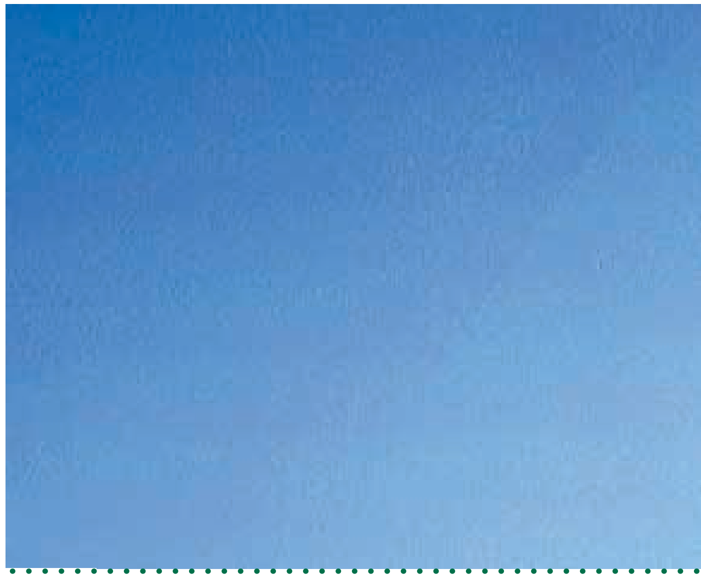
YTL LAND & DEVELOPMENT BERHAD 1116-M

the journey continues...

annual report 2014



Contents

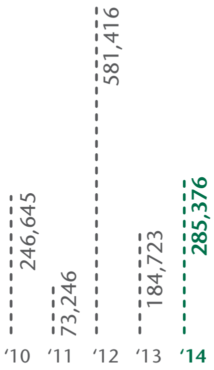
YTL LAND & DEVELOPMENT BERHAD (1116-M)

Financial Highlights

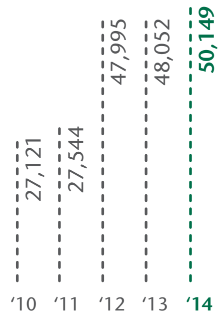
	2014	2013	2012	2011	2010
Revenue (RM'000)	**285,376**	184,723	581,416	73,246	246,645
Profit/(Loss) Before Taxation (RM'000)	**50,149**	48,052	47,995	27,544	27,121
Profit After Taxation (RM'000)	**33,615**	33,398	35,030	20,404	20,411
Profit Attributable to Owners of the Parent (RM'000)	**23,782**	25,213	25,002	18,065	18,621
Total Equity Attributable to Owners of the Parent (RM'000)	**1,006,998**	978,481	952,516	565,880	547,815
Earnings per Share (Sen)	**2.87**	3.04	3.02	2.26	2.37
Total Assets (RM'000)	**2,775,554**	2,667,023	2,844,793	920,898	908,539
Net Assets per Share (RM)	**1.21**	1.18	1.15	0.68	0.70

Financial Highlights

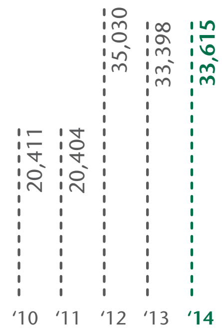
Revenue
(RM'000)



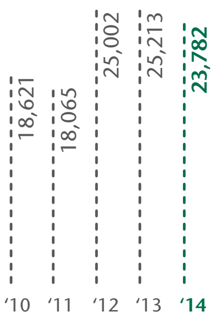
Profit/ (Loss) Before Taxation
(RM'000)



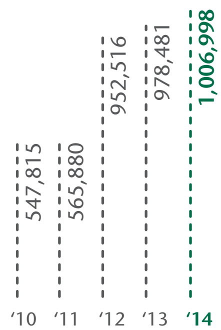
Profit After Taxation
(RM'000)



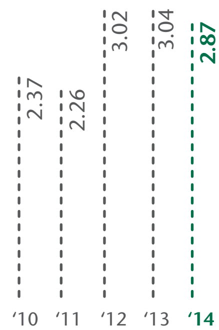
Profit Attributable to Owners of the Parent
(RM'000)



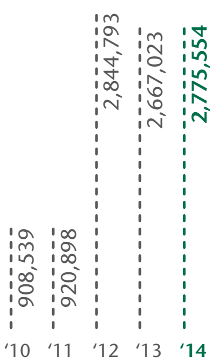
Total Equity Attributable to Owners of the Parent
(RM'000)



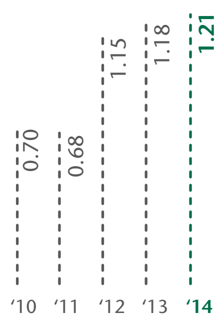
Earnings per Share
(Sen)



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 2014.

OVERVIEW

The Group achieved another year of sound performance, making good progress in delivering its ongoing projects on-schedule, in addition to developing its new luxury residences in Singapore.

DATO' SULEIMAN BIN ABDUL MANAN
Chairman

Chairman's Statement

The Malaysian economy recorded gross domestic product (GDP) growth of 4.7% for the 2013 calendar year, affected by a weaker external sector, compared to 5.6% in 2012. However, the first half of 2014 registered stronger growth of approximately 6.3%, supported by higher exports and continued strength in private domestic demand. Consumer sentiment began to show signs of moderation as the market digests the cooling measures introduced last year to curb highly speculative activities, including measures to control excessive household debt levels and reinforce responsible lending practices, the removal of arrangements such as the Developer Interest Bearing Scheme (DIBS) and the revisions in the real property gains tax regime *(sources: Ministry of Finance, Bank Negara Malaysia reports & updates)*.

The Group has maintained its long-standing stance in timing and pricing its launches to meet the demands of genuine buyers and, during the year under review, continued to focus on its ongoing developments in its Sentul urban regeneration project, The Capers and The Fennel, as well as its exclusive project in Singapore, 3 Orchard By-The-Park, which has already been awarded the **BCA Green Mark Gold Plus Award 2014** by the Building Control Authority of Singapore.

FINANCIAL PERFORMANCE

The Group's revenue increased to RM285.4 million for the financial year ended 30 June 2014, compared to RM184.7 million for the previous financial year ended 30 June 2013, whilst profit for the financial year marginally increased by 0.6% to RM33.6 million this year.

The improvements were due mainly to the Group's Fennel phase in its Sentul urban regeneration project and sales of completed properties in Sandy Island, the Group's development in Singapore.

REVIEW OF OPERATIONS

The Group launched the latest phase of its Sentul development with resounding success last year. **The Fennel** consists of 916 units housed in four high-rise towers, the first two of which were sold out during their preview in July 2013, with 1 further block also achieving excellent take-up rates during its November 2013 preview. The Fennel offers an array of features and unique architectural 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.

Chairman's Statement

Meanwhile, **The Capers** at Sentul East is nearing completion, with structural works for all four blocks and the podium having been completed, whilst internal and external architectural works and landscaping are all in the final stages. The Capers features 489 units housed in a pair of towers and 5-storey low-rise blocks on the podium floors of the towers. The tower units offer 2-bedroom and 3+1-bedroom configurations, whilst the low-rise suites feature 4+1-bedroom duplexes and 2+1-bedroom suites. Set in proximity to each other, The Capers and The Fennel have begun to deliver on their promise to transform and revolutionise Kuala Lumpur's skyline.

The Group's upcoming international luxury freehold development, **3 Orchard By-The-Park**, is located in Orchard Boulevard, one of Singapore's most prestigious residential addresses. Close to the iconic Orchard Road shopping precinct, it is a stone's throw away from the upcoming Orchard Boulevard mass rapid transit (MRT) station and close to the famous Singapore Botanic Gardens.

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

The condominium features 77 luxurious apartments from 5-bedroom penthouses to 2-bedroom units spread over 25 floors, including some with private pools and gardens in the sky. Residents can enjoy lush gardens surrounding a landscaped pool, gym facilities and a library lounge exclusively designed by Antonio Citterio. 3 Orchard By-The-Park was awarded the BCA Green Mark Gold Plus Award 2014 by the Building Control Authority of Singapore for achieving high standards of design and construction which are sustainable and environmentally-friendly. The development is currently under construction.

Meanwhile, Lakefront Pte Ltd, a subsidiary of the Group which developed **Kasara, the Lake** in Sentosa Cove, was named as Singapore's Top 1000 Company 2014 by DP Information Group. The ranking is based on annual turnover, net profit and return on equity of companies, derived from their annual audited financial results.

The Group continues to undertake consultancy and marketing services for the **Lake Fields** and **Midfields** developments in Sungei Besi, being developed by its sister company, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd. Construction works on **Grove** have been completed whilst **Reed** is also nearing completion. Meanwhile, at the Midfields development, the latest offering, **Midfields 2**, marked another sell-out performance of all 650 units in the first two blocks during the launch in April 2014. Midfields 2 will ultimately encompass 3 blocks, with articulated parks and rooftop gardens covering almost 40% of the entire development to offer residents a tranquil retreat within the city.

Chairman's Statement

CORPORATE SOCIAL RESPONSIBILITY

The Group believes that effective corporate social responsibility can deliver benefits to its businesses and its shareholders by enhancing reputation and business trust, risk management, relationships with regulators, staff motivation and retention, customer loyalty and long-term shareholder value. Social responsibility and sustainability are key values of the Group and YTL L&D places a high priority on acting responsibly in the conduct of its business, 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 2014**, 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

The outlook for Malaysia's economy remains fairly stable with GDP growth for the full 2014 calendar year expected to average between 5.0% and 6.0%, supported by better performance in the external sector amid some moderation in domestic demand. The local property market will continue to warrant close monitoring in view of the effect of higher house prices on overall household debt and the exposure of financial institutions to the property market. However, the Government's ongoing focus on affordable housing and initiatives targeted at curbing highly speculative activities bode well for the residential market as a whole *(sources: Ministry of Finance, Bank Negara Malaysia updates)*.

The Group remains committed to its long-term vision of developing communities that offer sustainable capital appreciation and sought-after addresses to its homeowners. Despite changes affecting the property markets over time, the Group believes that demand from genuine buyers will continue to benefit developers like YTL L&D with a demonstrated track record and reputation for conceptualising, developing and delivering high-quality, well-designed homes.

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-Fourth Annual General Meeting of YTL Land & Development Berhad ("the Company") will be held at The Banquet Hall, Level 3, Conference Center, The Ritz Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, the 25th day of November, 2014 at 11.00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and Auditors thereon; **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   (i) Dato' Cheong Keap Tai **Resolution 1**

   (ii) Dato' Hamidah Binti Maktar **Resolution 2**

3. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   (i) "THAT Dato' Suleiman Bin Abdul Manan, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 3**

   (ii) "THAT Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 4**

   (iii) "THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 5**

4. To approve the payment of Directors' fees amounting to RM560,000 for the financial year ended 30 June 2014; **Resolution 6**

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

Ordinary Resolutions:-

6. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

(i) "THAT subject to the passing of the Ordinary Resolution 1, approval be and is hereby given to Dato' Cheong Keap Tai, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." **Resolution 8**

(ii) "THAT subject to the passing of the Ordinary Resolution 5, approval be and is hereby given to Eu Peng Meng @ Leslie Eu, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." **Resolution 9**

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

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

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 26 November 2013 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 2014, the audited Accumulated Losses and Share Premium Account of the Company were RM19,912,000 and RM177,471,000 respectively; and

(iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-

(a) the shares so purchased may be cancelled; and/or

(b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or

(c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR of Bursa Securities and all other relevant governmental/regulatory authorities." **Resolution 11**

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 3 November 2014 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

Notice of Annual General Meeting

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholder mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

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

Resolution 12

By Order of the Board,

HO SAY KENG
Company Secretary

Kuala Lumpur
3 November 2014

NOTES:-

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. An instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 18 November 2014. Only a depositor whose name appears on the General Meeting Record of Depositors as at 18 November 2014 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Notice of
Annual General Meeting

Explanatory Note A

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

Explanatory Notes to Special Business

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

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolutions 8 and 9 are to enable Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu to continue serving as Independent Directors of the Company to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The justifications of the Board of Directors for recommending and supporting the resolutions for their continuing in office as Independent Directors are set out under the Nominating Committee Statement in the Company's Annual Report 2014.

