<br>30.6.2013        |
| <b>Direct interests:</b>       |  |          |                        |                           |
| Dato' Suleiman Bin Abdul Manan | 354,941  | –        | (352,153)              | 2,788                     |
| Dato' Yeoh Seok Kian           | 61,538   | –        | –                      | 61,538                    |
| <b>Indirect interests:</b>     |  |          |                        |                           |
| Dato' Suleiman Bin Abdul Manan | 373,148 <sup>(1)(2)</sup>  | –        | (130,300)              | 242,848 <sup>(1)(2)</sup> |
|                                |  |          |                        |                           |
|                                | Number of Irredeemable Convertible Unsecured<br>Loan Stocks ("ICULS") 2011/2021 of RM0.50 each |          |                        |                           |
|                                | As at<br>1.7.2012  | Acquired | Converted/<br>Disposed | As at<br>30.6.2013        |
| <b>Direct interests:</b>       |  |          |                        |                           |
| Dato' Yeoh Seok Kian           | 37,000   | –        | –                      | 37,000                    |

**DIRECTORS' INTERESTS (CONT'D.)****Immediate holding company****YTL Corporation Berhad**

|  | Number of ordinary shares of RM0.10 each |           |           |                           |
|--|--|-----------|-----------|---------------------------|
|  | As at<br>1.7.2012                        | Acquired  | Disposed  | As at<br>30.6.2013        |
| <b>Direct interests:</b>                             |  |           |           |                           |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 124,688,641                              | 8,312,575 | –         | 133,001,216               |
| Dato' Yeoh Seok Kian                                 | 52,014,272                               | 3,467,617 | –         | 55,481,889                |
| Dato' Yeoh Seok Hong                                 | 41,751,637                               | 2,783,442 | –         | 44,535,079                |
| Dato' Sri Michael Yeoh Sock Siong                    | 50,299,252                               | 3,353,282 | –         | 53,652,534                |
| Dato' Mark Yeoh Seok Kah                             | 18,826,080                               | 1,255,072 | –         | 20,081,152                |
| Dato' Hamidah Binti Maktar                           | 755,000                                  | 50,333    | (50,000)  | 755,333                   |
| <b>Indirect interests:</b>                           |  |           |           |                           |
| Dato' Yeoh Seok Kian                                 | 3,978,983 <sup>(2)</sup>                 | 865,265   | –         | 4,844,248 <sup>(2)</sup>  |
| Dato' Yeoh Seok Hong                                 | 22,077,900 <sup>(2)</sup>                | 1,721,859 | (250,000) | 23,549,759 <sup>(2)</sup> |
| Dato' Sri Michael Yeoh Sock Siong                    | 18,124,334 <sup>(2)</sup>                | 1,208,288 | –         | 19,332,622 <sup>(2)</sup> |
| Dato' Mark Yeoh Seok Kah                             | 3,755,248 <sup>(2)</sup>                 | 250,349   | –         | 4,005,597 <sup>(2)</sup>  |

|  | Number of share options over ordinary shares<br>of RM0.10 each |           |           |                          |
|--|--|-----------|-----------|--------------------------|
|  | As at<br>1.7.2012  | Granted   | Exercised | As at<br>30.6.2013       |
| <b>Direct interests:</b>                             |  |           |           |                          |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | –  | 7,000,000 | –         | 7,000,000                |
| Dato' Chong Keap Thai @ Cheong Keap Tai              | –  | 1,000,000 | –         | 1,000,000                |
| Dato' Yeoh Seok Kian                                 | –  | 5,000,000 | –         | 5,000,000                |
| Dato' Yeoh Seok Hong                                 | –  | 5,000,000 | –         | 5,000,000                |
| Dato' Sri Michael Yeoh Sock Siong                    | –  | 5,000,000 | –         | 5,000,000                |
| Dato' Mark Yeoh Seok Kah                             | –  | 5,000,000 | –         | 5,000,000                |
| Dato' Hamidah Binti Maktar                           | –  | 1,000,000 | –         | 1,000,000                |
| Eu Peng Meng @ Leslie Eu                             | –  | 1,000,000 | –         | 1,000,000                |
| <b>Indirect interests:</b>                           |  |           |           |                          |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | –  | 2,000,000 | –         | 2,000,000 <sup>(2)</sup> |
| Dato' Yeoh Seok Hong                                 | –  | 3,000,000 | –         | 3,000,000 <sup>(2)</sup> |



# Directors' Report

## DIRECTORS' INTERESTS (CONT'D.)

### Ultimate holding company

Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

|  | Number of ordinary shares of RM1.00 each |          |          | As at<br>30.6.2013 |
|--|--|----------|----------|--------------------|
|  | As at<br>1.7.2012                        | Acquired | Disposed |                    |
| <b>Direct interests:</b>                             |  |          |          |                    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 5,000,000                                | –        | –        | 5,000,000          |
| Dato' Yeoh Seok Kian                                 | 5,000,000                                | –        | –        | 5,000,000          |
| Dato' Yeoh Seok Hong                                 | 5,000,000                                | –        | –        | 5,000,000          |
| Dato' Sri Michael Yeoh Sock Siong                    | 5,000,000                                | –        | –        | 5,000,000          |
| Dato' Mark Yeoh Seok Kah                             | 5,000,000                                | –        | –        | 5,000,000          |

### Related company

YTL Power International Berhad

|  | Number of ordinary shares of RM0.50 each |           |          | As at<br>30.6.2013       |
|--|--|-----------|----------|--------------------------|
|  | As at<br>1.7.2012                        | Acquired  | Disposed |                          |
| <b>Direct interests:</b>                             |  |           |          |                          |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 945,040                                  | –         | –        | 945,040                  |
| Dato' Yeoh Seok Kian                                 | 6,386,760                                | –         | –        | 6,386,760                |
| Dato' Yeoh Seok Hong                                 | 27,510,268                               | –         | –        | 27,510,268               |
| Dato' Sri Michael Yeoh Sock Siong                    | 7,601,744                                | –         | –        | 7,601,744                |
| Dato' Mark Yeoh Seok Kah                             | 7,665,920                                | –         | –        | 7,665,920                |
| Dato' Hamidah Binti Maktar                           | 3,895                                    | –         | –        | 3,895                    |
| <b>Indirect interests:</b>                           |  |           |          |                          |
| Dato' Suleiman Bin Abdul Manan                       | 1,230 <sup>(2)</sup>                     | –         | –        | 1,230 <sup>(2)</sup>     |
| Dato' Yeoh Seok Kian                                 | –  | 1,940,200 | –        | 1,940,200 <sup>(2)</sup> |
| Dato' Yeoh Seok Hong                                 | 3,281,179 <sup>(2)</sup>                 | 2,000     | (2,000)  | 3,281,179 <sup>(2)</sup> |
| Dato' Sri Michael Yeoh Sock Siong                    | 1,019,291 <sup>(2)</sup>                 | –         | –        | 1,019,291 <sup>(2)</sup> |
| Dato' Mark Yeoh Seok Kah                             | 1,093,601 <sup>(2)</sup>                 | –         | –        | 1,093,601 <sup>(2)</sup> |

**DIRECTORS' INTERESTS (CONT'D.)****Related company****YTL Power International Berhad**

|  | Number of warrants 2008/2018 |           |                        |                          |
|--|------------------------------|-----------|------------------------|--------------------------|
|  | As at<br>1.7.2012            | Acquired  | Exercised/<br>disposed | As at<br>30.6.2013       |
| <b>Direct interests:</b>                             |                              |           |                        |                          |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 4,860,175                    | 8,866,747 | –                      | 13,726,922               |
| Dato' Yeoh Seok Kian                                 | 632,962                      | 3,698,792 | (632,962)              | 3,698,792                |
| Dato' Yeoh Seok Hong                                 | –                            | 2,969,004 | –                      | 2,969,004                |
| Dato' Sri Michael Yeoh Sock Siong                    | 1,496,502                    | 4,576,800 | –                      | 6,073,302                |
| Dato' Mark Yeoh Seok Kah                             | –                            | 1,338,743 | –                      | 1,338,743                |
| Dato' Hamidah Binti Maktar                           | 1,600                        | 50,355    | –                      | 51,955                   |
| <b>Indirect interests:</b>                           |                              |           |                        |                          |
| Dato' Yeoh Seok Kian                                 | –                            | 282,949   | –                      | 282,949 <sup>(2)</sup>   |
| Dato' Yeoh Seok Hong                                 | –                            | 1,569,981 | –                      | 1,569,981 <sup>(2)</sup> |
| Dato' Sri Michael Yeoh Sock Siong                    | 298,956 <sup>(2)</sup>       | 1,288,841 | –                      | 1,587,797 <sup>(2)</sup> |
| Dato' Mark Yeoh Seok Kah                             | –                            | 267,039   | –                      | 267,039 <sup>(2)</sup>   |

**Number of share options over ordinary shares of RM0.50 each**

|   | Number of share options over ordinary shares of RM0.50 each |         |           |        |                        |
|---|---|---------|-----------|--------|------------------------|
|   | As at<br>1.7.2012   | Granted | Exercised | Lapsed | As at<br>30.6.2013     |
| <b>Direct interests:</b>                                |   |         |           |        |                        |
| Tan Sri Dato' (Dr) Francis<br>Yeoh Sock Ping, CBE, FICE | 7,000,000   | –       | –         | –      | 7,000,000              |
| Dato' Yeoh Seok Kian                                    | 5,000,000   | –       | –         | –      | 5,000,000              |
| Dato' Yeoh Seok Hong                                    | 5,000,000   | –       | –         | –      | 5,000,000              |
| Dato' Sri Michael Yeoh Sock Siong                       | 5,000,000   | –       | –         | –      | 5,000,000              |
| Dato' Mark Yeoh Seok Kah                                | 5,000,000   | –       | –         | –      | 5,000,000              |
| <b>Indirect interests:</b>                              |   |         |           |        |                        |
| Dato' Yeoh Seok Hong                                    | 500,000 <sup>(2)</sup>                                      | –       | –         | –      | 500,000 <sup>(2)</sup> |

**Related company****YTL e-Solutions Berhad**

|                                   | Number of ordinary shares of RM0.10 each |          |          |                          |
|-----------------------------------|--|----------|----------|--------------------------|
|                                   | As at<br>1.7.2012                        | Acquired | Disposed | As at<br>30.6.2013       |
| <b>Indirect interests:</b>        |  |          |          |                          |
| Dato' Sri Michael Yeoh Sock Siong | 1,905,500 <sup>(2)</sup>                 | –        | –        | 1,905,500 <sup>(2)</sup> |

# Directors' Report

## DIRECTORS' INTERESTS (CONT'D.)

### Related corporation

#### Infoscreen Networks Plc\*

|  | Number of ordinary shares of £0.01 each |          |          | As at<br>30.6.2013 |
|--|---|----------|----------|--------------------|
|  | As at<br>1.7.2012                       | Acquired | Disposed |                    |
| <b>Direct interests:</b>                             |   |          |          |                    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 100                                     | –        | –        | 100                |

### Related corporation

#### YTL Corporation (UK) Plc\*

|  | Number of ordinary shares of £0.25 each |          |          | As at<br>30.6.2013 |
|--|---|----------|----------|--------------------|
|  | As at<br>1.7.2012                       | Acquired | Disposed |                    |
| <b>Direct interests:</b>                             |   |          |          |                    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 1                                       | –        | –        | 1                  |

\* Incorporated in England and Wales.

### Related company

#### Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

|  | Number of ordinary shares of RM1.00 each |          |          | As at<br>30.6.2013 |
|--|--|----------|----------|--------------------|
|  | As at<br>1.7.2012                        | Acquired | Disposed |                    |
| <b>Direct interests:</b>                             |  |          |          |                    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 1  | –        | –        | 1                  |

### Related corporation

#### YTL Construction (Thailand) Limited@

|  | Number of ordinary shares of THB100 each |          |          | As at<br>30.6.2013 |
|--|--|----------|----------|--------------------|
|  | As at<br>1.7.2012                        | Acquired | Disposed |                    |
| <b>Direct interests:</b>                             |  |          |          |                    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 1  | –        | –        | 1                  |
| Dato' Yeoh Seok Kian                                 | 1  | –        | –        | 1                  |
| Dato' Yeoh Seok Hong                                 | 1  | –        | –        | 1                  |
| Dato' Sri Michael Yeoh Sock Siong                    | 1  | –        | –        | 1                  |
| Dato' Mark Yeoh Seok Kah                             | 1  | –        | –        | 1                  |

**DIRECTORS' INTERESTS (CONT'D.)****Related corporation****Samui Hotel 2 Co., Ltd<sup>@</sup>**

|  | Number of ordinary shares of THB10 each |          |          | As at<br>30.6.2013 |
|--|---|----------|----------|--------------------|
|  | As at<br>1.7.2012                       | Acquired | Disposed |                    |
| <b>Direct interests:</b>                             |   |          |          |                    |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 1                                       | –        | –        | 1                  |
| Dato' Mark Yeoh Seok Kah                             | 1                                       | –        | –        | 1                  |

<sup>@</sup> Incorporated in Thailand.

**Related corporation****Swiss Water System AG<sup>∞</sup>**

|  | Number of ordinary shares of CHF100 each |          |          | As at<br>24.10.2012 <sup>é</sup> |
|--|--|----------|----------|----------------------------------|
|  | As at<br>1.7.2012                        | Acquired | Disposed |                                  |
| <b>Direct interests:</b>                             |  |          |          |                                  |
| Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE | 12,250                                   | –        | –        | 12,250                           |

<sup>∞</sup> Incorporated in Switzerland.

