



YTL  
E-SOLUTIONS  
BERHAD 236137-K

the journey continues...



Y T L B E Y O N D 6 0

annual report 2015





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YTL  
E-SOLUTIONS  
BERHAD (23137-K)



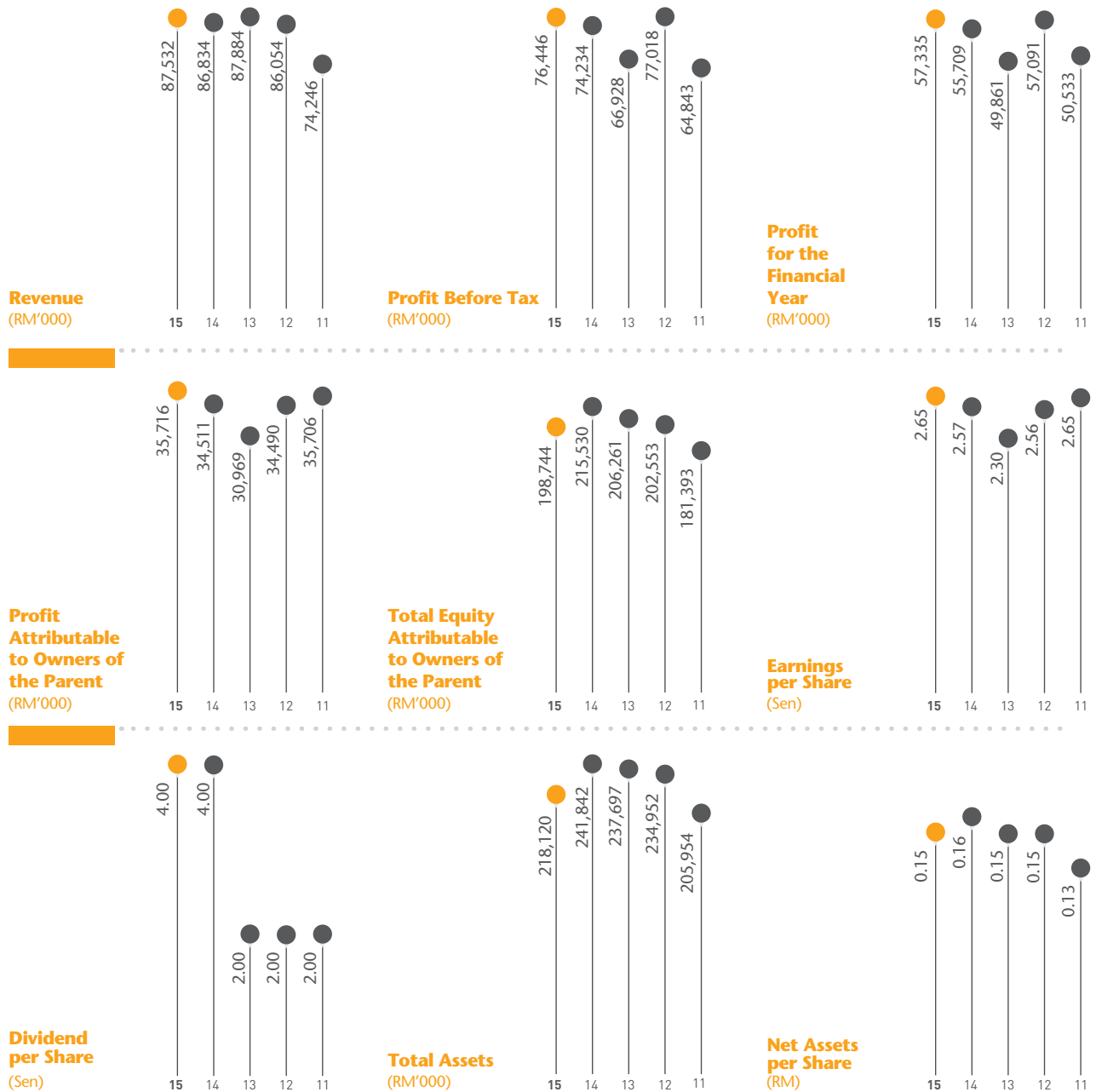




## Financial Highlights

	2015	2014	2013	2012	2011
Revenue (RM'000)	87,532	86,834	87,884	86,054	74,246
Profit Before Tax (RM'000)	76,446	74,234	66,928	77,018	64,843
Profit for the Financial Year (RM'000)	57,335	55,709	49,861	57,091	50,533
Profit Attributable to Owners of the Parent (RM'000)	35,716	34,511	30,969	34,490	35,706
Total Equity Attributable to Owners of the Parent (RM'000)	198,744	215,530	206,261	202,553	181,393
Earnings per Share (Sen)	2.65	2.57	2.30	2.56	2.65
Dividend per Share (Sen)	4.00	4.00	2.00	2.00	2.00
Total Assets (RM'000)	218,120	241,842	237,697	234,952	205,954
Net Assets per Share (RM)	0.15	0.16	0.15	0.15	0.13

## Financial Highlights



## Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS OF YTL E-SOLUTIONS BERHAD ("YTL E-SOLUTIONS" 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 2015.

**TAN SRI DATO' (DR) FRANCIS YEOH  
SOCK PING, CBE, FICE**  
Executive Chairman & Managing Director

### OVERVIEW

The Group performed steadily for the financial year under review, supported mainly by steady income generated from the license of its 2.3 gigahertz (GHz) Worldwide Interoperability for Microwave Access (WiMAX) spectrum and digital media advertising sales in the content and digital media division.

The Malaysian economy grew at a stronger pace, registering gross domestic product (GDP) growth of 6.0% for the 2014 calendar year, compared to 4.7% in 2013, driven primarily by domestic demand and supported by an improvement in external trade performance. The economy grew by 5.6% for the first quarter of the 2015 calendar year prior to the implementation of the new Goods and Services Tax (GST) regime on 1 April 2015, moderating to 4.9% in the second quarter. Growth of the information and communications sub-sector remained strong at 9.6% for the first quarter and 9.3% for the second quarter of the 2015 calendar year, led by demand for mobile internet services, particularly higher data requirements (*sources: Ministry of Finance, Bank Negara Malaysia updates & reports*).

### FINANCIAL PERFORMANCE

The Group achieved revenue of RM87.5 million for the financial year ended 30 June 2015, increasing marginally compared to RM86.8 million for the previous financial year ended 30 June 2014, whilst profit for the financial year increased to RM57.3 million this year over RM55.7 million last year.

Revenue derived from the Group's spectrum sharing agreement was largely unchanged, whilst the increase in profit was contributed mainly by the content and digital media segment and higher interest income earned on cash deposits during the financial year under review.

YTL e-Solutions declared an interim dividend in respect of the financial year ended 30 June 2015 of 4.0 sen or 40% per ordinary share of 10.0 sen each. Therefore, the Board of Directors of YTL e-Solutions did not recommend a final dividend for the financial year under review.



## Chairman's Statement



### REVIEW OF OPERATIONS

The Group continued to see steady earnings from the licence of its WiMAX spectrum. The spectrum is owned by Y-Max Networks Sdn Bhd, a subsidiary of the Group, and is leased to YTL Communication Sdn Bhd ("YTL Comms"), a subsidiary of YTL Power International Berhad. YTL Comms, which operates the "Yes" brand name, continued to expand its network coverage and saw good growth of its subscriber base during the year.

In the content and digital media division, YTL Info Screen Sdn Bhd ("YTLIS"), a wholly owned subsidiary of the Group, delivered a very good performance for the financial year, attracting many renowned brand names, despite a challenging advertising market both immediately before, and after, the introduction of GST. Advertisers during the year included HSBC, Shell, GE, Mastercard, Casio, Nescafe, Cathay Pacific, Swatch, Air Asia, Ford, Timberland, Manulife, Tissot and Honda, as well as many leading local brands.