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

Resolution 10 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Seventy-Third Annual General Meeting held on 26 November 2013 ("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-Fourth Annual General Meeting to be held on 25 November 2014.

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

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

For Resolution 11, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 3 November 2014 which is despatched together with the Company's Annual Report 2014.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 12, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 3 November 2014 which is despatched together with the Company's Annual Report 2014.

Statement Accompanying Notice of Annual General Meeting

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

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-Fourth Annual General Meeting of the Company.

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, MCIOB, FFB

Dato' Yeoh Seok Hong
DSPN, JP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Sri Michael Yeoh Sock Siong
DIMP, SSAP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Dato' Hamidah Binti Maktar
DIMP
BA (Hons)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

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

REGISTRAR

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

SOLICITORS

Lee, Perara & Tan
Izral Partnership
SL Chee & Wong

AUDIT COMMITTEE

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

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

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

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

PRINCIPAL BANKERS OF THE GROUP

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (7.10.1973)

Profile of the Board of Directors

DATO' SULEIMAN BIN ABDUL MANAN

Malaysian, aged 76, 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, aged 60, 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 force comprising five listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and YTL Hospitality 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 which is listed on the ACE Market of Bursa Malaysia Securities 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, and private utilities companies including Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation. Tan Sri Francis is also an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited, and is a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

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

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

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

TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, aged 74, 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.

Profile of the Board of Directors

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 Fullbright 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 Policlinic Sdn Bhd and Malaysian-American Commission on Educational Exchange. Tan Sri Datuk Seri Panglima Dr. Abu Hassan is a director of YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad, as well as Chairman of Malaysian Qualification Agency and Meteor Doc. Sdn Bhd.

DATO' CHEONG KEAP TAI

Malaysian, aged 66, 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 Licensed Tax Agent and a member of the Institute of Chartered Secretaries and Administrators. 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, aged 57, has been an Executive Director of the Company since 10 May 2001. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He is also the Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities companies, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

DATO' YEOH SEOK HONG

Malaysian, aged 55, 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

Profile of the Board of Directors

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 companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 54, 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 which is listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad and private utilities companies, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 49, 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 companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

DATO' HAMIDAH BINTI MAKTAR

Malaysian, aged 60, was appointed to the Board on 17 March 1998 as an Executive Director. She obtained her BA Honours from the University of Malaya. She joined Nestle Malaysia Sdn Bhd in 1977 and in 1984 joined Matsushita Sales & Service as the Marketing Manager. In 1987, she left to join BP Malaysia as the Corporate Communications Manager. In 1989, at BP Malaysia, Dato' Hamidah was appointed the Retail District Manager for Peninsular Malaysia and in 1991, she was promoted to undertake both local and regional responsibilities as Business Support Manager for Malaysia and Singapore and Regional Brand Manager for South East Asia. She was made the EXCO member or Top Management Team of BP Malaysia and represented South East Asia for the BP Brand Global Panel in the Reimaging of BP worldwide. In 1994, she left the multinational to join Landmarks Berhad as the Managing Director of Sungei Wang Plaza. Dato' Hamidah joined the Company in 1996 as Group General Manager and was redesignated to Group Director of Operations in March 1997. In 1998, she was appointed Managing Director designate to undertake the restructuring exercise of the group until its completion in May 2001.

EU PENG MENG @ LESLIE EU

Malaysian, aged 79, 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 a Bachelor of Commerce degree from the University College Dublin, Ireland. He is a Fellow of the Chartered Institute of Logistics and Transport and was one of the founding directors of Global Maritime Ventures Berhad. He has been in the shipping business for more than 50 years. He was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a board member of Lembaga Pelabuhan Kelang from 1970 to 1999 and Lloyd's Register of Shipping (Malaysia) Bhd from 1983 to 2009. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the boards of YTL Corporation Berhad and YTL Cement Berhad. He is also a director of Pintar Projek Sdn Bhd, the manager of 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	4
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	4
Dato' Sri Michael Yeoh Sock Siong	3
Dato' Mark Yeoh Seok Kah	4
Dato' Hamidah Binti Maktar	4
Eu Peng Meng @ Leslie Eu	4

Notes:-

1. **Family Relationship with Director and/or Major Shareholder**
   Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah are siblings. Tan Sri 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**
   None of the Directors has been convicted of any offences in the past ten (10) years.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 1965 ("the Act") and 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 2014, 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

MEMBERS

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

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

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

TERMS OF REFERENCE

Primary Purposes

The Committee shall:-

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

Composition

1. The Committee shall be appointed by the Board from amongst their number and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.
2. At least one member of the Audit Committee:-

   (a) must be a member of the Malaysian Institute of Accountants; or

   (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

   (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

   (ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

   (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").
3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.
4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.
5. In the event of any vacancy in the Committee resulting in the non-compliance of sub-paragraph 15.09(1) of the Bursa Securities Main Market Listing Requirements ("Main LR"), the Company must fill the vacancy within three (3) months.

Authority

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

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

Audit Committee Report

3. have full and unrestricted access to any information pertaining to the Company and the Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
6. be able to convene meetings with the internal auditors without the presence of other directors and employees of the Company, whenever deemed necessary; and
7. to meet with the external auditors at least twice a year without the presence of the other directors and employees of the Company.

Functions And Duties

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

1. Financial Reporting

(a) Review the quarterly financial results and annual financial statements prior to its recommendation to the Board for approval, focusing particularly on:-

- changes in or implementation of major accounting policies and practices;
- significant and unusual events;
- the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Company and the Group;
- compliance with applicable approved accounting standards, other statutory and legal requirements and the going concern assumption.

2. External Audit

(a) Review the audit plan, scope of audit and audit report with the external auditors;

(b) Review with the external auditors their evaluation of the system of internal controls, during the course of their audit, including any significant suggestions for improvements and management's response;

(c) Recommend the nomination of a person or persons as external auditors and the audit fee;

(d) Review any letter of resignation from the external auditors of the Company;

(e) Review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

(f) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors.

3. Internal Audit

(a) Review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(b) Review the internal audit programme, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

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

4. Related Party Transactions

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

5. Employees Share Option Scheme ("ESOS")

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

6. Other Matters

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

Audit Committee Report

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

Meetings

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

Minutes

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

Secretary

The Secretary to the Committee shall be the Company Secretary.

SUMMARY OF ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2014 in discharging its functions:-

1. Financial Reporting

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

2. External Audit

(a) Reviewed the external auditors' scope of work and their audit plan and recommended the proposed audit fee to the Board for approval;

Audit Committee Report

(b) Reviewed with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. **Internal Audit**

(a) Reviewed the internal auditors' audit plan to ensure adequate scope and coverage of activities of the Company and the Group;

(b) Reviewed with the internal auditors, the internal audit reports on their findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management;

(c) Reviewed the adequacy and competency of the internal audit function and the profiles of the internal auditors.

4. **Related Party Transactions**

(a) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature within the Company/Group prior to its recommendation to the Board for approval for inclusion in the circular to the shareholders in relation to the proposed renewal of shareholder mandate and new shareholder mandate for RRPT.

5. **Annual Report**

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

INTERNAL AUDIT FUNCTION

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

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

1. Developed the annual internal audit plan and proposed the plan to the Committee.
2. Conducted scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommended improvements where necessary.
3. Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Presented significant audit findings and areas for improvements raised by the IA to the Committee for consideration on the recommended corrective measures together with the management's response.
5. Conducted recurrent related party transactions reviews to assess accuracy and completeness of reporting.
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 RM74,637 were incurred in relation to the internal audit function for the financial year ended 30 June 2014.

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	4
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Cheong Keap Tai	5

Nominating Committee Statement

for the financial year ended 30 June 2014

NOMINATING COMMITTEE ("NC")

The NC was established on 23 May 2013. The terms of reference of the NC provide that it shall comprise no fewer than three members, all of whom must be non-executive Directors, with a majority being independent directors.

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 on 3 occasions during 2014, attended by all members.

The primary purpose of the NC is to provide assistance to the Board of Directors of YTL Land & Development Berhad (the "Company") ("Board") in overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the need of the Company and its subsidiaries ("YTL Land Group"). The functions and duties of the NC include, *inter alia*, the following:-

i. Formulating the nomination, selection and succession policies for the members of the Board;

ii. Making recommendations to the Board on candidates for appointments, re-election/re-appointment of Directors to the Board and/or Board Committees;

iii. Reviewing the composition in terms of appropriate size, mix of skills, experience, competencies and other qualities of the Board annually;

iv. Assessing annually the effectiveness of the Board and Board Committees as well as the contribution by each individual Director and Board Committee;

v. Establishing a set of quantitative and qualitative performance criteria to evaluate the performance of the members of the Board;

vi. Developing criteria for assessing independence for application by the Board upon admission, annually and when any new interest or relationship develops;

vii. Facilitating and determining Board induction and training programmes.

Activities of the NC for the financial year ended 30 June 2014

(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 fulfill 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 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 is re-appointed by a resolution passed by the shareholders at such general meeting.

Nominating Committee Statement
for the financial year ended 30 June 2014

In June 2014, based on the results of the assessment undertaken for the financial year, the NC (save for the members who had abstained from deliberations on their own re-election/re-appointment) recommended to the Board that:-

- Dato' Cheong Keap Tai and Dato' Hamidah Binti Maktar who are due to retire pursuant to Article 84 at the Seventy-Fourth 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.

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 judgment to board deliberations.

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 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 judgment that 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 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.

(b) Annual assessment

In May 2014, 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 areas of 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, personality, conduct, integrity, knowledge, experience, time commitment, competency and participation in board decisions.

Nominating Committee Statement

for the financial year ended 30 June 2014

Results of the assessment were summarised and discussed at the NC meeting held in June 2014 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.

Policy on Board Composition

The Board aims to maintain a balance in terms of the range of experience and skills of individual Board members. The Board views gender, nationality, cultural and socio-economic backgrounds diversity as important considerations when reviewing the composition of the Board. The Board recognises, in particular, the importance of gender diversity. 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.

Training and development of Directors

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.

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 2014. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

➢ **Corporate Governance**

- Corporate Governance Statement Reporting Workshop;
- Integrating Corporate Governance with Business Acumen & Corporate Disclosure;
- Nominating Committee Program.

➢ **Information Technology**

- Mobile World Congress 2014.

➢ **Leadership, Legal and Business Management**

- 2014 Budget Proposal;
- Dialogue on Sustainability & Diversity;
- Encouraging Private Participation in Asia's Infrastructure Development;
- Infrastructure, Power & Utilities Roundtable;
- Leveraging the Private Sector to Accelerate Infrastructure Development in Asia;
- MIA National Accountants Conference 2013;
- Personal Data Protection Act 2010 and The Competition Act 2010: Implications on Capital Market;
- Roundtable Discussion on Financial Reporting;
- The Fourth Global Entrepreneurship Summit 2013 – Empowering and Connecting Entrepreneurs;
- YTL Leadership Conference 2013.

Statement on Corporate Governance

for the financial year ended 30 June 2014

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 2014. This statement explains the Company's application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, including, where otherwise indicated, explanations of its alternative measures and processes.

ROLES & RESPONSIBILITIES OF THE BOARD

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

- Reviewing and adopting strategic plans for the YTL L&D Group;
- Overseeing the conduct of the YTL L&D Group's business operations and financial performance;
- Identifying principal risks affecting the YTL L&D Group's businesses and maintaining a sound system of internal control and mitigation measures;
- Succession planning;
- Overseeing the development and implementation of shareholder communications policies; and
- Reviewing the adequacy and integrity of the YTL L&D Group's management information and internal controls system.

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

The 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 judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the YTL L&D Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL L&D Group conducts its business.

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

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

Statement on Corporate Governance

for the financial year ended 30 June 2014

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.

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 under review and a copy can be found 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 2014.

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

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

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

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of the Company.

COMPOSITION & INDEPENDENCE OF THE BOARD

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

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

The 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 their recommendation to the Board for decision. Further information on the activities of the Nominating Committee can be found in the ***Nominating Committee Statement*** set out in this Annual Report.

Statement on Corporate Governance

for the financial year ended 30 June 2014

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 are also disclosed in the ***Profile of the Board of Directors*** in this Annual Report. Meanwhile, details on the training programmes attended by the Directors during the year under review can be found in the ***Nominating Committee Statement*** in this Annual Report.