<sup>é</sup> Ceased to be a related corporation on 24.10.2012.

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

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

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

**SHARE CAPITAL**

During the financial year, the Company issued 32,500 new ordinary shares of RM0.50 each upon conversion of 85,800 ICULS of RM0.50 each at a conversion price of RM1.32 per share.

**TREASURY SHARES**

During the financial year, the Company repurchased 200 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.94 per share. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2013, the Company held as treasury shares a total of 15,172,100 of its 844,344,902 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM22,200,000 and further relevant details are disclosed in Note 33 to the financial statements.



# Directors' Report

## EMPLOYEES SHARE OPTION SCHEME ("ESOS")

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

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

## OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and the Company; and
  - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## **ULTIMATE HOLDING COMPANY**

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

## **AUDITORS**

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 October 2013.

**Dato' Suleiman Bin Abdul Manan**

**Dato' Yeoh Seok Kian**

## STATEMENT BY DIRECTORS

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

We, DATO' SULEIMAN BIN ABDUL MANAN and DATO' YEOH SEOK KIAN, being two of the directors of YTL LAND & DEVELOPMENT BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 55 to 112 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 113 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 October 2013.

**Dato' Suleiman Bin Abdul Manan**

**Dato' Yeoh Seok Kian**

## STATUTORY DECLARATION

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

I, DATO' YEOH SEOK KIAN, being the director primarily responsible for the financial management of YTL LAND & DEVELOPMENT BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 55 to 112 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**Dato' Yeoh Seok Kian**

Subscribed and solemnly declared by the abovenamed DATO' YEOH SEOK KIAN at Kuala Lumpur in the Federal Territory on 3 October 2013.

Before me,

**Tan Seok Kett**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

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

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL Land & Development Berhad, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 112.

### *Directors' responsibility for the financial statements*

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

### *Auditors' responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.



# Independent Auditors' Report

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries incorporated in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

## OTHER MATTERS

The supplementary information set out on page 113 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

**Ernst & Young**  
AF: 0039  
Chartered Accountants

**Kua Choh Leang**  
2716/01/15(J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
3 October 2013

# INCOME STATEMENTS

for the financial year ended 30 June 2013

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Revenue   | 3    | 184,723        | 581,416        | 8,126          | 23,600         |
| Cost of sales   | 4    | (133,577)      | (522,787)      | –              | –              |
| <b>Gross profit</b>   |      | <b>51,146</b>  | <b>58,629</b>  | <b>8,126</b>   | <b>23,600</b>  |
| Other income  |      | 44,497         | 43,776         | 14,061         | 3,678          |
| Administration expenses   |      | (35,775)       | (33,065)       | (4,991)        | (7,302)        |
| Other expenses  |      | –              | (12,136)       | –              | (22,102)       |
| Operating profit/(loss)   |      | <b>59,868</b>  | <b>57,204</b>  | <b>17,196</b>  | <b>(2,126)</b> |
| Finance costs   | 5    | (11,813)       | (8,805)        | (10,249)       | (6,974)        |
| Share of results of jointly controlled entity   |      | (3)            | (404)          | –              | –              |
| <b>Profit/(loss) before tax</b>   | 6    | <b>48,052</b>  | <b>47,995</b>  | <b>6,947</b>   | <b>(9,100)</b> |
| Income tax (expenses)/benefits  | 9    | (14,654)       | (12,965)       | (1,367)        | 520            |
| <b>Profit/(loss) net of tax</b>   |      | <b>33,398</b>  | <b>35,030</b>  | <b>5,580</b>   | <b>(8,580)</b> |
| Attributable to:  |      |                |                |                |                |
| Owners of the parent  |      | 25,213         | 25,002         | 5,580          | (8,580)        |
| Non-controlling interests   |      | 8,185          | 10,028         | –              | –              |
|   |      | <b>33,398</b>  | <b>35,030</b>  | <b>5,580</b>   | <b>(8,580)</b> |
| Earnings per 50 sen share   |      |                |                |                |                |
| Basic (sen)   |      |                |                |                |                |
| Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") | 10   | 3.04           | 3.02           |                |                |
| After mandatory conversion of ICULS   | 10   | 2.94           | 2.65           |                |                |
| Diluted (sen)   |      |                |                |                |                |
|   | 10   | 2.94           | 2.65           |                |                |

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

# STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2013

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Profit/(loss) net of tax   |      | 33,398         | 35,030         | 5,580          | (8,580)        |
| Foreign currency translation,<br>representing total other comprehensive<br>income for the year, net of tax |      | 742            | 5,242          | –              | –              |
| Total comprehensive income/(loss) for the year,<br>net of tax  |      | <b>34,140</b>  | <b>40,272</b>  | <b>5,580</b>   | <b>(8,580)</b> |
| Attributable to:   |      |                |                |                |                |
| Owners of the parent   |      | 25,955         | 29,323         | 5,580          | (8,580)        |
| Non-controlling interests  |      | 8,185          | 10,949         | –              | –              |
|  |      | <b>34,140</b>  | <b>40,272</b>  | <b>5,580</b>   | <b>(8,580)</b> |

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

# STATEMENTS OF FINANCIAL POSITION

as at 30 June 2013

|   | Note | Group            |                  | Company          |                  |
|---|------|------------------|------------------|------------------|------------------|
|   |      | 2013<br>RM'000   | 2012<br>RM'000   | 2013<br>RM'000   | 2012<br>RM'000   |
| <b>ASSETS</b>                               |      |                  |                  |                  |                  |
| <b>Non-current assets</b>                   |      |                  |                  |                  |                  |
| Property, plant and equipment               | 11   | 34,789           | 34,558           | 5,951            | 6,190            |
| Investment in subsidiaries                  | 12   | –                | –                | 504,988          | 504,738          |
| Investment in a jointly controlled entity   | 13   | 22,490           | 22,493           | 22,900           | 22,900           |
| Investment property                         | 14   | 32,900           | 32,900           | –                | –                |
| Land held for property development          | 15   | 885,744          | 864,976          | 37,490           | 37,155           |
| Goodwill on consolidation                   | 16   | 36,606           | 36,530           | –                | –                |
| Deferred tax assets                         | 17   | 3,058            | 2,667            | –                | –                |
|   |      | <b>1,015,587</b> | <b>994,124</b>   | <b>571,329</b>   | <b>570,983</b>   |
| <b>Current assets</b>                       |      |                  |                  |                  |                  |
| Inventories                                 | 18   | 149,204          | 186,274          | –                | –                |
| Property development costs                  | 19   | 1,344,050        | 1,231,461        | –                | –                |
| Trade and other receivables                 | 20   | 35,001           | 85,069           | 240              | 249              |
| Other current assets                        | 21   | 40,764           | 55,748           | 1                | 1                |
| Income tax assets                           |      | 5,422            | 3,665            | 1,282            | 768              |
| Amounts due from subsidiaries               | 22   | –                | –                | 535,517          | 544,282          |
| Amounts due from related companies          | 23   | 456              | 952              | –                | 1                |
| Amount due from a jointly controlled entity | 23   | 6,610            | 5,405            | 6,607            | 5,405            |
| Cash and cash equivalents                   | 24   | 69,929           | 282,095          | 5,856            | 2,570            |
|   |      | <b>1,651,436</b> | <b>1,850,669</b> | <b>549,503</b>   | <b>553,276</b>   |
| <b>Total assets</b>                         |      | <b>2,667,023</b> | <b>2,844,793</b> | <b>1,120,832</b> | <b>1,124,259</b> |

## EQUITY AND LIABILITIES

|  |    |                |                |               |               |
|--|----|----------------|----------------|---------------|---------------|
| <b>Current liabilities</b>               |    |                |                |               |               |
| Trade and other payables                 | 25 | 74,990         | 90,064         | 19,193        | 36,229        |
| Provisions                               | 26 | 4,288          | 4,005          | –             | –             |
| Other current liabilities                | 27 | 2,002          | 4,143          | –             | –             |
| Amount due to subsidiary                 | 22 | –              | –              | 41,305        | 28,754        |
| Amounts due to immediate holding company | 23 | 1,054          | 1,052          | 306           | 312           |
| Amounts due to related companies         | 23 | 41,551         | 45,340         | 6             | 3             |
| Borrowings                               | 28 | 45,365         | 164,477        | 4,997         | 4,630         |
| Current tax payable                      |    | 683            | 31,491         | –             | –             |
|  |    | <b>169,933</b> | <b>340,572</b> | <b>65,807</b> | <b>69,928</b> |

# Statements of Financial Position

as at 30 June 2013

|  |      | Group            |                  | Company          |                  |
|--|------|------------------|------------------|------------------|------------------|
|  | Note | 2013<br>RM'000   | 2012<br>RM'000   | 2013<br>RM'000   | 2012<br>RM'000   |
| <b>EQUITY AND LIABILITIES (CONT'D.)</b>            |      |                  |                  |                  |                  |
| <b>Non-current liabilities</b>                     |      |                  |                  |                  |                  |
| Borrowings   | 28   | 1,358,032        | 1,399,134        | 129,765          | 134,661          |
| Other non-current liability                        | 31   | 67,696           | 67,696           | –                | –                |
| Deferred tax liabilities                           | 17   | 54,659           | 54,838           | –                | –                |
|  |      | <b>1,480,387</b> | <b>1,521,668</b> | <b>129,765</b>   | <b>134,661</b>   |
| <b>Total liabilities</b>                           |      | <b>1,650,320</b> | <b>1,862,240</b> | <b>195,572</b>   | <b>204,589</b>   |
| <b>Net assets</b>                                  |      | <b>1,016,703</b> | <b>982,553</b>   | <b>925,260</b>   | <b>919,670</b>   |
| <b>Equity attributable to owners of the parent</b> |      |                  |                  |                  |                  |
| Share capital                                      | 32   | 422,172          | 422,156          | 422,172          | 422,156          |
| Share premium                                      | 32   | 177,471          | 177,445          | 177,471          | 177,445          |
| Treasury shares                                    | 33   | (22,200)         | (22,200)         | (22,200)         | (22,200)         |
| Retained earnings/(accumulated losses)             |      | 41,006           | 15,793           | (7,152)          | (12,732)         |
| Foreign currency translation reserve               | 34   | 5,063            | 4,321            | –                | –                |
| Equity component of ICULS                          | 30   | 354,969          | 355,001          | 354,969          | 355,001          |
|  |      | <b>978,481</b>   | <b>952,516</b>   | <b>925,260</b>   | <b>919,670</b>   |
| <b>Non-controlling interests</b>                   |      | <b>38,222</b>    | <b>30,037</b>    | <b>–</b>         | <b>–</b>         |
| <b>Total equity</b>                                |      | <b>1,016,703</b> | <b>982,553</b>   | <b>925,260</b>   | <b>919,670</b>   |
| <b>Total equity and liabilities</b>                |      | <b>2,667,023</b> | <b>2,844,793</b> | <b>1,120,832</b> | <b>1,124,259</b> |

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2013

|  | ← Attributable to owners of the parent → |   |   |  |  |   | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
|--|--|---|---|--|--|---|-----------------|--|---------------------------|
|  | ← Distributable →                        |   |   | ← Non-distributable →                                      |  |   |                 |  |                           |
|  | Share<br>capital<br>(Note 32)<br>RM'000  | Share<br>premium<br>(Note 32)<br>RM'000 | Treasury<br>shares<br>(Note 33)<br>RM'000 | Retained<br>earnings/<br>(Accumulated<br>losses)<br>RM'000 | Foreign<br>currency<br>translation<br>reserve<br>(Note 34)<br>RM'000 | Equity<br>component<br>of<br>ICULS<br>(Note 30)<br>RM'000 |                 |  |                           |
| <b>At 30 June 2011</b>   | 422,060                                  | 270,912                                 | (22,200)                                  | (104,892)  | -  | -   | 565,880         | 8,722                                      | 574,602                   |
| Profit net of tax  | -  | -                                       | -   | 25,002   | -  | -   | 25,002          | 10,028                                     | 35,030                    |
| Total other comprehensive<br>income for the year                               | -  | -                                       | -   | -  | 4,321  | -   | 4,321           | 921  | 5,242                     |
| <b>Total comprehensive<br/>income for the year</b>                             | -  | -                                       | -   | 25,002   | 4,321  | -   | 29,323          | 10,949                                     | 40,272                    |
| Acquisitions of subsidiaries   | -  | -                                       | -   | -  | -  | -   | -               | 55,018                                     | 55,018                    |
| Acquisition and premium<br>paid on acquisition of<br>non-controlling interests | -  | -                                       | -   | 2,059  | -  | -   | 2,059           | (44,652)                                   | (42,593)                  |
| Effect of share premium<br>reduction   | -  | (93,624)                                | -   | 93,624   | -  | -   | -               | -  | -                         |
| Issuance of ICULS  | -  | -                                       | -   | -  | -  | 355,183   | 355,183         | -  | 355,183                   |
| Conversion of ICULS to<br>ordinary shares                                      | 96                                       | 157                                     | -   | -  | -  | (182)   | 71              | -  | 71                        |
| Purchase of treasury shares  | -  | -                                       | *   | -  | -  | -   | *               | -  | *                         |
| <b>At 30 June 2012</b>   | 422,156                                  | 177,445                                 | (22,200)                                  | 15,793   | 4,321  | 355,001   | 952,516         | 30,037                                     | 982,553                   |
| Profit net of tax  | -  | -                                       | -   | 25,213   | -  | -   | 25,213          | 8,185                                      | 33,398                    |
| Total other comprehensive<br>income for the year                               | -  | -                                       | -   | -  | 742  | -   | 742             | -  | 742                       |
| <b>Total comprehensive<br/>income for the year</b>                             | -  | -                                       | -   | 25,213   | 742  | -   | 25,955          | 8,185                                      | 34,140                    |
| Conversion of ICULS to<br>ordinary shares                                      | 16                                       | 26                                      | -   | -  | -  | (32)  | 10              | -  | 10                        |
| Purchase of treasury shares  | -  | -                                       | *   | -  | -  | -   | *               | -  | *                         |
| <b>At 30 June 2013</b>   | 422,172                                  | 177,471                                 | (22,200)                                  | 41,006   | 5,063  | 354,969   | 978,481         | 38,222                                     | 1,016,703                 |

\* Less than RM1,000.