YTLIS is an end-to-end Out of Home (OOH) digital media solutions provider and OOH digital network owner and operator. It creates content and delivers advertising on its digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, the iconic digital

"cube" fronting Lot 10 shopping centre and a large LED screen adjacent to the centre's main entrance, digital networks in other retail and commercial areas such as Starhill Gallery and near the Selangor Turf Club in the Mines area of Selangor, and on the Kuala Lumpur Express Rail Link (KLIA Ekspres and Transit) trains, including the service operating between Kuala Lumpur International Airport (KLIA) and the KLIA2 low-cost carrier terminal.

During the year, YTLIS also completed installation of 12 portrait-style digital poster boards on the train station platforms located at KLIA and KL Sentral, to further exploit the significantly higher passenger numbers utilising the KLIA Ekspres service to and from KLIA following the opening of the new KLIA2 terminal. YTLIS' production and content sales activities also continued to grow, despite weaker economic conditions after the implementation of GST.

### 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 e-Solutions places a high priority on acting responsibly in the conduct of its business. The Group is part of the wider network of the YTL group of companies under the umbrella of its parent company, YTL Corporation Berhad, which has a long-standing commitment to creating successful, profitable and sustainable businesses. Further details can be found in the YTL Group Sustainability Report 2015, issued as a separate report.

Meanwhile, the Group's Statement on Corporate Governance, Risk Management and Internal Control, which elaborates 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 2015 calendar year expected to average between 4.5% and 5.5%, supported mainly by domestic demand and a resilient export sector (*sources: Ministry of Finance, Bank Negara Malaysia updates*).

The Group will continue to focus on bolstering its content and digital media segment operations, with fee income earned from its WiMAX spectrum ownership providing an ongoing, stable income stream.

As the Group embarks on another year, the Board of Directors of YTL e-Solutions wishes to take this opportunity 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.

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

PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP



## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third Annual General Meeting of YTL e-Solutions Berhad (“the Company”) will be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 24th day of November, 2015 at 12.30 p.m. to transact the following business:-

### AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2015 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 83 of the Company’s Articles of Association:-
  - (i) Dato’ Ahmad Fuaad Bin Mohd Dahalan *Resolution 1*
  - (ii) Dato’ Cheong Keap Tai *Resolution 2*
  - (iii) Yeoh Keong Yeow *Resolution 3*
3. To consider and if thought fit, pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act, 1965:-

“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*
4. To approve the payment of Directors’ fees amounting to RM460,000 for the financial year ended 30 June 2015; *Resolution 5*
5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. *Resolution 6*

### AS SPECIAL BUSINESS

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

#### Ordinary Resolutions:-

#### 6. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

“THAT subject to passing of the Ordinary Resolution 2, 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 7*



## Notice of Annual General Meeting

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

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

*Resolution 8*

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

“THAT subject to the Company’s compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company’s Memorandum and Articles of Association and the Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“ACE LR”) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.10 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 shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 25 November 2014, 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 2015, the audited Retained Profits and Share Premium Account of the Company were RM54,493,000 and RM1,475,000 respectively; and



## Notice of Annual General Meeting

- (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 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 ACE LR and all other relevant governmental/regulatory authorities."

**Resolution 9**

### **9. PROPOSED RENEWAL OF 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 of the Circular to Shareholders dated 2 November 2015 subject to the following:-

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

## Notice of Annual General Meeting

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 10*

By Order of the Board,

**Ho Say Keng**  
Company Secretary

Kuala Lumpur  
2 November 2015



## Notice of Annual General Meeting

### Notes:-

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominees 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. The original 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 59(ii) 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 17 November 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 17 November 2015 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

### Explanatory Note A

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

### Explanatory Notes to Special Business

#### Resolution on the Continuing in Office as Independent Non-Executive Director

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolution 7 is to enable Dato' Cheong Keap Tai to continue serving as an Independent Director of the Company to fulfil the requirements of Rule 3.08 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements. The justifications of the Board of Directors for recommending and supporting the resolution for his continuing in office as an Independent Director are set out in the Nominating Committee Statement which is available under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.com).

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

Resolution 8 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 Twenty-Second Annual General Meeting held on 25 November 2014 ("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 Twenty-Third Annual General Meeting to be held on 24 November 2015.

Resolution 8, 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 9, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 2 November 2015 which is despatched together with the Company's Annual Report 2015.

#### Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 10, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 2 November 2015 which is despatched together with the Company's Annual Report 2015.



## Statement Accompanying Notice of Annual General Meeting

(Pursuant to Rule 8.29(2) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements)

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

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

### 2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH RULE 6.04(3) OF BURSA MALAYSIA SECURITIES BERHAD ACE MARKET LISTING REQUIREMENTS

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



## Corporate Information

### BOARD OF DIRECTORS

#### *Executive Chairman and 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' Sri Michael Yeoh Sock Siong**  
DIMP, SSAP  
BE (Hons) Civil & Structural Engineering, FFB

**Dato' Ahmad Fuaad Bin Mohd Dahalan**  
ABS, DIMP, SIMP  
BA (Hons)

**Syed Abdullah Bin Syed Abd. Kadir**  
BSc (Engineering Production), BCom (Economics)

**Amarjit Singh Chhina**

**Mohamad Zaid Bin Mohamed Zainal Abidin**  
BE (Hons) Automotive Engineering

**Yeoh Keong Yeow**  
MEng (Electrical & Electronic Engineering with Management)

### 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

Level 3, Annexe Block  
Lot 10 Shopping Centre  
50 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel : 603 2330 2700  
Fax : 603 2330 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

Dorairaj Low & Teh  
Lee, Perara & Tan

### AUDIT COMMITTEE

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

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

**Dato' Ahmad Fuaad Bin Mohd Dahalan**  
(Independent Non-Executive Director)

### NOMINATING COMMITTEE

**Dato' Ahmad Fuaad Bin Mohd Dahalan**  
(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)

### AUDITORS

**HLB Ler Lum (AF 0276)**  
Chartered Accountants  
(A member of HLB International)

### PRINCIPAL BANKER OF THE GROUP

CIMB Bank Berhad

### STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
ACE Market (2.7.2002)

## Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 1965 ("the Act") and the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("Listing Requirements") to prepare 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 2015, 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, Malaysian Financial Reporting Standards and International Financial Reporting Standards.



## Statement on Corporate Governance, Risk Management & Internal Control

for the financial year ended 30 June 2015

The Board of Directors (“Board”) of YTL e-Solutions Berhad (“YTL e-Solutions” or “Company”) remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries (“YTL e-Solutions Group”). Good corporate governance is a fundamental part of the Board’s responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL e-Solutions Group, whilst taking into account the interests of all stakeholders.

In implementing its governance system and ensuring compliance with the ACE 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 2015. 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 e-Solutions 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 e-Solutions Group’s operations. This broad spectrum of skills and experience ensures the YTL e-Solutions 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 e-Solutions Group. Key elements of the Board’s stewardship responsibilities include those set out in Code:

- Reviewing and adopting strategic plans for the YTL e-Solutions Group;
- Overseeing the conduct of the YTL e-Solutions Group’s business operations and financial performance;
- Identifying principal risks affecting the YTL e-Solutions 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 e-Solutions 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 e-Solutions 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 e-Solutions 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 e-Solutions 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 e-Solutions 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.