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 2014. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the ***Audit Committee Report*** in this Annual Report.

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

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965, the Listing Requirements, 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.

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

RISK MANAGEMENT

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

Statement on Corporate Governance

for the financial year ended 30 June 2014

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 73rd AGM of the Company, held on 26 November 2013, 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 9 October 2014.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2014

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.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2014

- **Internal Compliance:** The YTL L&D Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies, as well as changes to legal and regulatory compliance requirements relevant to the YTL L&D Group. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

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

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

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

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

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

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

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

- **Treasury Meetings:** Management meetings are convened to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL L&D Group. These meetings are conducted on a weekly basis to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL L&D Group Managing Director, Executive Directors and senior managers.

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

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

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

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2014

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

The Board assumes overall responsibility for the YTL L&D Group's risk management framework. Identifying, evaluating and managing any significant risks faced by the YTL L&D Group is an ongoing process which is undertaken 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 2014, 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 9 October 2014.

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

for the financial year ended 30 June 2014

At the last Annual General Meeting of YTL Land & Development Berhad ("YTL L&D") held on 26 November 2013, 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 2014 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; Lakefront Pte Ltd; Pakatan Perakbina Sdn Bhd; Sandy Island Pte Ltd; Sentul Raya Sdn Bhd; Syarikat Kemajuan Perumahan Negara Sdn Bhd; YTL L&D; YTL Westwood Properties Pte Ltd	Subsidiaries[e] of YTL Corporation[b] ("YTL Corporation Group")	Progress billings for construction contracts from Related Party; Car parking fees paid to Related Party; Provision of construction materials by Related Party; Provision of hotel related services by Related Party; Rental received from Related Party for Lot 183, Seksyen 83, Sentul Park, Kuala Lumpur premises; Project management and marketing agent fees paid by Related Party; Rental of Sang Suria Condo, Kuala Lumpur by Related Party; Rental of premises at Starhill Gallery and Lot 10 Shopping Centre, Kuala Lumpur from Related Party; Rentals received or paid for use of residential premises.	YTLSH[a] YTL Corporation[b] Tan Sri Yeoh Tiong Lay[c] Yeoh Siblings[d]	^Major Shareholder/ #Person Connected[1] ^Major Shareholder/ #Person Connected[2] ^Major Shareholder/ #Person Connected[1][2][3] Directors[1][2][3]	242,704

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

for the financial year ended 30 June 2014

Definitions:-

(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)	Subsidiaries of YTL Corporation	– Excluding YTL L&D, YTL e-Solutions Berhad, YTL Power International Berhad and their subsidiaries
^	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 Stock (ICULS) Holdings

as at 26 September 2014

Class of shares : Ordinary shares of RM0.50 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	1,442	7.43	22,854	0.00
100 – 1,000	8,123	41.83	4,039,649	0.49
1,001 – 10,000	7,178	36.97	33,817,703	4.08
10,001 – 100,000	2,398	12.35	73,867,048	8.91
100,001 to less than 5% of issued shares	274	1.41	182,623,514	22.02
5% and above of issued shares	2	0.01	534,800,834	64.50
Total	**19,417**	**100.00**	**829,171,602**	**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	477,870,593	57.63
2	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Bara Aktif Sdn Bhd (DLR 072)	56,930,241	6.87
3	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
4	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd	16,888,946	2.04
5	Maybank Securities Nominees (Tempatan) Sdn Bhd – Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)	14,871,794	1.79
6	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	0.97
7	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	7,169,600	0.86
8	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	0.77
9	Bara Aktif Sdn Bhd	4,200,000	0.51
10	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
11	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	3,544,900	0.43
12	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.41
13	YTL Corporation Berhad	2,119,300	0.26
14	Eagletron Venture Corp.	1,981,600	0.24
15	Citigroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (471898)	1,888,500	0.23
16	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo (E–KLC)	1,884,300	0.23

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

as at 26 September 2014

	Name	No. of Shares	%#
17	UOB Kay Hian Nominees (Asing) Sdn Bhd – Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	1,438,740	0.17
18	Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	1,352,200	0.16
19	HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Kwong Joo	1,189,200	0.14
20	Gan Ah Kow	1,172,000	0.14
21	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,074,000	0.13
22	Wong Keat Keong	1,034,600	0.12
23	Lim Seng Chee	1,013,000	0.12
24	HSBC Nominees (Asing) Sdn Bhd – BBH and CO Boston for Daiwa Asean Intraregional Demand Equity Fund (JTSB RB)	1,003,700	0.12
25	Gan Ah Kow	1,000,000	0.12
26	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for UBS AG Singapore (FOREIGN)	964,300	0.12
27	Tan Sew Hoey (Tan Siew Hoey)	901,200	0.11
28	Khor Keng Saw @ Khaw Ah Soay	807,000	0.10
29	Er Hock Lai	768,400	0.09
30	Maybank Securities Nominees (Asing) Sdn Bhd – Fu Jene-John (TITAN ET)	756,000	0.09
	Total	**661,194,322**	**79.74**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

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

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

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

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

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

 # Based on the issued and paid-up share capital of the Company of RM422,172,451.00 comprising 844,344,902 ordinary shares net of 15,173,300 treasury shares retained by the Company as per Record of Depositors.

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

as at 26 September 2014

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

DISTRIBUTION OF ICULS 2011/2021 HOLDINGS

Size of holding	No. of ICULS 2011/2021 Holders	%	No. of ICULS 2011/2021	%
Less than 100	27	0.75	1,119	0.00
100 – 1,000	858	23.79	548,776	0.06
1,001 – 10,000	1,917	53.16	7,663,710	0.77
10,001 – 100,000	635	17.61	19,122,008	1.93
100,001 to less than 5% of issued ICULS	168	4.66	182,719,121	18.42
5% and above of issued ICULS	1	0.03	781,731,629	78.82
Total	**3,606**	**100.00**	**991,786,363**	**100.00**

THIRTY LARGEST ICULS 2011/2021 HOLDERS

(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	Onn Kok Puay (Weng Guopei)	33,498,300	3.38
3	Ong Ping Lan	15,422,300	1.56
4	JF Apex Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Teo Kwee Hock (STA1)	14,657,100	1.48
5	Lucky Star Pte Ltd	11,839,600	1.19
6	Yap Sook Chin	5,016,000	0.51
7	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	4,812,960	0.49
8	Soo Boon Choo	4,500,000	0.45
9	Maybank Securities Nominees (Asing) Sdn Bhd – Maybank Kim Eng Securities Pte Ltd (69003)	4,305,011	0.43
10	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt an for Deutsche Bank AG Singapore (PWM Asing)	4,301,760	0.43
11	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,841,320	0.39
12	Peng Lee Huang	3,010,000	0.30
13	MKW Jaya Sdn Bhd	2,600,000	0.26
14	Maybank Nominees (Tempatan) Sdn Bhd – H’ng Siew Tuan	2,404,100	0.24
15	Liew Kon Mun	2,382,300	0.24
16	Ng Ho Fatt	2,329,500	0.23

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

as at 26 September 2014

	Name	No. of ICULS 2011/2021	%
17	JF Apex Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Teo Siew Lai (Margin)	2,119,400	0.21
18	Heng Ah Lik	2,090,000	0.21
19	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,059,500	0.21
20	Chan Choi Ee	1,983,600	0.20
21	Foong Wye Soon	1,950,000	0.20
22	Ong Bee Lian	1,800,000	0.18
23	Sung Yoke Ling	1,620,000	0.16
24	Chan Jinn Wern	1,500,000	0.15
25	Chan Shao Perng	1,500,000	0.15
26	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lim Chou Bu (E–KPG)	1,500,000	0.15
27	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lim Eng Kwee (E–KLC)	1,430,000	0.14
28	Onn Soo Eng (Weng Shuying)	1,346,600	0.14
29	YTL Corporation Berhad	1,271,580	0.13
30	Yeoh Pooi Hoon	1,243,000	0.13
	Total	**920,065,560**	**92.76**

Statement of Directors' Interests

in the Company and related corporations as at 26 September 2014

THE COMPANY

YTL Land & Development Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Dato' Suleiman Bin Abdul Manan	45,188	0.01	242,848[(1)(2)]	0.03
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	1.28	–	–
Dato' Yeoh Seok Kian	55,481,889	0.54	8,444,248[(2)]	0.08
Dato' Yeoh Seok Hong	44,535,079	0.43	23,549,759[(2)]	0.23
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.52	19,332,622[(2)]	0.19
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597[(2)]	0.04
Dato' Hamidah Binti Maktar	755,333	0.01	–	–

Name	No. of Shares Options Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	2,000,000[(2)]
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[(2)]
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 26 September 2014

ULTIMATE HOLDING COMPANY

Yeoh Tiong Lay & Sons Holdings Sdn Bhd

	No. of Shares Held			
Name	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 e–Solutions Berhad

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

YTL Power International Berhad

	No. of Shares Held			
Name	Direct	%	Indirect	%
Dato' Suleiman Bin Abdul Manan	–	–	1,291(2)	*
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	992 ,291	0.01	–	–
Dato' Yeoh Seok Kian	6,706,098	0.10	2,937,210(2)	0.04
Dato' Yeoh Seok Hong	28,885,780	0.43	3,445,237(2)	0.05
Dato' Sri Michael Yeoh Sock Siong	7,981,831	0.12	1,070,255(2)	0.02
Dato' Mark Yeoh Seok Kah	8,049,216	0.12	1,148,281(2)	0.02
Dato' Hamidah Binti Maktar	4,089	*	–	–

	No. of Warrants 2008/2018 Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	1.28	–	–
Dato' Yeoh Seok Kian	3,698,792	0.34	282,949(2)	0.03
Dato' Yeoh Seok Hong	2,969,004	0.28	1,569,981(2)	0.15
Dato' Sri Michael Yeoh Sock Siong	6,073,302	0.57	1,587,797(2)	0.15
Dato' Mark Yeoh Seok Kah	1,338,743	0.12	267,039(2)	0.02
Dato' Hamidah Binti Maktar	51,955	*	–	–

Statement of Directors' Interests

in the Company and related corporations as at 26 September 2014

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

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 Investma Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(2) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.

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

Schedule of Share Buy-Back

for the financial year ended 30 June 2014

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

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
August 2013	100	0.965	0.965	1.37530	137.53
February 2014	100	0.910	0.910	1.32030	132.03
TOTAL	**200**				**269.56**

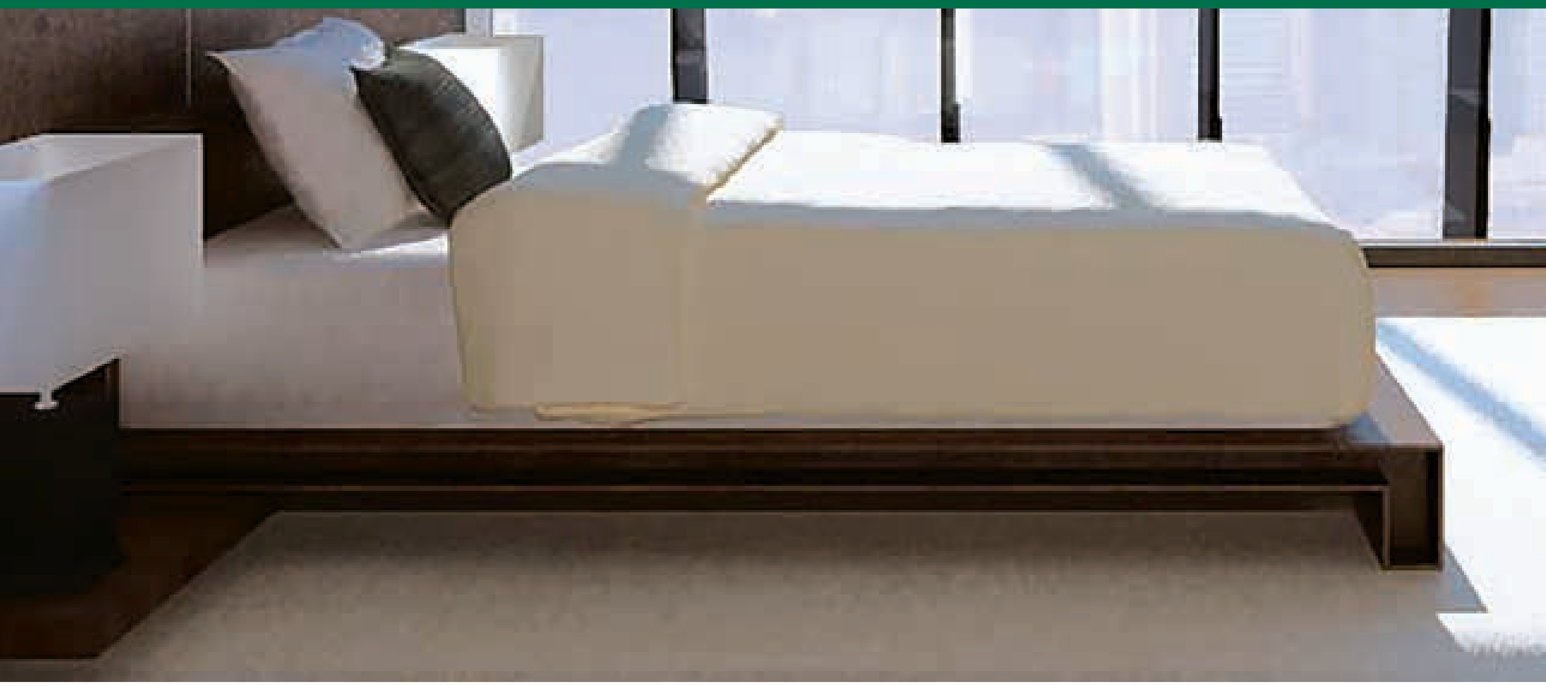
During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2014, a total of 15,172,300 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