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

# COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2013

|  | ← Attributable to owners of the parent → |   |   |                                 |   |                 |
|--|--|---|---|---------------------------------|---|-----------------|
|  | Share<br>capital<br>(Note 32)<br>RM'000  | Share<br>premium<br>(Note 32)<br>RM'000 | Treasury<br>shares<br>(Note 33)<br>RM'000 | Accumulated<br>losses<br>RM'000 | Equity<br>component<br>of<br>ICULS<br>(Note 30)<br>RM'000 | Total<br>RM'000 |
| <b>At 30 June 2011</b>                     | 422,060                                  | 270,912                                 | (22,200)                                  | (97,776)                        | –   | 572,996         |
| Total comprehensive<br>loss for the year   | –  | –                                       | –   | (8,580)                         | –   | (8,580)         |
| Effect of share premium<br>reduction       | –  | (93,624)                                | –   | 93,624                          | –   | –               |
| Issuance of ICULS                          | –  | –                                       | –   | –                               | 355,183   | 355,183         |
| Conversion of ICULS to<br>ordinary shares  | 96                                       | 157                                     | –   | –                               | (182)   | 71              |
| Purchase of treasury shares                | –  | –                                       | *   | –                               | –   | *               |
| <b>At 30 June 2012</b>                     | 422,156                                  | 177,445                                 | (22,200)                                  | (12,732)                        | 355,001   | 919,670         |
| Total comprehensive<br>income for the year | –  | –                                       | –   | 5,580                           | –   | 5,580           |
| Conversion of ICULS to<br>ordinary shares  | 16                                       | 26                                      | –   | –                               | (32)  | 10              |
| Purchase of treasury shares                | –  | –                                       | *   | –                               | –   | *               |
| <b>At 30 June 2013</b>                     | 422,172                                  | 177,471                                 | (22,200)                                  | (7,152)                         | 354,969   | 925,260         |

\* Less than RM1,000.

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

# STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2013

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Operating Activities</b>  |                |                |                |                |
| Profit/(loss) before tax   | 48,052         | 47,995         | 6,947          | (9,100)        |
| <u>Adjustments for:</u>  |                |                |                |                |
| (Reversal)/allowance of impairment loss on receivables from subsidiaries | -              | -              | (13,706)       | 7              |
| Bad debts written off  | -              | 250            | -              | -              |
| Depreciation of property, plant and equipment                            | 621            | 673            | 209            | 289            |
| Gain on disposal of land   | -              | (550)          | -              | -              |
| Impairment of  |                |                |                |                |
| - investment in subsidiary   | -              | -              | -              | 22,102         |
| - goodwill   | -              | 12,136         | -              | -              |
| Interest expenses  | 11,813         | 8,805          | 10,249         | 6,974          |
| Interest income  | (1,151)        | (2,195)        | (8)            | (468)          |
| Loss on disposal of property, plant and equipment                        | 46             | 36             | 32             | 54             |
| Negative goodwill recognised   | -              | (970)          | -              | -              |
| Net provision of damages claims (Note 26)                                | 287            | 255            | -              | -              |
| Reversal of provision for losses arising from issue of ICPS-A            | -              | (140)          | -              | (140)          |
| Share of results of a jointly controlled entity                          | 3              | 404            | -              | -              |
| Unrealised gains on foreign exchange                                     | (347)          | (3,072)        | (347)          | (3,070)        |
| Total adjustments  | 11,272         | 15,632         | (3,571)        | 25,748         |
| Operating cash flows before working capital changes                      | 59,324         | 63,627         | 3,376          | 16,648         |
| <u>Changes in working capital</u>  |                |                |                |                |
| (Increase)/decrease in property development costs                        | (82,201)       | 414,446        | -              | -              |
| Decrease/(increase) in inventories                                       | 37,070         | (121,024)      | -              | -              |
| Decrease/(increase) in receivables                                       | 50,067         | (66,502)       | 9              | 55             |
| Decrease/(increase) in other current assets                              | 16,444         | (38,927)       | -              | 18             |
| Decrease in payables   | (15,077)       | (4,544)        | (17,036)       | (86)           |
| Decrease in other current liabilities                                    | (2,141)        | (8,799)        | -              | -              |
| Increase/(decrease) in amount due to immediate holding company           | 2              | 836            | (6)            | 200            |
| Increase/(decrease) in amount due from/to subsidiaries                   | -              | -              | 33,487         | (276,713)      |
| (Decrease)/increase in amount due to related companies                   | (2,946)        | (1,156,978)    | 5              | 178,517        |
| Increase in amount due from jointly controlled entity                    | (1,205)        | (1,608)        | (1,202)        | (1,608)        |
| Total changes in working capital   | 13             | (983,100)      | 15,257         | (99,617)       |
| Cash flows from/(used in) operations                                     | 59,337         | (919,473)      | 18,633         | (82,969)       |
| Income tax (paid)/refunded   | (47,790)       | (9,272)        | -              | 1,735          |
| Net cash flows from/(used in) operating activities                       | 11,547         | (928,745)      | 18,633         | (81,234)       |

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

# Statements of Cash Flows

for the financial year ended 30 June 2013

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Investing Activities</b>                                  |                |                |                |                |
| Interest received  | 1,151          | 2,195          | 8              | 468            |
| Increase in land held for property development               | (18,464)       | (24,809)       | (336)          | (9,962)        |
| Net cash outflow on acquisition of subsidiaries (Note 12)    | –              | (112,995)      | –              | –              |
| Acquisitions of subsidiaries                                 | –              | –              | (250)          | (152,624)      |
| Acquisitions of non-controlling interests                    | –              | (7,513)        | –              | (7,513)        |
| Purchase of property, plant and equipment                    | (813)          | (375)          | (14)           | (22)           |
| Proceeds from disposal of property, plant and equipment      | 317            | 82             | 133            | 64             |
| Proceeds from disposal of land                               | –              | 550            | –              | –              |
| Net cash flows used in investing activities                  | (17,809)       | (142,865)      | (459)          | (169,589)      |
| <b>Financing Activities</b>                                  |                |                |                |                |
| Net (repayments of)/proceeds from borrowings                 | (155,657)      | 1,024,087      | –              | –              |
| Net repayments of hire purchase payables                     | (317)          | (290)          | (10)           | –              |
| Interest paid  | (49,062)       | (31,690)       | (14,878)       | (7,460)        |
| Net proceeds from rights issue of ICULS                      | –              | 247,527        | –              | 247,527        |
| Purchase of treasury shares                                  | *              | *              | *              | *              |
| Net cash flows (used in)/from financing activities           | (205,036)      | 1,239,634      | (14,888)       | 240,067        |
| Net (decrease)/increase in cash and cash equivalents         | (211,298)      | 168,024        | 3,286          | (10,756)       |
| Effect of exchange rate changes on cash and cash equivalents | (868)          | 3,241          | –              | –              |
| Cash and cash equivalents at beginning of year               | 282,095        | 110,830        | 2,570          | 13,326         |
| Cash and cash equivalents at end of year (Note 24)           | 69,929         | 282,095        | 5,856          | 2,570          |

## Note to statements of cash flows

Analysis of purchase of property, plant and equipment:

|   |       |       |     |    |
|---|-------|-------|-----|----|
| Cash paid   | 813   | 375   | 14  | 22 |
| Hire purchase creditor                                    | 401   | 882   | 121 | –  |
| Total purchase of property, plant and equipment (Note 11) | 1,214 | 1,257 | 135 | 22 |

\* Less than RM1,000.

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

## 1. CORPORATE INFORMATION

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

The address of the registered office of the Company is as follows:-

11th Floor, Yeoh Tiong Lay Plaza  
55 Jalan Bukit Bintang  
55100 Kuala Lumpur.

The address of the principal place of business of the Company is as follows:-

10th Floor, Yeoh Tiong Lay Plaza  
55 Jalan Bukit Bintang  
55100 Kuala Lumpur.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 October 2013.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2012 as described fully in Note 2.2.

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

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

### 2.2 Changes in accounting policies

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

On 1 July 2012, the Group and the Company adopted the following new and amendments to FRSs mandatory for annual financial year beginning on or after 1 January 2012.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income  
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters  
Amendments to FRS 7: Disclosures - Transfers of Financial Assets  
Amendments to FRS 112: Deferred tax - Recovery of Underlying Assets  
FRS 124: Related Party Disclosures

Adoption of the above new and amendments to FRSs did not have any significant financial impact on the Group and the Company.



# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.3 Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.5. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

### 2.4 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Goodwill

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

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

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

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

### 2.6 Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are stated for at cost less impairment losses.

### 2.7 Jointly controlled entity

A jointly controlled entity is a non-subsidiary company in which the Group has joint control over its economic activities under a contractual arrangement.

The Group's interests in jointly controlled entity are accounted for by the equity method of accounting based on the audited financial statements of the jointly controlled entity made up to the end of the financial year. Under this method of accounting, the Group's interest in the post-acquisition profit or loss of the jointly controlled entity is included in the consolidated results while dividend received is reflected as a reduction of the interests in the consolidated statement of financial position, which include any unsecured receivables where settlement is neither planned nor likely to occur in the foreseeable future.

Unrealised profits and losses arising on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interests in the relevant jointly controlled entity except where unrealised losses provide evidence of an impairment of the asset transferred.

### 2.8 Property, plant and equipment and depreciation

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

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

# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.8 Property, plant and equipment and depreciation (cont'd.)

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

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

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

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

### 2.9 Investment properties

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

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

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

### 2.10 Land held for property development and property development costs

#### (a) Land held for property development

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.10 Land held for property development and property development costs (cont'd.)

#### (b) Property development costs

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

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

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

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

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

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

### 2.11 Construction contracts

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

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

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

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

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

# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.12 Impairment of non-financial assets

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

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

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

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

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

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

### 2.13 Inventories of completed properties for resale

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

Cost is determined using the first in, first out method. The cost of unsold properties comprises 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 the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.14 Financial assets

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.14 Financial assets (cont'd.)

#### (a) Loans and receivables

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

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

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

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

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

### 2.15 Impairment of financial assets

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

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

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

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

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

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



# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.16 Cash and cash equivalents

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

### 2.17 Financial liabilities

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

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

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

#### (a) Other financial liabilities

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

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

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

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

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

### 2.18 Leases

#### (a) As lessee

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.18 Leases (cont'd.)

#### (a) As lessee (cont'd.)

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

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

#### (b) As lessor

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

### 2.19 Provisions

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

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

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

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

### 2.20 Irredeemable convertible unsecured loan stocks ("ICULS")

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

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

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

# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.21 Share capital

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

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

### 2.22 Treasury shares

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

### 2.23 Borrowing costs

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

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

### 2.24 Employee benefits

#### (a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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 as an expense when the absences occur.

#### (b) Defined contribution plans

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

#### (c) Share-based compensation

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.24 Employee benefits (cont'd.)

#### (c) Share-based compensation (cont'd.)

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

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

### 2.25 Foreign currency

#### (a) Functional and presentation currency

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

#### (b) Foreign currency transactions

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

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

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

#### (c) Foreign operations

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

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

# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.26 Revenue

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

#### (a) Sale of properties

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

#### (b) Construction contracts

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

#### (c) Management fees

Management fees are recognised when services are rendered.

#### (d) Dividend income

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

### 2.27 Financial guarantee contracts

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

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

### 2.28 Income taxes

#### (a) Current tax

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

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

#### (b) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.28 Income taxes (cont'd.)

#### (b) Deferred tax (cont'd.)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

### 2.29 Significant accounting judgements and estimates

#### (a) Key sources of estimation uncertainty

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

##### (i) Depreciation of property, plant and equipment

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



# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

#### (a) Key sources of estimation uncertainty (cont'd.)

##### (ii) Property development

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

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

##### (iii) Impairment of goodwill

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

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

##### (iv) Deferred tax assets

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

### 2.30 Standards and interpretations issued but not yet effective

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

#### Effective for financial periods beginning on or after 1 January 2013

FRS 10: Consolidated Financial Statements

FRS 11: Joint Arrangements

FRS 12: Disclosure of Interests in Other Entities

FRS 13: Fair Value Measurement

FRS 119: Employee Benefits

FRS 127: Separate Financial Statements

FRS 128: Investment in Associates and Joint Ventures

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards – Government Loan

Amendments to FRS 7: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10: Consolidated Financial Statements – Transition Guidance

Amendments to FRS 11: Joint Arrangements – Transition Guidance

Amendments to FRS 12: Disclosure of Interests in Other Entities – Transition Guidance

Amendments to FRS 134: Interim Financial Reporting

IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine

Improvements to FRSs (2012) issued in July 2012

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.30 Standards and interpretations issued but not yet effective (cont'd.)

#### Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 10: Consolidated Financial Statements – Investment Entities  
Amendments to FRS 12: Disclosure of Interests in Other Entities – Investment Entities  
Amendments to FRS 127: Separate Financial Statements – Investment Entities  
Amendments to FRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities  
Amendments to FRS 136: Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets  
IC Interpretation 21: Levies

#### Effective for financial periods beginning on or after 1 January 2015

FRS 9: Financial Instruments

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

#### Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

#### FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

#### FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

# Notes to the Financial Statements

30 June 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.30 Standards and interpretations issued but not yet effective (cont'd.)

#### FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

Upon adoption of FRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of FRS 13 is expected to result in higher fair value of certain properties of the Group.

#### **Malaysia Financial Reporting Standards (“MFRS Framework”)**

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

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

On 7 August 2013, MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2016.

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

**3. REVENUE**

|                                    | Group          |                | Company        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Management fees                    | 1,331          | 1,126          | –              | –              |
| Revenue from construction contract | –              | 5,668          | –              | –              |
| Revenue from sales of properties   | 183,392        | 574,622        | –              | –              |
| Management fees from subsidiaries  | –              | –              | 600            | 600            |
| Dividend income from subsidiaries  | –              | –              | 7,526          | 23,000         |
|                                    | <b>184,723</b> | <b>581,416</b> | <b>8,126</b>   | <b>23,600</b>  |

**4. COST OF SALES**

|                                      | Group          |                |
|--------------------------------------|----------------|----------------|
|                                      | 2013<br>RM'000 | 2012<br>RM'000 |
| Construction cost                    | –              | 5,551          |
| Cost of inventories sold (Note 18)   | 36,136         | 10,944         |
| Property development costs (Note 19) | 97,441         | 506,292        |
|                                      | <b>133,577</b> | <b>522,787</b> |

**5. FINANCE COSTS**

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Interest expenses on:                                   |                |                |                |                |
| – hire purchase   | 27             | 34             | 2              | –              |
| – ICULS (Note 30)                                       | 10,247         | 6,974          | 10,247         | 6,974          |
| – term loans  | 34,082         | 24,197         | –              | –              |
| – others  | 75             | 21,243         | –              | –              |
|   | <b>44,431</b>  | <b>52,448</b>  | <b>10,249</b>  | <b>6,974</b>   |
| Less: Interest expense capitalised in qualifying assets |                |                |                |                |
| – Land held for property development (Note 15)          | (2,304)        | (2,464)        | –              | –              |
| – Property development costs (Note 19)                  | (30,314)       | (41,179)       | –              | –              |
|   | <b>11,813</b>  | <b>8,805</b>   | <b>10,249</b>  | <b>6,974</b>   |

# Notes to the Financial Statements

30 June 2013

## 6. PROFIT/(LOSS) BEFORE TAX

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

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Auditors' remuneration                                 |                |                |                |                |
| – current year   | 337            | 345            | 98             | 75             |
| – under provision in prior year                        | 19             | 43             | 18             | 25             |
| (Reversal)/allowance of impairment loss on receivables |                |                |                |                |
| – subsidiaries   | –              | –              | (13,706)       | 7              |
| Bad debts written off                                  | –              | 250            | –              | –              |
| Depreciation of property, plant and equipment          | 621            | 673            | 209            | 289            |
| Employee benefits expense (Note 7)                     | 12,479         | 8,345          | 774            | 769            |
| Directors' remuneration (Note 8)                       |                |                |                |                |
| – Executive directors                                  | 2,169          | 3,429          | 243            | 243            |
| – Non-executive directors                              | 932            | 943            | 900            | 911            |
| Gain on disposal of land                               | –              | (550)          | –              | –              |
| Impairment of  |                |                |                |                |
| – investment in subsidiary                             | –              | –              | –              | 22,102         |
| – goodwill (Note 16)                                   | –              | 12,136         | –              | –              |
| Interest income  | (1,151)        | (2,195)        | (8)            | (468)          |
| Loss on disposal of property, plant and equipment      | 46             | 36             | 32             | 54             |
| Losses/(gains) on foreign exchange                     |                |                |                |                |
| – realised   | 4              | 13             | –              | 13             |
| – unrealised   | (347)          | (3,072)        | (347)          | (3,070)        |
| Negative goodwill recognised                           | –              | (970)          | –              | –              |
| Provision of damages claims (Note 26)                  | 287            | 483            | –              | –              |
| Reversal of  |                |                |                |                |
| – provisions (Note 26)                                 | –              | (228)          | –              | –              |
| – provision for losses arising from issue of ICPS-A    | –              | (140)          | –              | (140)          |
| Rental expenses  |                |                |                |                |
| – building   | 1,710          | 1,949          | 1,084          | 1,151          |
| – equipment  | 27             | 34             | 9              | 9              |
| Rental income  | (3,450)        | (1,653)        | –              | –              |

**7. EMPLOYEE BENEFITS EXPENSE**

|                              | Group          |                | Company        |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Wages and salaries           | 10,230         | 6,881          | 541            | 592            |
| Social security costs        | 43             | 40             | 3              | 3              |
| Pension costs                |                |                |                |                |
| – defined contribution plans | 984            | 746            | 37             | 41             |
| ESOS expenses                | 15             | –              | –              | –              |
| Other staff related expenses | 1,207          | 678            | 193            | 133            |
|                              | <b>12,479</b>  | <b>8,345</b>   | <b>774</b>     | <b>769</b>     |

**8. DIRECTORS' REMUNERATION**

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Directors of the Company</b>  |                |                |                |                |
| Executive directors:             |                |                |                |                |
| Salaries and other emoluments    | 3              | 3              | 3              | 3              |
| Fees                             | 240            | 240            | 240            | 240            |
| Benefits-in-kind                 | 10             | 10             | 10             | 10             |
|                                  | <b>253</b>     | <b>253</b>     | <b>253</b>     | <b>253</b>     |
| Non-executive directors:         |                |                |                |                |
| Salaries and other emoluments    | 710            | 721            | 710            | 721            |
| Fees                             | 190            | 190            | 190            | 190            |
| Benefits-in-kind                 | 262            | 210            | 262            | 210            |
|                                  | <b>1,162</b>   | <b>1,121</b>   | <b>1,162</b>   | <b>1,121</b>   |
| <b>Directors of subsidiaries</b> |                |                |                |                |
| Executive directors:             |                |                |                |                |
| Salaries and other emoluments    | 1,774          | 3,146          | –              | –              |
| Fees                             | 40             | 40             | –              | –              |
| ESOS expenses                    | 112            | –              | –              | –              |
| Benefits-in-kind                 | 54             | 54             | –              | –              |
|                                  | <b>1,980</b>   | <b>3,240</b>   | <b>–</b>       | <b>–</b>       |



# Notes to the Financial Statements

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## 8. DIRECTORS' REMUNERATION (CONT'D.)

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Directors of subsidiaries (cont'd.)</b>   |                |                |                |                |
| Non-executive directors:   |                |                |                |                |
| Fees   | 30             | 30             | –              | –              |
| Other emoluments   | 2              | 2              | –              | –              |
|  | 32             | 32             | –              | –              |
|  | 3,427          | 4,646          | 1,415          | 1,374          |
| <b>Analysis excluding benefits-in-kind:</b>  |                |                |                |                |
| Total executive directors' remuneration<br>excluding benefits-in-kind (Note 6)     | 2,169          | 3,429          | 243            | 243            |
| Total non-executive directors' remuneration<br>excluding benefits-in-kind (Note 6) | 932            | 943            | 900            | 911            |
| Total directors' remuneration excluding benefits-in-kind                           | 3,101          | 4,372          | 1,143          | 1,154          |

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

|                                 | Number of directors |      |
|---------------------------------|---------------------|------|
|                                 | 2013                | 2012 |
| <b>Executive directors:</b>     |                     |      |
| RM1 – RM50,000                  | 5                   | 5    |
| RM50,001 – RM100,000            | 1                   | 1    |
| <b>Non-executive directors:</b> |                     |      |
| RM50,001 – RM100,000            | 3                   | 3    |
| RM950,001 – RM1,000,000         | 1                   | 1    |

**9. INCOME TAX EXPENSES/(BENEFITS)**

|  | Group          |                 | Company        |                |
|--|----------------|-----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000  | 2013<br>RM'000 | 2012<br>RM'000 |
| Current income tax:  |                |                 |                |                |
| Malaysian income tax   | 14,225         | 13,623          | 1,142          | –              |
| Foreign tax  | 551            | 20,217          | –              | –              |
| Under/(over) provision in prior years                          | 448            | (1,042)         | 225            | (520)          |
|  | <b>15,224</b>  | <b>32,798</b>   | <b>1,367</b>   | <b>(520)</b>   |
| Deferred tax (Note 17):  |                |                 |                |                |
| Relating to reversal of temporary differences                  | (570)          | (19,665)        | –              | –              |
| Over provision in prior years                                  | –              | (168)           | –              | –              |
|  | <b>(570)</b>   | <b>(19,833)</b> | <b>–</b>       | <b>–</b>       |
| Income tax expenses/(benefits)<br>recognised in profit or loss | <b>14,654</b>  | <b>12,965</b>   | <b>1,367</b>   | <b>(520)</b>   |

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit/(loss) for the year.

The corporate tax rate applicable to the Singapore subsidiaries of the Group is 17% (2012: 17%).

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

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Profit/(loss) before tax                                       | 48,052         | 47,995         | 6,947          | (9,100)        |
| Taxation at Malaysian statutory tax rate<br>of 25% (2012: 25%) | 12,013         | 11,999         | 1,737          | (2,275)        |
| Different tax rates of certain subsidiaries                    | (545)          | (10,368)       | –              | –              |
| Effects of expenses not deductible for tax purposes            | 3,091          | 16,381         | 1,287          | 2,275          |
| Effects of tax exemptions                                      | –              | (127)          | –              | –              |
| Deferred tax assets recognised during the year                 | (386)          | (207)          | –              | –              |
| Deferred tax assets not recognised during the year             | 62             | 61             | –              | –              |
| Income not subject to taxation                                 | (29)           | (2)            | (1,882)        | –              |
| Over provision of deferred tax in prior years                  | –              | (168)          | –              | –              |
| Under/(over) provision of tax expenses in prior years          | 448            | (1,042)        | 225            | (520)          |
| Utilisation of previously unrecognised tax losses              | –              | (3,562)        | –              | –              |
| Income tax expenses/(benefits) recognised in profit or loss    | <b>14,654</b>  | <b>12,965</b>  | <b>1,367</b>   | <b>(520)</b>   |

# Notes to the Financial Statements

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## 10. EARNINGS PER SHARE (“EPS”)

### (a) Basic EPS

The basic EPS of the Group has been computed based on the profit attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the year before and after mandatory conversion of ICULS, excluding treasury shares held by the Company.

### (b) Fully diluted EPS

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

|   | Group     |           |
|---|-----------|-----------|
|   | 2013      | 2012      |
| Profit attributable to owners of the parent (RM'000)                              | 25,213    | 25,002    |
| Post-tax effect of interest expense on ICULS (RM'000)                             | 10,247    | 6,974     |
| Profit attributable to owners of the parent including assumed conversion (RM'000) | 35,460    | 31,976    |
| Weighted average number of ordinary shares in issue ('000)                        | 829,148   | 829,044   |
| Assume full conversion of ICULS ('000)  | 375,677   | 375,709   |
| Adjusted weighted average number of ordinary shares in issue ('000)               | 1,204,825 | 1,204,753 |
| Basic EPS (sen)   |           |           |
| Before mandatory conversion of ICULS (sen)  | 3.04      | 3.02      |
| After mandatory conversion of ICULS (sen)   | 2.94      | 2.65      |
| Fully diluted EPS (sen)   | 2.94      | 2.65      |