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



## Statement on Corporate Governance, Risk Management & Internal Control

for the financial year ended 30 June 2015

The Board's functions are governed and regulated by the Memorandum and Articles of Association of the Company and the various applicable legislation, Listing Requirements and other regulations and codes. The Board's charter was formalised during the financial year ended 30 June 2014 and a copy can be found under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.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 e-Solutions 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 2015.

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 e-Solutions 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 e-Solutions 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 9 Directors, comprising 5 executive members and 4 non-executive members, 3 of whom are independent. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent.

In accordance with the Company's Articles of Association, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments. Directors who are over seventy years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129 of the Companies Act 1965. The names of Directors seeking re-election at the forthcoming AGM are disclosed in the *Notice of Annual General Meeting* in this Annual Report and their details can be found in the *Profile of the Board of Directors* which is available under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.com).

The Nominating Committee, which was established by the Board on 23 May 2013, is now responsible for assessing suitable candidates for appointment to the Board for approval, taking into account the required mix of skills, experience and expertise of members of the Board before submitting its recommendation to the Board for decision. Further information on the activities of the Nominating Committee can be found in the *Nominating Committee Statement* which is available under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.com).



## Statement on Corporate Governance, Risk Management & Internal Control

for the financial year ended 30 June 2015

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 e-Solutions Group successfully. In general, the remuneration of the Directors is reviewed against the performance of the individual and the YTL e-Solutions 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 5* 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 e-Solutions Group's standards of corporate governance.

Due to the strong independent component of the Board, the roles of the Managing Director and Chairman have not been divided, and both functions continue to be exercised by the same person. He is primarily responsible for the orderly conduct and effectiveness of the Board, 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 e-Solutions Group thereby enabling them to discharge their duties effectively. The details of each Director's attendance of Board meetings and training programmes attended during the year under review are disclosed in the *Profile of the Board of Directors* and the *Nominating Committee Statement* which are available under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.com).

### CORPORATE DISCLOSURE & COMMUNICATION WITH SHAREHOLDERS

The YTL e-Solutions 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 e-Solutions 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.ytlesolutions.com](http://www.ytlesolutions.com) and the YTL Corporation Berhad Group's community website at [www.ytlcommunity.com](http://www.ytlcommunity.com), in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL e-Solutions Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the YTL e-Solutions Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL e-Solutions 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 e-Solutions Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

## Statement on Corporate Governance, Risk Management & Internal Control

for the financial year ended 30 June 2015

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 e-Solutions Group, the resolutions being proposed and the business of the YTL e-Solutions 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 e-Solutions 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 e-Solutions 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 e-Solutions 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 22nd AGM of the Company, held on 25 November 2014, 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.

### 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 e-Solutions 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 2015. 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* which is available under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.com).

The Audit Committee has established formal and professional arrangements for maintaining an appropriate relationship with the Company's external auditors, Messrs HLB Ler Lum. 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 & INTERNAL CONTROL

During the year under review, YTL e-Solutions continued to enhance its system of internal control and risk management. The Board is responsible for maintaining a sound system of risk management and internal control to safeguard shareholders' investments and the YTL e-Solutions Group's assets, 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 e-Solutions Group's system of risk management and internal control is a concerted and continuing process, designed 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.



## Statement on Corporate Governance, Risk Management & Internal Control

for the financial year ended 30 June 2015

The YTL e-Solutions Group's operations are subject to a variety of financial risks, including interest rate risk, credit risk, liquidity risk and foreign currency risk, and its financial risk management policy seeks to ensure that adequate resources are available for the development of the YTL e-Solutions Group's businesses whilst managing these risks. Further discussion and details on the YTL e-Solutions Group's financial risk management is contained in **Note 33** in the **Notes to the Financial Statements** in this Annual Report.

The Board believes that the YTL e-Solutions Group's system of risk management and internal control, financial or otherwise, are adequate to provide reasonable assurance regarding the achievement of the YTL e-Solutions Group's objectives in ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

The YTL e-Solutions Group's internal audit function is carried out by the Internal Audit department within the YTL Corporation Berhad Group ("YTLIA"), which reports directly to the Audit Committee. YTLIA provides assurance on the efficiency and effectiveness of the internal control systems implemented by management, and report directly to the Audit Committee. A description of the activities of the internal audit function can be found in the **Audit Committee Report** which is available under the "Governance" section on the Company's website at [www.ytlesolutions.com](http://www.ytlesolutions.com).

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 internal control weaknesses or issues identified during this review 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 principal features of the YTL e-Solutions Group's system of internal control can be summarised as follows:-

- Definition of authorisation procedures and a clear line of accountability, with strict authorisation, responsibility levels, approval and control procedures within which senior management operates;
- Delegation of 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 authorised limits is reserved for decision by the Board;
- 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 e-Solutions Group's state of affairs are disclosed to shareholders after review and audit by the external auditors; and
- Monitoring of compliance with internal financial controls through management reviews and reports which are internally reviewed by key personnel. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies.

### CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the YTL e-Solutions 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 e-Solutions Group's operations and that risks are at an acceptable level throughout its businesses. The Executive Chairman and Managing Director, who is also primarily responsible for the financial management of YTL e-Solutions, has provided assurance to the Board that the YTL e-Solutions 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 e-Solutions Group's assets.

This statement was approved by the Board of Directors on 20 August 2015.



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

for the financial year ended 30 June 2015

At the last Annual General Meeting of YTL e-Solutions Berhad (“YTL e-Solutions”) held on 25 November 2014, YTL e-Solutions had obtained a mandate from its shareholders to allow YTL e-Solutions and/or its subsidiaries (“YTL e-Solutions 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 e-Solutions Group (“Recurrent Related Party Transactions”).

In accordance with Rule 10.09(2)(b) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“ACE LR”), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2015 pursuant to the said shareholder mandate are as follows:-

### Companies in the YTL e-Solutions Group involved in the Recurrent Related Party Transactions

Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
YTL e-Solutions, YTL Info Screen Sdn Bhd	Provision of I.T. hardware and/or software, Information, Communications & Technology (“I.C.T.”) system development and/or maintenance and related services to Related Party;	YTLSh <sup>(a)</sup>	^Major Shareholder/ †Person Connected <sup>(1)</sup>	8,228.5
	Provision of graphic design and/or digital imaging services, info screen advertising and related services to Related Party;	YTL Corporation <sup>(b)</sup>	^Major Shareholder/ †Person Connected <sup>(2)</sup>	
	Provision of advertising and promotion space by Related Party;	Tan Sri Yeoh Tiong Lay <sup>(c)</sup>	^Major Shareholder/ †Person Connected <sup>(1)(2)(3)(5)(6)</sup>	
	Provision of parking facilities by Related Party;			
	Procurement of conference room, hotel accommodation and/or related facilities from Related Party;	Yeoh Directors <sup>(d)</sup>	Directors <sup>(1)(2)(3)(4)(5)(6)</sup>	
Renting of premises located at Level 3, Annexe Block, Lot 10 Shopping Centre, Jalan Sultan Ismail, 50250 Kuala Lumpur and procurement of other related services from Related Party.	Other Yeoh Family <sup>(e)</sup>	†Person Connected <sup>(5)(6)</sup>		