List of Properties

as at 30 June 2014

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2014 RM'000	Date of Acquisition
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427 acres	Residential development	–	–	–	1,446,634	22.11.2007
Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	58.139 acres	Mixed residential and commercial development	–	–	–	197,450	1995
		46.986 acres	Future development land	–	–	–	73,554	1995
		37.592 acres	Park Land	–	–	–	25,912	1995
		2.349 acres	Commercial development	–	–	–	5,008	2004
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.255 acres	Future development land	–	–	–	109,932	1992
Lot 101, Section 63 (Grant No. 11238), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.978 acre	Future development land	–	–	–	93,700	11.4.2008
Lot 3543, HSD 68386, Mukim of Kuala Lumpur	Leasehold	37.92 acres	Future development land	–	–	Year 2090	80,159	1990
Lot 535, Section 0067 (Grant No. 27127), Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.50 acre	Future development land	–	–	–	58,447	25.1.2008
H.S.(D) 2099, PT No. 2136/120, Mukim Bentong, Pahang	Freehold	206 acres	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	160.76 acres	Future development land	–	–	Year 2096	41,329	1990
H.S.(D) 2097, PT No. 2134/118, Mukim Bentong, Pahang	Freehold	102 acres	Future development land	–	–	–	32,420	1997
Lot 534, Section 0067 (Grant No. 30470) Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.25 acre	Future development land	–	–	–	30,622	25.1.2008

Financial Statements



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 2014.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) for the year	33,615	(12,760)
Attributable to:		
Owners of the parent	23,782	(12,760)
Non-controlling interests	9,833	–
	33,615	(12,760)

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

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

DIVIDENDS

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

DIRECTORS

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

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

Directors' Report

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

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

The Company

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
Direct interests:				
Dato' Suleiman Bin Abdul Manan	2,788	42,400	–	45,188
Dato' Yeoh Seok Kian	61,538	–	–	61,538
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	242,848(1)(2)	–	–	242,848(1)(2)

	Number of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2011/2021 of RM0.50 each			
	As at 1.7.2013	Acquired	Converted/ Disposed	As at 30.6.2014
Direct interests:				
Dato' Yeoh Seok Kian	37,000	–	–	37,000

DIRECTORS' INTERESTS (CONT'D.)

Immediate holding company
YTL Corporation Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
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	4,844,248(2)	3,000,000	–	7,844,248(2)
Dato' Yeoh Seok Hong	23,549,759(2)	–	–	23,549,759(2)
Dato' Sri Michael Yeoh Sock Siong	19,332,622(2)	–	–	19,332,622(2)
Dato' Mark Yeoh Seok Kah	4,005,597(2)	–	–	4,005,597(2)

	Number of share options over ordinary shares of RM0.10 each			
	As at 1.7.2013	Granted	Exercised	As at 30.6.2014
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(2)	–	–	2,000,000(2)
Dato' Yeoh Seok Hong	3,000,000(2)	–	–	3,000,000(2)

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Ultimate holding company
Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
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

Related company
YTL Power International Berhad

	Number of ordinary shares of RM0.50 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	945,040	47,251	–	992,291
Dato' Yeoh Seok Kian	6,386,760	319,338	–	6,706,098
Dato' Yeoh Seok Hong	27,510,268	1,375,512	–	28,885,780
Dato' Sri Michael Yeoh Sock Siong	7,601,744	380,087	–	7,981,831
Dato' Mark Yeoh Seok Kah	7,665,920	383,296	–	8,049,216
Dato' Hamidah Binti Maktar	3,895	194	–	4,089
Indirect interests:				
Dato' Suleiman Bin Abdul Manan	1,230(2)	61	–	1,291(2)
Dato' Yeoh Seok Kian	1,940,200(2)	97,010	–	2,037,210(2)
Dato' Yeoh Seok Hong	3,281,179(2)	164,058	–	3,445,237(2)
Dato' Sri Michael Yeoh Sock Siong	1,019,291(2)	50,964	–	1,070,255(2)
Dato' Mark Yeoh Seok Kah	1,093,601(2)	54,680	–	1,148,281(2)

DIRECTORS' INTERESTS (CONT'D.)

Related company
YTL Power International Berhad

	Number of warrants 2008/2018			
	As at 1.7.2013	**Acquired**	**Exercised/ disposed**	**As at 30.6.2014**
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	–	–	13,726,922
Dato' Yeoh Seok Kian	3,698,792	–	–	3,698,792
Dato' Yeoh Seok Hong	2,969,004	–	–	2,969,004
Dato' Sri Michael Yeoh Sock Siong	6,073,302	–	–	6,073,302
Dato' Mark Yeoh Seok Kah	1,338,743	–	–	1,338,743
Dato' Hamidah Binti Maktar	51,955	–	–	51,955
Indirect interests:				
Dato' Yeoh Seok Kian	282,949(2)	–	–	282,949(2)
Dato' Yeoh Seok Hong	1,569,981(2)	–	–	1,569,981(2)
Dato' Sri Michael Yeoh Sock Siong	1,587,797(2)	–	–	1,587,797(2)
Dato' Mark Yeoh Seok Kah	267,039(2)	–	–	267,039(2)

	Number of share options over ordinary shares of RM0.50 each			
	As at 1.7.2013	**Granted**	**Exercised**	**As at 30.6.2014**
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(2)	–	–	500,000(2)

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Related company
YTL e-Solutions Berhad

	Number of ordinary shares of RM0.10 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
Indirect interests:				
Dato' Sri Michael Yeoh Sock Siong	1,905,500[(2)]	–	–	1,905,500[(2)]

Related corporation
Infoscreen Networks Limited^*

	Number of ordinary shares of £0.01 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	100	–

^ *Re-registered from a public company to a private company on 19.5.2014.*

Related corporation
YTL Corporation (UK) Plc*

	Number of ordinary shares of £0.25 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* *Incorporated in England and Wales.*

Related company
Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
Direct interests:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

DIRECTORS' INTERESTS (CONT'D.)

Related corporation
YTL Construction (Thailand) Limited@

	Number of ordinary shares of THB100 each			
	As at 1.7.2013	Acquired	Disposed	As at 30.6.2014
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 1.7.2013	Acquired	Disposed	As at 30.6.2014
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 6A of the Companies Act, 1965 through holdings by Investma Sdn. Bhd.*
(2) *Deemed interests under Section 134(12)(c) of the Companies Act, 1965 through holdings by spouse and/or children.*

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

SHARE CAPITAL

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

Directors' Report

TREASURY SHARES

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

As at 30 June 2014, the Company held as treasury shares a total of 15,172,300 of its 844,344,902 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM22,200,303 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 all known bad debts had been written off 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) the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company 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.

OTHER STATUTORY INFORMATION (CONT'D.)

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 October 2014.

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 57 to 130 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 2014 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 131 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 9 October 2014.

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 57 to 130 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 9 October 2014

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 2014 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 57 to 130.

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, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2014 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.

Independent Auditors' Report
to the members of YTL Land & Development Berhad (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries incorporated in Malaysia of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out on page 131 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Ernst & Young
AF: 0039
Chartered Accountants

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

Kuala Lumpur, Malaysia
9 October 2014

Income Statements
for the financial year ended 30 June 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Revenue	3	**285,376**	184,723	**600**	8,126
Cost of sales	4	**(216,388)**	(133,577)	**–**	–
Gross profit		**68,988**	51,146	**600**	8,126
Other income		**41,929**	44,497	**2,341**	14,061
Administration expenses		**(50,490)**	(35,775)	**(5,528)**	(4,991)
Operating profit/(loss)		**60,427**	59,868	**(2,587)**	17,196
Finance costs	5	**(10,196)**	(11,813)	**(10,174)**	(10,249)
Share of results of a joint venture		**(82)**	(3)	**–**	–
Profit/(loss) before tax	6	**50,149**	48,052	**(12,761)**	6,947
Income tax (expenses)/benefit	9	**(16,534)**	(14,654)	**1**	(1,367)
Profit/(loss) for the year		**33,615**	33,398	**(12,760)**	5,580
Attributable to:					
Owners of the parent		**23,782**	25,213	**(12,760)**	5,580
Non-controlling interests		**9,833**	8,185	**–**	–
		33,615	33,398	**(12,760)**	5,580
Earnings per 50 sen share					
Basic (sen)					
Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	10	**2.87**	3.04		
After mandatory conversion of ICULS	10	**2.80**	2.94		
Diluted (sen)	10	**2.80**	2.94		

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 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the year		**33,615**	33,398	**(12,760)**	5,580
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		**4,735**	742	**–**	–
Total comprehensive income/(loss) for the year, net of tax		**38,350**	34,140	**(12,760)**	5,580
Attributable to:					
Owners of the parent		**28,517**	25,955	**(12,760)**	5,580
Non-controlling interests		**9,833**	8,185	**–**	–
		38,350	34,140	**(12,760)**	5,580

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

Statements of Financial Position

as at 30 June 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	**37,041**	34,789	**5,824**	5,951
Investment in subsidiaries	12	–	–	**504,988**	504,988
Investment in a joint venture	13	**22,408**	22,490	**22,900**	22,900
Investment property	14	**32,900**	32,900	–	–
Land held for property development	15	**862,946**	885,744	**37,490**	37,490
Goodwill on consolidation	16	**37,083**	36,606	–	–
Deferred tax assets	17	**2,474**	3,058	–	–
		994,852	1,015,587	**571,202**	571,329
Current assets					
Inventories	18	**64,047**	149,204	–	–
Property development costs	19	**1,482,291**	1,344,050	–	–
Trade and other receivables	20	**34,360**	35,001	**166**	240
Other current assets	21	**89,023**	40,764	**1**	1
Tax recoverable		**852**	5,422	**543**	1,282
Amounts due from subsidiaries	22	–	–	**539,767**	535,517
Amounts due from related companies	23	**259**	456	–	–
Amount due from a joint venture	23	**14,364**	6,610	**14,364**	6,607
Cash and cash equivalents	24	**95,506**	69,929	**387**	5,856
		1,780,702	1,651,436	**555,228**	549,503
Total assets		**2,775,554**	2,667,023	**1,126,430**	1,120,832