## 11. PROPERTY, PLANT AND EQUIPMENT

| Group                           | Freehold land<br>RM'000 | Leasehold land<br>RM'000 | Building<br>RM'000 | Furniture, fixtures and fittings<br>RM'000 | Office equipment and plant<br>RM'000 | Renovation<br>RM'000 | Motor vehicles<br>RM'000 | Infrastructure works<br>RM'000 | Sentul Park<br>RM'000 | Total<br>RM'000 |
|---------------------------------|-------------------------|--------------------------|--------------------|--|--------------------------------------|----------------------|--------------------------|--------------------------------|-----------------------|-----------------|
| <b>As at 30 June 2013</b>       |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| <b>Cost</b>                     |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| At 1 July 2012                  | 6,644                   | 142                      | 2,823              | 2,497                                      | 3,808                                | 3,116                | 5,475                    | 4,258                          | 18,642                | 47,405          |
| Additions                       | -                       | -                        | -                  | 2  | 35                                   | 702                  | 475                      | -                              | -                     | 1,214           |
| Disposals                       | -                       | -                        | -                  | -  | (2)                                  | -                    | (1,098)                  | -                              | -                     | (1,100)         |
| Exchange differences            | -                       | -                        | -                  | 1  | 1                                    | 3                    | -                        | -                              | -                     | 5               |
| At 30 June 2013                 | 6,644                   | 142                      | 2,823              | 2,500                                      | 3,842                                | 3,821                | 4,852                    | 4,258                          | 18,642                | 47,524          |
| <b>Accumulated depreciation</b> |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| At 1 July 2012                  | -                       | 90                       | 393                | 2,255                                      | 3,539                                | 2,777                | 3,283                    | 510                            | -                     | 12,847          |
| Charge for the year             | -                       | 3                        | 27                 | 60   | 92                                   | 130                  | 224                      | 85                             | -                     | 621             |
| Disposals                       | -                       | -                        | -                  | -  | *                                    | -                    | (738)                    | -                              | -                     | (738)           |
| Exchange differences            | -                       | -                        | -                  | 1  | 1                                    | 3                    | -                        | -                              | -                     | 5               |
| At 30 June 2013                 | -                       | 93                       | 420                | 2,316                                      | 3,632                                | 2,910                | 2,769                    | 595                            | -                     | 12,735          |
| <b>Net carrying amount</b>      |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| At 30 June 2013                 | 6,644                   | 49                       | 2,403              | 184  | 210                                  | 911                  | 2,083                    | 3,663                          | 18,642                | 34,789          |
| <b>As at 30 June 2012</b>       |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| <b>Cost</b>                     |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| At 1 July 2011                  | 6,644                   | 142                      | 2,823              | 2,074                                      | 3,548                                | 2,195                | 4,692                    | 4,258                          | 18,642                | 45,018          |
| Additions                       | -                       | -                        | -                  | 19   | 36                                   | 22                   | 1,180                    | -                              | -                     | 1,257           |
| Disposals                       | -                       | -                        | -                  | -  | (5)                                  | -                    | (397)                    | -                              | -                     | (402)           |
| Acquisition of subsidiaries     | -                       | -                        | -                  | 397  | 225                                  | 883                  | -                        | -                              | -                     | 1,505           |
| Exchange differences            | -                       | -                        | -                  | 7  | 4                                    | 16                   | -                        | -                              | -                     | 27              |
| At 30 June 2012                 | 6,644                   | 142                      | 2,823              | 2,497                                      | 3,808                                | 3,116                | 5,475                    | 4,258                          | 18,642                | 47,405          |
| <b>Accumulated depreciation</b> |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| At 1 July 2011                  | -                       | 87                       | 366                | 2,001                                      | 3,258                                | 1,724                | 3,331                    | 425                            | -                     | 11,192          |
| Charge for the year             | -                       | 3                        | 27                 | 52   | 113                                  | 161                  | 232                      | 85                             | -                     | 673             |
| Disposals                       | -                       | -                        | -                  | -  | (4)                                  | -                    | (280)                    | -                              | -                     | (284)           |
| Acquisition of subsidiaries     | -                       | -                        | -                  | 198  | 167                                  | 877                  | -                        | -                              | -                     | 1,242           |
| Exchange differences            | -                       | -                        | -                  | 4  | 5                                    | 15                   | -                        | -                              | -                     | 24              |
| At 30 June 2012                 | -                       | 90                       | 393                | 2,255                                      | 3,539                                | 2,777                | 3,283                    | 510                            | -                     | 12,847          |
| <b>Net carrying amount</b>      |                         |                          |                    |  |                                      |                      |                          |                                |                       |                 |
| At 30 June 2012                 | 6,644                   | 52                       | 2,430              | 242  | 269                                  | 339                  | 2,192                    | 3,748                          | 18,642                | 34,558          |

\* Less than RM1,000.

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM1,208,000 (2012: RM907,556) held under hire purchase arrangements.

# Notes to the Financial Statements

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## 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

| Company                         | Freehold land<br>RM'000 | Building<br>RM'000 | Furniture,<br>fixtures<br>and fittings<br>RM'000 | Office<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Renovation<br>RM'000 | Total<br>RM'000 |
|---------------------------------|-------------------------|--------------------|--|-------------------------------|-----------------------------|----------------------|-----------------|
| <b>As at 30 June 2013</b>       |                         |                    |  |                               |                             |                      |                 |
| <b>Cost</b>                     |                         |                    |  |                               |                             |                      |                 |
| At 1 July 2012                  | 3,036                   | 2,823              | 158  | 372                           | 804                         | 1,404                | 8,597           |
| Additions                       | -                       | -                  | -  | -                             | 135                         | -                    | 135             |
| Disposals                       | -                       | -                  | -  | -                             | (238)                       | -                    | (238)           |
| At 30 June 2013                 | 3,036                   | 2,823              | 158  | 372                           | 701                         | 1,404                | 8,494           |
| <b>Accumulated depreciation</b> |                         |                    |  |                               |                             |                      |                 |
| At 1 July 2012                  | -                       | 392                | 102  | 314                           | 456                         | 1,143                | 2,407           |
| Charge for the year             | -                       | 27                 | 13   | 22                            | 59                          | 88                   | 209             |
| Disposals                       | -                       | -                  | -  | -                             | (73)                        | -                    | (73)            |
| At 30 June 2013                 | -                       | 419                | 115  | 336                           | 442                         | 1,231                | 2,543           |
| <b>Net carrying amount</b>      |                         |                    |  |                               |                             |                      |                 |
| At 30 June 2013                 | 3,036                   | 2,404              | 43   | 36                            | 259                         | 173                  | 5,951           |
| <b>As at 30 June 2012</b>       |                         |                    |  |                               |                             |                      |                 |
| <b>Cost</b>                     |                         |                    |  |                               |                             |                      |                 |
| At 1 July 2011                  | 3,036                   | 2,823              | 139  | 374                           | 1,080                       | 1,404                | 8,856           |
| Additions                       | -                       | -                  | 19   | 3                             | -                           | -                    | 22              |
| Disposals                       | -                       | -                  | -  | (5)                           | (276)                       | -                    | (281)           |
| At 30 June 2012                 | 3,036                   | 2,823              | 158  | 372                           | 804                         | 1,404                | 8,597           |
| <b>Accumulated depreciation</b> |                         |                    |  |                               |                             |                      |                 |
| At 30 June 2012                 | -                       | 365                | 89   | 290                           | 535                         | 1,003                | 2,282           |
| Charge for the year             | -                       | 27                 | 13   | 28                            | 81                          | 140                  | 289             |
| Disposals                       | -                       | -                  | -  | (4)                           | (160)                       | -                    | (164)           |
| At 30 June 2012                 | -                       | 392                | 102  | 314                           | 456                         | 1,143                | 2,407           |
| <b>Net carrying amount</b>      |                         |                    |  |                               |                             |                      |                 |
| At 30 June 2012                 | 3,036                   | 2,431              | 56   | 58                            | 348                         | 261                  | 6,190           |

Included in property, plant and equipment of the Company is a motor vehicle with net book value of RM130,000 (2012: Nil) held under hire purchase arrangement.

**12. INVESTMENT IN SUBSIDIARIES**

|   | Company        |                |
|---|----------------|----------------|
|   | 2013<br>RM'000 | 2012<br>RM'000 |
| Unquoted shares in Malaysia:              |                |                |
| – At cost                                 | 325,578        | 325,328        |
| – At valuation                            | 222,296        | 222,296        |
| Unquoted shares outside Malaysia, at cost | 192,379        | 192,379        |
|   | 740,253        | 740,003        |
| Less: Accumulated impairment losses       | (235,265)      | (235,265)      |
|   | 504,988        | 504,738        |

The details of subsidiaries are as follows:

| Name of subsidiaries                    | Country of incorporation | Principal activities                                    | Effective equity interest |           |
|---|--------------------------|---|---------------------------|-----------|
|   |                          |   | 2013<br>%                 | 2012<br>% |
| <b>Held by the Company:</b>             |                          |   |                           |           |
| * Amanresorts Sdn. Bhd.                 | Malaysia                 | Inactive  | 100                       | 100       |
| * Bayumaju Development Sdn. Bhd.        | Malaysia                 | Property development                                    | 100                       | 100       |
| * Budaya Bersatu Sdn. Bhd.              | Malaysia                 | Property development                                    | 100                       | 100       |
| * Emerald Hectares Sdn. Bhd.            | Malaysia                 | Property development                                    | 70                        | 70        |
| Mayang Sari Sdn. Bhd.                   | Malaysia                 | Inactive  | 100                       | 100       |
| * Pakatan Perakbina Sdn. Bhd.           | Malaysia                 | Property development and building construction          | 100                       | 100       |
| * Pinnacle Trend Sdn. Bhd.              | Malaysia                 | Investment holding and property development             | 100                       | 100       |
| * Satria Sewira Sdn. Bhd.               | Malaysia                 | Property development, investment and related activities | 100                       | 100       |
| Sentul Raya Sdn. Bhd.                   | Malaysia                 | Property development and property investment            | 70                        | 70        |
| * Trend Acres Sdn. Bhd.                 | Malaysia                 | Investment holding and property development             | 100                       | 100       |
| YTL Land & Development (MM2H) Sdn. Bhd. | Malaysia                 | Dormant   | 100                       | 100       |



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## 12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

| Name of subsidiaries                                  | Country of incorporation | Principal activities                                       | Effective equity interest |           |
|---|--------------------------|--|---------------------------|-----------|
|   |                          |  | 2013<br>%                 | 2012<br>% |
| <b>Held by the Company: (cont'd.)</b>                 |                          |  |                           |           |
| * Lakefront Pte. Ltd.                                 | Singapore                | Real estate development                                    | 100                       | 100       |
| * Sandy Island Pte. Ltd.                              | Singapore                | Real estate development                                    | 100                       | 100       |
| * YTL Land & Development Management Pte. Ltd.         | Singapore                | Provision of financial and management consultancy services | 100                       | 100       |
| * YTL Westwood Properties Pte. Ltd.                   | Singapore                | Real estate development                                    | 100                       | 100       |
| <b>Held through Mayang Sari Sdn. Bhd.:</b>            |                          |  |                           |           |
| Lot Ten Security Sdn. Bhd.                            | Malaysia                 | Inactive   | 100                       | 100       |
| SR Property Management Sdn. Bhd.                      | Malaysia                 | Provision of property management services                  | 100                       | 100       |
| <b>Held through SR Property Management Sdn. Bhd.:</b> |                          |  |                           |           |
| Boom Time Strategies Sdn. Bhd.                        | Malaysia                 | Inactive   | 100                       | 100       |
| <b>Held through Pakatan Perakbina Sdn. Bhd.:</b>      |                          |  |                           |           |
| * Noriwas Sdn. Bhd.                                   | Malaysia                 | Dormant  | 100                       | 100       |
| * PYP Sendirian Berhad                                | Malaysia                 | Property development and related services                  | 100                       | 100       |
| * Syarikat Kemajuan Perumahan Negara Sdn. Bhd.        | Malaysia                 | Property development and related services                  | 100                       | 100       |
| * Udapakat Bina Sdn. Bhd.                             | Malaysia                 | Property development and related services                  | 100                       | 100       |
| <b>Held through Sentul Raya Sdn. Bhd.:</b>            |                          |  |                           |           |
| Sentul Park Management Sdn. Bhd.                      | Malaysia                 | Park management  | 70                        | 70        |
| Sentul Raya City Sdn. Bhd.                            | Malaysia                 | Inactive   | 70                        | 70        |
| Sentul Raya Golf Club Berhad                          | Malaysia                 | Inactive   | 70                        | 70        |

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

## 12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

### Acquisition of subsidiaries during previous financial year

On 4 November 2011, the Company completed the acquisitions from:-

- the immediate holding company, YTL Corporation Berhad ("YTL Corp") of the equity interests in the following companies:-
  - 100% equity interest in Satria Sewira Sdn. Bhd. ("SSSB")
  - 70% equity interest in Emerald Hectares Sdn. Bhd. ("EHSB")
  - 100% equity interest in Pinnacle Trend Sdn. Bhd. ("PTSB")
  - 100% equity interest in Trend Acres Sdn. Bhd. ("TASB")
  - 100% equity interest in YTL Westwood Properties Pte Ltd ("YTLW");
- YTL Singapore Pte Ltd, a wholly-owned subsidiary of YTL Corp of 70% equity interest each in Lakefront Pte Ltd ("LFPL") and Sandy Island Pte Ltd ("SIPL"); and
- Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd., a wholly-owned subsidiary of YTL Corp of 100% equity interest in Budaya Bersatu Sdn. Bhd. ("BBSB")

for a total consideration of RM209,414,726. Consequently, SSSB, PTSB, TASB, YTLW and BBSB have become wholly-owned subsidiaries of the Company; and EHSB, LFPL and SIPL have become 70%-owned subsidiaries of the Company.

In June 2012, the Company acquired the remaining 30% equity interests each in LFPL and SIPL from their non-controlling interests for a total consideration of RM42,593,385. Consequently, LFPL and SIPL have become wholly-owned subsidiaries of the Company.

On the date of acquisition, the carrying values of the additional interests acquired were RM44,651,878. The difference between the consideration and the book values of the interests acquired of RM2,058,493 is recognised in equity.

There is no significant acquisition or disposal of subsidiaries during the financial year.

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## 12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

### Acquisition of subsidiaries during previous financial year (cont'd.)

Details of the assets, liabilities and net cash outflow arising from the acquisitions are as follows:

|  | Fair value<br>RM'000 | Carrying<br>amount<br>RM'000 |
|--|----------------------|------------------------------|
| <b>Assets:</b>   |                      |                              |
| Property, plant and equipment                          | 263                  | 263                          |
| Land held for property development                     | 279,890              | 260,968                      |
| Property development costs                             | 1,574,660            | 1,437,298                    |
| Trade and other receivables                            | 540                  | 540                          |
| Other current assets                                   | 4,723                | 4,723                        |
| Cash and cash equivalents                              | 39,629               | 39,629                       |
| <b>Total assets</b>                                    | <b>1,899,705</b>     | <b>1,743,421</b>             |
| <b>Liabilities:</b>                                    |                      |                              |
| Trade and other payables                               | 22,190               | 22,190                       |
| Amounts due to related companies                       | 1,378,214            | 1,378,214                    |
| Borrowings   | 228,097              | 228,097                      |
| Current tax payable                                    | 10,852               | 10,852                       |
| Deferred tax liabilities                               | 30,510               | 41                           |
| <b>Total liabilities</b>                               | <b>1,669,863</b>     | <b>1,639,394</b>             |
| <b>Total net assets acquired</b>                       | <b>229,842</b>       | <b>104,027</b>               |
| Less: Non-controlling interests                        | (55,018)             |                              |
| Group's interest in fair value of net assets acquired  | 174,824              |                              |
| Goodwill on acquisition                                | 35,561               |                              |
| Negative goodwill recognised in profit or loss         | (970)                |                              |
| <b>Total purchase consideration</b>                    | <b>209,415</b>       |                              |
| Less: Consideration settled by issue of ICULS          | (56,791)             |                              |
| Consideration settled in cash                          | 152,624              |                              |
| Cash and cash equivalents of subsidiaries acquired     | 39,629               |                              |
| <b>Net cash outflow on acquisition of subsidiaries</b> | <b>(112,995)</b>     |                              |

The fair values of the identifiable assets and liabilities were determined on a provisional basis.