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

for the financial year ended 30 June 2015

### Footnotes:-

- |     |                        |   |  |
|-----|------------------------|---|--|
| (a) | YTLSH                  | - | Yeoh Tiong Lay & Sons Holdings Sdn Bhd   |
| (b) | YTL Corporation        | - | YTL Corporation Berhad   |
| (c) | Tan Sri Yeoh Tiong Lay | - | Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay   |
| (d) | Yeoh Directors         | - | Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Sri Michael Yeoh Sock Siong (collectively, the "Yeoh Siblings") & Yeoh Keong Yeow.  |
| (e) | Other Yeoh Family      | - | Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Yeoh Soo Keng, Dato' Mark Yeoh Seok Kah, Datin Lim Lee Lee, Dato' Tan Kim Kuan, Datin Kathleen Chew Wai Lin, Datin Sri Tan Siew Bee, Dato' Choy Wai Hin and Datin Julie Teh Chooi Gan. |
| (f) | YTL Corporation Group  | - | YTL Corporation and its subsidiaries and associated companies (excluding YTL e-Solutions, YTL Power International Berhad, YTL Land & Development Berhad and their subsidiaries and associated companies).  |
| ^   | Major Shareholder      | - | As defined in Rule 1.01 of the ACE LR and for purpose of this disclosure, includes the definition set out in Chapter 10 of the ACE LR.   |
| †   | Person Connected       | - | As defined in Rule 1.01 of the ACE LR.   |

### Notes:-

- (1) YTLSH is a Major Shareholder of YTL e-Solutions 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 e-Solutions Group and the subsidiaries and associated companies of YTL Corporation. 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 YTL e-Solutions Group, YTLSH and YTL Corporation Group. Tan Sri Yeoh Tiong Lay is a Person Connected with the Yeoh Siblings.
- (4) Yeoh Keong Yeow is the son of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping. He is also a director of a subsidiary of YTL Corporation.
- (5) The Other Yeoh Family are Persons Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.
- (6) Tan Sri Yeoh Tiong Lay, the Yeoh Siblings and Other Yeoh Family had interests in the ordinary shares of YTL Corporation as at 30 June 2015. Tan Sri Yeoh Tiong Lay, the Yeoh Siblings, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah are also Directors of YTL Corporation.

## Analysis of Shareholdings

as at 22 September 2015

Class of shares : Ordinary Shares of RM0.10 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 Unitholders	%	No. of Shares#	%#
Less than 100	906	8.47	12,127	0.00
100 – 1,000	2,259	21.11	1,679,558	0.13
1,001 – 10,000	5,107	47.74	25,838,129	1.92
10,001 – 100,000	2,153	20.12	68,064,936	5.06
100,001 to less than 5% of issued shares	272	2.54	170,336,250	12.66
5% and above of issued shares	2	0.02	1,079,394,000	80.23
<b>Total</b>	<b>10,699</b>	<b>100.00</b>	<b>1,345,325,000</b>	<b>100.00</b>

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

Name	No. of Shares	%#
1 YTL Corporation Berhad	995,000,000	73.96
2 DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank AG Singapore (PWM Asing)	84,394,000	6.27
3 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Velvet Properties Limited	26,737,000	1.99
4 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Orchestral Harmony Limited	17,622,000	1.31
5 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Water City Limited	16,322,000	1.21
6 HSBC Nominees (Asing) Sdn Bhd – Exempt An for J.P. Morgan Bank Luxembourg S.A (JPM INTL BK Ltd)	9,686,000	0.72
7 UOB Kay Hian Nominees (Asing) Sdn Bhd – Exempt An for UOB Kay Hian Pte Ltd (A/c Clients)	7,645,000	0.57
8 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Windchime Developments Limited	7,174,000	0.53
9 Eagletron Venture Corp.	4,389,000	0.33
10 Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	3,210,800	0.24
11 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,064,300	0.15
12 YTL Corporation Berhad	1,944,400	0.14
13 Datin Sri Tan Siew Bee	1,905,500	0.14
14 Tan Eng @ Tan Chin Huat	1,870,000	0.14
15 Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wang Choon Seang	1,840,000	0.14



## Analysis of Shareholdings

as at 22 September 2015

Name	No. of Shares	%#
16 Lim Boon Liat	1,742,000	0.13
17 Richard Mah Foo Kheong	1,400,000	0.10
18 Law Chin Wat	1,300,000	0.10
19 Cimsec Nominees (Tempatan) Sdn Bhd – CIMB for Lim Ka Kian (PB)	1,250,000	0.09
20 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wang Choon Seang (E-TMR)	1,238,000	0.09
21 Tan & Yeoh Properties Sdn Bhd	1,053,800	0.08
22 Phua Sing Lai	1,041,500	0.08
23 Citigroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yong Ah Huat ( 470432)	918,700	0.07
24 Maybank Securities Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lim Chee Sing (R01-MARGIN)	844,400	0.06
25 Ang Hen Hing	826,600	0.06
26 UOBM Nominees (Tempatan) Sdn Bhd – United Overseas Bank Nominees (Pte) Ltd for Annie Loo Yean Lay	815,000	0.06
27 Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	747,100	0.06
28 Heah Gaik Kooi	690,000	0.05
29 Cimsec Nominees (Tempatan) Sdn Bhd – RHB Securities Singapore Pte Ltd for Yeap Lean Seng Sdn Bhd	689,000	0.05
30 Chia Siew Fung	661,000	0.05
<b>Total</b>	<b>1,197,021,100</b>	<b>88.97</b>

### SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	Direct	No. of Shares Held		%#
		%#	Indirect	
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,081,700	0.15	997,090,300(1)	74.12
YTL Corporation Berhad	997,090,300	74.12	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	999,172,000(2)	74.27

(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.

# Based on the issued and paid-up share capital of the Company of RM135,000,000.00 comprising 1,350,000,000 ordinary shares net of 4,675,000 treasury shares retained by the Company as per Record of Depositors.



## Statement of Directors' Interests

in the Company and related corporations as at 22 September 2015

### THE COMPANY

#### YTL e-Solutions Berhad

Name	Direct	No. of Shares Held		%
		%	Indirect	
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500 <sup>#</sup>	0.14
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–
Amarjit Singh Chhina	100,000	0.01	–	–
Mohamad Zaid Bin Mohamed Zainal Abidin	110,000	0.01	–	–

### HOLDING COMPANY

#### YTL Corporation Berhad

Name	Direct	No. of Shares Held		%
		%	Indirect	
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.28	–	–
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.51	19,332,622 <sup>#</sup>	0.19
Syed Abdullah Bin Syed Abd Kadir	9,304,133	0.09	19,642 <sup>#</sup>	*
Amarjit Singh Chhina	160,000	*	–	–
Mohamad Zaid Bin Mohamed Zainal Abidin	31,129	*	–	–

Name	No. of Share Options	
	Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	1,500,000 <sup>#</sup>
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–
Syed Abdullah Bin Syed Abd Kadir	1,000,000	–
Mohamad Zaid Bin Mohamed Zainal Abidin	50,000	–
Yeoh Keong Yeow	500,000	–

### ULTIMATE HOLDING COMPANY

#### Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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



## Statement of Directors' Interests

in the Company and related corporations as at 22 September 2015

### RELATED CORPORATIONS

#### YTL Land & Development Berhad

Name	Direct	No. of Shares Held		%
		%	Indirect	
Mohamad Zaid Bin Mohamed Zainal Abidin	5,128	*	–	–

Name	Direct	No. of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 Held		%
		%	Indirect	
Mohamad Zaid Bin Mohamed Zainal Abidin	3,076	*	–	–

#### YTL Power International Berhad

Name	Direct	No. of Shares Held		%	No. of Share Options
		%	Indirect		Direct
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,719,213	0.21	89,000 <sup>#</sup>	*	7,000,000
Dato' Sri Michael Yeoh Sock Siong	14,055,133	0.20	2,658,052 <sup>#</sup>	0.04	5,000,000
Syed Abdullah Bin Syed Abd Kadir	2,381,613	0.03	550 <sup>#</sup>	*	3,000,000
Mohamad Zaid Bin Mohamed Zainal Abidin	2,966	*	–	–	–

Name	Direct	No. of Warrants 2008/2018 Held		%
		%	Indirect	
Mohamad Zaid Bin Mohamed Zainal Abidin	3,200	*	–	–

#### YTL Corporation (UK) PLC

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

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

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

## Statement of Directors' Interests

in the Company and related corporations as at 22 September 2015

### RELATED CORPORATIONS (CONTINUED)

#### YTL Construction (Thailand) Limited

Name	No. of Shares Held	
	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	0.01
Dato' Sri Michael Yeoh Sock Siong	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	*

\* Negligible

# 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 had any interest in shares of the company or its related corporations.



