



**YTL
LAND &
DEVELOPMENT
BERHAD**

1116-M

BUILDING THE RIGHT THING

Annual Report 2016





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



Contents

CORPORATE REVIEW

- 2** Financial Highlights
- 4** Chairman's Statement
- 8** Notice of Annual General Meeting
- 11** Statement Accompanying Notice of Annual General Meeting
- 12** Corporate Information
- 13** Profile of the Board of Directors
- 17** Profile of Key Senior Management
- 17** Statement of Directors' Responsibilities
- 18** Audit Committee Report

- 20** Nominating Committee Statement
- 25** Statement on Corporate Governance
- 29** Statement on Risk Management & Internal Control
- 32** Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature
- 34** Analysis of Share/Irredeemable Convertible Unsecured Loan Stocks (ICULS) Holdings
- 38** Statement of Directors' Interests
- 41** List of Properties

FINANCIAL STATEMENTS

- 43** Directors' Report
- 52** Statement by Directors
- 52** Statutory Declaration
- 53** Independent Auditors' Report
- 55** Income Statements
- 56** Statements of Comprehensive Income
- 57** Statements of Financial Position
- 59** Consolidated Statement of Changes In Equity



- 60** Company Statement of Changes In Equity
- 61** Statements of Cash Flows
- 64** Notes to the Financial Statements
- 134** Supplementary Information – Breakdown of Retained Earnings/ (Accumulated Losses) Into Realised and Unrealised

- Form of Proxy

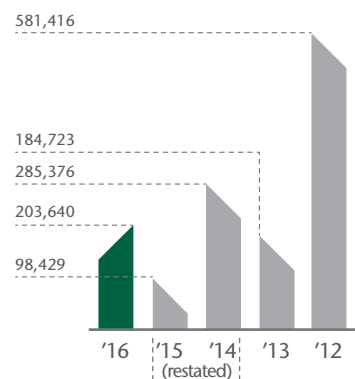


Financial Highlights

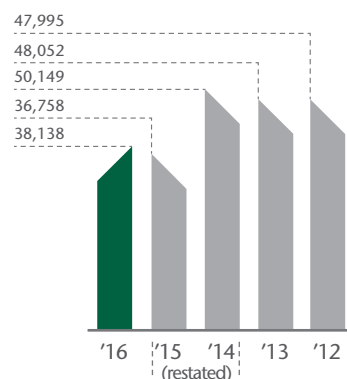
	2016	2015 Restated	2014 Restated	2013	2012
Revenue (RM'000)	203,640	98,429	285,376	184,723	581,416
Profit Before Taxation (RM'000)	38,138	36,758	50,149	48,052	47,995
Profit After Taxation (RM'000)	27,317	24,551	33,615	33,398	35,030
Profit Attributable to Owners of the Parent (RM'000)	16,395	20,669	23,782	25,213	25,002
Total Equity Attributable to Owners of the Parent (RM'000)	1,043,247	1,013,489	974,015	978,481	952,516
Earnings per Share (Sen)	1.92	2.51	2.80	2.94	2.65
Total Assets (RM'000)	3,346,634	2,996,555	2,776,954	2,667,023	2,844,793
Net Assets per Share (RM)	1.26	1.22	1.17	1.18	1.15

Financial Highlights

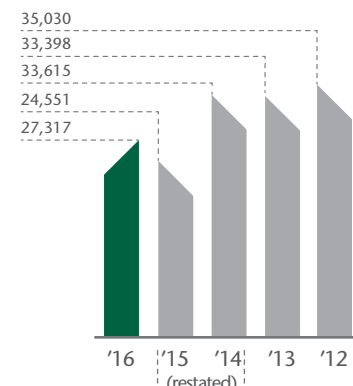
Revenue
(RM'000)



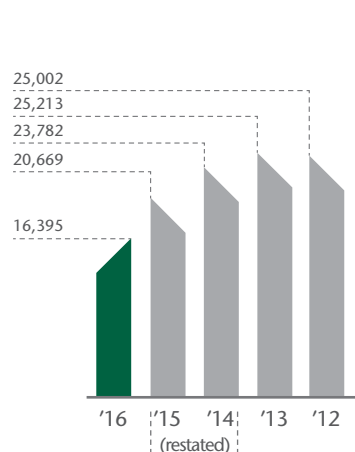
Profit before taxation
(RM'000)



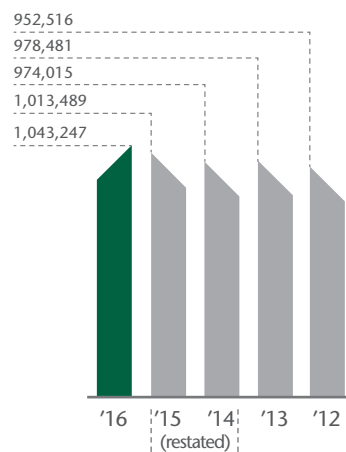
Profit after taxation
(RM'000)



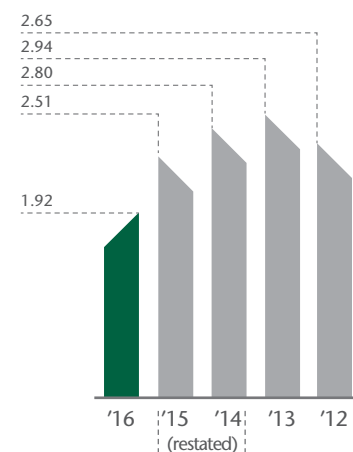
Profit Attributable to Owners of the Parent
(RM'000)



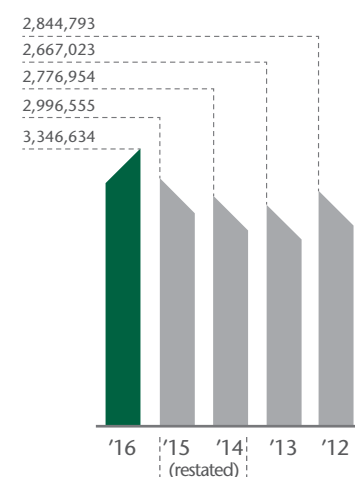
Total Equity Attributable to Owners of the Parent
(RM'000)



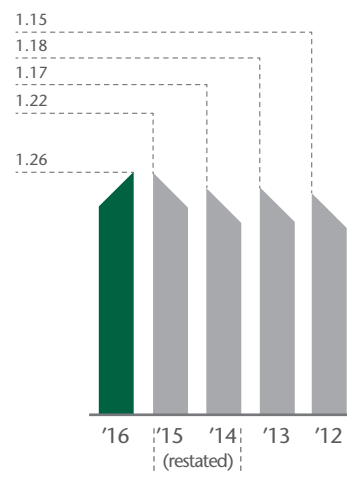
Earnings per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



Chairman's Statement

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 2016.

OVERVIEW

The year under review saw the successful launch of Dahlia, a new development comprising double-storey link homes in Ipoh, and progress continued well on the Group's sold-out development, Shorefront in Penang, and The Fennel at Sentul East. On the international front, 3 Orchard By-The-Park, the Group's exclusive residential project in Singapore's famed Orchard precinct, has progressed on schedule.

The Malaysian economy grew at a moderate pace, recording gross domestic product (GDP) growth of 5.0% for the 2015 calendar year, compared to 6.0% in 2014, supported by the continued expansion of domestic demand, primarily driven by the private sector. Modest improvements in external demand in the second half of the year also provided additional impetus to economic growth, and the economy remained resilient with steady growth of 4.1% for the first half of the 2016 calendar year. The domestic residential property market continued to soften throughout the 2015 calendar year and into 2016 owing to weaker household sentiment, registering declines



Chairman's Statement



Dato' Suleiman Bin Abdul Manan
Chairman

in transaction value and volume, as well as a decrease in new launches. Meanwhile, Singapore's economy grew 2.1% in 2015, with growth of approximately 2.2% for the first half of the 2016 calendar year. The Singapore residential property market continued to see declines in home prices resulting from the government's ongoing cooling measures (*sources: Ministry of Finance Malaysia, Bank Negara Malaysia, Singapore Ministry of Trade & Industry updates & reports*).

FINANCIAL PERFORMANCE

The Group's revenue increased to RM203.6 million for the financial year ended 30 June 2016, compared to RM98.4 million for the previous financial year ended 30 June 2015, whilst profit for the financial year under review increased to RM27.3 million, compared to RM24.6 million for the last financial year.

The increase in revenue was attributable to better site progress on The Fennel in the Group's Sentul development, whilst the increase in profit was contributed by its new Dahlia development in Ipoh, and The Fennel, partially offset by lower project management fees received.

Chairman's Statement

REVIEW OF OPERATIONS

During the year under review, **Dahlia**, a new collection of contemporary double-storey link homes in Pakatan Jaya Ipoh, was launched. Designed along clean, well-conceptualised lines with spacious layouts, these structured, well-built terrace homes are designed with room to grow, ideal for young couples and growing families. The development comprises 216 units of terraced homes, complemented with a park which features green spaces and outdoor areas for family recreation.

Meanwhile, progress is underway on the Group's **Shorefront** development in Penang. The first release in February 2015 was an overwhelming success and was followed by the final release in May 2015 which saw 100% of the units launched sold within the first two hours. Shorefront is located in Georgetown and is one of the last sea-facing developments in Penang. The property is a niche, upmarket, low-rise, low-density development and comprises three blocks with a total of just 115 units on a freehold site next to the historic E&O Hotel. Selected units feature sky terraces and private gardens, and a private lift lobby creates a sense of added exclusivity and privacy.

The Fennel at Sentul East is nearing completion on the first two blocks, with the remaining two blocks scheduled for completion in 2017. Consisting of 916 units housed in four high-rise towers all of which have achieved excellent take-up rates, The Fennel offers an array of features and unique design elements, including 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 development. The Fennel's innovatively designed units also incorporate the new dual-key concept in the final block, a configuration that creates flexibilities and new possibilities for multi-generational living, upsizing or rental opportunities.



The Group's luxury freehold development in Singapore, **3 Orchard By-The-Park**, is progressing well. Located in Orchard Boulevard, one of Singapore's most prestigious residential addresses, the development is close to the iconic Orchard Road shopping street, a stone's throw away from the upcoming Orchard Boulevard MRT and close to the famous Singapore Botanic Gardens, the first in Asia to be conferred the title of UNESCO World Heritage Site.

The project is holistically designed by world-renowned Italian architect and designer Antonio Citterio from Milan, who has designed the architecture, interior, fixtures and fittings. He is well known for his multiple award-winning designs for architecture and furniture, including Bvlgari Hotels in Milan and London, Bvlgari Resort Bali and furnishing brands B&B Italia, Maxalto and Arclinea.

The condominium features 77 luxurious apartments from 2-bedroom units to 5-bedroom penthouses spread over 25 floors, including some with private pools and gardens in the sky. Residents can enjoy lush gardens surrounding a landscaped pool with complementary facilities such as alfresco pool lounge, jacuzzi, gym, private dining and a library lounge. 3 Orchard By-The-Park has been awarded the BCA Green Mark Gold Plus Award 2014 by the Building & Construction Authority of Singapore for achieving high standards of design and construction which are sustainable and environmentally-friendly. The development is currently under construction and expected to be completed by 2017.



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,

Chairman's Statement



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, developing truly branded homes with innovative and sustainable living concepts, built to strict standards, for the well-being of all homeowners within its communities.

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. Further details can be found in the **YTL Group Sustainability Report 2016**, issued as a separate report.

Meanwhile, YTL L&D'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

Overall, the Malaysian economy is expected to grow by 4.0% to 4.5% in 2016, driven by domestic demand and sustained primarily by private sector spending. Private consumption growth, however, is projected to trend below the long-term average, as households continue to make expenditure adjustments in response to the lingering effects of the goods and services tax (GST) implementation, and the property sector may see further moderation in market activity. Singapore's economy, meanwhile, is expected to register growth of between 1.0% to 2.0% for the 2016 calendar year, although the property market is expected to continue to be impacted by ongoing cooling measures (*sources: Ministry of Finance, Bank Negara Malaysia, Singapore Ministry of Trade & Industry updates*).

YTL L&D's track record has been built on a commitment to conceptualising, timing and pricing its launches to meet the demands of genuine buyers. This has enabled the Group to develop thriving communities with high-quality, well-designed living environments and demonstrated track records in capital returns, for the benefit of homeowners.

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-Sixth Annual General Meeting of YTL Land & Development Berhad ("the Company") will be held at Majestic Ballroom, Level 2, The Majestic Hotel Kuala Lumpur, 5 Jalan Sultan Hishamuddin, 50000 Kuala Lumpur on Tuesday, the 22nd day of November, 2016 at 3.00 p.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 2016 together with the Reports of the Directors and Auditors thereon; | <i>Please refer
Explanatory Note A</i> |
| 2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:- | |
| (i) Dato' Yeoh Seok Hong | <i>Resolution 1</i> |
| (ii) Dato' Sri Michael Yeoh Sock Siong | <i>Resolution 2</i> |
| 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." | <i>Resolution 3</i> |
| (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." | <i>Resolution 4</i> |
| (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." | <i>Resolution 5</i> |
| 4. To approve the payment of Directors' fees amounting to RM560,000 for the financial year ended 30 June 2016; | <i>Resolution 6</i> |
| 5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. | <i>Resolution 7</i> |

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 subject to the passing of the Ordinary Resolution 4, approval be and is hereby given to Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, 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." | <i>Resolution 8</i> |
| (ii) "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." | <i>Resolution 9</i> |
| (iii) "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." | <i>Resolution 10</i> |

Notice of Annual General Meeting

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 11

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 Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") 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 24 November 2015 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 2016, the audited Retained Profits and Share Premium Account of the Company were RM23,140,556 and RM177,471,221 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 and all other relevant governmental/regulatory authorities."

Resolution 12

9. PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDER MANDATE FOR ADDITIONAL 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 28 October 2016 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 Bursa Malaysia Securities Berhad Main Market Listing Requirements.

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 ("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 13

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
28 October 2016

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 office of the appointed share registrar for the Annual General Meeting, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, before 3.30 p.m. on 21 November 2016. 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 15 November 2016. Only a depositor whose name appears on the General Meeting Record of Depositors as at 15 November 2016 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, 9 and 10 are to enable Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu to continue serving as Independent Directors of the Company to fulfil the requirements of Paragraph 3.04 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. 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 Nominating Committee Statement in the Company's Annual Report 2016.

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

Resolution 11 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-Fifth Annual General Meeting held on 24 November 2015 ("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-Sixth Annual General Meeting to be held on 22 November 2016.

Resolution 11, 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 12, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 28 October 2016 which is despatched together with the Company's Annual Report 2016.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 13, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 28 October 2016 which is despatched together with the Company's Annual Report 2016.

Statement Accompanying Notice of Annual General Meeting

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

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

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

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Section 132D of the Companies Act, 1965 are set out in the Explanatory Notes to Special Business of the Notice of Seventy-Sixth Annual General Meeting.

Corporate Information

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 LLD (Nottingham), 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

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)

NOMINATING 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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (7.10.1973)

Profile of the Board of Directors

DATO' SULEIMAN BIN ABDUL MANAN

Malaysian, male, aged 78, 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 Perangsang Selangor (1982-1986). He became an entrepreneur and entered the corporate world in 1987. He built Lot 10 Shopping Centre, Star Hill Centre (now known as Starhill Gallery) and JW Marriott Hotel. He took control of Taiping Consolidated Berhad (now known as YTL Land & Development Berhad) and became its Chairman in 1992 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, male, aged 62, 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. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws from University of Nottingham. 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 global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, YTL Hospitality REIT, and Starhill Global REIT.