From the date of acquisition, the subsidiaries acquired have contributed RM9,010,956 to the Group's profit net of tax. If the combinations had taken place at the beginning of previous financial year, the Group's revenue and profit attributable to owners of the Company would have been RM501,336,640 and RM13,260,138 respectively.

**13. INVESTMENT IN A JOINTLY CONTROLLED ENTITY**

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Unquoted investment, at cost     | 22,900         | 22,900         | 22,900         | 22,900         |
| Share of post acquisition losses | (410)          | (407)          | –              | –              |
|                                  | 22,490         | 22,493         | 22,900         | 22,900         |

Details of the jointly controlled entity are as follows:-

| Name of Company              | Country of incorporation | Principal activity   | Effective equity interest |           |
|------------------------------|--------------------------|----------------------|---------------------------|-----------|
|                              |                          |                      | 2013<br>%                 | 2012<br>% |
| PDC Heritage Hotel Sdn. Bhd. | Malaysia                 | Property development | 50                        | 50        |

The financial statements of the above jointly controlled entity are audited by a firm of auditors other than Ernst & Young.

- a) The aggregate amounts of each of the current asset, non-current assets, current liabilities, income and expenses related to the Group's interests in the jointly controlled entity are as follows:

|                                | Group          |                |
|--------------------------------|----------------|----------------|
|                                | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Assets and liabilities:</b> |                |                |
| Current asset                  | 16,101         | 15,638         |
| Non-current assets             | 135            | –              |
| Total assets                   | 16,236         | 15,638         |
| Current liabilities            | (3,305)        | (2,705)        |
| Net assets                     | 12,931         | 12,933         |
| <b>Financial results:</b>      |                |                |
| Income                         | 3              | 2              |
| Loss for the year              | (3)            | (404)          |

\* Representing RM1.

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## 14. INVESTMENT PROPERTY

|  | 2013<br>RM'000 | Group<br>2012<br>RM'000 |
|--|----------------|-------------------------|
| At beginning/end of the financial year | 32,900         | 32,900                  |

As at reporting date, the fair value of the investment property was estimated based on current market condition and open market value basis as used by a registered valuer in their 2011 report.

## 15. LAND HELD FOR PROPERTY DEVELOPMENT

|   | 2013<br>RM'000 | Group<br>2012<br>RM'000 | 2013<br>RM'000 | Company<br>2012<br>RM'000 |
|---|----------------|-------------------------|----------------|---------------------------|
| <b>At beginning of the financial year</b>     |                |                         |                |                           |
| <b>Cost</b>                                   |                |                         |                |                           |
| Freehold land                                 | 432,529        | 166,830                 | –              | –                         |
| Leasehold land                                | 185,102        | 162,990                 | 30,746         | 10,036                    |
|   | 617,631        | 329,820                 | 30,746         | 10,036                    |
| Development expenditure                       | 247,345        | 215,832                 | 6,409          | 4,995                     |
|   | 864,976        | 545,652                 | 37,155         | 15,031                    |
| <b>Cost incurred during the year:</b>         |                |                         |                |                           |
| Freehold land                                 | –              | 1,270                   | –              | –                         |
| Leasehold land                                | –              | 22,112                  | –              | 20,710                    |
| Development expenditure                       | 21,228         | 16,052                  | 763            | 1,414                     |
|   | 21,228         | 39,434                  | 763            | 22,124                    |
| <b>Acquisition of subsidiaries (Note 12):</b> |                |                         |                |                           |
| Freehold land                                 | –              | 264,429                 | –              | –                         |
| Development expenditure                       | –              | 15,461                  | –              | –                         |
|   | –              | 279,890                 | –              | –                         |
| <b>Write off to profit or loss</b>            | (460)          | –                       | (428)          | –                         |
| <b>At end of the financial year</b>           | 885,744        | 864,976                 | 37,490         | 37,155                    |

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

Included in land held for property development of the Group is interest capitalised during the financial year amounting to RM2,304,000 (2012: RM2,463,870) as disclosed in Note 5.

**16. GOODWILL ON CONSOLIDATION**

|  | 2013<br>RM'000 | Group<br>2012<br>RM'000 |
|--|----------------|-------------------------|
| At beginning of the financial year                 | 36,530         | 12,183                  |
| Arising from acquisition of subsidiaries (Note 12) | –              | 35,561                  |
| Impairment (Note 6)                                | –              | (12,136)                |
| Exchange differences                               | 76             | 922                     |
| At end of the financial year                       | 36,606         | 36,530                  |

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

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

**(i) Allocation of goodwill**

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

**(ii) Key assumptions**

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

## – Budgeted gross margin

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

## – Discount rate

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

**(iii) Sensitivity to changes in assumptions**

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

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## 17. DEFERRED TAX

|  | Group          |                |
|--|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 |
| At beginning of the financial year                 | 52,171         | 41,494         |
| Recognised in profit or loss (Note 9)              | (570)          | (19,833)       |
| Recognised in equity                               | –              | 30,510         |
| At end of the financial year                       | 51,601         | 52,171         |
| Presented after appropriate offsetting as follows: |                |                |
| Deferred tax assets                                | (3,058)        | (2,667)        |
| Deferred tax liabilities                           | 54,659         | 54,838         |
|  | 51,601         | 52,171         |

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

### Deferred tax liabilities of the Group:

|                              | Property,<br>plant and<br>equipment<br>RM'000 | Land held<br>for property<br>development<br>RM'000 | Total<br>RM'000 |
|------------------------------|---|--|-----------------|
| At 1 July 2012               | 188   | 54,671   | 54,859          |
| Recognised in profit or loss | (44)  | (57)   | (101)           |
| At 30 June 2013              | 144   | 54,614   | 54,758          |
| At 1 July 2011               | 159   | 44,253   | 44,412          |
| Recognised in profit or loss | 29  | (20,092)   | (20,063)        |
| Recognised in equity         | –   | 30,510   | 30,510          |
| At 30 June 2012              | 188   | 54,671   | 54,859          |



**17. DEFERRED TAX (CONT'D.)**

Deferred tax assets of the Group:

|                              | Unabsorbed<br>losses in<br>subsidiaries<br>RM'000 | Accruals<br>and<br>payables<br>RM'000 | Total<br>RM'000 |
|------------------------------|---|---------------------------------------|-----------------|
| At 1 July 2012               | (114)   | (2,574)                               | (2,688)         |
| Recognised in profit or loss | (1,475)   | 1,006                                 | (469)           |
| At 30 June 2013              | (1,589)   | (1,568)                               | (3,157)         |
| At 1 July 2011               | (114)   | (2,804)                               | (2,918)         |
| Recognised in profit or loss | –   | 230                                   | 230             |
| At 30 June 2012              | (114)   | (2,574)                               | (2,688)         |

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

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Unused tax losses                      | 5,105          | 576            | –              | –              |
| Unabsorbed capital allowances          | 286            | 286            | –              | –              |
| Other deductible temporary differences | 94             | 94             | 94             | 94             |
|  | 5,485          | 956            | 94             | 94             |

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

**18. INVENTORIES**

|                           | Group          |                |
|---------------------------|----------------|----------------|
|                           | 2013<br>RM'000 | 2012<br>RM'000 |
| Properties held for sale  |                |                |
| – At cost                 | 127,838        | 161,785        |
| – At net realisable value | 21,366         | 24,489         |
|                           | 149,204        | 186,274        |

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM36,136,000 (2012: RM10,943,701) as disclosed in Note 4.

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## 19. PROPERTY DEVELOPMENT COSTS

|   | 2013<br>RM'000   | Group<br>2012<br>RM'000 |
|---|------------------|-------------------------|
| <b>Property development costs at beginning of the financial year:</b> |                  |                         |
| Freehold and leasehold land, at cost                                  | 1,254,370        | 30,113                  |
| Development and construction costs                                    | 173,590          | 86,958                  |
|   | <b>1,427,960</b> | <b>117,071</b>          |
| <b>Cost incurred during the year:</b>                                 |                  |                         |
| Development and construction costs                                    | 204,899          | 249,169                 |
| <b>Reversal of development costs for completed projects:</b>          |                  |                         |
| Freehold land   | –                | (1,467)                 |
| Leasehold land  | (131,411)        | (299,825)               |
| Development cost  | –                | (535,157)               |
|   | <b>(131,411)</b> | <b>(836,449)</b>        |
| <b>Acquisition of subsidiaries:</b>                                   |                  |                         |
| Freehold land   | –                | 1,063,501               |
| Leasehold land  | –                | 461,105                 |
| Development cost  | –                | 455,692                 |
|   | –                | <b>1,980,298</b>        |
| <b>Transfer of unsold units to inventories:</b>                       |                  |                         |
| Development cost  | –                | (131,975)               |
| <b>Costs recognised in profit or loss:</b>                            |                  |                         |
| At beginning of the financial year                                    | 196,499          | 68,460                  |
| Acquisition of subsidiaries   | –                | 460,029                 |
| Recognised during the year (Note 4)                                   | 97,441           | 506,292                 |
| Reversal of completed projects  | (131,411)        | (836,449)               |
| Exchange differences  | –                | (1,833)                 |
| At end of the financial year  | <b>162,529</b>   | <b>196,499</b>          |
| Exchange differences  | <b>5,131</b>     | <b>49,846</b>           |
| <b>Property development costs at end of the financial year</b>        | <b>1,344,050</b> | <b>1,231,461</b>        |

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM30,314,000 (2012: RM41,179,636) as disclosed in Note 5.

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,316,000,000 (2012: RM1,188,847,000) pledged as security for a borrowing granted to the Group as disclosed in Note 28.

**20. TRADE AND OTHER RECEIVABLES**

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Trade receivables</b>               |                |                |                |                |
| Trade receivables                      | 19,472         | 32,750         | –              | –              |
| Stakeholder amounts held by solicitors | 4,328          | 41,716         | –              | –              |
|  | <b>23,800</b>  | <b>74,466</b>  | <b>–</b>       | <b>–</b>       |
| <b>Other receivables</b>               |                |                |                |                |
| Deposits                               | 2,279          | 2,606          | 11             | 11             |
| Other receivables                      | 9,962          | 9,037          | 1,229          | 1,238          |
|  | <b>12,241</b>  | <b>11,643</b>  | <b>1,240</b>   | <b>1,249</b>   |
| Less: Allowance for impairment         | (1,040)        | (1,040)        | (1,000)        | (1,000)        |
|  | <b>11,201</b>  | <b>10,603</b>  | <b>240</b>     | <b>249</b>     |
| Total trade and other receivables      | <b>35,001</b>  | <b>85,069</b>  | <b>240</b>     | <b>249</b>     |
| Amounts due from:                      |                |                |                |                |
| – Subsidiaries (Note 22)               | –              | –              | 535,517        | 544,282        |
| – Related companies (Note 23)          | 456            | 952            | –              | 1              |
| – Jointly controlled entity (Note 23)  | 6,610          | 5,405          | 6,607          | 5,405          |
| Cash and cash equivalents (Note 24)    | 69,929         | 282,095        | 5,856          | 2,570          |
| Total loans and receivables            | <b>111,996</b> | <b>373,521</b> | <b>548,220</b> | <b>552,507</b> |

**(a) Trade receivables**

The Group's normal trade credit terms range from 30 days to 90 days (2012: 30 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

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

|  | 2013<br>RM'000 | 2012<br>RM'000 |
|--|----------------|----------------|
| Neither past due nor impaired            | 20,315         | 68,830         |
| 1 to 30 days past due not impaired       | 36             | 288            |
| 31 to 60 days past due not impaired      | 14             | 1,025          |
| 61 to 90 days past due not impaired      | 418            | 15             |
| 91 to 120 days past due not impaired     | 144            | 2,049          |
| More than 120 days past due not impaired | 2,873          | 2,259          |
|  | <b>23,800</b>  | <b>74,466</b>  |

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## 20. TRADE AND OTHER RECEIVABLES (CONT'D.)

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

#### Receivables that are neither past due nor impaired

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

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,485,000 (2012: RM5,635,788) that are past due at the reporting date but not impaired. This includes mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

### (b) Other receivables that are impaired

The Group's other receivables that are individually impaired at the reporting date are as follows:

|                                     | <b>Group<br/>2013<br/>RM'000</b> | <b>Company<br/>2012<br/>RM'000</b> |
|-------------------------------------|----------------------------------|------------------------------------|
| Other receivables – nominal amounts | 1,040                            | 1,000                              |
| Less: Allowance for impairment      | (1,040)                          | (1,000)                            |
|                                     | –                                | –                                  |

There has been no movement in the allowance account during the financial year.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amount due from Kuala Lumpur Performing Arts Centre of RM8,200,000 (2012: RM7,300,000) which represents a concentration of credit risk to the Group by virtue of its significant balance.

The other receivables are non-interest bearing, unsecured and are repayable on demand. Other information on financial risk is disclosed in Note 38.