## Schedule of Share Buy-Back

for the financial year ended 30 June 2015

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)		Average Cost Per Share (RM)	Total Cost (RM)
		Lowest	Highest		
September 2014	1,000	0.635	0.635	0.6762	676.20
February 2015	1,000	0.550	0.550	0.5912	591.17
<b>TOTAL</b>	<b>2,000</b>				<b>1,267.37</b>

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2015, a total of 4,674,900 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

## Financial Statements

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## 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 2015.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision and maintenance of information technology hardware and software systems, network and internet connectivity infrastructure, web hosting services, content development, provision of e-commerce systems, hardware sales and other related 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 principal activities during the financial year.

### RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	57,335	48,987
Attributable to:-		
Owners of the parent	35,716	48,987
Non-controlling interests	21,619	–
	57,335	48,987

### DIVIDENDS

The amount of dividend paid by the Company since the end of last financial year was as follows:-

	RM'000
In respect of the financial year ended 30 June 2014:-	
An interim single tier dividend of 40% or 4 sen per ordinary share of 10 sen each, paid on 14 November 2014	53,813

An interim single tier dividend of 40% or 4 sen per ordinary share of 10 sen each has been declared for payment on 23 October 2015 for the financial year ended 30 June 2015.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2015.

## RESERVES AND PROVISIONS

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

## SHARE CAPITAL

### Treasury shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 25 November 2014. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

Details of treasury shares are set out in Note 23 to the financial statements.

## EMPLOYEES SHARE OPTIONS 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 21 to the financial statements.

As at the date of this report, no option has been granted under the ESOS.

## DIRECTORS

The Directors who served on the Board of the Company since the date of the last Report are:-

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’ Ahmad Fuaad Bin Mohd Dahalan  
Dato’ Sri Michael Yeoh Sock Siong  
Syed Abdullah Bin Syed Abd. Kadir  
Amarjit Singh Chhina  
Mohamad Zaid Bin Mohamed Zainal Abidin  
Yeoh Keong Yeow

## Directors' Report

### DIRECTORS' INTERESTS

The Directors of the Company who held office at the end of the financial year had, according to the register 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

##### – YTL e-Solutions Berhad

	← Number of ordinary shares of RM0.10 each →			
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	300,000
Amarjit Singh Chhina	100,000	–	–	100,000
Mohamad Zaid Bin Mohamed Zainal Abidin	110,000	–	–	110,000
<i>Deemed interests</i>				
Dato' Sri Michael Yeoh Sock Siong	1,905,500 <sup>(1)</sup>	–	–	1,905,500 <sup>(1)</sup>

#### Holding company

##### – YTL Corporation Berhad

	← Number of ordinary shares of RM0.10 each →			
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	–	–	133,001,216
Dato' Sri Michael Yeoh Sock Siong	53,652,534	–	–	53,652,534
Syed Abdullah Bin Syed Abd. Kadir	9,304,133	–	–	9,304,133
Amarjit Singh Chhina	160,000	–	–	160,000
Mohamad Zaid Bin Mohamed Zainal Abidin	31,129	–	–	31,129
<i>Deemed interests</i>				
Dato' Sri Michael Yeoh Sock Siong	19,332,622 <sup>(1)</sup>	–	–	19,332,622 <sup>(1)</sup>
Syed Abdullah Bin Syed Abd. Kadir	19,642 <sup>(1)</sup>	–	–	19,642 <sup>(1)</sup>

## DIRECTORS' INTERESTS (CONTINUED)

### Holding company (continued)

#### – YTL Corporation Berhad (continued)

	Number of share options over ordinary shares of RM0.10 each			Balance at 30.6.2015
	Balance at 1.7.2014	Granted	Exercised	
<i>Direct interests</i>				
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' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	–	–	1,000,000
Mohamad Zaid Bin Mohamed Zainal Abidin	50,000	–	–	50,000
Yeoh Keong Yeow	500,000	–	–	500,000
<i>Deemed interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,500,000 <sup>(1)</sup>	–	–	1,500,000 <sup>(1)</sup>

### Ultimate holding company

#### – Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000

### Related companies

#### – YTL Power International Berhad

	Number of ordinary shares of RM0.50 each			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	992,291	13,726,922	–	14,719,213
Dato' Sri Michael Yeoh Sock Siong	7,981,831	6,073,302	–	14,055,133
Syed Abdullah Bin Syed Abd. Kadir	2,381,613	–	–	2,381,613
Mohamad Zaid Bin Mohamed Zainal Abidin	2,966	–	–	2,966
<i>Deemed interests</i>				
Dato' Sri Michael Yeoh Sock Siong	1,070,255 <sup>(1)</sup>	1,587,797	–	2,658,052 <sup>(1)</sup>
Syed Abdullah Bin Syed Abd. Kadir	550 <sup>(1)</sup>	–	–	550 <sup>(1)</sup>

## Directors' Report

### DIRECTORS' INTERESTS (CONTINUED)

#### Related companies (continued)

##### – YTL Power International Berhad (continued)

	← Number of Warrants 2008/2018 →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Exercised/ Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	–	(13,726,922)	–
Dato' Sri Michael Yeoh Sock Siong	6,073,302	–	(6,073,302)	–
Mohamad Zaid Bin Mohamed Zainal Abidin	3,200	–	–	3,200
<i>Deemed interests</i>				
Dato' Sri Michael Yeoh Sock Siong	1,587,797 <sup>(1)</sup>	–	(1,587,797)	–

	← Number of share options over ordinary shares of RM0.50 each →			Balance at 30.6.2015
	Balance at 1.7.2014	Granted	Exercised	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	7,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	–	–	3,000,000

##### – YTL Land & Development Berhad

	← Number of ordinary shares of RM0.50 each →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Mohamad Zaid Bin Mohamed Zainal Abidin	5,128	–	–	5,128

	← Number of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Converted/ Disposed	
<i>Direct interests</i>				
Mohamad Zaid Bin Mohamed Zainal Abidin	3,076	–	–	3,076



## DIRECTORS' INTERESTS (CONTINUED)

### Related companies (continued)

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

	← Number of ordinary shares of RM1.00 each →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

### Related corporations

– YTL Corporation (UK) PLC <sup>^</sup>

	← Number of ordinary shares of £0.25 each →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

<sup>^</sup> Incorporated in England & Wales

– Samui Hotel 2 Co., Ltd<sup>+</sup>

	← Number of ordinary shares of THB10 each →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

– YTL Construction (Thailand) Limited<sup>+</sup>

	← Number of ordinary shares of THB100 each →			Balance at 30.6.2015
	Balance at 1.7.2014	Acquired	Disposed	
<i>Direct interests</i>				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1

<sup>+</sup> Incorporated in Thailand

<sup>(1)</sup> 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, the Directors who held office at the end of the financial year did not have interests in shares of the Company or related corporations during the financial year.



## Directors' Report

### DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to 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 holding company.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from the Company's related companies.

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment; and
- (b) 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.