He is presently the Managing Director of YTL Corporation Berhad and YTL Power International Berhad which are listed on the Main Market of Bursa Malaysia Securities Berhad. He is the Executive Chairman and Managing Director of YTL e-Solutions Berhad. He is also the Executive Chairman of 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). Tan Sri Francis sits on the boards of several public companies such as YTL Industries Berhad and YTL Cement Berhad. He is the Chairman of private

utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. 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 YTL Hospitality REIT. He also sits on the board of trustees of YTL Foundation. He also serves on the board of directors of Suu Foundation, a humanitarian organisation committed to improving healthcare and education in Myanmar.

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. Tan Sri Francis was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

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. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona.

Profile of the Board of Directors

TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, male, aged 76, was appointed to the Board on 12 June 2006 as an Independent Non-Executive Director. He is also the Chairman of the Nominating 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 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, as well as Chairman of Malaysian Qualification Agency and Meteor Doc. Sdn Bhd. He is the Chairman of Yayasan Universiti Malaysia Sabah and a trustee of YTL Foundation.

DATO' CHEONG KEAP TAI

Malaysian, male, aged 68, 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 Nominating 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 member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong is also a Licensed Tax Agent and a Licensed Goods & Service Tax Agent. Dato' Cheong was the Executive Director and Partner 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, Tanah Makmur Berhad and several private limited companies.

DATO' YEOH SEOK KIAN

Malaysian, male, aged 59, 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 corporations, 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 YTL Hospitality REIT.

Profile of the Board of Directors

DATO' YEOH SEOK HONG

Malaysian, male, aged 57, 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 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 corporations, 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, male, aged 56, 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. He also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and YTL PowerSeraya Pte Limited in Singapore.

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 51, 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. He was awarded Fellowship of King's College London in July 2014.

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 corporations, 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 YTL Hospitality REIT.

DATO' HAMIDAH BINTI MAKTAR

Malaysian, female, aged 62, 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.

Profile of the Board of Directors

EU PENG MENG @ LESLIE EU

Malaysian, male, aged 81, 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 Nominating Committee. Mr Leslie Eu graduated with the degree of Bachelor of Commerce from the University College Dublin, Ireland in 1959. He was nominated by Bank Negara Malaysia to be one of the founding directors of Global Maritime Ventures Berhad to undertake the expansion and direct investment in the maritime industry in 1994. He has been in the shipping business for over 50 years and 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 is a Member Emeritus of the American Bureau of Shipping. He was appointed by the United Nations Conference on Trade and Development as one of 13 experts to assist 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 YTL Hospitality REIT.

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	5
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Mark Yeoh Seok Kah	5
Dato' Hamidah Binti Maktar	5
Eu Peng Meng @ Leslie Eu	5

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 Dato' Seri (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 (other than traffic offences)

None of the Directors has been convicted of any offences within the past five (5) years.

4. Public Sanction or Penalty imposed

None of the Directors has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

The management team is headed by the Managing Director, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and the Executive Director, Dato' Yeoh Seok Kian. They are the Key Senior Management and their profiles are as set out in the Profile of the Board of Directors on pages 13 and 14, respectively of this Annual Report.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 1965 ("the Act") and the 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 2016, 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 Financial Reporting Standards in Malaysia.

Audit Committee Report

COMPOSITION

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

The terms of reference of the Audit Committee can be found under the "Governance" section on the Company's website at www.ytlland.com.

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:-

	Attendance
Eu Peng Meng @ Leslie Eu	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Cheong Keap Tai	5

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2016 in the discharge of its functions and duties:-

1. Financial Reporting

- (a) Reviewed the following quarterly financial results and annual financial statements to ensure compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR"), Financial Reporting Standards ("FRS") and other statutory and regulatory requirements prior to their recommendation to the Board of Directors for approval:
 - Quarterly financial results for the fourth quarter of financial year ended 30 June 2015, and the annual audited financial statements for the financial year ended 30 June 2015;

- First, second and third quarters of the quarterly results for the financial year ended 30 June 2016.

- (b) Reviewed the variance analysis, in particular, the deviation of the profit after tax and minority interest in the audited financial statements for the financial year ended 30 June 2015 from that of the announced quarterly financial results for the financial year ended 30 June 2015 and confirmed that no obligation was triggered under Paragraph 9.19(35) of the Main LR.

2. External Audit

- (a) Reviewed with the external auditors:-
 - the audit results report on the audit of the financial statements for financial year ended 30 June 2015 setting out their comments and conclusions on the significant auditing and accounting issues highlighted, including management's judgements, estimates and/or assessments made, and adequateness of disclosures in the financial statements;
 - the audit plan for the financial year ended 30 June 2016 outlining, amongst others, their scope of work, areas of audit emphasis, multi-location audit, and development in laws and regulations affecting financial reporting and the responsibilities of directors and management, and auditors. No new FRS or amendments to FRS which were effective for financial year beginning on or after 1 July 2015 were identified;
 - the profiles of the audit engagement team and specialised audit support (tax, advisory, and IT risk assurance) which enabled the Audit Committee to assess their qualification, expertise, resources, and independence, as well as the effectiveness of the audit process. The external auditors also confirmed their independence in each of the reports presented to the Audit Committee.
- (b) Reviewed the audit fees proposed by the external auditors and recommended the same to the Board of Directors for approval.
- (c) Had discussions with the external auditors twice during the financial year, namely September 2015 and May 2016, without the presence of management, to discuss matters concerning the audit for the financial years ended 30 June 2015 and 2016. No areas of concern were raised that needed the attention of the Board of Directors. There was full support and good co-operation from management and employees of the Company.

Audit Committee Report

3. Internal Audit

- (a) Reviewed with the internal auditors the internal audit reports (including follow-up review reports) on their findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by management;
- (b) Reviewed and adopted the internal audit risk analysis report for 2016. Internal audit would leverage on the Group's risk analysis to focus on the business processes and relevant areas that address the key risks identified. The purpose is to achieve an appropriate level of risk based audit coverage and to assist in fulfilling the Group's overall business objectives;
- (c) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2017 to ensure sufficient scope and coverage of activities of the Company and the Group;
- (d) Reviewed internal audit resourcing, with focus on ensuring that the function has the right calibre of resource in place.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

- (a) Reviewed, on a quarterly basis, the RRPT entered into by the Company and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPT are adhered to, the terms of the shareholder mandate are not contravened, and disclosure requirements of the Main LR are observed;
- (b) Received updates on the directorships and shareholdings held by the Directors of the Company and persons connected with them via the general notices given under and in accordance with Section 131 of the Companies Act, 1965. These disclosures enabled an assessment of the potential or actual conflicts of interest which may arise in relation to related party transactions or RRPT;
- (c) Reviewed the 2015 circular to shareholders in relation to the renewal of shareholder mandate for RRPT and new shareholder mandate for additional RRPT, prior to its recommendation to the Board of Directors for approval.

5. Annual Report

- (a) Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2015 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.

During the financial year, the IA Department evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation's governance, operations and information systems regarding:-

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with relevant laws, regulations and contractual obligations.

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

1. Developed the annual internal audit plan and proposed the plan to the Audit 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 significant audit findings and areas for improvements raised by the IA to the Audit Committee for consideration on the recommended corrective measures together with the management's responses.
5. Conducted recurrent related party transactions reviews to assess accuracy and completeness of reporting, and ensure compliance with the Main LR.
6. Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan.

Costs amounting to RM77,507 were incurred in relation to the internal audit function for the financial year ended 30 June 2016.

Nominating Committee Statement

NOMINATING COMMITTEE ("NC")

The NC assists the Board of Directors of YTL Land & Development Berhad (the "Company") ("Board") in discharging its responsibilities by overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the needs of the Company and its subsidiaries ("YTL Land Group")

The terms of reference of the NC can be found under the "Governance" section on the Company's website at www.ytlland.com.

Members of the NC are as follows:-

- Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman (*Chairman*)
- Dato' Cheong Keap Tai
- Eu Peng Meng @ Leslie Eu

The NC met twice during the financial year ended 30 June 2016, attended by all members at every meeting.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(a) Board nomination and election process and criteria used

The NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies or diversity gap that has been identified. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. In assessing the suitability of a candidate, the NC will take into consideration the candidate's skills, knowledge, expertise, competence and experience, time commitment, character, professionalism and integrity. For the position of independent non-executive director, the NC will evaluate the candidate's ability to discharge such responsibilities as expected from an independent non-executive director.

i. Review of Directors proposed for re-election/re-appointment

In accordance with Article 84 of the Articles of Association of the Company ("Article 84"), Directors are to be elected at every annual general meeting when one-third of the Directors longest in office shall retire, subject

always to the requirement that all Directors shall retire from office once at least in each three years, and if eligible, may offer themselves for re-election.

Pursuant to Section 129 of the Companies Act, 1965 ("Section 129"), the office of a director of or over the age of 70 years becomes vacant at every annual general meeting unless he/she is re-appointed by a resolution passed by the shareholders at such general meeting.

In June 2016, based on the results of the assessment undertaken for the financial year, the NC resolved to recommend to the Board that:-

- Dato' Yeoh Seok Hong and Dato' Sri Michael Yeoh Sock Siong who are due to retire pursuant to Article 84 at the Seventy-Sixth Annual General Meeting of the Company ("AGM"), stand for re-election; and
- Dato' Suleiman Bin Abdul Manan, Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman and Eu Peng Meng @ Leslie Eu who are all over the age of 70 years and due to retire pursuant to Section 129 at the AGM, stand for re-appointment.

Both Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman and Eu Peng Meng @ Leslie Eu abstained from deliberations at the NC meeting on their own re-appointment.

The Board, save for the members who had abstained from deliberations on their own re-election/re-appointment, supported the NC's views and recommends that shareholders vote in favour of the resolutions for their re-election/re-appointment at the forthcoming AGM.

ii. Review of Directors proposed for continuing in office as Independent Non-Executive Directors ("INED")

As part of the annual assessment of Directors and in accordance with Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, an assessment of independence was conducted on the INED. In addition to the criteria for independence prescribed in Bursa Malaysia Securities Berhad Main Market Listing Requirements and Practice Note 13, INED were assessed on their ability and commitment to continue to bring independent and objective judgement to board deliberations.

Nominating Committee Statement

The Board is of the view that there are significant advantages to be gained from the INED who have served on the Board for more than 9 years as they possess greater insights and knowledge of the businesses, operations and growth strategies of the YTL Land Group. Furthermore, the ability of a director to serve effectively as an independent director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and his duty to vigilantly safeguard the interests of the shareholders of the Company.

The Board, save for Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu who had abstained from deliberations on the matter, is satisfied with the skills, contributions and independent judgement that Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu, who have served for 9 years or more, bring to the Board. For these reasons, the Board, save for Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu, recommends and supports the resolutions for their continuing in office as INED of the Company which will be tabled for shareholders' approval at the forthcoming AGM.

The Board, save for Eu Peng Meng @ Leslie Eu and Dato' Cheong Keap Tai who had abstained from deliberations on the matter, is satisfied with the skills, contributions and independent judgment that Eu Peng Meng @ Leslie Eu and Dato' Cheong Keap Tai, who have served for 9 years or more, bring to the Board. For these reasons, the Board, save for Eu Peng Meng @ Leslie Eu and Dato' Cheong Keap Tai, recommends and supports the resolutions for their continuing in office as INED of the Company which will be tabled for shareholders' approval at the forthcoming AGM.

(b) Annual assessment

In May 2016, the NC carried out its annual assessment of the effectiveness of the Board as a whole, the Board Committees and individual Directors. The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms comprising a Board and Board Committees Effectiveness Evaluation Form, and Individual Director Performance Evaluation Form.

In evaluating the effectiveness of the Board, several areas were reviewed including the composition, degree of independence, right mix of expertise, experience and skills, quality of information and decision making, and boardroom activities. Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

The assessment of the individual Directors covered areas such as calibre, character/personality, conduct, integrity, knowledge, experience, time commitment, competency, participation in board decisions, acknowledgement of potential conflicts of interest when they arise and abstained from participation in deliberation and voting.

Results of the assessment were summarised and discussed at the NC meeting held in June 2016 and reported to the Board by the Chairman of the NC. These results form the basis of the NC's recommendations to the Board for the re-election and re-appointment of Directors at the AGM.

(c) Review of the NC Statement for financial year ended 30 June 2015

The NC Statement was reviewed by the NC prior to its recommendation to the Board for approval for publication/update on the Company's website.

Policy on Board Composition

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective. The Board recognises the importance of encouraging and developing female talent at all levels. Currently, one or 17% of the Company's Executive Directors is woman and she makes up 10% of the full Board. Although it has not set any specific measurable objectives, the Board intends to continue its current approach to diversity in all aspects while at the same time seeking Board members of the highest calibre, and with the necessary strength, experience and skills to meet the needs of the Company.

Nominating Committee Statement

Induction, training and development of Directors

Upon joining the Board, a newly appointed Director will be given an induction pack containing the Company's latest annual report, Memorandum & Articles of Association, and schedule of meetings of the Board and Committee (if the Director is also a Committee member) which will serve as an initial introduction to the YTL Land Group as well as an ongoing reference.

The Board, through the NC, assesses the training needs of its Directors on an ongoing basis by determining areas that would best strengthen their contributions to the Board.

Besides the findings from the annual performance assessment of Directors, which provide the NC with useful insights into the training needs of the Directors, each Director is requested to identify appropriate training that he/she believes will enhance his/her contribution to the Board.

During the financial year ended 30 June 2016, the following three in-house training programmes were organised for the Directors:-

- Trans-Pacific Partnership Agreement (TPPA): Enhancing Trade and Investment, Economic Growth and Development;
- Harnessing the Power of Disruption and Disrupting Beliefs for Strategic Advantage;
- Risk Oversight Practices, Corporate Culture and Enterprise Risk Management.

The Board has taken steps to ensure that its members have access to appropriate continuing education programmes. The Company Secretary facilitates the organisation of in-house development programmes and keeps Directors informed of relevant external training programmes.