## 21. OTHER CURRENT ASSETS

|   | <b>Group</b>           |                        | <b>Company</b>         |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | <b>2013<br/>RM'000</b> | <b>2012<br/>RM'000</b> | <b>2013<br/>RM'000</b> | <b>2012<br/>RM'000</b> |
| Prepayments   | 2,503                  | 3,054                  | 1                      | 1                      |
| Accrued billings in respect of property development costs | 38,261                 | 52,694                 | –                      | –                      |
|   | 40,764                 | 55,748                 | 1                      | 1                      |

**22. AMOUNTS DUE FROM/TO SUBSIDIARIES**

The amounts due from/to subsidiaries primarily arose from payments on behalf and are unsecured, interest-free and repayable on demand.

The amounts due from subsidiaries are stated net of allowances for impairment of RM1,477,000 (2012: RM15,183,263).

**23. AMOUNTS DUE FROM/TO RELATED COMPANIES, HOLDING COMPANIES AND JOINTLY CONTROLLED ENTITY**

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

The amounts due from/to holding and related companies and the jointly controlled entity are unsecured, interest free and are repayable on demand.

An amount of RM39,484,000 (2012: RM42,325,000) due to related companies is trade in nature.

**24. CASH AND CASH EQUIVALENTS**

|                              | Group          |                | Company        |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Deposits with licensed banks | 50,661         | 20,195         | 5,731          | 187            |
| Cash and bank balances       | 19,268         | 261,900        | 125            | 2,383          |
|                              | <b>69,929</b>  | <b>282,095</b> | <b>5,856</b>   | <b>2,570</b>   |

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

|                              | Group     |           | Company   |           |
|------------------------------|-----------|-----------|-----------|-----------|
|                              | 2013<br>% | 2012<br>% | 2013<br>% | 2012<br>% |
| Deposits with licensed banks | 1.49      | 2.35      | 3.05      | 2.99      |

The maturity of deposits as at the end of the financial year ranged from 5 days to 91 days (2012: 3 days to 92 days).

Included in the deposits with licensed banks amounting to RM5,077,000 (2012: RM5,016,000) is pledged as a security for a borrowing as disclosed in Note 28.

Included in cash and bank balances of the Group are amounts of RM9,871,000 (2012: RM23,590,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and Nil (2012: RM184,303,941) held under the Project Account Rules – 1977 Ed, Singapore and therefore restricted from use in other operations.

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## 25. TRADE AND OTHER PAYABLES

|  | Group            |                  | Company        |                |
|--|------------------|------------------|----------------|----------------|
|  | 2013<br>RM'000   | 2012<br>RM'000   | 2013<br>RM'000 | 2012<br>RM'000 |
| Trade payables   | 7,144            | 1,032            | –              | –              |
| Other payables   | 21,181           | 38,887           | 18,120         | 35,112         |
| Accruals   | 43,261           | 49,327           | 1,073          | 1,117          |
| Deposits received  | 3,404            | 818              | –              | –              |
| <b>Total trade and other payables</b>                        | <b>74,990</b>    | <b>90,064</b>    | <b>19,193</b>  | <b>36,229</b>  |
| Amounts due to:  |                  |                  |                |                |
| – Immediate holding company (Note 23)                        | 1,054            | 1,052            | 306            | 312            |
| – Subsidiary (Note 22)                                       | –                | –                | 41,305         | 28,754         |
| – Related companies (Note 23)                                | 41,551           | 45,340           | 6              | 3              |
| Borrowings (Note 28)   | 1,403,397        | 1,563,611        | 134,762        | 139,291        |
| <b>Total financial liabilities carried at amortised cost</b> | <b>1,520,992</b> | <b>1,700,067</b> | <b>195,572</b> | <b>204,589</b> |

The normal credit terms granted to the Group range from 30 days to 90 days (2012: 30 days to 90 days).

## 26. PROVISIONS

|  | Group          |                |
|--|----------------|----------------|
|  | 2013<br>RM'000 | 2012<br>RM'000 |
| At beginning of the financial year       | 4,005          | 4,656          |
| Provision during the year (Note 6)       | 287            | 483            |
| Reversal of provisions (Note 6)          | –              | (228)          |
| Utilisation of provision during the year | (4)            | (906)          |
| <b>At end of the financial year</b>      | <b>4,288</b>   | <b>4,005</b>   |

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

## 27. OTHER CURRENT LIABILITIES

|   | Group          |                |
|---|----------------|----------------|
|   | 2013<br>RM'000 | 2012<br>RM'000 |
| Amount due to customer on contract (Note a) | 5              | 5              |
| Accruals for rectification works            | 1,997          | 4,138          |
| <b>Total</b>                                | <b>2,002</b>   | <b>4,143</b>   |

**27. OTHER CURRENT LIABILITIES (CONT'D.)**

(a) Amount due to customer on contract

|                                     | Group          |                |
|-------------------------------------|----------------|----------------|
|                                     | 2013<br>RM'000 | 2012<br>RM'000 |
| Construction costs incurred to date | 533,082        | 533,082        |
| Attributable profits                | 9,534          | 9,534          |
|                                     | 542,616        | 542,616        |
| Less: Progress billings             | (542,621)      | (542,621)      |
| Amount due to customer on contract  | (5)            | (5)            |

**28. BORROWINGS**

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Current</b>                   |                |                |                |                |
| Secured:                         |                |                |                |                |
| Hire purchase payables (Note 29) | 407            | 293            | 39             | –              |
| Unsecured:                       |                |                |                |                |
| ICULS (Note 30)                  | 4,958          | 4,630          | 4,958          | 4,630          |
| Term loans                       | 40,000         | 159,554        | –              | –              |
|                                  | 45,365         | 164,477        | 4,997          | 4,630          |
| <b>Non-current</b>               |                |                |                |                |
| Secured:                         |                |                |                |                |
| Hire purchase payables (Note 29) | 302            | 333            | 73             | –              |
| Term loan (Note a)               | 774,004        | 771,324        | –              | –              |
| Unsecured:                       |                |                |                |                |
| ICULS (Note 30)                  | 129,692        | 134,661        | 129,692        | 134,661        |
| Term loans                       | 454,034        | 492,816        | –              | –              |
|                                  | 1,358,032      | 1,399,134      | 129,765        | 134,661        |
| <b>Total borrowings</b>          |                |                |                |                |
| Hire purchase payables (Note 29) | 709            | 626            | 112            | –              |
| ICULS (Note 30)                  | 134,650        | 139,291        | 134,650        | 139,291        |
| Term loans                       | 1,268,038      | 1,423,694      | –              | –              |
|                                  | 1,403,397      | 1,563,611      | 134,762        | 139,291        |

**(a) Term loan**

The term loan is secured by corporate guarantees from the Company and charges on certain assets of the Group as disclosed in the relevant notes to the financial statements.



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## 28. BORROWINGS (CONT'D.)

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

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2013<br>RM'000   | 2012<br>RM'000   | 2013<br>RM'000 | 2012<br>RM'000 |
| Not later than 1 year                         | 45,365           | 164,477          | 4,997          | 4,630          |
| Later than 1 year and not later than 2 years  | 45,511           | 45,265           | 5,401          | 4,958          |
| Later than 2 years and not later than 5 years | 1,226,546        | 1,252,877        | 38,389         | 28,711         |
| Later than 5 years                            | 85,975           | 100,992          | 85,975         | 100,992        |
|   | <b>1,403,397</b> | <b>1,563,611</b> | <b>134,762</b> | <b>139,291</b> |

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

|               | Group     |           | Company   |           |
|---------------|-----------|-----------|-----------|-----------|
|               | 2013<br>% | 2012<br>% | 2013<br>% | 2012<br>% |
| ICULS         | 7.49      | 7.49      | 7.49      | 7.49      |
| Hire purchase | 4.68      | 4.80      | 4.63      | –         |
| Term loans    | 2.49      | 2.50      | –         | –         |

## 29. HIRE PURCHASE PAYABLES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| <b>Future minimum lease payments:</b>             |                |                |                |                |
| Not later than 1 year                             | 431            | 316            | 43             | –              |
| Later than 1 year and not later than 2 years      | 142            | 316            | 43             | –              |
| Later than 2 year and not later than 5 years      | 178            | 26             | 33             | –              |
|   | <b>751</b>     | <b>658</b>     | <b>119</b>     | <b>–</b>       |
| Less: Future finance charges                      | (42)           | (32)           | (7)            | –              |
| Present value of hire purchase payables (Note 28) | <b>709</b>     | <b>626</b>     | <b>112</b>     | <b>–</b>       |

**Analysis of present value of hire purchase payables:**

|   |            |            |            |          |
|---|------------|------------|------------|----------|
| <b>Current</b>                                |            |            |            |          |
| Not later than 1 year                         | 407        | 293        | 39         | –        |
| <b>Non-current</b>                            |            |            |            |          |
| Later than 1 year and not later than 2 years  | 183        | 307        | 73         | –        |
| Later than 2 years and not later than 5 years | 119        | 26         | –          | –        |
|   | <b>302</b> | <b>333</b> | <b>73</b>  | <b>–</b> |
| Present value of hire purchase payables       | <b>709</b> | <b>626</b> | <b>112</b> | <b>–</b> |

**30. ICULS**

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

The salient terms of the ICULS are as follows:-

- (i) The ICULS shall bear a coupon rate of 3.0% per annum from date of issue ("Issued Date") up to the fourth anniversary of the Issued Date and 4.5% per annum from the date after the fourth anniversary of the Issued Date up to the seventh anniversary of the Issued Date. Thereafter, the ICULS shall bear a coupon rate of 6.0% per annum to the maturity date. The interest is payable semi-annually in arrears.
- (ii) The ICULS are convertible at any time on or after its issuance date into new ordinary shares of the Company at the conversion price, which is fixed on a step-down basis, as follows:-
  - (a) For conversion at any time from the Issued Date up to the fourth anniversary of the Issued Date is RM1.32;
  - (b) For conversion at any time after the fourth anniversary of the Issued Date up to the seventh anniversary of the Issued Date is RM0.99; and
  - (c) For conversion at any time after the seventh anniversary of the Issued Date up to the maturity date is RM0.66.
- (iii) The ICULS are not redeemable and any ICULS remaining immediately after the maturity date shall be mandatorily converted into ordinary shares at the conversion price.
- (iv) The new ordinary shares issued from the conversion of ICULS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of the Company.

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

|   | <b>Group/Company</b> |                |
|---|----------------------|----------------|
|   | <b>2013</b>          | <b>2012</b>    |
|   | <b>RM'000</b>        | <b>RM'000</b>  |
| Liability component (Note a)  | 134,650              | 139,291        |
| Equity component (Note b)   | 354,969              | 355,001        |
|   | <b>489,619</b>       | <b>494,292</b> |
| <b>(a) Liability component of ICULS</b>                                 |                      |                |
| Liability component at beginning of the financial year/date of issue    | 139,291              | 139,848        |
| Interest expense recognised during the year (Note 5)                    | 10,247               | 6,974          |
| Interest paid during the financial year                                 | (14,878)             | (7,460)        |
| Conversion of ICULS to ordinary shares                                  | (10)                 | (71)           |
| Liability component at end of the financial year                        | <b>134,650</b>       | <b>139,291</b> |
| <b>(b) Equity component of ICULS</b>                                    |                      |                |
| Equity component at beginning of the financial year/initial recognition | 355,001              | 355,183        |
| Conversion of ICULS to ordinary shares                                  | (32)                 | (182)          |
| Equity component at end of the financial year                           | <b>354,969</b>       | <b>355,001</b> |

Interest expense on the ICULS is calculated on the effective yield basis by applying the effective interest rate of 7.49% (2012: 7.49%) per annum for an equivalent non-convertible loan stock to the liability component of the ICULS.

# Notes to the Financial Statements

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## 31. OTHER NON-CURRENT LIABILITY

|                                    | Group          |                |
|------------------------------------|----------------|----------------|
|                                    | 2013<br>RM'000 | 2012<br>RM'000 |
| Amount due to customer on contract | 67,696         | 67,696         |

The amount represents the balance of the total purchase consideration of not less than RM105,616,000 (2012: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which is to be settled by way of phased development, construction and completion of the Railway Village by a subsidiary, Sentul Raya Sdn. Bhd. ("SRSB") for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB, as amended pursuant to the Supplementary Development Agreement with KTMB dated 21 December 2000.

## 32. SHARE CAPITAL AND SHARE PREMIUM

|  | Group/Company               |           |                             |           |
|--|-----------------------------|-----------|-----------------------------|-----------|
|  | 2013                        |           | 2012                        |           |
|  | Number of<br>shares<br>'000 | RM'000    | Number of<br>shares<br>'000 | RM'000    |
| <b>Ordinary shares of RM0.50 each</b>  |                             |           |                             |           |
| <b>Authorised:</b>                     |                             |           |                             |           |
| At beginning/end of the financial year | 3,000,000                   | 1,500,000 | 3,000,000                   | 1,500,000 |
| <b>Issued and fully paid:</b>          |                             |           |                             |           |
| At beginning of the financial year     | 844,313                     | 422,156   | 844,121                     | 422,060   |
| Conversion of ICULS to ordinary shares | 32                          | 16        | 192                         | 96        |
| At end of the financial year           | 844,345                     | 422,172   | 844,313                     | 422,156   |

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

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

The main features of the ESOS are as follows:-

- (i) The ESOS shall be in force for a period of ten (10) years, effective from 1 April 2011.
- (ii) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of the ESOS.