At the date of this Report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the allowance for impairment in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report, there does not exist:-

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent 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, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

## **OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

The Directors state that:-

At the date of this Report, they are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

In their opinion,

- (a) 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; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and 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, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

**Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE**

**Amarjit Singh Chhina**

Dated: 9 October 2015



## Statement by Directors

We, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE and AMARJIT SINGH CHHINA, being two of the Directors of YTL E-SOLUTIONS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2015 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in the financial statements 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.

Signed on behalf of the Board in accordance with a resolution of the Directors,

**Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE**

**Amarjit Singh Chhina**

Dated: 9 October 2015

## Statutory Declaration

I, AMARJIT SINGH CHHINA, being the Director primarily responsible for the financial management of YTL E-SOLUTIONS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are 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.

**Amarjit Singh Chhina**

Subscribed and solemnly declared by the abovenamed  
AMARJIT SINGH CHHINA  
at Kuala Lumpur on 9 October 2015

**Before me:**

**Tan Seok Kett**  
Commissioner for Oaths

# Independent Auditors' Report

to the Members of YTL e-Solutions Berhad

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL E-SOLUTIONS BERHAD, which comprise Statements of Financial Position as at 30 June 2015 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 information, as set out on pages 39 to 104.

## 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 of 30 June 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.



## **Independent Auditors' Report**

to the Members of YTL e-Solutions Berhad

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 1965 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' report of a subsidiary of which we have not acted as auditors, which are indicated in Note 12 to the Financial Statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### **OTHER REPORTING RESPONSIBILITIES**

The supplementary information set out in page 105 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("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.

### **OTHER MATTERS**

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.

**HLB LER LUM**

AF 0276

Chartered Accountants

**DATO' LER CHENG CHYE**

871/3/17(J/PH)

Chartered Accountant

Dated: 9 October 2015

Kuala Lumpur



## Income Statements

for the financial year ended 30 June 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	3	87,532	86,834	5,131	5,144
Cost of sales		(8,809)	(10,377)	(1,185)	(1,859)
Gross profit		78,723	76,457	3,946	3,285
Other operating income		6,569	5,643	51,251	32,901
Administration expenses		(9,317)	(8,461)	(5,863)	(5,445)
Finance costs	4	(6)	(12)	(3)	(7)
Share of results of associated company, net of tax		477	607	–	–
Profit before tax	5	76,446	74,234	49,331	30,734
Income tax expense	6	(19,111)	(18,525)	(344)	(434)
Profit for the financial year		57,335	55,709	48,987	30,300
Profit attributable to:-					
Owners of the parent		35,716	34,511	48,987	30,300
Non-controlling interests		21,619	21,198	–	–
		57,335	55,709	48,987	30,300
Earnings per share attributable to owners of the parent:-					
Basic (sen per share)	7	2.65	2.57		

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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the financial year	57,335	55,709	48,987	30,300
Other comprehensive income:- Items that may be reclassified subsequently to income statement – Currency translation differences	1,313	1,670	–	–
Other comprehensive income for the financial year, net of tax	1,313	1,670	–	–
<b>Total comprehensive income for the financial year</b>	<b>58,648</b>	<b>57,379</b>	<b>48,987</b>	<b>30,300</b>
Total comprehensive income attributable to:-				
Owners of the parent	37,029	36,181	48,987	30,300
Non-controlling interests	21,619	21,198	–	–
	<b>58,648</b>	<b>57,379</b>	<b>48,987</b>	<b>30,300</b>

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

## Statements of Financial Position

as at 30 June 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	2,071	2,285	604	753
Goodwill on consolidation	10	2,490	2,490	–	–
Other intangible assets	11	60	59	54	39
Investment in subsidiaries	12(a)	–	–	74,897	74,897
Investment in associate	13	8,427	7,950	–	–
Investment	14	898	–	898	–
Deferred tax assets	15	185	136	185	136
		<b>14,131</b>	<b>12,920</b>	<b>76,638</b>	<b>75,825</b>
<b>Current assets</b>					
Inventories	16	–	21	–	21
Trade and other receivables	17	1,416	1,161	271	332
Income tax assets		149	1,596	–	–
Amount due from holding company	18	420	411	105	93
Amount due from subsidiaries	12(b)	–	–	30	36
Amount due from related companies	19	13,945	14,216	704	661
Cash and cash equivalents	20	188,059	211,517	112,202	118,315
		<b>203,989</b>	<b>228,922</b>	<b>113,312</b>	<b>119,458</b>
Total assets		<b>218,120</b>	<b>241,842</b>	<b>189,950</b>	<b>195,283</b>

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



## Statements of Financial Position

as at 30 June 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	21	135,000	135,000	135,000	135,000
Share premium		1,475	1,475	1,475	1,475
Other reserves	22	(3,124)	(4,437)	–	–
Retained earnings		67,536	85,633	54,493	59,319
Treasury shares, at cost	23	(2,143)	(2,141)	(2,143)	(2,141)
		<b>198,744</b>	<b>215,530</b>	<b>188,825</b>	<b>193,653</b>
Non-controlling interests		2,835	13,400	–	–
Total equity		<b>201,579</b>	<b>228,930</b>	<b>188,825</b>	<b>193,653</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	15	165	215	–	–
Loans and borrowings	27	–	61	–	23
		<b>165</b>	<b>276</b>	<b>–</b>	<b>23</b>
<b>Current liabilities</b>					
Trade and other payables	24	14,202	12,321	1,056	1,447
Provisions	25	14	37	–	–
Amount due to related companies	26	25	2	13	2
Loans and borrowings	27	61	129	23	88
Income tax liabilities		2,074	147	33	70
		<b>16,376</b>	<b>12,636</b>	<b>1,125</b>	<b>1,607</b>
Total liabilities		<b>16,541</b>	<b>12,912</b>	<b>1,125</b>	<b>1,630</b>
Total equity and liabilities		<b>218,120</b>	<b>241,842</b>	<b>189,950</b>	<b>195,283</b>

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

## Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2015

	← Attributable to owners of the parent →						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Currency translation reserve	Retained earnings	Treasury shares			
At 1 July 2013	135,000	1,475	10	(6,106)	78,023	(2,141)	206,261	11,701	217,962
Profit for the financial year	–	–	–	–	34,511	–	34,511	21,198	55,709
Other comprehensive profit for the financial year	–	–	–	1,670	–	–	1,670	–	1,670
Total comprehensive income for the financial year	–	–	–	1,670	34,511	–	36,181	21,198	57,379
Transactions with owners:									
Effects of change in stake	–	–	–	(11)	6	–	(5)	(59)	(64)
Treasury shares acquired	–	–	–	–	–	(*)	(*)	–	(*)
Dividends paid (Note 8)	–	–	–	–	(26,907)	–	(26,907)	–	(26,907)
Dividends paid to non-controlling interest by subsidiary	–	–	–	–	–	–	–	(19,440)	(19,440)
Total transactions with owners	–	–	–	(11)	(26,901)	(*)	(26,912)	(19,499)	(46,411)
At 30 June 2014	135,000	1,475	10	(4,447)	85,633	(2,141)	215,530	13,400	228,930
Profit for the financial year	–	–	–	–	35,716	–	35,716	21,619	57,335
Other comprehensive income for the financial year	–	–	–	1,313	–	–	1,313	–	1,313
Total comprehensive income for the financial year	–	–	–	1,313	35,716	–	37,029	21,619	58,648
Transactions with owners:									
Treasury shares acquired	–	–	–	–	–	(2)	(2)	–	(2)
Dividends paid (Note 8)	–	–	–	–	(53,813)	–	(53,813)	–	(53,813)
Dividends paid to non-controlling interest by subsidiary	–	–	–	–	–	–	–	(32,184)	(32,184)
Total transactions with owners	–	–	–	–	(53,813)	(2)	(53,815)	(32,184)	(85,999)
At 30 June 2015	135,000	1,475	10	(3,134)	67,536	(2,143)	198,744	2,835	201,579