Statements of Financial Position
as at 30 June 2014

		Group		Company	
		2014	**2013**	**2014**	**2013**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Equity and liabilities					
Current liabilities					
Trade and other payables	25	**33,894**	68,419	**19,798**	19,193
Provisions	26	**–**	4,288	**–**	–
Other current liabilities	27	**49,075**	8,573	**–**	–
Amount due to subsidiary	22	**–**	–	**64,054**	41,305
Amount due to immediate holding company	23	**1,195**	1,054	**296**	306
Amounts due to related companies	23	**86,918**	41,551	**16**	6
Borrowings	28	**88,118**	45,365	**5,370**	4,997
Current tax payable		**2,120**	683	**–**	–
		261,320	169,933	**89,534**	65,807
Non-current liabilities					
Borrowings	28	**1,338,525**	1,358,032	**124,396**	129,765
Other non-current liability	31	**67,696**	67,696	**–**	–
Deferred tax liabilities	17	**52,960**	54,659	**–**	–
		1,459,181	1,480,387	**124,396**	129,765
Total liabilities		**1,720,501**	1,650,320	**213,930**	195,572
Net assets		**1,055,053**	1,016,703	**912,500**	925,260
Equity attributable to owners of the parent					
Share capital	32	**422,172**	422,172	**422,172**	422,172
Treasury shares	33	**(22,200)**	(22,200)	**(22,200)**	(22,200)
Share premium		**177,471**	177,471	**177,471**	177,471
Retained earnings/(accumulated losses)		**64,788**	41,006	**(19,912)**	(7,152)
Foreign currency translation reserve	34	**9,798**	5,063	**–**	–
Equity component of ICULS	30	**354,969**	354,969	**354,969**	354,969
		1,006,998	978,481	**912,500**	925,260
Non-controlling interests		**48,055**	38,222	**–**	–
Total equity		**1,055,053**	1,016,703	**912,500**	925,260
Total equity and liabilities		**2,775,554**	2,667,023	**1,126,430**	1,120,832

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 2014

	<------ Attributable to owners of the parent						------>		
	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 30) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2012	422,156	177,445	(22,200)	15,793	4,321	355,001	952,516	30,037	982,553
Profit for the year	–	–	–	25,213	–	–	25,213	8,185	33,398
Total other comprehensive income for the year	–	–	–	–	742	–	742	–	742
Total comprehensive income for the year	–	–	–	25,213	742	–	25,955	8,185	34,140
Conversion of ICULS to ordinary shares	16	26	–	–	–	(32)	10	–	10
Purchase of treasury shares	–	–	*	–	–	–	*	–	*
At 30 June 2013	**422,172**	**177,471**	**(22,200)**	**41,006**	**5,063**	**354,969**	**978,481**	**38,222**	**1,016,703**
Profit for the year	–	–	–	**23,782**	–	–	**23,782**	**9,833**	**33,615**
Total other comprehensive income for the year	–	–	–	–	**4,735**	–	**4,735**	–	**4,735**
Total comprehensive income for the year	–	–	–	**23,782**	**4,735**	–	**28,517**	**9,833**	**38,350**
Purchase of treasury shares	–	–	*	–	–	–	*	–	*
At 30 June 2014	**422,172**	**177,471**	**(22,200)**	**64,788**	**9,798**	**354,969**	**1,006,998**	**48,055**	**1,055,053**

* Less than RM1,000.

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

Company Statement of Changes in Equity

for the financial year ended 30 June 2014

	<------------------------------------		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 30) RM'000	Total RM'000
At 1 July 2012	422,156	177,445	(22,200)	(12,732)	355,001	919,670
Total comprehensive income for the year	–	–	–	5,580	–	5,580
Conversion of ICULS to ordinary shares	16	26	–	–	(32)	10
Purchase of treasury shares	–	–	*	–	–	*
At 30 June 2013	422,172	177,471	(22,200)	(7,152)	354,969	925,260
Total comprehensive loss for the year	–	–	–	(12,760)	–	(12,760)
Purchase of treasury shares	–	–	*	–	–	*
At 30 June 2014	422,172	177,471	(22,200)	(19,912)	354,969	912,500

* Less than RM1,000.

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

Statements of Cash Flows

for the financial year ended 30 June 2014

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating activities				
Profit/(loss) before tax	**50,149**	48,052	**(12,761)**	6,947
Adjustments for:				
Allowance for/(reversal of) impairment loss on amount due from subsidiaries	**–**	–	**4**	(13,706)
Bad debts written off	**2**	–	**–**	–
Depreciation of property, plant and equipment	**718**	621	**129**	209
Impairment of goodwill	**20**	–	**–**	–
Interest expenses	**10,196**	11,813	**10,174**	10,249
Interest income	**(1,249)**	(1,151)	**(79)**	(8)
Loss on disposal of property, plant and equipment	*****	45	**–**	32
(Reversal of)/provision for damages claims (Note 26)	**(3,478)**	287	**–**	–
Share of results of a joint venture	**82**	3	**–**	–
Unrealised gains on foreign exchange	**(2,262)**	(347)	**(2,262)**	(347)
Total adjustments	**4,029**	11,271	**7,966**	(3,571)
Operating cash flows before working capital changes	**54,178**	59,323	**(4,795)**	3,376
Changes in working capital				
Increase in property development costs	**(79,259)**	(82,201)	**–**	–
Decrease in inventories	**85,157**	37,070	**–**	–
Decrease in receivables	**639**	50,068	**74**	9
(Increase)/decrease in other current assets	**(44,262)**	16,444	**–**	–
(Decrease)/increase in payables	**(8,854)**	(15,077)	**605**	(17,036)
Increase/(decrease) in provisions and other current liabilities	**39,692**	(2,141)	**–**	–
Increase/(decrease) in amount due to immediate holding company	**141**	2	**(10)**	(6)
Increase in amount due to subsidiaries	**–**	–	**20,757**	33,487
Increase/(decrease) in amount due from/to related companies	**47,826**	(2,946)	**10**	5
Increase in amount due from a joint venture	**(7,754)**	(1,205)	**(7,757)**	(1,202)
Total changes in working capital	**33,326**	14	**13,679**	15,257

Statements of Cash Flows
for the financial year ended 30 June 2014

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Operating activities (cont'd.)				
Cash flows from operations	**87,504**	59,337	**8,884**	18,633
Income tax (paid)/refunded	**(11,642)**	(47,790)	**740**	–
Net cash flows from operating activities	**75,862**	11,547	**9,624**	18,633
Investing activities				
Interest received	**1,249**	1,151	**79**	8
Increase in land held for property development	**(4,523)**	(18,464)	**–**	(336)
Investment in subsidiary	**–**	–	**–**	(250)
Purchase of property, plant and equipment	**(2,510)**	(813)	**(2)**	(14)
Proceeds from disposal of property, plant and equipment	*****	317	**–**	133
Net cash flows (used in)/from investing activities	**(5,784)**	(17,809)	**77**	(459)
Financing activities				
Net proceeds from/(repayments of) borrowings	**2,510**	(155,657)	**–**	–
Net repayments of hire purchase payables	**(434)**	(317)	**(39)**	(10)
Interest paid	**(46,328)**	(49,062)	**(15,131)**	(14,878)
Purchase of treasury shares	*****	*	*****	*
Net cash flows used in financing activities	**(44,252)**	(205,036)	**(15,170)**	(14,888)
Net increase/(decrease) in cash and cash equivalents	**25,826**	(211,298)	**(5,469)**	3,286
Effect of exchange rate changes on cash and cash equivalents	**(249)**	(868)	**–**	–
Cash and cash equivalents at beginning of year	**69,929**	282,095	**5,856**	2,570
Cash and cash equivalents at end of year (Note 24)	**95,506**	69,929	**387**	5,856
Note to statements of cash flows				
Analysis of purchase of property, plant and equipment:				
– Cash paid	**2,510**	813	**2**	14
– Hire purchase creditor	**457**	401	**–**	121
Total purchase of property, plant and equipment (Note 11)	**2,967**	1,214	**2**	135

* 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 2014

1. CORPORATE INFORMATION

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

The address of the registered office of the Company is as follows:-
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur.

The address of the principal place of business of the Company is as follows:-
10th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 9 October 2014.

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. At the beginning of the current financial year, the Group and the Company adopted the new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2013 as described fully in Note 2.2.

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

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

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

2.2 Changes in accounting policies

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

On 1 July 2013, the Group and the Company adopted the following new and amendments to FRSs and IC Interpretation mandatory for annual financial year beginning on or after 1 January 2013.

FRS 10: Consolidated Financial Statements
FRS 11: Joint Arrangements
FRS 12: Disclosure of Interests in Other Entities
FRS 13: Fair Value Measurement
FRS 119: Employee Benefits
FRS 127: Separate Financial Statements
FRS 128: Investment in Associates and Joint Ventures
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards – Government Loan
Amendments to FRS 7: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10: Consolidated Financial Statements – Transition Guidance
Amendments to FRS 11: Joint Arrangements – Transition Guidance
Amendments to FRS 12: Disclosure of Interests in Other Entities – Transition Guidance
Amendments to FRS 134: Interim Financial Reporting
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
Improvements to FRSs (2012) issued in July 2012
Annual improvement 2009-2011 Cycle

Adoption of the above new and amendments to FRSs and IC Interpretation did not have any effect on the financial position and policy of the Group and of the Company except for those discussed below:-

FRS 10: Consolidated Financial Statements

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

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

FRS 10 includes detailed guidance to explain when an investor that owns less than 50 percent of the voting shares in an investee has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

The adoption of this standard did not result in any change to the consolidation of its subsidiaries as at the end of the reporting period.

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

2.2 Changes in accounting policies (cont'd.)

FRS 11: Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The adoption of this standard did not have any material impact to the Group.

FRS 12: Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entitites. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's and the Company's financial position or performance.

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Notes to the Financial Statements
– 30 June 2014

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

2.2 Changes in accounting policies (cont'd.)

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, joint ventures and associates in separate financial statements.

This standard has no material impact on the Group's and the Company's financial position or performance.

FRS 128: Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

This standard has no material impact on the Group's and the Company's financial position or performance.

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.

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

2.3 Basis of consolidation (cont'd.)

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.

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.

Notes to the Financial Statements
– 30 June 2014

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

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.

2.5 Goodwill

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

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

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

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

2.6 Subsidiaries

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 of is included in profit or loss.

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

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.

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.

Notes to the Financial Statements
– 30 June 2014

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

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.

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

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

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

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

2.9 Investment properties

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

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

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

2. 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 Construction contracts

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

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

Notes to the Financial Statements
– 30 June 2014

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

2.11 Construction contracts (cont'd.)

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

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

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

2.12 Impairment of non-financial assets

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

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

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

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

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

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

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

2.13 Inventories of completed properties for resale

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

Cost is determined using the first in, first out method. The cost of unsold properties comprises 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.

2.14 Financial assets

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

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

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

(a) Loans and receivables

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

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

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

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

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

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

2.15 Impairment of financial assets

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

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

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

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

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

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

2.16 Cash and cash equivalents

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

2.17 Financial liabilities

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

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

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

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

2.17 Financial liabilities (cont'd.)

(a) Other financial liabilities

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

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

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

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

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

2.18 Leases

(a) As lessee

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

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.

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– 30 June 2014

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

2.19 Provisions

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

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

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

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

2.20 Irredeemable convertible unsecured loan stocks ("ICULS")

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

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

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

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

2.22 Treasury shares

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

2.23 Borrowing costs

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

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

2.24 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised as an expense when the absences occur.

(b) Defined contribution plans

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

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

2.24 Employee benefits (cont'd.)

(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.

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.

Notes to the Financial Statements
– 30 June 2014

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

2.25 Foreign currency (cont'd.)

(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.

2.26 Revenue

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

(a) Sale of properties

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

(b) Construction contracts

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

(c) Management fees

Management fees are recognised when services are rendered.

(d) Dividend income

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

2.27 Financial guarantee contracts

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

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

2. 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.

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

2.28 Income taxes (cont'd.)

(b) Deferred tax

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

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

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

2.29 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:

Notes to the Financial Statements
– 30 June 2014

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

2.29 Fair value measurement (cont'd.)

– 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.30 Current versus non-current classification

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

– Expected to be realised or intended to sold or consumed in normal operating cycle

– Held primarily for the purpose of trading

– Expected to be realised within twelve months after the reporting period, or

– Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classfied 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 twelve months after the reporting period, or

– There is no unconditional right to defer the settlement of the liability for at least twelve 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.31 Significant accounting judgements and estimates

(a) Key sources of estimation uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives up to 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.

(ii) Property development

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

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

(iii) Impairment of goodwill

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

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key asumptions 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.