All the Directors have undergone training programmes during the financial year ended 30 June 2016. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
Corporate Governance ("CG")/ Risk Management & Internal Controls	
• CG Breakfast Series with Directors: Future of Auditor Reporting - The Game Changer for Boardroom (21 September 2015)	Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman ("Tan Sri Abu Hassan")
• Breakfast Series with Corporate Directors: Risk Assurance (24 March 2016)	Dato' Yeoh Seok Kian
• Harnessing the Power of Disruption and Disrupting Beliefs for Strategic Advantage (27 May 2016)	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping ("Tan Sri Francis Yeoh") Dato' Mark Yeoh Seok Kah
• Risk Oversight Practices, Corporate Culture and Enterprise Risk Management (24 June 2016)	Tan Sri Francis Yeoh Tan Sri Abu Hassan

Nominating Committee Statement

Seminars/Conferences/Training	Attended by
Financial and Taxation	
• National Tax Conference 2015 (25 & 26 August 2015)	Dato' Cheong Keap Tai
• MIA International Accountants Conference 2015 (26 & 27 October 2015)	Dato' Cheong Keap Tai
• National Tax Seminar 2015 (29 October 2015)	Dato' Cheong Keap Tai
• GST Accounting for Property Developers and Contractors (25 March 2016)	Dato' Cheong Keap Tai
• National GST Conference 2016 (31 May & 1 June 2016)	Dato' Cheong Keap Tai
Trade, Economic Development, and Sustainability	
• An Evening of Stimulating Lectures with St. Anne's College, University of Oxford – <i>"Nuclear Future of Malaysia"</i> and <i>"Malaysia and Biodiversity Conservation in Southeast Asia"</i> (21 July 2015)	Dato' Yeoh Seok Hong
• 7th World Chinese Economic Summit 2015 (10 & 11 November 2015)	Tan Sri Francis Yeoh
• 2nd ASEAN Business Summit 2015 (4 December 2015)	Tan Sri Francis Yeoh
• World Economic Forum Annual Meeting 2016 (20 - 23 January 2016)	Tan Sri Francis Yeoh Dato' Yeoh Seok Hong
• Sustainability Engagement Series for Directors / Chief Executive Officer (31 March 2016)	Tan Sri Abu Hassan
• Trans-Pacific Agreement (TPPA): Enhancing Trade and Investment, Economic Growth and Development (10 May 2016)	Dato' Suleiman Bin Abdul Manan Tan Sri Abu Hassan Dato' Mark Yeoh Seok Kah Dato' Hamidah Binti Maktar Eu Peng Meng @ Leslie Eu
• Belt and Road Summit (18 May 2016)	Tan Sri Francis Yeoh
• World Economic Forum on ASEAN 2016 (1 & 2 June 2016)	Tan Sri Francis Yeoh Dato' Yeoh Seok Kian

Nominating Committee Statement

Seminars/Conferences/Training	Attended by
Leadership, Legal, Corporate Social Responsibility, and Business Management	
<ul style="list-style-type: none"> YTL Leadership Conference 2015 (17 & 18 December 2015) 	Dato' Suleiman Bin Abdul Manan Tan Sri Francis Yeoh Dato' Yeoh Seok Kian Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Mark Yeoh Seok Kah Dato' Hamidah Binti Maktar
<ul style="list-style-type: none"> Honour International Symposium 2016 (19 May 2016) 	Tan Sri Francis Yeoh
<ul style="list-style-type: none"> Amendments to Bursa Malaysia Securities Berhad Listing Requirements (1 June 2016) 	Tan Sri Abu Hassan Eu Peng Meng @ Leslie Eu
<ul style="list-style-type: none"> HSBC Non-Executive Directors Forum (15 & 16 June 2016) 	Tan Sri Francis Yeoh

Statement on Corporate Governance

for the financial year ended 30 June 2016

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 2016. 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 the 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 roles of Executive and Non-Executive Directors are differentiated, 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 judgement 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

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. The Board's charter was formalised during the financial year ended 30 June 2014 and a copy can be found under the "Governance" section on the Company's website at www.ytlland.com.

Board meetings are scheduled with due notice in advance at least 5 times in 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 2016.

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.

The Company Secretary is a Fellow of the Chartered Association of Certified Accountants, a registered member of the Malaysian Institute of Accountants and an affiliate member of the Malaysian Institute of Chartered Secretaries and Administrators, and is qualified to act as Company Secretary under Section 139A of the Companies Act 1965. During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties.

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 of Directors seeking re-election at the forthcoming AGM are disclosed in the **Notice of Annual General Meeting**, which can be found in this Annual Report. The details of the Directors can be found in the **Profile of the Board of Directors** set out in this Annual Report and this information is also available under the "Governance" section on the Company's website at www.ytlland.com.

The Nominating Committee, which was established by the Board on 23 May 2013, is now responsible for assessing suitable candidates for appointment to the Board for approval, taking into account the required mix of skills, experience and expertise of members of the Board before submitting its recommendation to the Board for decision.

Statement on Corporate Governance

Further information on the activities of the Nominating Committee can be found in the **Nominating Committee Statement** set out in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytlland.com.

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. 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.

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 can be found in the **Profile of the Board of Directors** whilst details of the training programmes attended during the year under review are disclosed in the **Nominating Committee Statement** in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytlland.com.

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 2016. Full details of the composition and a summary of the work carried out by the Audit Committee during the financial year can be found in the **Audit Committee Report** set out in this Annual Report. This information and the terms of reference of the Audit Committee are available under the "Governance" section on the Company's website at www.ytlland.com.

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

Details of the audit and non-audit fees paid/payable to EY for the financial year ended 30 June 2016 are as follows:-

	Company RM'000	Group RM'000
Statutory audit fees paid/payable to:-		
– EY	100	190
– Affiliates of EY	–	–
Total	100	190
Non-audit fees paid/payable to:-		
– EY	13	13
– Affiliates of EY	–	–
Total	13	13

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

Statement on Corporate Governance

In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements 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** as set out 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 and the YTL Corporation Berhad Group's community website at 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, the 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.

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 for a poll, are found in the Articles of Association of the Company. At the 75th AGM of the Company, held on 24 November 2015, 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 25 August 2016.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2016

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

Statement on Risk Management & Internal Control

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.

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 work of the internal audit function can be found in the Audit Committee Report set out in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytlland.com.

YTLIA operates independently of the work 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.

Statement on Risk Management & Internal Control

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 by the senior management at each level of operations and by the Audit Committee, which assesses and analyses these findings and reports to the Board. At the same time, YTLIA, in the performance of its internal audit function, will identify and evaluate any significant risks faced by the YTL L&D Group and report these findings to the Audit Committee. 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.

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 39** 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 2016, 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 25 August 2016.

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

for the financial year ended 30 June 2016

At the last Annual General Meeting of YTL Land & Development Berhad ("YTL L&D") held on 24 November 2015, YTL L&D 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 2016 pursuant to the said shareholder mandate are as follows:-

Corporation 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;	YTL Corporation Group ^(e)	YTL	^Major Shareholder/ †Person Connected ⁽¹⁾	258,413
Budaya Bersatu Sdn Bhd;	Progress billings for construction contracts from Related Party;	YTL Corporation ^(b)	^Major Shareholder/ †Person Connected ⁽²⁾	
Pakatan Perakbina Sdn Bhd;	Project management and marketing agent fees paid/received;	Tan Sri Yeoh Tiong Lay ^(c)	^Major Shareholder/ †Person Connected ⁽¹⁾⁽²⁾⁽³⁾	
Pinnacle Trend Sdn Bhd;	Provision of construction materials by Related Party;	Yeoh Siblings ^(d)	Directors ⁽¹⁾⁽²⁾⁽³⁾	
PYP Sendirian Berhad;	Provision of hotel related services by Related Party;			
Sandy Island Pte Ltd;	Rentals received for use of part of the premises at The Kuala Lumpur Performing Arts Centre located on Lots 183, 185 and 189, Seksyen 83, Kuala Lumpur from Related Party;			
Sentul Raya Sdn Bhd;				
Syarikat Kemajuan Perumahan Negara Sdn Bhd;	Rentals received for use of office spaces from Related Party;			
Trend Acres Sdn Bhd;	Rentals received for use of premises at Sang Suria Condo, Kuala Lumpur from Related Party;			
YTL L&D;	Rentals received for use of premises at Starhill Gallery and Lot 10 Shopping Centre, Kuala Lumpur from Related Party.			
YTL Westwood Properties Pte Ltd				

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

for the financial year ended 30 June 2016

Footnotes:-

- | | |
|--------------------------------|---|
| (a) YTLSH | – Yeoh Tiong Lay & Sons Holdings Sdn Bhd |
| (b) YTL Corporation | – YTL Corporation Berhad |
| (c) Tan Sri Yeoh Tiong Lay | – Tan Sri Dato' Seri (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) YTL Corporation Group | – YTL Corporation and its subsidiaries, joint ventures and associated companies (excluding YTL L&D, YTL e-Solutions Berhad, YTL Power International Berhad and their subsidiaries, joint ventures and associated companies) |
| [^] Major Shareholder | – As defined in Paragraph 1.01 of the Main LR and for purpose of this disclosure, includes the definition set out in Chapter 10 of the Main LR. |
| [†] 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 Stocks (ICULS) Holdings

as at 20 September 2016

DISTRIBUTION OF SHAREHOLDINGS

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.

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	1,189	6.41	17,559	0.00
100 – 1,000	7,900	42.60	4,455,947	0.54
1,001 – 10,000	6,888	37.14	30,923,381	3.73
10,001 – 100,000	2,295	12.37	70,801,055	8.54
100,001 to less than 5% of issued shares	273	1.47	183,970,626	22.19
5% and above of issued shares	1	0.01	539,000,834	65.00
Total	18,546	100.00	829,169,402	100.00

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

Name	No. of Shares	%#
1 YTL Corporation Berhad	539,000,834	65.00
2 Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Dato' Mohamed Zainal Abidin bin Abdul Kadir (DLR 072)	35,617,470	4.30
3 Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd	15,466,646	1.87
4 Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)	14,871,794	1.79
5 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	0.97
6 DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank AG Singapore (PWM Asing)	7,000,000	0.84
7 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	0.77
8 Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Raja Dato' Wahid Bin Raja Kamaral Zaman (DLR 072)	3,896,438	0.47
9 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (E-KLC)	3,569,000	0.43
10 Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	3,544,900	0.43
11 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.41
12 YTL Corporation Berhad	2,119,300	0.26
13 Amanahraya Trustees Berhad – Public Strategic Smallcap Fund	2,066,000	0.25
14 Eagletron Venture Corp.	1,981,600	0.24
15 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Leong Hong Lam (E-KPG/TNM)	1,950,000	0.24
16 Citigroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (471898)	1,888,500	0.23
17 Abdul Aziz Bin Hashim	1,800,000	0.22

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

as at 20 September 2016

Name	No. of Shares	%#
18 Lim Seng Chee	1,620,000	0.20
19 Amanahraya Trustees Berhad – PB Growth Sequel Fund	1,589,700	0.19
20 HLB Nominees (Asing) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo	1,209,200	0.15
21 Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	1,204,600	0.15
22 Kenanga Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (001)	1,159,100	0.14
23 Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,074,000	0.13
24 Wong Keat Keong	1,034,600	0.12
25 Khor Keng Saw @ Khaw Ah Soay	999,700	0.12
26 CIMSEC Nominees (Asing) Sdn Bhd – Exempt an for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	889,630	0.11
27 Ti Geok Chiam	873,700	0.11
28 Gan Ah Kow	807,400	0.10
29 Lim Kian Huat	802,000	0.10
30 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Kien Wi (E-KPT)	800,000	0.10
Total	666,692,412	80.44

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	No. of Shares Held			
	Direct	%#	Indirect	%#
YTL Corporation Berhad	541,120,234	65.26	–	–
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	17,856,300	2.15	541,120,234 ⁽¹⁾	65.26
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	558,976,534 ⁽²⁾	67.41
Dato' Mohamed Zainal Abidin bin Abdul Kadir	35,688,752	4.30	15,466,646 ⁽³⁾	1.87

(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 MZK Realty 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 15,175,500 treasury shares retained by the Company as per Record of Depositors.

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

as at 20 September 2016

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

Size of holding	No. of ICULS 2011/2021 Holders	%	No. of ICULS 2011/2021	%
Less than 100	33	1.01	1,272	0.00
100 – 1,000	809	24.86	518,155	0.05
1,001 – 10,000	1,711	52.57	6,761,271	0.68
10,001 – 100,000	543	16.68	16,730,582	1.69
100,001 to less than 5% of issued ICULS	158	4.85	186,043,454	18.76
5% and above of issued ICULS	1	0.03	781,731,629	78.82
Total	3,255	100.00	991,786,363	100.00

THIRTY LARGEST ICULS 2011/2021HOLDERS (without aggregating securities from different securities accounts belonging to the same person)

Name	No. of ICULS 2011/2021	%
1 YTL Corporation Berhad	781,731,629	78.82
2 Ong Bee Lian	33,498,300	3.38
3 Teo Kwee Hock	22,785,800	2.30
4 Ong Ping Lan	15,842,300	1.60
5 Lucky Star Pte Ltd	13,497,600	1.36
6 Yap Sook Chin	6,243,600	0.63
7 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	4,812,960	0.49
8 DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt an for Deutsche Bank AG Singapore (PWM Asing)	4,301,760	0.43
9 Soo Boon Choo	4,200,000	0.42
10 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,841,320	0.39
11 Peng Lee Huang	2,910,000	0.29
12 Ng Ho Fatt	2,800,000	0.28
13 Liew Kon Mun	2,646,100	0.27
14 MKW Jaya Sdn Bhd	2,600,000	0.26
15 Maybank Nominees (Tempatan) Sdn Bhd – H'ng Siew Tuan	2,374,300	0.24
16 JF Apex Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Teo Siew Lai (Margin)	2,166,400	0.22

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

as at 20 September 2016

Name	No. of ICULS 2011/2021	%
17 Heng Ah Lik	2,165,000	0.22
18 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,059,500	0.21
19 Foong Wye Soon	2,000,000	0.20
20 Ong Bee Lian	1,800,000	0.18
21 Sung Yoke Ling	1,600,000	0.16
22 Chan Jinn Wern	1,500,000	0.15
23 Chan Shao Perng	1,500,000	0.15
24 Onn Soo Eng (Weng Shuying)	1,346,600	0.14
25 YTL Corporation Berhad	1,271,580	0.13
26 Maybank Securities Nominees (Asing) Sdn Bhd – Pledged Securities Account for Onn Ping Lan	1,200,000	0.12
27 Eagletron Venture Corp	1,188,960	0.12
28 Chan Choi Ee	1,170,000	0.12
29 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lim Eng Kwee (E-KLC)	1,100,600	0.11
30 Ng Ho Fatt	1,036,000	0.10
Total	927,190,309	93.49

Statement of Directors' Interests

in the Company and related corporations as at 20 September 2016

THE COMPANY

YTL Land & Development Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Dato' Yeoh Seok Kian	61,538	0.01	–	–

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

HOLDING COMPANY

YTL Corporation Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.27	–	–
Dato' Yeoh Seok Kian	55,481,889	0.53	11,419,183 ⁽¹⁾	0.11
Dato' Yeoh Seok Hong	44,535,079	0.42	23,549,759 ⁽¹⁾	0.22
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.51	19,967,788 ⁽¹⁾	0.19
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597 ⁽¹⁾	0.04
Dato' Hamidah Binti Maktar	755,333	0.01	–	–

Name	No. of Shares Held	
	Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	2,000,000 ⁽¹⁾
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 ⁽¹⁾
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 20 September 2016

ULTIMATE HOLDING COMPANY Yeoh Tiong Lay & Sons Holdings Sdn Bhd

Name	No. of Shares Held			
	Direct	%	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 Power International Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Dato' Suleiman Bin Abdul Manan	—	—	1,291 ⁽¹⁾	*
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,719,213	0.19	89,000 ⁽¹⁾	*
Dato' Yeoh Seok Kian	10,404,890	0.13	4,421,155 ⁽¹⁾	0.06
Dato' Yeoh Seok Hong	45,845,216	0.59	5,015,218 ⁽¹⁾	0.06
Dato' Sri Michael Yeoh Sock Siong	14,055,133	0.18	2,658,052 ⁽¹⁾	0.03
Dato' Mark Yeoh Seok Kah	9,387,959	0.12	1,415,320 ⁽¹⁾	0.02
Dato' Hamidah Binti Makhtar	56,044	*	—	—

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	—	500,000 ⁽¹⁾
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 20 September 2016

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

Name	No. of Shares 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 Shares 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 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.