### 32. SHARE CAPITAL AND SHARE PREMIUM (CONT'D.)

#### Employees Share Option Scheme ("ESOS") (cont'd.)

- (iii) Any employee (including the directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer of an option ("Offer Date"), the person:-
- (a) has attained the age of eighteen (18) years;
  - (b) is a director or an employee employed by and on the payroll of a company within the Group; and
  - (c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.
- (iv) The subscription price payable for shares under the ESOS shall be determined by the Board upon the recommendation of the options committee and shall be fixed based on the higher of the following:
- (a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) Market Days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
  - (b) the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act, 1965).
- (v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the option during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the option can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the option to be exercised at any earlier or other period.
- (vi) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion.

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

### 33. TREASURY SHARES

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

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 27 November 2012, approved for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

# Notes to the Financial Statements

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## 33. TREASURY SHARES (CONT'D.)

During the financial year, the Company repurchased 200 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.94 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

|                                    | ← Group/Company →           |        |                             |        |
|------------------------------------|-----------------------------|--------|-----------------------------|--------|
|                                    | ← 2013 →                    |        | ← 2012 →                    |        |
|                                    | Number of<br>shares<br>'000 | RM'000 | Number of<br>shares<br>'000 | RM'000 |
| At beginning of the financial year | 15,172                      | 22,200 | 15,172                      | 22,200 |
| Purchase of treasury shares        | *                           | *      | *                           | *      |
| At end of the financial year       | 15,172                      | 22,200 | 15,172                      | 22,200 |

\* Less than 1,000.

## 34. FOREIGN CURRENCY TRANSLATION RESERVE

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

## 35. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

|   | 2013<br>RM'000 | 2012<br>RM'000 |
|---|----------------|----------------|
| <b>Group</b>  |                |                |
| <u>Related companies:</u>                                 |                |                |
| Construction costs charged by:                            |                |                |
| Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.               | 59,991         | 37,396         |
| YTL Construction (S) Pte. Ltd.                            | 41,448         | 102,404        |
| Project management and marketing agent fees charged to:   |                |                |
| Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.               | 25,020         | 34,612         |
| Purchase of leasehold land for development from:          |                |                |
| YTL Land Sdn. Bhd.  | -              | 20,710         |
| Rental charges paid to:                                   |                |                |
| Katagreen Development Sdn. Bhd.                           | 1,084          | 1,151          |
| <u>Key management personnel and close family members:</u> |                |                |
| Progress billings for sale of properties                  | 28,085         | 52,226         |

**35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)**

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

|  | 2013<br>RM'000 | 2012<br>RM'000 |
|--|----------------|----------------|
| <b>Company</b>                                   |                |                |
| <u>Related companies:</u>                        |                |                |
| Rental charges paid to:                          |                |                |
| Katagreen Development Sdn. Bhd.                  | 1,084          | 1,151          |
| Purchase of leasehold land for development from: |                |                |
| YTL Land Sdn. Bhd.                               | –              | 20,710         |

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

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

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

**36. COMMITMENTS****Non-cancellable operating lease commitments – Group as lessee**

|                               | Group          |                | Company        |                |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Future minimum lease payable: |                |                |                |                |
| Not later than 1 year         | 581            | 1,612          | 581            | 1,151          |
| Later than 1 year             | –              | 716            | –              | 689            |
|                               | <b>581</b>     | <b>2,328</b>   | <b>581</b>     | <b>1,840</b>   |

Operating lease payments represent rentals payable by the Group and by the Company for use of premises. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

**37. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the parties guaranteed were to default.

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## 37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

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

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### (a) Liquidity risk

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

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

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

|   | ← 2013 →                                |                           |                                | Total<br>RM'000  |
|---|---|---------------------------|--------------------------------|------------------|
|   | On demand or<br>within 1 year<br>RM'000 | 1 to<br>5 years<br>RM'000 | More than<br>5 years<br>RM'000 |                  |
| <b>Group</b>                                    |   |                           |                                |                  |
| Trade and other payables                        | 74,990                                  | –                         | –                              | 74,990           |
| Borrowings                                      | 84,408                                  | 1,377,490                 | 100,418                        | 1,562,316        |
| Amounts due to:                                 |   |                           |                                |                  |
| – Immediate holding company (Note 23)           | 1,054                                   | –                         | –                              | 1,054            |
| – Related companies (Note 23)                   | 41,551                                  | –                         | –                              | 41,551           |
| <b>Total undiscounted financial liabilities</b> | <b>202,003</b>                          | <b>1,377,490</b>          | <b>100,418</b>                 | <b>1,679,911</b> |
| <b>Company</b>                                  |   |                           |                                |                  |
| Trade and other payables                        | 19,193                                  | –                         | –                              | 19,193           |
| Borrowings                                      | 12,440                                  | 78,179                    | 100,418                        | 191,037          |
| Amounts due to:                                 |   |                           |                                |                  |
| – Subsidiary (Note 22)                          | 41,305                                  | –                         | –                              | 41,305           |
| – Immediate holding company (Note 23)           | 306                                     | –                         | –                              | 306              |
| – Related companies (Note 23)                   | 6                                       | –                         | –                              | 6                |
| <b>Total undiscounted financial liabilities</b> | <b>73,250</b>                           | <b>78,179</b>             | <b>100,418</b>                 | <b>251,847</b>   |



**38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(a) Liquidity risk (cont'd.)**

|   | ← 2012 →                                |                           |                                | Total<br>RM'000  |
|---|---|---------------------------|--------------------------------|------------------|
|   | On demand or<br>within 1 year<br>RM'000 | 1 to<br>5 years<br>RM'000 | More than<br>5 years<br>RM'000 |                  |
| <b>Group</b>                                    |   |                           |                                |                  |
| Trade and other payables                        | 90,064                                  | –                         | –                              | 90,064           |
| Borrowings                                      | 210,387                                 | 1,449,758                 | 122,744                        | 1,782,889        |
| Amounts due to:                                 |   |                           |                                |                  |
| – Immediate holding company (Note 23)           | 1,052                                   | –                         | –                              | 1,052            |
| – Related companies (Note 23)                   | 45,340                                  | –                         | –                              | 45,340           |
| <b>Total undiscounted financial liabilities</b> | <b>346,843</b>                          | <b>1,449,758</b>          | <b>122,744</b>                 | <b>1,919,345</b> |
| <b>Company</b>                                  |   |                           |                                |                  |
| Trade and other payables                        | 36,229                                  | –                         | –                              | 36,229           |
| Borrowings                                      | 14,878                                  | 70,671                    | 122,744                        | 208,293          |
| Amounts due to:                                 |   |                           |                                |                  |
| – Subsidiary (Note 22)                          | 28,754                                  | –                         | –                              | 28,754           |
| – Immediate holding company (Note 23)           | 312                                     | –                         | –                              | 312              |
| – Related companies (Note 23)                   | 3                                       | –                         | –                              | 3                |
| <b>Total undiscounted financial liabilities</b> | <b>80,176</b>                           | <b>70,671</b>             | <b>122,744</b>                 | <b>273,591</b>   |

**(b) Credit risk**

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

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

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

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM1,411,570,000 (2012: RM1,417,538,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

# Notes to the Financial Statements

30 June 2013

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (b) Credit risk (cont'd.)

#### (i) Trade and other receivables

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

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

#### (ii) Inter company balances

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

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

### (c) Interest rate risk

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

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

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

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, there would be no significant impact to the Group's profit net of tax and equity. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### (d) Foreign currency risk

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

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

#### Sensitivity analysis for foreign currency risk

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

**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 policy to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

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

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000 |
| Borrowings (Note 28)                        | 1,403,397      | 1,563,611      | 134,762        | 139,291        |
| Trade and other payables (Note 26)          | 74,990         | 90,064         | 19,193         | 36,229         |
| Amounts due to:                             |                |                |                |                |
| – Subsidiary (Note 22)                      | –              | –              | 41,305         | 28,754         |
| – Immediate holding company (Note 23)       | 1,054          | 1,052          | 306            | 312            |
| – Related companies (Note 23)               | 41,551         | 45,340         | 6              | 3              |
| Less: Cash and cash equivalents (Note 24)   | (69,929)       | (282,095)      | (5,856)        | (2,570)        |
| Net debt/(net cash)                         | 1,451,063      | 1,417,972      | 189,716        | 202,019        |
| Equity attributable to owners of the parent | 978,481        | 952,516        | 925,260        | 919,670        |
| Capital and net debt                        | 2,429,544      | 2,370,488      | 1,114,976      | 1,121,689      |
| Gearing ratio (%)                           | 60             | 60             | 17             | 18             |

The Group and the subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 30 June 2013 and 30 June 2012.

# Notes to the Financial Statements

30 June 2013

## 40. SEGMENT INFORMATION

The Group is organised into two main business segments:-

- (i) Property development & management
- (ii) Construction

The information for reportable segments is as follows:

|   | Construction<br>RM'000 | Property<br>development &<br>management<br>RM'000 | Total<br>RM'000 |
|---|------------------------|---|-----------------|
| <b>At 30 June 2013</b>  |                        |   |                 |
| External revenue  | –                      | 184,723   | 184,723         |
| <b>Results</b>  |                        |   |                 |
| Profit from operations  | –                      | 59,868  | 59,868          |
| Finance cost  |                        |   | (11,813)        |
| Share of results of a jointly controlled entity   |                        |   | (3)             |
| Profit before taxation  |                        |   | 48,052          |
| Income tax expenses   |                        |   | (14,654)        |
| Profit net of tax   |                        |   | 33,398          |
| <b>At 30 June 2012</b>  |                        |   |                 |
| External revenue  | 5,668                  | 575,748   | 581,416         |
| <b>Results</b>  |                        |   |                 |
| Profit from operations  | 117                    | 57,087  | 57,204          |
| Finance cost  |                        |   | (8,805)         |
| Share of results of a jointly controlled entity   |                        |   | (404)           |
| Profit before taxation  |                        |   | 47,995          |
| Income tax expenses   |                        |   | (12,965)        |
| Profit net of tax   |                        |   | 35,030          |
| Geographically, the main business segments of the Group are concentrated in Malaysia and Singapore. The geographical segment information is as follows: |                        |   |                 |
|   | <b>Revenue</b>         |   |                 |
|   | <b>2013</b>            | <b>2012</b>                                       |                 |
|   | <b>RM'000</b>          | <b>RM'000</b>                                     |                 |
| Malaysia  | 152,799                | 111,063   |                 |
| Singapore   | 31,924                 | 470,353   |                 |
|   | 184,723                | 581,416   |                 |

## SUPPLEMENTARY INFORMATION

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

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 30 June 2013 and 30 June 2012 into realised and unrealised profits/losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad 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.

|   | Group          |                | Company        |                 |
|---|----------------|----------------|----------------|-----------------|
|   | 2013<br>RM'000 | 2012<br>RM'000 | 2013<br>RM'000 | 2012<br>RM'000  |
| Total retained earnings/(accumulated losses)<br>of the Company and its subsidiaries |                |                |                |                 |
| – Realised  | 297,915        | 250,837        | (7,152)        | (12,732)        |
| – Unrealised  | 149,367        | 149,142        | –              | –               |
|   | <b>447,282</b> | <b>399,979</b> | <b>(7,152)</b> | <b>(12,732)</b> |
| Total share of accumulated losses<br>from jointly controlled entity                 |                |                |                |                 |
| – Realised  | (410)          | (407)          | –              | –               |
| Less: Consolidation adjustments   | (405,866)      | (383,779)      | –              | –               |
| Total retained earnings/(accumulated losses)  | <b>41,006</b>  | <b>15,793</b>  | <b>(7,152)</b> | <b>(12,732)</b> |

NOTES

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# FORM OF PROXY

I/We (full name as per NRIC/company name in block letters) \_\_\_\_\_

NRIC/Company No. (New) \_\_\_\_\_ (Old) \_\_\_\_\_

CDS Account No. (for nominee companies only) \_\_\_\_\_

of (full address) \_\_\_\_\_

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

NRIC No. (New) \_\_\_\_\_ (Old) \_\_\_\_\_

of (full address) \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 73rd Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 26 November 2013 at 11.00 a.m. and at any adjournment thereof.

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

| NO. | RESOLUTIONS   | FOR | AGAINST |
|-----|---|-----|---------|
| 1.  | Re-election of Dato' Sri Michael Yeoh Sock Siong  |     |         |
| 2.  | Re-election of Dato' Mark Yeoh Seok Kah   |     |         |
| 3.  | Re-appointment of Dato' Suleiman Bin Abdul Manan  |     |         |
| 4.  | Re-appointment of Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman   |     |         |
| 5.  | Re-appointment of Eu Peng Meng @ Leslie Eu  |     |         |
| 6.  | Approval of the payment of Directors' fees  |     |         |
| 7.  | Re-appointment of Messrs Ernst & Young as Company Auditors  |     |         |
| 8.  | Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director  |     |         |
| 9.  | Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director   |     |         |
| 10. | Authorisation for Directors to Allot and Issue Shares   |     |         |
| 11. | Proposed Renewal of Share Buy-Back Authority  |     |         |
| 12. | Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature |     |         |
| 13. | Proposed Amendments to the Articles of Association of the Company   |     |         |

|                       |
|-----------------------|
| Number of shares held |
|                       |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_



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**Notes:-**

1. A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
2. This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.
3. In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.
4. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.
5. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 19 November 2013. Only a depositor whose name appears on the General Meeting Record of Depositors as at 19 November 2013 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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AFFIX  
STAMP

The Company Secretary

**YTL LAND & DEVELOPMENT BERHAD**

11th Floor, Yeoh Tiong Lay Plaza

55 Jalan Bukit Bintang

55100 Kuala Lumpur

Malaysia

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