Notes to the Financial Statements
– 30 June 2014

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

2.32 Standards and interpretations issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Amendments to FRS 10: Consolidated Financial Statements – Investment Entities	1 January 2014
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 12: Disclosure of Interests in Other Entities – Investment Entities	1 January 2014
Amendments to FRS 127: Separate Financial Statements – Investment Entities	1 January 2014
Amendments to FRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136: Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation: 21 Levies	1 January 2014
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual improvements to FRSs 2010 – 2012 cycle	1 July 2014
Annual improvements to FRSs 2011 – 2013 cycle	1 July 2014
FRS 9: Financial Instruments	To be announced
FRS 11: Accounting for acquisition of interest in Joint Operation	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 July 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 July 2016

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:

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

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

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets

These amendments remove the unintended consequences of FRS 13 on the disclosures required under FRS 136. In addition, these amendments require disclosure of the recoverable amounts for the assets of CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted.

Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novation.

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 will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017. 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 new 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 2018.

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
– 30 June 2014

3. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Management fees	**1,430**	1,331	**–**	–
Revenue from construction contract	**292**	–	**–**	–
Revenue from sales of properties	**283,654**	183,392	**–**	–
Management fees from subsidiaries	**–**	–	**600**	600
Dividend income from subsidiaries	**–**	–	**–**	7,526
	285,376	184,723	**600**	8,126

4. COST OF SALES

	Group	
	2014 RM'000	2013 RM'000
Construction cost	**287**	–
Cost of inventories sold (Note 18)	**87,280**	36,136
Property development costs (Note 19)	**128,821**	97,441
	216,388	133,577

5. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expenses on:				
– hire purchase	**27**	27	**4**	2
– ICULS (Note 30)	**9,920**	10,247	**9,920**	10,247
– term loans	**31,173**	34,082	**–**	–
– others	**250**	75	**250**	–
	41,370	44,431	**10,174**	10,249
Less: Interest expense capitalised in qualifying assets				
– Land held for property development (Note 15)	**(1,742)**	(2,304)	**–**	–
– Property development costs (Note 19)	**(29,432)**	(30,314)	**–**	–
	10,196	11,813	**10,174**	10,249

Notes to the Financial Statements
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6. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration				
– current year	**330**	329	**98**	98
– (over)/under provision in prior year	**(2)**	19	**–**	18
– other service	**8**	8	**–**	–
Allowance for/(reversal of) impairment loss on amount due from subsidiaries	**–**	–	**4**	(13,706)
Bad debts written off	**2**	–	**–**	–
Depreciation of property, plant and equipment	**718**	621	**129**	209
Employee benefits expense (Note 7)	**13,975**	12,479	**630**	774
Directors' remuneration (Note 8)				
– Executive directors	**4,235**	2,169	**844**	243
– Non-executive directors	**1,021**	932	**986**	900
Impairment of:				
– goodwill (Note 16)	**20**	–	**–**	–
– investment in subsidiary	**–**	–	**5,461**	–
Interest income	**(1,249)**	(1,151)	**(79)**	(8)
Loss on disposal of property, plant and equipment	*****	45	**–**	32
Losses/(gains) on foreign exchange				
– realised	**–**	4	**–**	–
– unrealised	**(2,262)**	(347)	**(2,262)**	(347)
(Reversal of)/provision for damages claims (Note 26)	**(3,478)**	287	**–**	–
Rental expenses of:				
– building	**1,175**	1,710	**1,006**	1,084
– equipment	**12**	27	**3**	9
Rental income	**(2,954)**	(3,450)	**–**	–

* Less than RM1,000.

Notes to the Financial Statements
– 30 June 2014

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Wages and salaries	**11,132**	10,230	**462**	541
Social security costs	**48**	43	**3**	3
Pension costs				
– defined contribution plans	**1,118**	984	**52**	37
ESOS expenses	**16**	15	**–**	–
Other staff related expenses	**1,661**	1,207	**113**	193
	13,975	12,479	**630**	774

8. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Directors of the Company				
Executive directors:				
Salaries and other emoluments	**584**	3	**584**	3
Fees	**260**	240	**260**	240
Benefits-in-kind	**10**	10	**10**	10
	854	253	**854**	253
Non-executive directors:				
Salaries and other emoluments	**686**	710	**686**	710
Fees	**300**	190	**300**	190
Benefits-in-kind	**209**	262	**209**	262
	1,195	1,162	**1,195**	1,162
Directors of subsidiaries				
Executive directors:				
Salaries and other emoluments	**3,234**	1,774	**–**	–
Fees	**40**	40	**–**	–
ESOS expenses	**117**	112	**–**	–
Benefits-in-kind	**112**	54	**–**	–
	3,503	1,980	**–**	–

8. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors of subsidiaries (cont'd.)				
Non-executive directors:				
Fees	**30**	30	–	–
Other emoluments	**5**	2	–	–
	35	32	–	–
	5,587	3,427	**2,049**	1,415
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 6)	**4,235**	2,169	**844**	243
Total non-executive directors' remuneration excluding benefits-in-kind (Note 6)	**1,021**	932	**986**	900
Total directors' remuneration excluding benefits-in-kind	**5,256**	3,101	**1,830**	1,143

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

	Number of directors	
	2014	2013
Executive directors:		
RM1 – RM50,000	**4**	5
RM50,001 – RM100,000	**1**	1
RM600,001 – RM650,000	**1**	–
Non-executive directors:		
RM50,001 – RM100,000	**3**	3
RM900,001 – RM950,000	**1**	–
RM950,001 – RM1,000,000	–	1

Notes to the Financial Statements
– 30 June 2014

9. INCOME TAX EXPENSES/(BENEFIT)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current income tax:				
Malaysian income tax	**17,320**	14,225	**–**	1,142
Foreign tax	**102**	551	**–**	–
Under/(over) provision in prior years	**227**	448	**(1)**	225
	17,649	15,224	**(1)**	1,367
Deferred tax (Note 17):				
Relating to reversal of temporary differences	**660**	(570)	**–**	–
Effect of reduction in tax rate	**(1,757)**	–	**–**	–
Over provision in prior years	**(18)**	–	**–**	–
	(1,115)	(570)	**–**	–
Income tax expenses/(benefit) recognised in profit or loss	**16,534**	14,654	**(1)**	1,367

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit/(loss) for the year. The domestic statutory tax rate will be reduced to 24% in the year of assessment 2016. The computation of deferred tax as at 30 June 2014 has reflected these changes.

The corporate tax rate applicable to the Singapore subsidiaries of the Group is 17% (2013: 17%).

9. INCOME TAX EXPENSES/(BENEFIT) (CONT'D.)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(loss) before tax	**50,149**	48,052	**(12,761)**	6,947
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	**12,537**	12,013	**(3,190)**	1,737
Different tax rates of certain subsidiaries	**398**	(545)	–	–
Effects of expenses not deductible for tax purposes	**745**	2,705	**3,190**	1,287
Effects of changes in future income tax rate of 24% (2013: 25%) on deferred tax	**1,757**	–	–	–
Deferred tax assets not recognised during the year	**888**	62	–	–
Income not subject to taxation	–	(29)	–	(1,882)
Over provision of deferred tax in prior years	**(18)**	–	–	–
Under/(over) provision of tax expenses in prior years	**227**	448	**(1)**	225
Income tax expenses/(benefit) recognised in profit or loss	**16,534**	14,654	**(1)**	1,367

Notes to the Financial Statements
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10. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

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

(b) Fully diluted EPS

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

	Group	
	2014	**2013**
Profit attributable to owners of the parent (RM'000)	**23,782**	25,213
Post-tax effect of interest expense on ICULS (RM'000)	**9,920**	10,247
Profit attributable to owners of the parent including assumed conversion (RM'000)	**33,702**	35,460
Weighted average number of ordinary shares in issue ('000)	**829,172**	829,148
Assume full conversion of ICULS ('000)	**375,677**	375,677
Adjusted weighted average number of ordinary shares in issue ('000)	**1,204,849**	1,204,825
Basic EPS (sen)		
Before mandatory conversion of ICULS (sen)	**2.87**	3.04
After mandatory conversion of ICULS (sen)	**2.80**	2.94
Fully diluted EPS (sen)	**2.80**	2.94

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovation RM'000	Motor vehicles RM'000	Infra-structure works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2014										
Cost										
At 1 July 2013	6,644	142	2,823	2,500	3,842	3,821	4,852	4,258	18,642	47,524
Additions	–	–	–	435	173	1,803	556	–	–	2,967
Disposals	–	–	–	(1)	–	–	–	–	–	(1)
Exchange differences	–	–	–	9	(2)	21	–	–	–	28
At 30 June 2014	6,644	142	2,823	2,943	4,013	5,645	5,408	4,258	18,642	50,518
Accumulated depreciation										
At 1 July 2013	–	93	420	2,316	3,632	2,910	2,769	595	–	12,735
Charge for the year	–	3	27	82	86	261	174	85	–	718
Disposals	–	–	–	*	–	–	–	–	–	*
Exchange differences	–	–	–	6	(3)	21	–	–	–	24
At 30 June 2014	–	96	447	2,404	3,715	3,192	2,943	680	–	13,477
Net carrying amount										
At 30 June 2014	6,644	46	2,376	539	298	2,453	2,465	3,578	18,642	37,041

Notes to the Financial Statements
– 30 June 2014

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

Group (cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovation RM'000	Motor vehicles RM'000	Infra-structure works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2013										
Cost										
At 1 July 2012	6,644	142	2,823	2,497	3,808	3,116	5,475	4,258	18,642	47,405
Additions	–	–	–	2	35	702	475	–	–	1,214
Disposals	–	–	–	–	(2)	–	(1,098)	–	–	(1,100)
Exchange differences	–	–	–	1	1	3	–	–	–	5
At 30 June 2013	6,644	142	2,823	2,500	3,842	3,821	4,852	4,258	18,642	47,524
Accumulated depreciation										
At 1 July 2012	–	90	393	2,255	3,539	2,777	3,283	510	–	12,847
Charge for the year	–	3	27	60	92	130	224	85	–	621
Disposals	–	–	–	–	*	–	(738)	–	–	(738)
Exchange differences	–	–	–	1	1	3	–	–	–	5
At 30 June 2013	–	93	420	2,316	3,632	2,910	2,769	595	–	12,735
Net carrying amount										
At 30 June 2013	6,644	49	2,403	184	210	911	2,083	3,663	18,642	34,789

* Less than RM1,000.

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM1,656,000 (2013: RM1,208,000) held under hire purchase arrangements.

Notes to the Financial Statements
– 30 June 2014

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

Company

	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
As at 30 June 2014							
Cost							
At 1 July 2013	**3,036**	**2,823**	**158**	**372**	**701**	**1,404**	**8,494**
Additions	**–**	**–**	**–**	**2**	**–**	**–**	**2**
At 30 June 2014	**3,036**	**2,823**	**158**	**374**	**701**	**1,404**	**8,496**
Accumulated depreciation							
At 1 July 2013	**–**	**419**	**115**	**336**	**442**	**1,231**	**2,543**
Charge for the year	**–**	**27**	**13**	**17**	**1**	**71**	**129**
At 30 June 2014	**–**	**446**	**128**	**353**	**443**	**1,302**	**2,672**
Net carrying amount							
At 30 June 2014	**3,036**	**2,377**	**30**	**21**	**258**	**102**	**5,824**
As at 30 June 2013							
Cost							
At 1 July 2012	3,036	2,823	158	372	804	1,404	8,597
Additions	–	–	–	–	135	–	135
Disposals	–	–	–	–	(238)	–	(238)
At 30 June 2013	3,036	2,823	158	372	701	1,404	8,494
Accumulated depreciation							
At 1 July 2012	–	392	102	314	456	1,143	2,407
Charge for the year	–	27	13	22	59	88	209
Disposals	–	–	–	–	(73)	–	(73)
At 30 June 2013	–	419	115	336	442	1,231	2,543
Net carrying amount							
At 30 June 2013	3,036	2,404	43	36	259	173	5,951

Included in property, plant and equipment of the Company is a motor vehicle with net book value of RM118,000 (2013: RM130,000) held under hire purchase arrangement.