List of Properties

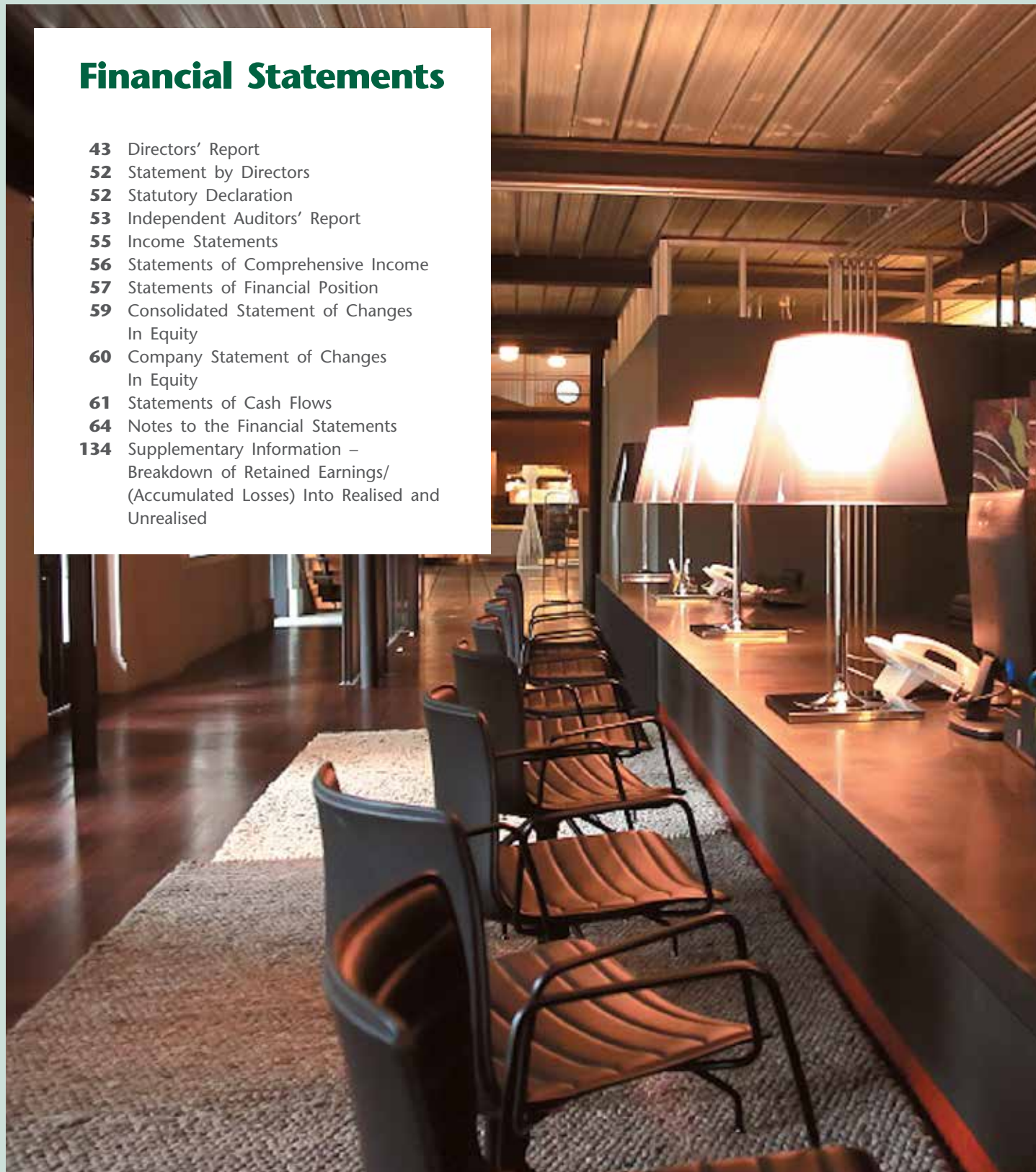
as at 30 June 2016

Location	Tenure	Land Area (acres)	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2016 RM'000	Date of Acquisition
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427	Residential development	–	–	–	1,970,419	22.11.2007
Section 81, 83 & 84, Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	58.139	Mixed residential and commercial development	–	–	–	213,799	1995
		46.985	Future development land	–	–	–	87,980	1995
		37.592	Park land	–	–	–	25,742	1995
		2.349	Commercial development	–	–	–	11,448	2003
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.587	Future development land	–	–	–	111,660	1992
Lot 101, Section 63, (Grant No. 11238), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.978	Future development land	–	–	–	93,867	11.4.2008
Lot 3543, HSD 68386, Mukim of Kuala Lumpur	Leasehold	37.92	Future development land	–	–	Year 2090	82,757	1990
Lot 535, Section 0067, (Grant No. 27127), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.50	Future development land	–	–	–	71,438	25.1.2008
H.S.(D) 2099, PT No. 2136/120, Mukim of Bentong, Pahang	Freehold	206	Future development land	–	–	–	55,252	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	148.24	Future development land	–	–	Year 2096	44,909	1990
Lot 534, Section 0067, (Grant No. 30470), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.25	Future development land	–	–	–	35,719	25.1.2008
H.S.(D) 2097, PT No. 2134/118, Mukim of Bentong, Pahang	Freehold	102	Future development land	–	–	–	32,420	1997



Financial Statements

- 43** Directors' Report
- 52** Statement by Directors
- 52** Statutory Declaration
- 53** Independent Auditors' Report
- 55** Income Statements
- 56** Statements of Comprehensive Income
- 57** Statements of Financial Position
- 59** Consolidated Statement of Changes
In Equity
- 60** Company Statement of Changes
In Equity
- 61** Statements of Cash Flows
- 64** Notes to the Financial Statements
- 134** Supplementary Information –
Breakdown of Retained Earnings/
(Accumulated Losses) Into Realised and
Unrealised



Directors' Report

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 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management, 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 RM'000	Company RM'000
Profit/(loss) for the year	27,317	(8,358)
Attributable to:		
Owners of the parent	16,395	(8,358)
Non-controlling interests	10,922	–
	27,317	(8,358)

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 other than the prior year adjustments as disclosed in Note 42 to the financial statements; and current year impairment losses on property development cost and land held for property development amounting to RM7,466,000.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividend in respect of the current financial year.

Directors' Report

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 Makhtar
 Eu Peng Meng @ Leslie Eu

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 shares of the Company and related corporations, as follows:

The Company

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016
Direct interests:				
Dato' Yeoh Seok Kian	61,538	—	—	61,538

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

The Company (cont'd.)

	Number of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2011/2021 of RM0.50 each			
	As at 1.7.2015	Acquired	Converted/ Disposed	As at 30.6.2016
Direct interests:				
Dato' Yeoh Seok Kian	37,000	–	–	37,000

Immediate holding company YTL Corporation Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	–	–	133,001,216
Dato' Yeoh Seok Kian	55,481,889	–	–	55,481,889
Dato' Yeoh Seok Hong	44,535,079	–	–	44,535,079
Dato' Sri Michael Yeoh Sock Siong	53,652,534	–	–	53,652,534
Dato' Mark Yeoh Seok Kah	20,081,152	–	–	20,081,152
Dato' Hamidah Binti Maktar	755,333	–	–	755,333
Indirect interests:				
Dato' Yeoh Seok Kian	8,444,248 ⁽¹⁾	2,908,269	–	11,352,517⁽¹⁾
Dato' Yeoh Seok Hong	23,549,759 ⁽¹⁾	250,000	250,000	23,549,759⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	19,332,622 ⁽¹⁾	–	–	19,332,622⁽¹⁾
Dato' Mark Yeoh Seok Kah	4,005,597 ⁽¹⁾	–	–	4,005,597⁽¹⁾

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Immediate holding company

YTL Corporation Berhad (cont'd.)

	Number of share options over ordinary shares of RM0.10 each			
	As at 1.7.2015	Granted	Exercised	As at 30.6.2016
Direct interests:				
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
Indirect interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000 ⁽¹⁾	–	–	2,000,000⁽¹⁾
Dato' Yeoh Seok Kian	3,000,000 ⁽¹⁾	–	–	3,000,000⁽¹⁾

Ultimate holding company

Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016
Direct interests:				
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

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Related company

YTL Power International Berhad

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,719,213	–	–	14,719,213
Dato' Yeoh Seok Kian	10,404,890	–	–	10,404,890
Dato' Yeoh Seok Hong	40,845,216	5,000,000	–	45,845,216
Dato' Sri Michael Yeoh Sock Siong	14,055,133	–	–	14,055,133
Dato' Mark Yeoh Seok Kah	9,387,959	–	–	9,387,959
Dato' Hamidah Binti Maktar	4,089	51,955	–	56,044
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,291 ⁽¹⁾	–	–	1,291 ⁽¹⁾
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	89,000	–	89,000 ⁽¹⁾
Dato' Yeoh Seok Kian	3,220,159 ⁽¹⁾	1,200,996	–	4,421,155 ⁽¹⁾
Dato' Yeoh Seok Hong	5,015,218 ⁽¹⁾	–	–	5,015,218 ⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	2,658,052 ⁽¹⁾	–	–	2,658,052 ⁽¹⁾
Dato' Mark Yeoh Seok Kah	1,415,320 ⁽¹⁾	–	–	1,415,320 ⁽¹⁾

	Number of warrants 2008/2018			
	As at 1.7.2015	Acquired	Exercised/ Disposed	As at 30.6.2016
Direct interests:				
Dato' Hamidah Binti Maktar	51,955	–	51,955	–

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Related company

YTL Power International Berhad (cont'd.)

	Number of share options over ordinary shares of RM0.50 each			
	As at 1.7.2015	Granted	Exercised	As at 30.6.2016
Direct interests:				
Tan Sri Dato' (Dr) Francis 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
Indirect interests:				
Dato' Yeoh Seok Hong	500,000 ⁽¹⁾	–	–	500,000⁽¹⁾

Related company

YTL e-Solutions Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016
Indirect interests:				
Dato' Yeoh Seok Kian	–	200,000	–	200,000⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	1,905,500 ⁽¹⁾	–	–	1,905,500⁽¹⁾

Related corporation

YTL Corporation (UK) Plc*

	Number of ordinary shares of £0.25 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* Incorporated in England and Wales.

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Related company

Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016

Direct interests:

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 1.7.2015	Acquired	Disposed	As at 30.6.2016

Direct interests:

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

Related corporation

Samui Hotel 2 Co., Ltd®

	Number of ordinary shares of THB10 each			
	As at 1.7.2015	Acquired	Disposed	As at 30.6.2016

Direct interests:

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

® Incorporated in Thailand.

⁽¹⁾ 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

There were no new ordinary shares issued during the financial year.

Directors' Report

TREASURY SHARES

During the financial year, the Company repurchased 1,100 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.71 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 2016, the Company held as treasury shares a total of 15,175,400 of its 844,344,902 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM22,202,967 and further relevant details are disclosed in Note 33 to the financial statements.

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; 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.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D.)

(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 22 September 2016.

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 133 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 134 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 22 September 2016.

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 133 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.

Subscribed and solemnly declared by the
abovenamed Dato' Yeoh Seok Kian at
Kuala Lumpur in the Federal Territory
on 22 September 2016.

Dato' Yeoh Seok Kian

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 2016 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 133.

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 requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 entity'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 entity'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.

Independent Auditors' Report

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 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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 134 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

Ong Chee Wai

2857/07/18(J)

Chartered Accountant

Kuala Lumpur, Malaysia

22 September 2016

Income Statements

for the financial year ended 30 June 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	3	203,640	98,429	600	695
Cost of sales	4	(127,540)	(63,164)	–	–
Gross profit		76,100	35,265	600	695
Other income		27,757	50,944	22,279	24,697
Administration expenses		(59,014)	(45,703)	(10,908)	(6,001)
Operating profit		44,843	40,506	11,971	19,391
Finance costs	5	(18,169)	(10,522)	(19,505)	(13,548)
Share of results of a joint venture		11,464	6,774	–	–
Profit/(loss) before tax	6	38,138	36,758	(7,534)	5,843
Income tax expenses	9	(10,821)	(12,207)	(824)	(713)
Profit/(loss) for the year		27,317	24,551	(8,358)	5,130
Attributable to:					
Owners of the parent		16,395	20,669	(8,358)	5,130
Non-controlling interests		10,922	3,882	–	–
		27,317	24,551	(8,358)	5,130
Earnings per 50 sen share					
Basic/diluted (sen)	10	1.92	2.51		

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 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(loss) for the year	27,317	24,551	(8,358)	5,130
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Foreign currency translation, representing total other comprehensive income for the year, net of tax	13,364	18,807	–	–
Total comprehensive income/(loss) for the year, net of tax	40,681	43,358	(8,358)	5,130
Attributable to:				
Owners of the parent	29,759	39,476	(8,358)	5,130
Non-controlling interests	10,922	3,882	–	–
	40,681	43,358	(8,358)	5,130

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

Statements of Financial Position

as at 30 June 2016

		Group			Company	
		2016 RM'000	2015 RM'000 (Restated)	2014 RM'000 (Restated)	2016 RM'000	2015 RM'000
Note						
Assets						
Non-current assets						
Property, plant and equipment	11	37,561	37,146	37,041	5,827	5,927
Investment in subsidiaries	12	–	–	–	789,562	779,915
Investment in a joint venture	13	40,646	29,182	22,408	22,900	22,900
Investment properties	14	48,100	36,300	32,900	–	–
Land held for property development	15	700,443	782,293	872,190	37,437	37,490
Goodwill on consolidation	16	31,282	29,801	27,726	–	–
Deferred tax assets	17	7,580	4,969	3,987	–	–
Trade and other receivables	20	8,027	755	–	–	–
		873,639	920,446	996,252	855,726	846,232
Current assets						
Inventories	18	58,223	67,844	64,047	–	–
Property development costs	19	2,275,197	1,863,900	1,482,291	–	–
Trade and other receivables	20	34,721	47,280	34,360	272	119
Other current assets	21	60,680	37,847	89,023	–	–
Tax recoverable		3,703	5,924	852	287	–
Amounts due from subsidiaries	22	–	–	–	480,458	342,683
Amount due from ultimate holding company	23	2	–	–	–	–
Amounts due from related companies	23	100	3,214	259	1	2
Amount due from a joint venture	23	602	18,546	14,364	602	18,546
Cash and bank balances	24	39,767	31,554	95,506	9,320	519
		2,472,995	2,076,109	1,780,702	490,940	361,869
Total assets		3,346,634	2,996,555	2,776,954	1,346,666	1,208,101

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

Statements of Financial Position

as at 30 June 2016

		Group			Company	
		2016 RM'000	2015 RM'000 (Restated)	2014 RM'000 (Restated)	2016 RM'000	2015 RM'000
Note						
Equity and liabilities						
Current liabilities						
Trade and other payables	25	17,016	24,961	33,894	2,098	1,345
Other current liabilities	26	13,975	10,923	49,075	–	–
Amounts due to subsidiaries	22	–	–	–	106,916	94,305
Amount due to immediate holding company	23	83	1,322	1,195	18	228
Amounts due to related companies	23	183,562	113,476	86,918	18	20
Borrowings	27	654,148	218,612	88,118	214,055	79,286
Current tax payable		23	1,111	2,120	–	170
		868,807	370,405	261,320	323,105	175,354
Net current assets		1,604,188	1,705,704	1,519,382	167,835	186,515
Non-current liabilities						
Borrowings	27	1,209,798	1,396,240	1,338,525	114,292	115,119
Provisions	30	40,331	40,331	40,331	–	–
Other non-current liability	31	67,696	67,696	67,696	–	–
Deferred tax liabilities	17	45,608	48,169	47,012	–	–
		1,363,433	1,552,436	1,493,564	114,292	115,119
Total liabilities		2,232,240	1,922,841	1,754,884	437,397	290,473
Net assets		1,114,394	1,073,714	1,022,070	909,269	917,628
Equity attributable to owners of the parent						
Share capital	32	422,172	422,172	422,172	422,172	422,172
Share premium		177,471	177,471	177,471	177,471	177,471
Treasury shares	33	(22,203)	(22,202)	(22,200)	(22,203)	(22,202)
Retained earnings/(accumulated losses)		68,869	52,474	31,805	(23,140)	(14,782)
Foreign currency translation reserve	34	41,969	28,605	9,798	–	–
Equity component of ICULS	29	354,969	354,969	354,969	354,969	354,969
		1,043,247	1,013,489	974,015	909,269	917,628
Non-controlling interests		71,147	60,225	48,055	–	–
Total equity		1,114,394	1,073,714	1,022,070	909,269	917,628
Total equity and liabilities		3,346,634	2,996,555	2,776,954	1,346,666	1,208,101