\* Less than RM1,000

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



## Statement of Changes in Equity

for the financial year ended 30 June 2015

	Share capital RM'000	Non-distributable Share premium RM'000	← Distributable → Retained earnings RM'000	Treasury shares RM'000	Total equity RM'000
At 1 July 2013	135,000	1,475	55,926	(2,141)	190,260
Profit for the financial year, representing total comprehensive income for the financial year	–	–	30,300	–	30,300
Transactions with owners:					
Treasury shares acquired	–	–	–	(*)	(*)
Dividends paid (Note 8)	–	–	(26,907)	–	(26,907)
Total transactions with owners	–	–	(26,907)	(*)	(26,907)
<b>At 30 June 2014</b>	<b>135,000</b>	<b>1,475</b>	<b>59,319</b>	<b>(2,141)</b>	<b>193,653</b>
Profit for the financial year, representing total comprehensive income for the financial year	–	–	48,987	–	48,987
Transactions with owners:					
Treasury shares acquired	–	–	–	(2)	(2)
Dividends paid (Note 8)	–	–	(53,813)	–	(53,813)
Total transactions with owners	–	–	(53,813)	(2)	(53,815)
<b>At 30 June 2015</b>	<b>135,000</b>	<b>1,475</b>	<b>54,493</b>	<b>(2,143)</b>	<b>188,825</b>

\* 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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>				
Profit before tax	76,446	74,234	49,331	30,734
Adjustments for:-				
Allowance for obsolete inventories	-	14	-	14
Allowance for obsolete inventories no longer required	(43)	(7)	(43)	(7)
Amortisation of other intangible assets	56	48	40	32
Depreciation of property, plant and equipment	591	587	163	166
Dividend income	-	-	(48,276)	(29,160)
Impairment loss on trade receivables	57	110	-	-
Interest expenses	6	12	3	7
Interest income	(6,511)	(5,639)	(2,972)	(3,737)
Inventories written off	43	-	43	-
Property, plant and equipment written off	17	1	-	1
Reversal of impairment loss on trade receivables	(30)	-	-	-
Share of results of associated company	(477)	(607)	-	-
Operating profit/(loss) before working capital changes	70,155	68,753	(1,711)	(1,950)
Changes in working capital:-				
Inventories	21	28	21	28
Receivables	(343)	776	146	455
Payables	1,858	(6,641)	(391)	79
Holding company	(9)	99	(12)	99
Subsidiaries	-	-	6	(1)
Related companies	294	10	(32)	22
Cash generated from/(absorbed by) operations	71,976	63,025	(1,973)	(1,268)
Dividend received	-	-	48,276	29,160
Interest paid	(6)	(12)	(3)	(7)
Interest received	6,572	5,590	2,887	3,711
Income tax paid	(19,215)	(19,147)	(476)	(637)
Income tax refunded	3,379	39	46	-
Net cash from operating activities	62,706	49,495	48,757	30,959

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 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of investment		(898)	–	(898)	–
Additional investment in an existing subsidiary		–	(64)	–	(64)
Purchase of property, plant and equipment		(394)	(78)	(14)	(9)
Purchase of other intangible assets		(57)	(2)	(55)	(1)
Net cash used in investing activities		(1,349)	(144)	(967)	(74)
<b>Cash flows from financing activities</b>					
Dividends paid		(53,813)	(26,907)	(53,813)	(26,907)
Dividends paid to non-controlling interest by subsidiary		(32,184)	(19,440)	–	–
Repayment of loans and borrowings		(129)	(123)	(88)	(84)
Purchase of own shares (net)		(2)	(*)	(2)	(*)
Net cash used in financing activities		(86,128)	(46,470)	(53,903)	(26,991)
Net (decrease)/increase in cash and cash equivalents		(24,771)	2,881	(6,113)	3,894
Effects of exchange rate changes		1,313	1,682	–	–
Cash and cash equivalents at beginning of the financial year		211,517	206,954	118,315	114,421
Cash and cash equivalents at end of the financial year	20	188,059	211,517	112,202	118,315

\* Less than RM1,000

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

# Notes to the Financial Statements

## 1. GENERAL INFORMATION

The principal activities of the Company are investment holding, provision and maintenance of information technology hardware and software systems, network and internet connectivity infrastructure, web hosting services, content development, provision of e-commerce systems, hardware sales and other related services.

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

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

The Company is a limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is a 74.12% (2014: 74.12%) owned subsidiary of YTL Corporation Berhad, a public listed company incorporated in Malaysia and the ultimate holding company is Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia.

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:-

Level 3, Annexe Block  
Lot 10 Shopping Centre  
50 Jalan Sultan Ismail  
50250 Kuala Lumpur

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 1965 in Malaysia.

The preparation of financial statements in conformity with MFRS, IFRS and the Companies Act 1965 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgments in the process of applying the Group's and the Company's accounting policies. These estimates and judgments are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of preparation (continued)

The financial statements of the Group and of the Company have been prepared on the historical cost convention unless otherwise indicated in the accounting policies below.

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

#### (b) Changes in accounting policies

The accounting policies and methods of computation adopted are consistent with those of the previous financial year except for the adoption of the amendments to MFRSs and IC Interpretations ("IC Int") that are applicable to the Group and the Company for the financial year beginning 1 July 2014.

The adoption of these amendments to MFRSs and IC Int does not have any significant financial impact to the Group and the Company.

#### (c) Significant accounting estimates and judgments

The preparation of financial statements in accordance with MFRS and IFRS requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

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 reporting date are discussed below:-

##### (i) Impairment of property, plant and equipment and other intangible assets

The Group and the Company review its property, plant and equipment and other intangible assets at each reporting date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Group and the Company carry out the impairment test based on variety of estimation including the value-in-use of the cash-generating units ("CGU") to which the property, plant and equipment and other intangible assets are allocated.

Estimating the value-in-use requires the Group and the Company to make estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Significant accounting estimates and judgments (continued)

##### (ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### (iii) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that future taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgment is required to determine the amounts 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.

#### (d) Subsidiaries, associates and basis of consolidation

##### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

##### (ii) Basis of consolidation

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

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Acquisition of subsidiaries are accounted for using the purchase method except for business combinations arising from common control transfers. Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the entity acquired to the extent that laws or statutes do not prohibit the use of such reserves.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Subsidiaries, associates and basis of consolidation (continued)

##### (ii) Basis of consolidation (continued)

The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Under the purchase method of accounting, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2(g). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

##### (iii) Associate

In the Company's separate financial statements, investment in associated companies is stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

##### (i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Subsidiaries, associates and basis of consolidation (continued)

##### (iii) Associate (continued)

##### (ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

##### (iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence and any retained interest in the former associate is a financial asset. Such retained interest in the entity is re-measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

##### (iv) Transactions with non-controlling interests

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

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) Foreign currency

##### (i) 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 RM, which is also the Company’s functional and presentation currency.

##### (ii) 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 currency translation reserve in equity. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operations.

Exchange differences arising on the translation of non-monetary items carried at fair value are not included in profit or loss for the period until their impairment or disposal.

#### (f) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item includes expenditure that is directly attributable to the acquisition of the item.

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 Company and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of the replaced part is then derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the asset as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are recognised in profit or loss as incurred.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Property, plant and equipment and depreciation (continued)

Depreciation on property, plant and equipment is computed on a straight-line basis to write-down the cost of each asset to its residual value over the estimated useful lives at the following annual rates:-

Computer infrastructure and equipment	5% – 50%
Furniture, fixtures and equipment	10% – 20%
Motor vehicles	12.5%
Office renovation and fittings	10% – 20%
Telecommunications equipment	10% – 20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method of assets are reviewed at each reporting date, and adjusted prospectively, if appropriate, to ensure that the amount, method and period of depreciation are consistent with 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. Any gain or loss on derecognition of the asset is recognised in profit or loss in the financial year the asset is derecognised.