Notes to the Financial Statements
– 30 June 2014

12. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM'000	Company 2013 RM'000
Unquoted shares in Malaysia:		
– At cost	**325,578**	325,578
– At valuation	**222,296**	222,296
Unquoted shares outside Malaysia, at cost	**192,379**	192,379
	740,253	740,253
Less: Accumulated impairment losses	**(235,265)**	(235,265)
	504,988	504,988

The details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group 2014 %	% of ownership interest held by the Group 2013 %	% of ownership interest held by non-controlling interest 2014 %	% of ownership interest held by non-controlling interest 2013 %
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	Property development	**70**	70	**30**	30
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**100**	100	–	–
* Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development and building construction	**100**	100	–	–
* Pinnacle Trend Sdn. Bhd.	Malaysia	Investment holding and property development	**100**	100	–	–
* Satria Sewira Sdn. Bhd.	Malaysia	Property development investment and related activities	**100**	100	–	–
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	**70**	70	**30**	30

Notes to the Financial Statements
– 30 June 2014

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group 2014 %	2013 %	% of ownership interest held by non-controlling interest 2014 %	2013 %
Held by the Company: (cont'd.)						
* Trend Acres Sdn. Bhd.	Malaysia	Investment holding and property development	**100**	100	–	–
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**100**	100	–	–
* 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.:						
* Noriwasa Sdn. Bhd.	Malaysia	Dormant	**100**	100	–	–
* PYP Sendirian Berhad	Malaysia	Property development and related services	**100**	100	–	–

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12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of subsidiaries	Country of incorporation	Principal activities	% of ownership interest held by the Group 2014 %	2013 %	% of ownership interest held by non-controlling interest 2014 %	2013 %
Held through Pakatan Perakbina Sdn. Bhd.: (cont'd.)						
* Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development and related services	**100**	100	–	–
* Udapakat Bina Sdn. Bhd.	Malaysia	Property development and related services	**100**	100	–	–
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 and related services	**70**	70	**30**	30
Sentul Raya Golf Club Berhad	Malaysia	Inactive	**70**	70	**30**	30

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

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
NCI effective equity interest	*30%*		
Carrying amount of NCI	32,967	15,088	48,055
Profit/(loss) allocated to NCI	9,845	(12)	9,833

Summarised financial information before inter-company elimination

Sentul Raya Sdn. Bhd. Group

(i) Summarised statements of financial position

As at 30 June 2014	RM'000
Non-current assets	497,592
Current assets	176,651
Non-current liabilities	(177,956)
Current liabilities	(251,260)
Net assets	245,027
Equity attributable to owners of the Company	171,519
Non-controlling interests	73,508

(ii) Summarised statements of comprehensive income

For the year ended 30 June 2014	RM'000
Revenue	192,864
Total comprehensive income	32,817
Profit attributable to owners of the Company	22,972
Profit attributable to non-controlling interests	9,845

(iii) Summarised statements of cash flows

For the year ended 30 June 2014	RM'000
Cash flows from operating activities	41,871
Cash flows from investing activities	23,016
Cash flows from financing activities	(45,389)
Net increase in cash and cash equivalents	19,498

Notes to the Financial Statements
– 30 June 2014

13. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unquoted investment, at cost	**22,900**	22,900	**22,900**	22,900
Share of post acquisition losses	**(492)**	(410)	–	–
	22,408	22,490	**22,900**	22,900

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

Name of Company	Country of incorporation	Principal activity	Effective equity interest 2014 %	Effective equity interest 2013 %
PDC Heritage Hotel 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.

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
As at 30 June		
Non-current assets	**307**	270
Current asset	**39,871**	32,202
Current liabilities	**(14,481)**	(6,611)
Net assets	**25,697**	25,861
Interest in joint venture	**50%**	50%
Carrying value of Group's interest in joint venture	**12,849**	12,931
For the year ended 30 June		
Income	**6**	6
Total comprehensive loss for the year	**(163)**	(5)

14. INVESTMENT PROPERTY

	Group	
	2014 RM'000	2013 RM'000
At beginning/end of the financial year	**32,900**	32,900

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

Fair value hierarchy

The Group's investment property is valued based on unobservable inputs and classified in 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 material transfer between Level 1, Level 2 and Level 3 during the financial year.

Valuation:
Cost method: The land component is assessed using comparison method while the building component is assessed based on depreciated value.

Key unobservable inputs:
– Cost appreciation rate of 10%
– Depreciation rate of 15%

Inter-relationship between key unobservable inputs and fair value measurement:
The estimated fair value would increase if:-
– cost appreciation rate were higher; or
– depreciation 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
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15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At beginning of the financial year				
Cost				
Freehold land	**430,267**	430,267	–	–
Leasehold land	**185,102**	185,102	**30,746**	30,746
	615,369	615,369	**30,746**	30,746
Development expenditure	**270,375**	249,607	**6,744**	6,409
	885,744	864,976	**37,490**	37,155
Cost incurred during the year:				
Development expenditure	**6,265**	20,768	–	335
	6,265	20,768	–	335
Transfer to property development costs (Note 19):				
Freehold land	**(4,725)**	–	–	–
Leasehold land	–	–	–	–
Development cost	**(24,338)**	–	–	–
	(29,063)	–	–	–
At end of the financial year	**862,946**	885,744	**37,490**	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 financial year amounting to RM1,742,000 (2013: RM2,304,000) as disclosed in Note 5.

16. GOODWILL ON CONSOLIDATION

	Group	
	2014	**2013**
	RM'000	**RM'000**
At beginning of the financial year	**36,606**	36,530
Impairment (Note 6)	**(20)**	–
Exchange differences	**497**	76
At end of the financial year	**37,083**	36,606

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

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

(i) Allocation of goodwill

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

(ii) Key assumptions

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

– Budgeted gross margin

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

– Discount rate

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

(iii) Sensitivity to changes in assumptions

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

Notes to the Financial Statements
– 30 June 2014

17. DEFERRED TAX

	Group	
	2014	**2013**
	RM'000	**RM'000**
At beginning of the financial year	**51,601**	52,171
Recognised in profit or loss (Note 9)	**(1,115)**	(570)
At end of the financial year	**50,486**	51,601
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(2,474)**	(3,058)
Deferred tax liabilities	**52,960**	54,659
	50,486	51,601

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 RM'000	Total RM'000
At 1 July 2013	**144**	**54,614**	**54,758**
Recognised in profit or loss	**6,742**	**(8,423)**	**(1,681)**
At 30 June 2014	**6,886**	**46,191**	**53,077**
At 1 July 2012	188	54,671	54,859
Recognised in profit or loss	(44)	(57)	(101)
At 30 June 2013	144	54,614	54,758

17. DEFERRED TAX (CONT'D.)

Deferred tax assets of the Group:

	Unabsorbed losses in subsidiaries RM'000	Provision and payables RM'000	Total RM'000
At 1 July 2013	**(1,589)**	**(1,568)**	**(3,157)**
Recognised in profit or loss	**(250)**	**816**	**566**
At 30 June 2014	**(1,839)**	**(752)**	**(2,591)**
At 1 July 2012	(114)	(2,574)	(2,688)
Recognised in profit or loss	(1,475)	1,006	(469)
At 30 June 2013	(1,589)	(1,568)	(3,157)

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unused tax losses	**10,460**	5,262	–	–
Unabsorbed capital allowances	**286**	286	–	–
Other deductible temporary differences	**94**	94	**94**	94
	10,840	5,642	**94**	94

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

18. INVENTORIES

	Group	
	2014 RM'000	2013 RM'000
Properties held for sale		
– At cost	**42,681**	127,838
– At net realisable value	**21,366**	21,366
	64,047	149,204

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM87,280,000 (2013: RM36,136,000) as disclosed in Note 4.

Notes to the Financial Statements
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19. PROPERTY DEVELOPMENT COSTS

	Group 2014 RM'000	Group 2013 RM'000
Property development costs at beginning of the financial year:		
Freehold and leasehold land, at cost	**1,122,959**	1,254,370
Development costs	**378,489**	173,590
	1,501,448	1,427,960
Cost incurred during the year:		
Development costs	**207,787**	204,899
Transfer from land held for property development (Note 15):		
Freehold land	**4,725**	–
Development cost	**24,338**	–
	29,063	–
Reversal of development costs for completed projects:		
Leasehold land	–	(131,411)
Costs recognised in profit or loss:		
At beginning of the financial year	**(162,529)**	(196,499)
Recognised during the year (Note 4)	**(128,821)**	(97,441)
Reversal of completed projects	–	131,411
At end of the financial year	**(291,350)**	(162,529)
Exchange differences	**35,343**	5,131
Property development costs at end of the financial year	**1,482,291**	1,344,050

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM29,432,000 (2013: RM30,314,000) as disclosed in Note 5.

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,451,000,000 (2013: RM1,316,000,000) pledged as security for a borrowing granted to the Group as disclosed in Note 28.

Notes to the Financial Statements
– 30 June 2014

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables				
Trade receivables	**20,770**	19,472	–	–
Stakeholder amounts held by solicitors	**1,448**	4,328	–	–
	22,218	23,800	–	–
Other receivables				
Deposits	**2,452**	2,279	**11**	11
Other receivables	**10,730**	9,962	**1,155**	1,229
	13,182	12,241	**1,166**	1,240
Less: Allowance for impairment	**(1,040)**	(1,040)	**(1,000)**	(1,000)
	12,142	11,201	**166**	240
Total trade and other receivables	**34,360**	35,001	**166**	240
Amounts due from:				
– Subsidiaries (Note 22)	–	–	**539,767**	535,517
– Related companies (Note 23)	**259**	456	–	–
– Joint venture (Note 23)	**14,364**	6,610	**14,364**	6,607
Cash and cash equivalents (Note 24)	**95,506**	69,929	**387**	5,856
Total loans and receivables	**144,489**	111,996	**554,684**	548,220

Notes to the Financial Statements
– 30 June 2014

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

(a) Trade receivables

The Group's normal trade credit terms range from 30 days to 90 days (2013: 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:

	2014 RM'000	2013 RM'000
Neither past due nor impaired	**13,929**	20,315
1 to 30 days past due not impaired	**3,493**	36
31 to 60 days past due not impaired	**1,143**	14
61 to 90 days past due not impaired	**23**	418
91 to 120 days past due not impaired	**561**	144
More than 120 days past due not impaired	**3,069**	2,873
	22,218	23,800

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 RM8,289,000 (2013: RM3,485,000) 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 close family members of RM1,245,000 (2013: RM515,000) as disclosed in Note 35.

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

(b) Other receivables that are impaired

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

	Group	
	2014 RM'000	2013 RM'000
Other receivables – nominal amounts	**1,040**	1,040
Less: Allowance for impairment	**(1,040)**	(1,040)
	–	–

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

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amount due from Kuala Lumpur Performing Arts Centre of RM9,100,000 (2013: RM8,200,000) 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.

21. OTHER CURRENT ASSETS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Prepayments	**3,369**	2,503	**1**	1
Accrued billings in respect of property development costs	**85,654**	38,261	–	–
	89,023	40,764	**1**	1

22. AMOUNTS DUE FROM/TO SUBSIDIARIES

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

The amounts due from subsidiaries are stated net of allowances for impairment of RM1,481,000 (2013: RM1,477,000).

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23. AMOUNTS DUE FROM/TO RELATED COMPANIES, IMMEDIATE HOLDING COMPANY AND 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.

An amount of RM86,025,000 (2013: RM39,484,000) due to related companies is trade in nature.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits with licensed banks	**71,727**	50,661	**299**	5,731
Cash and bank balances	**23,779**	19,268	**88**	125
	95,506	69,929	**387**	5,856

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

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Deposits with licensed banks	**1.21**	1.49	**3.02**	3.05

The weighted average maturity of deposits at the reporting date were 13 days (2013: 14 days).

Included in the deposits with licensed banks amounting to RM5,211,000 (2013: RM5,077,000) is pledged as a security for a borrowing as disclosed in Note 28.

Included in cash and bank balances of the Group are amounts of RM22,462,000 (2013: RM9,871,000) 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
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25. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**4,626**	7,144	**–**	–
Other payables	**21,404**	21,181	**18,534**	18,120
Accruals	**6,684**	36,690	**1,264**	1,073
Deposits received	**1,180**	3,404	**–**	–
Total trade and other payables	**33,894**	68,419	**19,798**	19,193
Amounts due to:				
– Immediate holding company (Note 23)	**1,195**	1,054	**296**	306
– Subsidiary (Note 22)	**–**	–	**64,054**	41,305
– Related companies (Note 23)	**86,918**	41,551	**16**	6
Borrowings (Note 28)	**1,426,643**	1,403,397	**129,766**	134,762
Total financial liabilities carried at amortised cost	**1,548,650**	1,514,421	**213,930**	195,572

The normal credit terms granted to the Group range from 30 days to 90 days (2013: 30 days to 90 days).