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 2016

	Attributable to owners of the parent							Non-Controlling Interests RM'000	Total Equity RM'000
	Share capital (Note 32) RM'000	Share Premium RM'000	Treasury Shares (Note 33) RM'000	Retained Earnings RM'000	Foreign Currency Translation Reserve (Note 34) RM'000	Equity Component of ICULS (Note 29) RM'000	Total RM'000		
At 1 July 2014	422,172	177,471	(22,200)	64,788	9,798	354,969	1,006,998	48,055	1,055,053
(as previously stated)	–	–	–	(32,983)	–	–	(32,983)	–	(32,983)
Prior year adjustments (Note 42)									
At 1 July 2014 (restated)	422,172	177,471	(22,200)	31,805	9,798	354,969	974,015	48,055	1,022,070
Profit for the year	–	–	–	20,669	–	–	20,669	3,882	24,551
Other comprehensive income for the year	–	–	–	–	18,807	–	18,807	–	18,807
Total comprehensive income for the year	–	–	–	20,669	18,807	–	39,476	3,882	43,358
Transactions with owners									
Issuance of redeemable preference shares to a related company	–	–	–	–	–	–	–	8,288	8,288
Purchase of treasury shares	–	–	(2)	–	–	–	(2)	–	(2)
At 30 June 2015 (restated)	422,172	177,471	(22,202)	52,474	28,605	354,969	1,013,489	60,225	1,073,714
At 1 July 2015	422,172	177,471	(22,202)	85,457	28,605	354,969	1,046,472	60,225	1,106,697
(as previously stated)	–	–	–	(32,983)	–	–	(32,983)	–	(32,983)
Prior year adjustments (Note 42)									
At 1 July 2015 (restated)	422,172	177,471	(22,202)	52,474	28,605	354,969	1,013,489	60,225	1,073,714
Profit for the year	–	–	–	16,395	–	–	16,395	10,922	27,317
Other comprehensive income for the year	–	–	–	–	13,364	–	13,364	–	13,364
Total comprehensive income for the year	–	–	–	16,395	13,364	–	29,759	10,922	40,681
Transactions with owners									
Purchase of treasury shares	–	–	(1)	–	–	–	(1)	–	(1)
At 30 June 2016	422,172	177,471	(22,203)	68,869	41,969	354,969	1,043,247	71,147	1,114,394

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 2016

	Attributable to owners of the parent					
	Share Capital (Note 32) RM'000	Share Premium RM'000	Treasury Shares (Note 33) RM'000	Accumulated Losses RM'000	Equity Component of ICULS (Note 29) RM'000	Total RM'000
At 1 July 2014	422,172	177,471	(22,200)	(19,912)	354,969	912,500
Total comprehensive income for the year	–	–	–	5,130	–	5,130
Transactions with owners						
Purchase of treasury shares	–	–	(2)	–	–	(2)
At 30 June 2015	422,172	177,471	(22,202)	(14,782)	354,969	917,628
Total comprehensive loss for the year	–	–	–	(8,358)	–	(8,358)
Transactions with owners						
Purchase of treasury shares	–	–	(1)	–	–	(1)
At 30 June 2016	422,172	177,471	(22,203)	(23,140)	354,969	909,269

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

Statements of Cash Flows

as at 30 June 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Operating activities				
Profit/(loss) before tax	38,138	36,758	(7,534)	5,843
Adjustments for:				
Depreciation of property, plant and equipment	1,034	906	108	138
Property, plant and equipment written off	17	–	*	–
Interest expenses	18,169	10,522	19,505	13,548
Interest income	(990)	(1,257)	(13,693)	(8,493)
Loss on disposal of property, plant and equipment	–	87	–	77
Gain on disposal of land held for property development	(359)	–	(359)	–
Gain from fair value adjustment of investment properties	(3,886)	(3,400)	–	–
Reversal of accruals	(2,937)	(6,287)	(8)	(6,287)
Reversal of inventories written down	(1,917)	–	–	–
Unrealised gains on foreign exchange	(7,912)	(9,923)	(7,738)	(9,916)
Bad debts recovered	(17)	–	–	–
Bad debts written off	–	150	–	–
Impairment loss on				
– goodwill	10	–	–	–
– land held for property development	2,274	–	–	–
– property development cost	5,192	–	–	–
– trade receivables	239	–	–	–
– other receivables	100	100	–	–
– amounts due from subsidiaries	–	–	9	*
Share of results of a joint venture	(11,464)	(6,774)	–	–
Total adjustments	(2,447)	(15,876)	(2,176)	(10,933)
Operating cash flows before working capital changes	35,691	20,882	(9,710)	(5,090)

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

Statements of Cash Flows

as at 30 June 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Operating activities (cont'd.)				
Changes in working capital:				
Property development costs	(153,694)	(105,652)	–	–
Inventories	3,624	(3,797)	–	–
Receivables	2,504	(13,616)	(153)	47
Other current assets	(22,660)	52,052	–	1
Payables	(5,385)	(3,125)	761	(12,166)
Other current liabilities	2,707	(38,639)	–	–
Immediate holding company balance	(1,288)	127	(210)	(68)
Subsidiaries balances	–	–	(129,557)	(32,884)
Related companies balances	71,469	28,371	(1)	2
Joint venture balance	17,325	(3,563)	17,325	(3,563)
Total changes in working capital	(85,398)	(87,842)	(111,835)	(48,631)
Cash flows used in operations	(49,707)	(66,960)	(121,545)	(53,721)
Income tax paid	(14,856)	(18,122)	(1,281)	–
Net cash flows used in operating activities	(64,563)	(85,082)	(122,826)	(53,721)
Investing activities				
Interest received	1,609	637	15,015	33
Increase in land held for property development	(28,131)	(7,950)	–	–
Proceeds from disposal of land held for property development	412	–	412	–
Purchase of property, plant and equipment	(643)	(819)	(8)	(35)
Proceeds from disposal of property, plant and equipment	–	62	–	51
Net cash flows (used in)/from investing activities	(26,753)	(8,070)	15,419	49

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

Statements of Cash Flows

as at 30 June 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Financing activities				
Net proceeds from borrowings	174,785	79,042	143,534	69,700
Net repayments of hire purchase payables	(545)	(304)	(140)	(67)
Interest paid	(75,085)	(51,090)	(27,185)	(15,827)
Purchase of treasury shares	(1)	(2)	(1)	(2)
Net cash flows from financing activities	99,154	27,646	116,208	53,804
Net increase/(decrease) in cash and cash equivalents	7,838	(65,506)	8,801	132
Effect of exchange rate changes on cash and cash equivalents	375	1,554	–	–
Cash and cash equivalents at beginning of year	31,554	95,506	519	387
Cash and cash equivalents at end of year (Note 24)	39,767	31,554	9,320	519

NOTE TO STATEMENTS OF CASH FLOWS

Analysis of purchase of property, plant and equipment:

– Cash paid	643	819	8	35
– Hire purchase creditor	860	335	–	334
Total purchase of property, plant and equipment (Note 11)	1,503	1,154	8	369

* Less than RM1,000.

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

Notes to the Financial Statements

30 June 2016

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 management, 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 22 September 2016.

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 requirements of the Companies Act, 1965 in Malaysia.

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 adopted are consistent with those of the previous financial year.

Notes to the Financial Statements

as at 30 June 2016

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 for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

as at 30 June 2016

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

2.3 Basis of consolidation (cont'd.)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.5.

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 statement 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.

Notes to the Financial Statements

as at 30 June 2016

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 off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

2.6 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments in subsidiaries, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the joint venture's profit or loss for the period in which the investment is acquired.

Notes to the Financial Statements

as at 30 June 2016

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

2.7 Investment in joint venture (cont'd.)

A joint venture is equity accounted for from the date on which the investee becomes a joint venture.

Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

as at 30 June 2016

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. 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:

Building	1%
Furniture, fixtures and fittings	10%
Office equipment	10% - 20%
Renovation	10%
Motor vehicles	12.5%
Other equipment	10%
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 off 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.

Notes to the Financial Statements

as at 30 June 2016

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

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.

(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 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.

Notes to the Financial Statements

as at 30 June 2016

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

2.11 Impairment of non-financial assets (cont'd.)

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.

2.12 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 costs 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.

2.13 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.

Notes to the Financial Statements

as at 30 June 2016

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

2.13 Financial assets (cont'd.)

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.

2.14 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.

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.

Notes to the Financial Statements

as at 30 June 2016

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

2.14 Impairment of financial assets (cont'd.)

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

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.

2.15 Cash and cash equivalents

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

2.16 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.

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.

Notes to the Financial Statements

as at 30 June 2016

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

2.16 Financial liabilities (cont'd.)

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.

2.17 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.

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.

2.18 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.

The recording of provisions requires the application of judgements about the ultimate resolution of the obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate.

Notes to the Financial Statements

as at 30 June 2016

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

2.19 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.

2.20 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of 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.

2.21 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 off, 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.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

Additional disclosures on each of these segments are shown in Note 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes to the Financial Statements

as at 30 June 2016

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

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, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(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. The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund in Malaysia.

(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.

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.

Notes to the Financial Statements

as at 30 June 2016

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

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

as at 30 June 2016

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) Property development

(i) Sale of development properties

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

(ii) Sale of completed development properties

Sale of completed development properties are recognised only when it is probable that the economic benefits associated with the transactions will flow to the Group and upon the transfer of significant risk and rewards of ownership.

(b) Management fees

Management fees are recognised when services are rendered.

(c) 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.

Notes to the Financial Statements

as at 30 June 2016

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

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.

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.

Notes to the Financial Statements

as at 30 June 2016

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

2.28 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

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 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Financial Statements

as at 30 June 2016

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

2.30 Current versus non-current classification

The Group presents assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.31 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.32 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:

Notes to the Financial Statements

as at 30 June 2016

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

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

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

(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 their residual values. 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. The carrying amounts of the Group's property, plant and equipment at the reporting date are disclosed in Note 11.

(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. Details of property development are disclosed in Note 19.

(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 disclosed 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. Details of deferred tax are disclosed in Note 17.

Notes to the Financial Statements

as at 30 June 2016

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

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

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

(v) Provision for affordable housing

The Group recognises a provision for affordable housing as required under FRSIC Consensus 17 Development of Affordable Housing. The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for development of premium housing based on the master and building plans approved.

In determining the provision for affordable housing, judgements and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience and by relying on the work of specialists.

The carrying amount of the Group's provision for affordable housing as at reporting date is disclosed in Note 30 to the financial statements.

2.33 Standards and interpretations issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Annual improvements to FRSs 2012 - 2014 cycle	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendment to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

Notes to the Financial Statements

as at 30 June 2016

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

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

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 except for the following:

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

FRS 9 Financial Instruments: Classification and Measurement

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian 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 are allowed to defer adoption of the MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018. Early application of MFRS is permitted.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the year ending 30 June 2019.

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.

Notes to the Financial Statements

as at 30 June 2016

3. REVENUE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Management fees	1,747	1,534	600	600
Property development revenue	196,919	91,642	–	–
Sales of completed properties	4,974	5,253	–	–
Dividend income from a subsidiary	–	–	–	95
	203,640	98,429	600	695

4. COST OF SALES

	Group	
	2016 RM'000	2015 RM'000
Cost of completed properties sold (Note 18)	3,624	3,130
Property development costs (Note 19)	125,833	60,034
Reversal of inventories written down (Note 18)	(1,917)	–
	127,540	63,164

Notes to the Financial Statements

as at 30 June 2016

5. FINANCE COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expenses on:				
– hire purchase	53	30	13	6
– ICULS (Note 29)	9,166	9,548	9,166	9,548
– term loans	47,469	35,239	7	–
– revolving credit	6,408	944	6,408	944
– amount due to a subsidiary	–	–	3,561	3,050
Incidental cost incurred to administer the loan facility:				
– amortisation of transaction cost	2,179	–	–	–
– facility fee	350	–	350	–
Effect of discounting of other receivables	2,185	–	–	–
	67,810	45,761	19,505	13,548
Less: Interest expense capitalised in qualifying assets				
– Land held for property development (Note 15)	–	(1,269)	–	–
– Property development costs (Note 19)	(49,641)	(33,970)	–	–
	18,169	10,522	19,505	13,548

Notes to the Financial Statements

as at 30 June 2016

6. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Auditors' remuneration				
– current year	341	337	100	100
– under/(over) provision in prior year	*	11	–	2
– other service	13	10	13	10
Depreciation of property, plant and equipment (Note 11)	1,034	906	108	138
Property, plant and equipment written off (Note 11)	17	–	*	–
Loss on disposal of property, plant and equipment	–	87	–	77
Interest income	(990)	(1,257)	(13,693)	(8,493)
Gain on disposal of land held for property development	(359)	–	(359)	–
Gain from fair value adjustment of investment properties (Note 14)	(3,886)	(3,400)	–	–
Reversal of accruals	(2,937)	(6,287)	(8)	(6,287)
Loss/(gain) on foreign exchange				
– realised	2	*	1	*
– unrealised	(7,912)	(9,923)	(7,738)	(9,916)
Bad debts recovered	(17)	–	–	–
Bad debts written off	–	150	–	–
Impairment loss on:				
– goodwill (Note 16)	10	–	–	–
– land held for property development (Note 15)	2,274	–	–	–
– property development cost (Note 19)	5,192	–	–	–
– trade receivables (Note 20)	239	–	–	–
– other receivables (Note 20)	100	100	–	–
– amounts due from subsidiaries	–	–	9	*
Employee benefits expense (Note 7)	15,201	14,803	539	591
Directors' remuneration (Note 8)				
– Executive directors	5,841	4,661	1,323	1,025
– Non-executive directors	1,006	1,005	943	940
Rental expenses of:				
– buildings	3,359	2,144	1,034	1,007
– equipments	21	12	12	1
Rental income	(2,406)	(2,460)	–	–
Direct operating expense arising from investment properties:				
– rental generating properties	180	250	–	–
Compensation paid to squatters	–	18	–	–

* Less than RM1,000.

Notes to the Financial Statements

as at 30 June 2016

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages and salaries	12,780	11,831	485	473
Social security costs	55	53	3	3
Pension costs				
– defined contribution plans	1,351	1,240	44	54
Share option expenses	1	19	–	–
Other staff related expenses	1,014	1,660	7	61
	15,201	14,803	539	591

The above employee benefits expense of the Group and the Company do not include directors' remuneration which is separately disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive directors:				
Salaries and other emoluments	5,461	4,281	1,023	725
Fees	380	380	300	300
Share option expenses	5	167	–	–
Benefits-in-kind	162	130	32	–
	6,008	4,958	1,355	1,025
Non-executive directors:				
Salaries and other emoluments	686	685	683	680
Fees	320	320	260	260
Benefits-in-kind	209	246	209	246
	1,215	1,251	1,152	1,186
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 6)	5,841	4,661	1,323	1,025
Total non-executive directors' remuneration excluding benefits-in-kind (Note 6)	1,006	1,005	943	940
Total directors' remuneration excluding benefits-in-kind	6,847	5,666	2,266	1,965

Notes to the Financial Statements

as at 30 June 2016

8. DIRECTORS' REMUNERATION (CONT'D.)

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

	Company Number of directors	
	2016	2015
Executive directors:		
RM1 – RM50,000	3	5
RM50,001 – RM100,000	2	–
RM750,001 – RM800,000	–	1
RM1,000,000 – RM1,050,000	1	–
Non-executive directors:		
RM50,001 – RM100,000	3	3
RM900,001 – RM950,000	1	1

9. INCOME TAX EXPENSES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
Malaysian income tax	15,743	11,645	807	713
Foreign tax	1	52	–	–
Under provision in prior years	250	336	17	–
	15,994	12,033	824	713
Deferred tax (Note 17):				
Relating to origination and reversal of temporary differences	(2,386)	16	–	–
Effect of reduction in tax rate	–	96	–	–
(Over)/under provision in prior years	(2,787)	62	–	–
	(5,173)	174	–	–
Income tax expenses recognised in profit or loss	10,821	12,207	824	713

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

The corporate tax rate applicable to the Singapore subsidiaries of the Group is 17% (2015: 17%).

Notes to the Financial Statements

as at 30 June 2016

9. INCOME TAX EXPENSES (CONT'D.)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(loss) before tax	38,138	36,758	(7,534)	5,843
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	9,153	9,190	(1,808)	1,461
Effects of expenses not deductible for tax purposes	6,789	5,973	4,867	3,141
Under provision of income tax expenses in prior years	250	336	17	–
Different tax rates of certain subsidiaries	682	475	–	–
Effects of changes in future income tax rate of 24% on deferred tax	–	48	–	–
Effect on opening deferred tax of reduction in income tax rate	–	96	–	–
Deferred tax assets not recognised during the year	1,777	2,627	34	186
Income not subject to taxation	(4,731)	(6,600)	(1,975)	(4,075)
(Over)/under provision of deferred tax in prior years	(2,787)	62	–	–
Utilisation of previously unrecognised capital allowances	(1)	–	–	–
Deferred tax recognised at different tax rate	(311)	–	(311)	–
Income tax expenses recognised in profit or loss	10,821	12,207	824	713

Notes to the Financial Statements

as at 30 June 2016

10. EARNINGS PER SHARE ("EPS")

Basic/diluted EPS

The 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	
	2016	2015
Profit attributable to owners of the parent (RM'000)	16,395	20,669
Post-tax effect of interest expense on ICULS (RM'000)	9,166	9,548
Profit attributable to owners of the parent including assumed conversion (RM'000)	25,561	30,217
Weighted average number of ordinary shares in issue ('000)	829,170	829,172
Assume full conversion of ICULS ('000)	500,902	375,677
Adjusted weighted average number of ordinary shares in issue ('000)	1,330,072	1,204,849
Basic/diluted EPS (sen)	1.92	2.51

Notes to the Financial Statements

as at 30 June 2016

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Infrastructure works RM'000	Sentul Park RM'000	Total RM'000
Group										
As at 30 June 2016										
Cost										
At 1 July 2015	6,644	142	2,823	2,974	4,061	6,361	5,146	4,258	18,642	51,051
Additions	-	-	-	10	429	39	1,025	-	-	1,503
Written off (Note 6)	-	-	-	(1,113)	(1,866)	(1,555)	-	-	-	(4,534)
Transfer to land held for development (Note 15)	-	(142)	-	-	-	-	-	-	-	(142)
Exchange differences	-	-	-	26	15	57	-	-	-	98
At 30 June 2016	6,644	-	2,823	1,897	2,639	4,902	6,171	4,258	18,642	47,976
Accumulated depreciation										
At 1 July 2015	-	99	474	2,481	3,735	3,642	2,709	765	-	13,905
Charge for the year (Note 6)	-	3	27	98	92	358	370	86	-	1,034
Written off (Note 6)	-	-	-	(1,100)	(1,862)	(1,555)	-	-	-	(4,517)
Transfer to land held for development (Note 15)	-	(102)	-	-	-	-	-	-	-	(102)
Exchange differences	-	-	-	23	15	57	-	-	-	95
At 30 June 2016	-	-	501	1,502	1,980	2,502	3,079	851	-	10,415
Net carrying amount										
At 30 June 2016	6,644	-	2,322	395	659	2,400	3,092	3,407	18,642	37,561

Notes to the Financial Statements

as at 30 June 2016

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

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Infrastructure works RM'000	Sentul Park RM'000	Total RM'000
Group (cont'd.)										
As at 30 June 2015										
Cost										
At 1 July 2014	6,644	142	2,823	2,943	4,013	5,645	5,408	4,258	18,642	50,518
Additions	–	–	–	66	93	630	365	–	–	1,154
Disposals	–	–	–	–	–	–	(627)	–	–	(627)
Written off (Note 6)	–	–	–	(74)	(66)	–	–	–	–	(140)
Exchange differences	–	–	–	39	21	86	–	–	–	146
At 30 June 2015	6,644	142	2,823	2,974	4,061	6,361	5,146	4,258	18,642	51,051
Accumulated depreciation										
At 1 July 2014	–	96	447	2,404	3,715	3,192	2,943	680	–	13,477
Charge for the year (Note 6)	–	3	27	118	65	364	244	85	–	906
Disposals	–	–	–	–	–	–	(478)	–	–	(478)
Written off (Note 6)	–	–	–	(74)	(66)	–	–	–	–	(140)
Exchange differences	–	–	–	33	21	86	–	–	–	140
At 30 June 2015	–	99	474	2,481	3,735	3,642	2,709	765	–	13,905
Net carrying amount										
At 30 June 2015	6,644	43	2,349	493	326	2,719	2,437	3,493	18,642	37,146

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM1,880,000 (2015: RM1,195,000) held under hire purchase arrangements.

Notes to the Financial Statements

as at 30 June 2016

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

	Freehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
--	----------------------------	--------------------	---	-------------------------------	-----------------------------	----------------------	-----------------

Company

As at 30 June 2016

Cost

At 1 July 2015	3,036	2,823	158	376	502	1,404	8,299
Additions	–	–	8	–	–	–	8
Written off (Note 6)	–	–	(30)	(235)	–	–	(265)
At 30 June 2016	3,036	2,823	136	141	502	1,404	8,042

Accumulated depreciation

At 1 July 2015	–	473	141	367	18	1,373	2,372
Charge for the year (Note 6)	–	28	6	3	40	31	108
Written off (Note 6)	–	–	(30)	(235)	–	–	(265)
At 30 June 2016	–	501	117	135	58	1,404	2,215

Net carrying amount

At 30 June 2016	3,036	2,322	19	6	444	–	5,827
-----------------	-------	-------	----	---	-----	---	-------

As at 30 June 2015

Cost

At 1 July 2014	3,036	2,823	158	374	701	1,404	8,496
Additions	–	–	–	2	367	–	369
Disposals	–	–	–	–	(566)	–	(566)
At 30 June 2015	3,036	2,823	158	376	502	1,404	8,299

Accumulated depreciation

At 1 July 2014	–	446	128	353	443	1,302	2,672
Charge for the year (Note 6)	–	27	13	14	13	71	138
Disposals	–	–	–	–	(438)	–	(438)
At 30 June 2015	–	473	141	367	18	1,373	2,372

Net carrying amount

At 30 June 2015	3,036	2,350	17	9	484	31	5,927
-----------------	-------	-------	----	---	-----	----	-------

Included in property, plant and equipment of the Company is a motor vehicle with net book value of RM334,000 (2015: RM484,000) held under hire purchase arrangement.

Notes to the Financial Statements

as at 30 June 2016

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2016	2015
Unquoted shares in Malaysia:		
– At cost	610,152	600,505
– At valuation	222,296	222,296
Unquoted shares outside Malaysia, at cost	192,379	192,379
	1,024,827	1,015,180
Less: Accumulated impairment losses	(235,265)	(235,265)
	789,562	779,915

The details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interest	
			2016	2015	2016	2015
			%	%	%	%
Held by the Company:						
* Amanresorts Sdn. Bhd.	Malaysia	Dormant	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	Dormant	70	70	30	30
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	100	100	–	–
* Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	100	100	–	–
* Pinnacle Trend Sdn. Bhd.	Malaysia	Property development	100	100	–	–
* Satria Sewira Sdn. Bhd.	Malaysia	Dormant	100	100	–	–
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	70	70	30	30
* Trend Acres Sdn. Bhd.	Malaysia	Property development	100	100	–	–
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	100	100	–	–

Notes to the Financial Statements

as at 30 June 2016

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group		% of ownership interest held by non-controlling interest	
			2016	2015	2016	2015
			%	%	%	%
Held by the Company (cont'd.):						
* 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	–	–
Held through Mayang Sari Sdn. Bhd.:						
Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	100	100	–	–
SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	100	100	–	–
Held through SR Property Management Sdn. Bhd.:						
# Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	100	100	–	–
Held through Pakatan Perakbina Sdn. Bhd.:						
* Noriwasu Sdn. Bhd.	Malaysia	Dormant	100	100	–	–
* PYP Sendirian Berhad	Malaysia	Property development	100	100	–	–
* Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	100	100	–	–
* Udapakat Bina Sdn. Bhd.	Malaysia	Property development	100	100	–	–
Held through Sentul Raya Sdn. Bhd.:						
Sentul Park Management Sdn. Bhd.	Malaysia	Park management	70	70	30	30
Sentul Raya City Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Sentul Raya Golf Club Berhad	Malaysia	Inactive	70	70	30	30

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

The subsidiary was served with a notice of striking-off pursuant to Section 308(2) of the Companies Act, 1965 by the Companies Commission of Malaysia on 23 October 2015.

Notes to the Financial Statements

as at 30 June 2016

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	Sentul Raya Sdn. Bhd. Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2016			
NCI effective equity interest	30%		
Carrying amount of NCI	47,798	*23,349	71,147
Profit/(loss) allocated to NCI	10,935	(13)	10,922
2015			
NCI effective equity interest	30%		
Carrying amount of NCI	36,863	*23,362	60,225
Profit/(loss) allocated to NCI	3,895	(13)	3,882

* Included in carrying amount of NCI in other individually immaterial subsidiaries is redeemable preference shares ("RPS") issued to a related company.

Notes to the Financial Statements

as at 30 June 2016

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Non-controlling interests in subsidiaries (cont'd.)

Summarised financial information before inter-company elimination

Sentul Raya Sdn. Bhd. Group

(i) Summarised statements of financial position

	2016 RM'000	2015 RM'000
Non-current assets	559,960	504,366
Current assets	234,630	197,655
Non-current liabilities	(148,475)	(137,105)
Current liabilities	(353,661)	(308,909)
Net assets	292,454	256,007
Equity attributable to owners of the Company	204,718	179,205
Non-controlling interests before adjustment	87,737	76,802
Fair value adjustment	(39,939)	(39,939)
Non-controlling interests after adjustment	47,798	36,863

(ii) Summarised statements of comprehensive income

Revenue	200,467	92,950
Total comprehensive income	36,447	12,984
Profit attributable to owners of the Company	25,513	9,089
Profit attributable to non-controlling interests	10,935	3,895

(iii) Summarised statements of cash flows

Cash flows from operating activities	56,936	39,035
Cash flows from investing activities	(3,820)	(4,903)
Cash flows from financing activities	(49,321)	(44,234)
Net increase/(decrease) in cash and cash equivalents	3,795	(10,102)

Changes in the Group's ownership interest in subsidiaries without losing control

During the financial year, the Company subscribed for 9,647,000 (2015: 274,927,000) RPS of RM0.10 each at an issue price of RM1 per share for cash in several subsidiaries. The subscription of RPS does not result in any changes in the parent's interest in the subsidiaries.

Notes to the Financial Statements

as at 30 June 2016

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The salient features of RPS of the subsidiaries are as follows:

- (a) The RPS will not confer any right to dividend or other income;
- (b) The holders of RPS have preference over all holders of ordinary shares on the return of capital upon liquidation for an amount equal to the amount paid plus any premium;
- (c) The subsidiaries shall be entitled at any time to redeem all or any of the RPS, on terms and in such manner as provided in the subsidiaries' Articles of Association; and
- (d) The holders of RPS whilst entitled to receive notice of and attend any meetings of the subsidiaries, shall not be entitled to vote other than:-
 - (i) upon any resolution which varies the rights attached to the RPS; or
 - (ii) upon any resolution for the winding up of the subsidiaries in which case the holders of the RPS shall be entitled to vote on such resolution.

13. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted investment, at cost	22,900	22,900	22,900	22,900
Share of post-acquisition reserves	17,746	6,282	–	–
	40,646	29,182	22,900	22,900

- (i) Details of the joint venture are as follows:-

Name of Company	Country of Incorporation	Principal activity	Effective equity interest	
			2016 %	2015 %
Shorefront Development Sdn. Bhd.	Malaysia	Property development	50	50

The financial statements of the above joint venture are audited by a firm of auditors other than Ernst & Young.

Notes to the Financial Statements

as at 30 June 2016

13. INVESTMENT IN A JOINT VENTURE (CONT'D.)

(ii) The summarised financial information of the joint venture is as follows:-

	Group	
	2016 RM'000	2015 RM'000
As at 30 June		
Non-current asset	3,167	–
Current assets	88,138	100,331
Current liabilities	(29,131)	(61,085)
Net assets	62,174	39,246
	50%	50%
Interest in joint venture	31,087	19,623
Goodwill	8,275	8,275
Fair value adjustment	1,284	1,284
Carrying value of Group's interest in joint venture	40,646	29,182
For the year ended 30 June		
Income	30,353	18,583
Total comprehensive income for the year	22,928	13,548

14. INVESTMENT PROPERTIES

	Group	
	2016 RM'000	2015 RM'000
At beginning of the financial year	36,300	32,900
Transfer from inventories (Note 18)	7,914	–
Gain from fair value adjustment recognised in profit or loss (Note 6)	3,886	3,400
At end of the financial year	48,100	36,300

Investment properties are stated at fair value based on valuations performed by independent professional valuer having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Notes to the Financial Statements

as at 30 June 2016

14. INVESTMENT PROPERTIES (CONT'D.)

Fair value hierarchy

The Group's investment properties are valued based on comparison approach and unobservable inputs and classified in Level 3 (2015: Level 3) of the fair value hierarchy. The different levels of the fair value hierarchy have been defined as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (such as derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no transfer between Level 1, Level 2 and Level 3 during the financial year.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Cost method: The land component is assessed using comparison method while the building component is assessed based on depreciated value.	Cost appreciation rate: 20% Depreciation rate: 15%	The estimated fair value would increase if:- – cost appreciation rate were higher; or – depreciation rate were lower
Income method: Income approach is based on the estimate rental income, net of projected operating expenses, using a discount rate derived from market yield.	Rental yield: 8% Discount rate: 8.5%	The estimated fair value would increase if:- – rental yield were higher; or – discount rate were lower

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

Notes to the Financial Statements

as at 30 June 2016

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group				Company		
	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
2016							
Cost:							
At beginning of the financial year (as restated)	409,028	109,875	284,457	803,360	30,746	6,744	37,490
Reclassification during the year	(783)	(350)	1,133	-	-	-	-
Cost incurred during the year	-	3,726	24,405	28,131	-	-	-
Disposals	-	(52)	(1)	(53)	(52)	(1)	(53)
Transfer from property, plant and equipment (Note 11)	-	40	-	40	-	-	-
Transfer to property development costs (Note 19)	(76,460)	(241)	(30,993)	(107,694)	-	-	-
At end of the financial year	331,785	112,998	279,001	723,784	30,694	6,743	37,437
Accumulated impairment losses:							
At beginning of the financial year (as restated)	-	(21,067)	-	(21,067)	-	-	-
Impairment losses for the year (Note 6)	-	-	(2,274)	(2,274)	-	-	-
At end of the financial year	-	(21,067)	(2,274)	(23,341)	-	-	-
Carrying amount at end of the financial year	331,785	91,931	276,727	700,443	30,694	6,743	37,437

Notes to the Financial Statements

as at 30 June 2016

15. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D.)