26. PROVISIONS

Provisions for liquidated ascertained damages:

	Group	
	2014	**2013**
	RM'000	**RM'000**
At beginning of the financial year	**4,288**	4,005
Provision during the year (Note 6)	**–**	287
Reversal of provision (Note 6)	**(3,478)**	–
Utilisation of provision during the year	**(810)**	(4)
At end of the financial year	**–**	4,288

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

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27. OTHER CURRENT LIABILITIES

	Group	
	2014	**2013**
	RM'000	**RM'000**
Progress billings in respect of property development costs	**42,636**	–
Amount due to customer on contract (Note a)	–	5
Accruals for rectification works	**6,439**	8,568
	49,075	8,573

(a) Amount due to customer on contract

	Group	
	2014	**2013**
	RM'000	**RM'000**
Construction costs incurred to date	**533,369**	533,082
Attributable profits	**9,539**	9,534
	542,908	542,616
Less: Progress billings	**(542,908)**	(542,621)
Amount due to customer on contract	–	(5)

28. BORROWINGS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Secured:				
Hire purchase payables (Note 29)	**279**	407	**41**	39
Term loans	**42,510**	–	–	–
Unsecured:				
ICULS (Note 30)	**5,329**	4,958	**5,329**	4,958
Term loans	**40,000**	40,000	–	–
	88,118	45,365	**5,370**	4,997
Non-current				
Secured:				
Hire purchase payables (Note 29)	**453**	302	**32**	73
Term loan (Note a)	**791,652**	774,004	–	–
Unsecured:				
ICULS (Note 30)	**124,364**	129,692	**124,364**	129,692
Term loans	**422,056**	454,034	–	–
	1,338,525	1,358,032	**124,396**	129,765
Total borrowings				
Hire purchase payables (Note 29)	**732**	709	**73**	112
ICULS (Note 30)	**129,693**	134,650	**129,693**	134,650
Term loans	**1,296,218**	1,268,038	–	–
	1,426,643	1,403,397	**129,766**	134,762

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28. 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	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Not later than 1 year	**88,118**	45,365	**5,370**	4,997
Later than 1 year and not later than 2 years	**49,781**	45,511	**9,448**	5,401
Later than 2 years and not later than 5 years	**1,222,590**	1,226,546	**48,795**	38,389
Later than 5 years	**66,154**	85,975	**66,153**	85,975
	1,426,643	1,403,397	**129,766**	134,762

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

	Group		Company	
	2014 %	**2013 %**	**2014 %**	**2013 %**
ICULS	**7.49**	7.49	**7.49**	7.49
Hire purchase	**4.60**	4.68	**4.63**	4.63
Term loans	**2.18**	2.49	**–**	–

29. HIRE PURCHASE PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Future minimum lease payments:				
Not later than 1 year	**305**	431	**43**	43
Later than 1 year and not later than 2 years	**261**	142	**32**	43
Later than 2 years and not later than 5 years	**212**	178	–	33
	778	751	**75**	119
Less: Future finance charges	**(46)**	(42)	**(2)**	(7)
Present value of hire purchase payables (Note 28)	**732**	709	**73**	112
Analysis of present value of hire purchase payables:				
Current				
Not later than 1 year	**279**	407	**41**	39
Non-current				
Later than 1 year and not later than 2 years	**365**	183	**32**	73
Later than 2 years and not later than 5 years	**88**	119	–	–
	453	302	**32**	73
Present value of hire purchase payables	**732**	709	**73**	112

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30. ICULS

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

The salient terms of the ICULS are as follows:-

(i) The ICULS shall bear a coupon rate of 3.0% per annum from date of issue ("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.

30. ICULS (CONT'D.)

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

	Group/Company 2014 RM'000	Group/Company 2013 RM'000
Liability component (Note a)	**129,693**	134,650
Equity component (Note b)	**354,969**	354,969
	484,662	489,619

	2014 RM'000	2013 RM'000
(a) Liability component of ICULS		
Liability component at beginning of the financial year	**134,650**	139,291
Interest expense recognised during the year (Note 5)	**9,920**	10,247
Interest paid during the financial year	**(14,877)**	(14,878)
Conversion of ICULS to ordinary shares	–	(10)
Liability component at end of the financial year	**129,693**	134,650
(b) Equity component of ICULS		
Equity component at beginning of the financial year	**354,969**	355,001
Conversion of ICULS to ordinary shares	–	(32)
Equity component at 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% (2013: 7.49%) per annum for an equivalent non-convertible loan stock to the liability component of the ICULS.

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31. OTHER NON-CURRENT LIABILITY

	Group	
	2014	**2013**
	RM'000	**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 (2013: 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			
	<---------------- 2014 ---------------->		<---------------- 2013 ---------------->	
	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 of the financial year	**844,345**	**422,172**	844,313	422,156
Conversion of ICULS to ordinary shares	**–**	**–**	32	16
At end of the financial year	**844,345**	**422,172**	844,345	422,172

32. SHARE CAPITAL (CONT'D.)

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 alloted 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.

(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).

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32. SHARE CAPITAL (CONT'D.)

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

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the option during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the option can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the option to be exercised at any earlier or other period.

(vi) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion.

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

33. TREASURY SHARES

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

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 26 November 2013, 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 200 ordinary shares of RM0.50 each of its issued share capital from the open market at an average price of RM0.94 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

	Group/Company			
	<---------------- 2014 ---------------->		<---------------- 2013 ---------------->	
	Number of shares '000	RM'000	Number of shares '000	RM'000
At beginning of the financial year	**15,172**	**22,200**	15,172	22,200
Purchase of treasury shares	*	*	*	*
At end of the financial year	**15,172**	**22,200**	15,172	22,200

* Less than 1,000.

34. FOREIGN CURRENCY TRANSLATION RESERVE

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

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2014 RM'000	2013 RM'000
Group		
Related companies:		
Construction costs charged by:		
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**145,603**	59,991
YTL Construction (S) Pte. Ltd.	**66,322**	41,448
Project management and marketing agent fees charged to:		
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	**29,426**	25,020
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	**1,006**	1,084
Advertisement charges paid to:		
Corporate Promotions Sdn. Bhd.	**1,884**	463
Key management personnel and close family members:		
Progress billings for sale of properties	**4,062**	28,085

	2014 RM'000	2013 RM'000
Company		
Related companies:		
Rental charges paid to:		
Katagreen Development Sdn. Bhd.	**1,006**	1,084

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.

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36. COMMITMENTS

Non-cancellable operating lease commitments – Group as lessee

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Future minimum lease payable:				
Not later than 1 year	**1,006**	581	**1,006**	581
Later than 1 year	**581**	–	**581**	–
	1,587	581	**1,587**	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

Sentul Raya Sdn. Bhd. ("SRSB") has contingent liabilities which are not readily ascertainable in the event SRSB fails in its appeal in the Federal Court against the Court of Appeal's order on 12 June 2014 in respect of claims for damages in lieu of specific performance by certain purchasers. SRSB has filed a Notice of Motion on 11 July 2014 for leave to appeal against the Court of Appeal's order. No case management or hearing date has been fixed for the said Notice of Motion.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

Financial instruments that are not carried at fair value and whose carriying 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
Amount due from/(to) subsidiaries	22
Amount due from/(to) related companies, immediate holding company and joint venture	23
Cash and cash equivalents	24
Trade and other payables	25
Borrowings	28

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.

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

Determination of fair value (cont'd.)

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

The fair values of current 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;

– 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 Group as based on the current and past repayment trends of the guaranteed parties, the likelihood of the guaranteed parties defaulting within the guaranteed period were assessed to be remote.

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.

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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.

	2014			
	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	33,894	–	–	33,894
Borrowings	125,359	1,345,457	74,384	1,545,200
Amounts due to:				
– Immediate holding company (Note 23)	1,195	–	–	1,195
– Related companies (Note 23)	86,918	–	–	86,918
Total undiscounted financial liabilities	247,366	1,345,457	74,384	1,667,207
Company				
Trade and other payables	19,798	–	–	19,798
Borrowings	12,440	89,293	74,384	176,117
Amounts due to:				
– Subsidiary (Note 22)	64,054	–	–	64,054
– Immediate holding company (Note 23)	296	–	–	296
– Related companies (Note 23)	16	–	–	16
Total undiscounted financial liabilities	96,604	89,293	74,384	260,281

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

(a) Liquidity risk (cont'd.)

	2013			
	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	68,419	–	–	68,419
Borrowings	84,408	1,377,490	100,418	1,562,316
Amounts due to:				
– Immediate holding company (Note 23)	1,054	–	–	1,054
– Related companies (Note 23)	41,551	–	–	41,551
Total undiscounted financial liabilities	195,432	1,377,490	100,418	1,673,340
Company				
Trade and other payables	19,193	–	–	19,193
Borrowings	12,440	78,179	100,418	191,037
Amounts due to:				
– Subsidiary (Note 22)	41,305	–	–	41,305
– Immediate holding company (Note 23)	306	–	–	306
– Related companies (Note 23)	6	–	–	6
Total undiscounted financial liabilities	73,250	78,179	100,418	251,847

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

(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 RM1,345,347,000 (2013: RM1,417,570,000) relating to corporate guarantees provided by the Company to financial institutions for credit facilities granted to subsidiaries.

(i) Trade and other receivables

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

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

(ii) Inter-company balances

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

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

(c) Interest rate risk

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

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

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

Sensitivity analysis for interest rate risk

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

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

(d) Foreign currency risk

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

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

Sensitivity analysis for foreign currency risk

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

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 maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend policy to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Borrowings (Note 28)	**1,426,643**	1,403,397	**129,766**	134,762
Trade and other payables (Note 26)	**33,894**	68,419	**19,798**	19,193
Amounts due to:				
– Subsidiary (Note 22)	**–**	–	**64,054**	41,305
– Immediate holding company (Note 23)	**1,195**	1,054	**296**	306
– Related companies (Note 23)	**86,918**	41,551	**16**	6
Less: Cash and cash equivalents (Note 24)	**(95,506)**	(69,929)	**(387)**	(5,856)
Net debt	**1,453,144**	1,444,492	**213,543**	189,716
Equity attributable to owners of the parent	**1,006,998**	978,481	**912,500**	925,260
Capital and net debt	**2,460,142**	2,422,973	**1,126,043**	1,114,976
Gearing ratio (%)	**59**	60	**19**	17

The Group and the subsidiaries are not subject to any externally imposed capital requirements for the financial years ended 30 June 2014 and 30 June 2013.

Notes to the Financial Statements
– 30 June 2014

41. SEGMENT INFORMATION

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

	Revenue		Non-current assets	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	**200,781**	152,799	**932,789**	953,280
Singapore	**84,595**	31,924	**98**	153
	285,376	184,723	**932,887**	953,433

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

	2014 RM'000	2013 RM'000
Property, plant and equipment	**37,041**	34,789
Investment property	**32,900**	32,900
Land held for property development	**862,946**	885,744
	932,887	953,433

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 2014 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	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
– Realised	**325,961**	297,915	**(19,912)**	(7,152)
– Unrealised	**153,074**	149,367	**–**	–
	479,035	447,282	**(19,912)**	(7,152)
Total share of accumulated losses from joint venture				
– Realised	**(492)**	(410)	**–**	–
Less: Consolidation adjustments	**(413,755)**	(405,866)	**–**	–
Total retained earnings/(accumulated losses)	**64,788**	41,006	**(19,912)**	(7,152)

NOTES

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 74th Annual General Meeting of the Company to be held at The Banquet Hall, Level 3, Conference Center, The Ritz Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 25 November 2014 at 11.00 a.m. and at any adjournment thereof.

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

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

Number of shares held

Signed this ____________ day of ______________ 2014 Signature ______________________

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Notes:

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 18 November 2014. Only a depositor whose name appears on the General Meeting Record of Depositors as at 18 November 2014 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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AFFIX
STAMP

THE COMPANY SECRETARY
YTL LAND & DEVELOPMENT BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

First fold here

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