	Group				Company		
	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
2015							
Cost:							
At beginning of the financial year (as previously stated)	425,542	185,102	252,302	862,946	30,746	6,744	37,490
Prior year adjustments (Note 42)	–	(3,715)	34,026	30,311	–	–	–
At beginning of the financial year (as restated)	425,542	181,387	286,328	893,257	30,746	6,744	37,490
Reclassification during the year	(70)	550	(480)	–	–	–	–
Cost incurred during the year	–	15	9,205	9,220	–	–	–
Transfer to property development costs (Note 19)	(16,444)	(72,077)	(10,596)	(99,117)	–	–	–
At end of the financial year	409,028	109,875	284,457	803,360	30,746	6,744	37,490
Accumulated impairment losses:							
At beginning of the financial year (as previously stated)	–	–	–	–	–	–	–
Prior year adjustments (Note 42)	–	(21,067)	–	(21,067)	–	–	–
At beginning of the financial year (as restated)	–	(21,067)	–	(21,067)	–	–	–
Impairment losses for the year	–	–	–	–	–	–	–
At end of the financial year	–	(21,067)	–	(21,067)	–	–	–
Carrying amount at end of the financial year (as restated)	409,028	88,808	284,457	782,293	30,746	6,744	37,490

Land held for property development comprises land 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 previous financial year amounting to RM1,269,000 as disclosed in Note 5.

During the financial year, the impairment review has led to the recognition of impairment loss amounting to RM2,274,000 (2015: Nil) due to uncertainty in the recoverability of development cost of a third party project.

Notes to the Financial Statements

as at 30 June 2016

16. GOODWILL ON CONSOLIDATION

	Group	
	2016 RM'000	2015 RM'000 Restated
At beginning of the financial year (as previously stated)	39,158	37,083
Prior year adjustments (Note 42)	(9,357)	(9,357)
At beginning of the financial year (as restated)	29,801	27,726
Impairment (Note 6)	(10)	–
Exchange differences	1,491	2,075
At end of the financial year	31,282	29,801

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.

Notes to the Financial Statements

as at 30 June 2016

16. GOODWILL ON CONSOLIDATION (CONT'D.)

(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 key assumptions

The sensitivity tests indicated that with the changes in the key assumptions used in the value in use calculation of Malaysia property development business, there will be no impairment loss required where other realistic variations are applied to key assumptions. However, changing the key assumptions used in the value in use calculation of foreign property development business, where other realistic variations remain constant, could significantly affect the Group's results.

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:

	%
Decrease in budgeted gross margin	(1.55)
Increase in discount rate	1.32

Notes to the Financial Statements

as at 30 June 2016

17. DEFERRED TAX

	Group	
	2016 RM'000	2015 RM'000 (Restated)
At beginning of the financial year (as previously stated)	50,661	50,486
Prior year adjustments (Note 42)	(7,461)	(7,461)
At beginning of the financial year (as restated)	43,200	43,025
Recognised in profit or loss (Note 9)	(5,173)	174
Exchange difference	1	1
At end of the financial year	38,028	43,200
Presented after appropriate offsetting as follows:		
Deferred tax assets	(7,580)	(4,969)
Deferred tax liabilities	45,608	48,169
	38,028	43,200

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, plant and equipment RM'000	Land held for property development and property development cost RM'000	Investment properties and others RM'000	Total RM'000
At 1 July 2015 (as restated)	6,968	41,424	–	48,392
Recognised in profit or loss	(6,594)	3,800	917	(1,877)
Recognised in equity	1	–	–	1
At 30 June 2016	375	45,224	917	46,516
At 1 July 2014 (as previously stated)	6,886	46,191	–	53,077
Prior year adjustments (Note 42)	–	(5,948)	–	(5,948)
At 1 July 2014 (as restated)	6,886	40,243	–	47,129
Recognised in profit or loss	82	1,180	–	1,262
Recognised in equity	–	1	–	1
At 30 June 2015	6,968	41,424	–	48,392

Notes to the Financial Statements

as at 30 June 2016

17. DEFERRED TAX (CONT'D.)

Deferred tax assets of the Group:

	Unabsorbed losses and capital allowance in subsidiaries RM'000	Provision and others RM'000	Total RM'000
At 1 July 2015 (as restated)	(2,808)	(2,384)	(5,192)
Recognised in profit or loss	(2,853)	(443)	(3,296)
At 30 June 2016	(5,661)	(2,827)	(8,488)
At 1 July 2014 (as previously stated)	(1,839)	(752)	(2,591)
Prior year adjustments (Note 42)	–	(1,513)	(1,513)
At 1 July 2014 (as restated)	(1,839)	(2,265)	(4,104)
Recognised in profit or loss	(969)	(119)	(1,088)
At 30 June 2015	(2,808)	(2,384)	(5,192)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unused tax losses	28,560	17,612	–	–
Unabsorbed capital allowances	284	286	–	–
Other deductible temporary differences	1,786	1,405	1,546	1,404
	30,630	19,303	1,546	1,404

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.

Notes to the Financial Statements

as at 30 June 2016

18. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
Properties held for sale		
– At cost	58,223	46,846
– At net realisable value	–	20,998
	58,223	67,844
Recognised in profit or loss:		
Inventories recognised as cost of sales (Note 4)	3,624	3,130
Reversal of inventories written down (Note 4)	(1,917)	–

During the year, an amount of inventories transferred to investment properties of the Group was RM7,914,000 (Note 14).

19. PROPERTY DEVELOPMENT COSTS

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group – 2016				
Cumulative property development costs:				
At beginning of the financial year	1,267,246	80,952	626,824	1,975,022
Reclassification	–	19,399	(19,399)	–
Costs incurred during the year	–	–	329,169	329,169
Transfer from land held for property development (Note 15)	76,460	241	30,993	107,694
Exchange differences	76,283	–	29,176	105,459
At end of the financial year	1,419,989	100,592	996,763	2,517,344
Cumulative impairment loss:				
Recognised during the year (Note 6)	(5,192)	–	–	(5,192)
At end of the financial year	(5,192)	–	–	(5,192)
Cumulative costs recognised in profit or loss				
At beginning of the financial year				(111,122)
Recognised during the year (Note 4)				(125,833)
At end of the financial year				(236,955)
Property development costs at end of the financial year				2,275,197

Notes to the Financial Statements

as at 30 June 2016

19. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group – 2015				
Cumulative property development costs:				
At beginning of the financial year	1,147,519	8,875	617,247	1,773,641
Costs incurred during the year	–	–	206,584	206,584
Transfer from land held for property development (Note 15)	16,444	72,077	10,596	99,117
Reversal of completed projects	(2,769)	–	(237,493)	(240,262)
Transfer to inventories	(79)	–	(6,848)	(6,927)
Exchange differences	106,131	–	36,738	142,869
At end of the financial year	1,267,246	80,952	626,824	1,975,022
Cumulative costs recognised in profit or loss:				
At beginning of the financial year				(291,350)
Recognised during the year (Note 4)				(60,034)
Reversal of completed projects				240,262
At end of the financial year				(111,122)
Property development costs at end of the financial year				1,863,900

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM49,641,000 (2015: RM33,970,000) as disclosed in Note 5. The rate used to determine the amount of borrowing costs eligible for capitalisation was 2.73% (2015: 2.46%) which is the effective interest rates of the specific borrowings.

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,945,000,000 (2015: RM1,685,000,000) pledged as security for a borrowing granted to the Group as disclosed in Note 27.

During the financial year, the impairment review has led to the recognition of impairment loss amounting to RM5,129,000 (2015: Nil) due to decline in recoverable amount as a result of changes in budget of certain project.

Notes to the Financial Statements

as at 30 June 2016

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current				
Trade receivables				
Trade receivables	11,269	5,009	–	–
Stakeholder amounts held by solicitors	19,556	28,662	–	–
	30,825	33,671	–	–
Less: Allowance for impairment	(239)	–	–	–
	30,586	33,671	–	–
Other receivables				
Deposits	2,551	3,778	21	12
Other receivables	2,624	10,858	1,251	1,095
Goods and services tax recoverable	–	13	–	12
	5,175	14,649	1,272	1,119
Less: Allowance for impairment	(1,040)	(1,040)	(1,000)	(1,000)
	4,135	13,609	272	119
Total trade and other receivables (current)	34,721	47,280	272	119
Non-current				
Trade receivables				
Trade receivables	1,039	449	–	–
Other receivables				
Other receivables	7,188	406	–	–
Less: Allowance for impairment	(200)	(100)	–	–
	6,988	306	–	–
Total trade and other receivables (non-current)	8,027	755	–	–

Notes to the Financial Statements

as at 30 June 2016

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total trade and other receivables (current and non-current)	42,748	48,035	272	119
Amounts due from:				
– Subsidiaries (Note 22)	–	–	480,458	342,683
– Ultimate holding company (Note 23)	2	–	–	–
– Related companies (Note 23)	100	3,214	1	2
– Joint venture (Note 23)	602	18,546	602	18,546
Cash and bank balances (Note 24)	39,767	31,554	9,320	519
Total loans and receivables	83,219	101,349	490,653	361,869

(a) Trade receivables

The Group's normal trade credit terms range from 30 days to 90 days (2015: 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:

	2016 RM'000	2015 RM'000
Neither past due nor impaired	19,782	32,329
1 to 30 days past due not impaired	5,249	23
31 to 60 days past due not impaired	507	322
61 to 90 days past due not impaired	2,437	99
91 to 120 days past due not impaired	199	112
More than 120 days past due not impaired	3,451	1,235
	31,625	34,120
Impaired	239	–
	31,864	34,120

Notes to the Financial Statements

as at 30 June 2016

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 RM11,843,000 (2015: RM1,791,000) 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.

Included in trade receivables is progress billings for sale of properties to key management personnel and their close family members of RM905,000 (2015: RM759,000) as disclosed in Note 35.

(b) Trade receivables that are impaired

The Group's and the Company's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:-

	Group	
	2016 RM'000	2015 RM'000
Trade receivables		
– nominal amount	239	–
Less: Allowance for impairment	(239)	–
	–	–

Movement in allowance accounts:

	Group	
	2016 RM'000	2015 RM'000
At 1 July	–	–
Charge for the year (Note 6)	239	–
At 30 June	239	–

Notes to the Financial Statements

as at 30 June 2016

20. TRADE AND OTHER RECEIVABLES (CONT'D.)**(c) Other receivables that are impaired**

The Group's and the Company's other receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:-

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other receivables				
– nominal amount	1,446	1,446	1,000	1,000
Less: Allowance for impairment	(1,240)	(1,140)	(1,000)	(1,000)
	206	306	–	–

Movement in allowance accounts:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 July	1,140	1,040	1,000	1,000
Charge for the year (Note 6)	100	100	–	–
At 30 June	1,240	1,140	1,000	1,000

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 RM10,968,000 (2015: RM10,014,000) 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 39.

(d) Non-current trade receivables

Non-current trade receivables represent amount due from purchasers which are in the normal course of business and are due after 12 months from the reporting date.

Notes to the Financial Statements

as at 30 June 2016

21. OTHER CURRENT ASSETS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Prepayments	2,418	2,905	–	–
Advance billing from contractor	–	32,936	–	–
Accrued billings in respect of property development costs	58,262	2,006	–	–
	60,680	37,847	–	–

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, except for amounts due from/(to) certain subsidiaries which bear interest rates ranging from 4.25% to 4.90% (2015: 4.19% to 4.82%) per annum.

The amounts due from subsidiaries are stated net of allowances for impairment of RM1,489,000 (2015: RM1,480,000).

23. AMOUNTS DUE FROM/(TO) RELATED COMPANIES, IMMEDIATE HOLDING COMPANY, ULTIMATE HOLDING COMPANY AND A JOINT VENTURE

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 joint venture are unsecured, interest free and are repayable on demand, except for amount due from a joint venture which bears interest rates ranging from 3.54% to 3.62% (2015: 3.53% to 3.55%) per annum.

An amount of RM160,704,000 (2015: RM85,782,000) due to related companies is trade in nature.

Notes to the Financial Statements

as at 30 June 2016

24. CASH AND BANK BALANCES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Deposits with licensed banks	29,127	14,732	9,130	32
Cash and bank balances	10,640	16,822	190	487
	39,767	31,554	9,320	519

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

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Deposits with licensed banks	3.17	2.41	3.63	3.20

The weighted average maturity of deposits at the reporting date were 16 days (2015: 25 days).

Included in the deposits with licensed banks is an amount of RM6,116,000 (2015: RM5,721,000) pledged as a security for a borrowing as disclosed in Note 27.

Included in cash and bank balances of the Group are amounts of RM8,882,000 (2015: RM14,412,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Notes to the Financial Statements

as at 30 June 2016

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables	1,656	1,939	–	–
Other payables	6,876	6,823	301	89
Accruals:				
– Trade	3,195	8,430	–	–
– Non-trade	3,846	3,516	1,761	1,256
Deposits received	1,285	3,539	–	–
Goods and services tax payable	158	714	36	–
Total trade and other payables	17,016	24,961	2,098	1,345
Amounts due to:				
– Immediate holding company (Note 23)	83	1,322	18	228
– Subsidiary (Note 22)	–	–	106,916	94,305
– Related companies (Note 23)	183,562	113,476	18	20
Borrowings (Note 27)	1,863,946	1,614,852	328,347	194,405
Total financial liabilities carried at amortised cost	2,064,607	1,754,611	437,397	290,303

The normal credit terms granted to the Group range from 30 days to 90 days (2015: 30 days to 90 days).

26. OTHER CURRENT LIABILITIES

	Group	
	2016 RM'000	2015 RM'000
Progress billings in respect of property development costs	3,461	–
Accruals for rectification works	7,833	10,923
Advance payment	2,681	–
	13,975	10,923

Notes to the Financial Statements

as at 30 June 2016

27. BORROWINGS

		Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Maturity					
Current					
Secured:					
Hire purchase payables (Note 28)	2017	568	354	113	139
Term loans (Note a)	On demand	–	99,111	–	–
Unsecured:					
ICULS (Note 29)	2017	13,942	9,447	13,942	9,447
Term loans	2017	439,638	40,000	–	–
Revolving credit	On demand	200,000	69,700	200,000	69,700
		654,148	218,612	214,055	79,286
Non-current					
Secured:					
Hire purchase payables (Note 28)	2018 – 2019	508	407	88	202
Term loans (Note a)	2020	1,095,087	865,357	–	–
Unsecured:					
ICULS (Note 29)	2017 – 2021	100,962	114,917	100,962	114,917
Term loans	2018	13,241	415,559	13,242	–
		1,209,798	1,396,240	114,292	115,119
Total borrowings					
Hire purchase payables (Note 28)		1,076	761	201	341
ICULS (Note 29)		114,904	124,364	114,904	124,364
Revolving credit		200,000	69,700	200,000	69,700
Term loans		1,547,966	1,420,027	13,242	–
		1,863,946	1,614,852	328,347	194,405

Notes to the Financial Statements

as at 30 June 2016

27. BORROWINGS (CONT'D.)

(a) Term loans

The term loans are secured by the legal mortgage of certain assets of the Group as disclosed in the relevant notes in the financial statements and supported by corporate guarantees from the Company.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Not later than 1 year	654,148	218,612	214,055	79,286
Later than 1 year and not later than 2 years	28,671	429,777	28,341	14,046
Later than 2 years and not later than 5 years	1,167,163	925,458	71,987	60,068
Later than 5 years	13,964	41,005	13,964	41,005
	1,863,946	1,614,852	328,347	194,405

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

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
ICULS	7.49	7.49	7.49	7.49
Hire purchase payables	4.68	4.65	4.72	4.72
Revolving credit	4.35	4.29	4.35	4.29
Term loans	2.75	2.46	4.50	–

28. HIRE PURCHASE PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Future minimum lease payments:				
Not later than 1 year	605	381	120	152
Later than 1 year and not later than 2 years	432	297	90	120
Later than 2 years and not later than 5 years	91	124	–	90
	1,128	802	210	362
Less: Future finance charges	(52)	(41)	(9)	(21)
Present value of hire purchase payables (Note 27)	1,076	761	201	341

Notes to the Financial Statements

as at 30 June 2016

28. HIRE PURCHASE PAYABLES (CONT'D.)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Analysis of present value of hire purchase payables:				
Current				
Not later than 1 year	568	354	113	139
Non-current				
Later than 1 year and not later than 2 years	418	285	88	113
Later than 2 years and not later than 5 years	90	122	–	89
	508	407	88	202
Present value of hire purchase payables	1,076	761	201	341

29. 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 ("Issue Date") up to the fourth anniversary of the Issue Date and 4.5% per annum from the date after the fourth anniversary of the Issue Date up to the seventh anniversary of the Issue 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 Issue Date up to the fourth anniversary of the Issue Date is RM1.32;
 - (b) For conversion at any time after the fourth anniversary of the Issue Date up to the seventh anniversary of the Issue Date is RM0.99; and
 - (c) For conversion at any time after the seventh anniversary of the Issue 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.

Notes to the Financial Statements

as at 30 June 2016

29. ICULS (CONT'D.)

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

	Group/Company	
	2016 RM'000	2015 RM'000
Liability component (Note a)	114,904	124,364
Equity component (Note b)	354,969	354,969
	469,873	479,333
(a) Liability component of ICULS		
Liability component at beginning of the financial year	124,364	129,693
Interest expense recognised during the year (Note 5)	9,166	9,548
Interest paid during the financial year	(18,626)	(14,877)
Liability component at end of the financial year	114,904	124,364
(b) Equity component of ICULS		
Equity component at beginning/end of the financial year	354,969	354,969

Interest expense on the ICULS is calculated on the effective yield basis by applying the effective interest rate of 7.49% (2015: 7.49%) per annum for an equivalent non-convertible loan stock to the liability component of the ICULS.

30. PROVISIONS

Provisions for affordable housing:

	Group	
	2016 RM'000	2015 RM'000 (Restated)
At beginning of the financial year (as previously stated)	—	—
Prior year adjustments (Note 42)	40,331	40,331
At beginning/end of the financial year (as restated)	40,331	40,331

This represents provision for foreseeable losses arising from the present obligation for construction of low cost houses.

Notes to the Financial Statements

as at 30 June 2016

31. OTHER NON-CURRENT LIABILITY

	Group	
	2016 RM'000	2015 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 (2015: 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

	Group/Company			
	2016		2015	
	Number of shares '000	RM'000	Number of shares '000	RM'000

Ordinary shares of RM0.50 each

Authorised:

At beginning/end of the financial year	3,000,000	1,500,000	3,000,000	1,500,000
--	-----------	-----------	-----------	-----------

Issued and fully paid:

At beginning/end of the financial year	844,345	422,172	844,345	422,172
--	---------	---------	---------	---------

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.

Notes to the Financial Statements

as at 30 June 2016

32. SHARE CAPITAL (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 off 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.

Notes to the Financial Statements

as at 30 June 2016

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 25 November 2014, 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.

During the financial year, the Company repurchased 1,100 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.71 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			
	2016		2015	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At beginning of the financial year	15,174	22,202	15,172	22,200
Purchase of treasury shares	1	1	2	2
At end of the financial year	15,175	22,203	15,174	22,202

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.

Notes to the Financial Statements

as at 30 June 2016

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:

	2016 RM'000	2015 RM'000
Group		
<u>Related companies:</u>		
Construction costs charged by:		
Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	144,995	99,569
YTL Construction (S) Pte. Ltd.	98,434	67,723
Project management and marketing agent fees charged to:		
Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	8,295	20,699
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	1,006	1,006
Advertisement charges paid to:		
Corporate Promotions Sdn. Bhd.	1,590	1,890
<u>Key management personnel and their close family members:</u>		
Progress billings for sale of properties	2,393	1,769
Advance payment received	2,681	–
Deposits received	–	1,000
Company		
<u>Related companies:</u>		
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	1,006	1,006
<u>Subsidiaries:</u>		
Interest charges receivable from subsidiaries	13,467	7,842
Interest charges payable to a subsidiary	3,561	3,049
<u>Joint venture:</u>		
Interest charges received and receivable from joint venture	165	619

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 20, 22 and 23.

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

Notes to the Financial Statements

as at 30 June 2016

36. COMMITMENTS

Non-cancellable operating lease commitments – Group as lessee

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Future minimum lease payable:				
Not later than 1 year	2,224	2,300	1,006	581
Later than 1 year	1,223	860	1,223	–
	3,447	3,160	2,229	581

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 2 years and rentals are fixed for an average of 2 years.

37. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE

(a) Contingent liabilities

Sentul Raya Sdn. Bhd. ("SRSB") had contingent liabilities in respect of claims for damages in lieu of specific performance by certain purchasers.

On 29 October 2015, the Federal Court ruled that the Court of Appeal's award of liquidated and ascertained damages to the purchasers be set aside and ordered that the award of general damages ("General Damages") in lieu of specific performance be retained. Following the disposal of the appeal at Federal Court, the Purchasers had filed Notice for Appointment for Assessment of Damages ("Assessment of Damages") dated 16 June 2016 at the Kuala Lumpur High Court for assessment of damages by the Registrar. On 19 August 2016, the Group's solicitors raised preliminary objection towards the Assessment of Damages on the basis that the Plaintiffs had filed the Assessment of Damages out of time and hence procedurally wrong. The hearing of SRSB's applications for striking out of the Assessment of Damages will be held on 23 September 2016.

(b) Financial guarantee

A nominal amount of RM1,407,432,000 (2015: RM1,329,160,000) relates to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

Notes to the Financial Statements

as at 30 June 2016

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Note	2016		2015	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group/Company					
Financial liabilities:					
ICULS	27	114,904	124,183	124,364	132,695

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of ICULS, the market rate of interest is determined by reference to similar unsecured liabilities that do not have a conversion option.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial instrument	Fair value hierarchy	Valuation method used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
ICULS	Level 3	Discounted cash flow method	Market cost of debt	The higher the discount rate, the lower the fair value of the ICULS would be.

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	20
Amounts due from/(to) subsidiaries	22
Amounts due from/(to) related companies, immediate holding company and joint venture	23
Cash and cash equivalents	24
Trade and other payables	25
Borrowings	27

The carrying amounts of these financial assets and liabilities 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.

Notes to the Financial Statements

as at 30 June 2016

38. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

(b) Determination of fair value (cont'd.)

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

The fair values of the non-current portion of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

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; and
- The estimated loss exposure if the parties guaranteed were to default.

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 Company 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.

39. 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.

Notes to the Financial Statements

as at 30 June 2016

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

(a) Liquidity risk (cont'd.)

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.

	2016			
	On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
Trade and other payables	17,016	–	–	17,016
Borrowings	698,954	1,302,778	91	2,001,823
Amounts due to:				
– Immediate holding company (Note 23)	83	–	–	83
– Related companies (Note 23)	183,562	–	–	183,562
Total undiscounted financial liabilities	899,615	1,302,778	91	2,202,484
Company				
Trade and other payables	2,098	–	–	2,098
Borrowings	227,781	136,903	–	364,684
Amounts due to:				
– Subsidiary (Note 22)	106,916	–	–	106,916
– Immediate holding company (Note 23)	18	–	–	18
– Related companies (Note 23)	18	–	–	18
Total undiscounted financial liabilities	336,831	136,903	–	473,734

Notes to the Financial Statements

as at 30 June 2016

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

(a) Liquidity risk (cont'd.)

	2015			
	On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
Trade and other payables	24,961	–	–	24,961
Borrowings	267,995	1,399,894	–	1,667,889
Amounts due to:				
– Immediate holding company (Note 23)	1,322	–	–	1,322
– Related companies (Note 23)	113,476	–	–	113,476
Total undiscounted financial liabilities	407,754	1,399,894	–	1,807,648
Company				
Trade and other payables	1,345	–	–	1,345
Borrowings	88,959	100,628	44,630	234,217
Amounts due to:				
– Subsidiary (Note 22)	94,305	–	–	94,305
– Immediate holding company (Note 23)	228	–	–	228
– Related companies (Note 23)	20	–	–	20
Total undiscounted financial liabilities	184,857	100,628	44,630	330,115

(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 RM1,407,432,000 (2015: RM1,329,160,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

Notes to the Financial Statements

as at 30 June 2016

39. 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, the Group's profit net of tax and equity would have been RM2,051,000 (2015: RM1,378,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings, higher/lower interest income from floating rate loans to a joint venture and deposits with licensed banks. 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 interest rate 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.

Notes to the Financial Statements

as at 30 June 2016

40. 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 maximises 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Borrowings (Note 27)	1,863,946	1,614,852	328,347	194,405
Trade and other payables (Note 25)	17,016	24,961	2,098	1,345
Amounts due to:				
– Subsidiary (Note 22)	–	–	106,916	94,305
– Immediate holding company (Note 23)	83	1,322	18	228
– Related companies (Note 23)	183,562	113,476	18	20
Less: Cash and cash equivalents (Note 24)	(39,767)	(31,554)	(9,320)	(519)
Net debt	2,024,840	1,723,057	428,077	289,784
Equity attributable to owners of the parent	1,043,247	1,013,489	909,269	917,628
Capital and net debt	3,068,087	2,736,546	1,337,346	1,207,412
Gearing ratio (%)	66	63	32	24

The Group and the subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 30 June 2016 and 30 June 2015.

Notes to the Financial Statements

as at 30 June 2016

41. SEGMENT INFORMATION

The Group has only one operating segment, property development and investment, which is evaluated regularly by management in deciding how to allocate resources and in assessing performance of the Group.

Investment holding segment which comprises Group-level corporate services, treasury and secretarial functions which are not directly attributable to the property development and investment segment, is not significant to be separately reported and evaluated by management.

Geographically, the main business segments of the Group are concentrated in Malaysia and Singapore. The geographical segment information is as follows:

	Revenue	
	2016 RM'000	2015 RM'000
Malaysia	203,640	98,429
Singapore	–	–
	203,640	98,429

	Non-current asset		
	2016 RM'000	2015 RM'000 Restated	2014 RM'000 Restated
Malaysia	873,609	920,381	996,154
Singapore	30	65	98
	873,639	920,446	996,252

Assets information presented above consist of the following items as presented in the consolidated statements of financial position.

	2016 RM'000	2015 RM'000 Restated	2014 RM'000 Restated
Property, plant and equipment	37,561	37,146	37,041
Investment properties	48,100	36,300	32,900
Land held for property development	700,443	782,293	872,190
	786,104	855,739	942,131

Notes to the Financial Statements

as at 30 June 2016

42. PRIOR YEAR ADJUSTMENTS

(a) Understatement of land held for property development and deferred tax assets in year prior to 1 July 2014

The financial statements for prior years have been retrospectively restated to adjust for the understatement of the provision for foreseeable losses on affordable housing in the land held for property development and the related deferred tax assets of the Group amounting to RM40,331,000 and RM1,513,000, respectively.

(b) Overstatement of goodwill and deferred tax liabilities, and understatement of land held for property development in year prior to 1 July 2014

The financial statements for prior years have been retrospectively restated to adjust for the overstatement of goodwill and deferred tax liabilities, and the understatement of land held for property development of the Group arising from inaccurate measurement of recoverable amounts of the respective assets and deferred liabilities amounting to RM9,357,000, RM9,244,000 and RM5,948,000, respectively.

(c) The following tables illustrate the effects of prior year adjustments to the financial position of the Group.

	At 1 July 2014 As previously stated RM'000	Prior year adjustments RM'000	At 1 July 2014 As restated RM'000
Statement of financial position			
Land held for property development (Note 15)	862,946	9,244	872,190
Goodwill (Note 16)	37,083	(9,357)	27,726
Deferred tax assets	2,474	1,513	3,987
Deferred tax liabilities	52,960	(5,948)	47,012
Provisions (Note 30)	–	40,331	40,331
Statement of changes in equity			
Retained earnings	64,788	(32,983)	31,805

The prior year adjustments do not affect the income statement as the errors occurred in the financial years prior to 1 July 2014.

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 2016 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad 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 Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group			Company	
	2016 RM'000	2015 RM'000 (Restated)	2014 RM'000 (Restated)	2016 RM'000	2015 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries					
– Realised	340,748	340,756	325,960	(23,140)	(14,782)
– Unrealised	170,432	153,468	148,283	–	–
	511,180	494,224	474,243	(23,140)	(14,782)
Total share of retained earnings/ (accumulated losses) from joint venture					
– Realised	17,746	6,282	(492)	–	–
Less: Consolidation adjustments	(460,057)	(448,032)	(441,946)	–	–
Total retained earnings/(accumulated losses)	68,869	52,474	31,805	(23,140)	(14,782)

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 76th Annual General Meeting of the Company to be held at Majestic Ballroom, Level 2, The Majestic Hotel Kuala Lumpur, 5 Jalan Sultan Hishamuddin, 50000 Kuala Lumpur on Tuesday, 22 November 2016 at 3.00 p.m. and at any adjournment thereof.

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

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Dato' Yeoh Seok Hong		
2.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
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 Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman to continue in office as Independent Non-Executive Director		
9.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
10.	Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director		
11.	Authorisation for Directors to Allot and Issue Shares		
12.	Proposed Renewal of Share Buy-Back Authority		
13.	Proposed Renewal of Shareholder Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholder Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this _____ day of _____ 2016

Signature _____



Fold this flap for sealing

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 notarily certified copy thereof must be lodged at the office of the appointed share registrar for the Annual General Meeting, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, before 3.30 p.m. on 21 November 2016. 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 15 November 2016. Only a depositor whose name appears on the General Meeting Record of Depositors as at 15 November 2016 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Then fold here

AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for YTL Land & Development Berhad's 76th AGM
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

First fold here



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

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

Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

www.ytl.com
www.ytlcommunity.com