#### (g) 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 and the Company's CGUs that are expected to benefit from the synergies of the combination.

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

Where goodwill forms part of a CGU and part of the operation within that CGU 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 CGU retained.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Development expenditure

Development expenditure incurred is capitalised when it meets certain criteria that indicate it is probable that the costs will give rise to future economic benefits and are amortised over the period of the projects. They are written down to their recoverable amounts when there is insufficient certainty that future economic benefits will flow to the enterprise.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. The capitalised development expenditure is amortised over a period of five years.

#### (i) Other intangible assets

##### (i) Computer software

Computer software is initially measured at cost. Following initial recognition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses. Computer software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant and equipment. Computer software which is not an integral part of the related hardware is capitalised as other intangible assets.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

##### (ii) Investment in programmes for future sale

Investment in programmes for future sale is stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation and accumulated impairment losses. Amortisation of investment in programmes for future sale is charged to profit or loss over the estimated average marketable lives of the programme genre which is generally between five and ten years. The cost and accumulated amortisation of investment in programmes for future sale are reduced by programmes which are fully written off.

##### (iii) Broadband network customer base and coverage

Broadband network customer base and coverage are stated at cost, less accumulated amortisation and accumulated impairment losses. Amortisation is charged to profit or loss over the estimated useful lives of the asset.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognised in profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

#### (k) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in-first-out method. The cost of inventories comprises costs of purchases and other incidental costs incurred in bringing these inventories to their present location and condition.

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.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (l) 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 financial assets upon initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. As at the reporting date, the Group and the Company only have financial assets classified as loans and receivables and available-for-sale financial assets.

#### (i) 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 rate 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 assets.

#### (ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available-for-sale or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (l) Financial assets (continued)

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 the 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, i.e. the date that the asset is delivered to or by the Group and the Company.

The Group and the Company designate trade and other receivables, amount due from related parties and cash and cash equivalents as loans and receivables and investment as available-for-sale financial assets.

#### (m) 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.

##### (i) 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 any 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.



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (m) Impairment of financial assets (continued)

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

When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the 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.

##### (ii) Available-for-sale financial assets

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

#### (n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, and deposits held at call with licensed banks which are subject to an insignificant risk of changes in value.

#### (o) Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise they are charged to profit or loss.

Dividends on ordinary shares are recognised as liabilities when declared before the reporting date. A dividend declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

##### *Purchase of own 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 shareholders, the cost of the treasury shares is applied as reduction of the share premium account or the distributable retained earnings or both.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group and of the Company.

#### (q) Financial liabilities

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

Financial liabilities 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. As at the reporting date, the Group and the Company only have other financial liabilities which are carried at amortised cost.

##### **Other financial liabilities**

The Group's and the Company's other financial liabilities include trade and other payables, amount due to related parties and loans and borrowings.

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Loans and borrowings are initially measured at fair value, and subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of loans and borrowings is recognised in profit and loss over the period of the loans and borrowings using the effective interest rate method.

Loans and borrowings costs are recognised in profit or loss as expense in the period in which they are incurred. Loans and borrowings costs consist of interest that the Group and the Company incurred in connection with the loans and borrowing of funds.

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 instrument 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.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (r) Deferred credit

Deferred credit, which is included in other payables, comprises deferred revenue from future advertising services to be rendered to customers and is recognised over the period of the relevant contracts.

#### (s) 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 resources embodying economic benefits 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. Where 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 to the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Onerous contract

Provision for onerous contract is as disclosed in Note 25.

#### (t) Revenue recognition

Revenue is recognised to the extent that it is probable that the future economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

#### (i) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### (ii) Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### (iii) Interest income

Interest income is recognised as the interest income accrues, taking into account the effective yield on the asset.

#### (iv) Dividend income

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

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (u) Income taxes

##### (i) 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 comprehensive income or directly in equity.

##### (ii) 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 purpose.

Deferred tax liabilities are recognised for all taxable temporary differences, and 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, carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are off-set, 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.

#### (v) Leases

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charge being written off to profit or loss over the term of the lease in reducing amounts in relation to the outstanding obligations. The interest element of the finance charge is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each reporting date.

All other leases are regarded as operating leases. Payments made under operating leases are recognised as expenses in profit or loss on the straight line basis over the lease term.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (w) Employee benefits

##### (i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by employees.

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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

##### (ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

#### (x) Segmental reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35.

## Notes to the Financial Statements

### 3. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	1,715	1,926	1,753	1,932
Services rendered	85,817	84,908	3,378	3,212
	<b>87,532</b>	<b>86,834</b>	<b>5,131</b>	<b>5,144</b>

### 4. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Finance lease interest	6	12	3	7

### 5. PROFIT BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is derived after charging (other than those disclosed in Note 4):-				
Auditors' remuneration:-				
Current financial year	140	133	29	26
Prior financial year	1	-	1	-
Other services	6	6	3	3
Allowance for obsolete inventories	-	14	-	14
Amortisation of other intangible assets	56	48	40	32
Consultancy fees paid to a subsidiary's Director	114	114	-	-
Depreciation of property, plant and equipment	591	587	163	166
Directors' remuneration:-				
Fees	460	510	460	510
Emoluments	1,543	1,255	1,543	1,255
Benefit in kind	14	24	14	24
Impairment loss on trade receivables	57	110	-	-
Inventories written off	43	-	43	-
Property, plant and equipment written off	17	1	-	1
Rental of office equipment	5	5	5	5
Rental of premises	466	461	275	297

## Notes to the Financial Statements

### 5. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
And crediting (other than those disclosed in Note 3):-				
Allowance for obsolete inventories no longer required	(43)	(7)	(43)	(7)
Dividend income				
– unquoted investment				
– subsidiary, in Malaysia	–	–	(48,276)	(29,160)
Fixed deposit interest income	(6,511)	(5,639)	(2,972)	(3,737)
Reversal of impairment loss on trade and other receivables	(30)	–	–	–

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Employee benefits expense:-				
Salaries, wages and bonuses	3,565	3,130	2,213	2,002
Defined contribution plan	430	386	267	243
Social security contributions	31	29	17	17
Other benefits	46	46	33	40
	4,072	3,591	2,530	2,302

Costs of inventories recognised as an expense in the cost of sales are as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of inventories	1,184	1,851	1,184	1,851



## Notes to the Financial Statements

### 5. PROFIT BEFORE TAX (CONTINUED)

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended are as follows:-

Group/Company 2015	Fees RM'000	Salaries RM'000	Bonus RM'000	Others RM'000	Total RM'000
Executive Directors	200	1,126	215	175 <sup>#</sup>	1,716
Non-Executive Directors	260	–	–	41	301
<hr/>					
2014					
Executive Directors	250	874	204	153 <sup>#</sup>	1,481
Non-Executive Directors	260	–	–	48	308

<sup>#</sup> Included in this category is defined contribution plan expenses of RM160,920 (2014: RM129,360).

The number of Directors of the Group and of the Company whose total remuneration fell within the following bands for the financial year ended are as follows:-

Range of remuneration	Group/Company No. of Directors	
	Executive	Non-Executive
<hr/>		
2015		
RM1 – RM50,000	3	–
RM50,001 – RM100,000	–	4
RM550,001 – RM600,000	1	–
RM950,001 – RM1,000,000	1	–
<hr/>		
2014		
RM1 – RM50,000	4	–
RM50,001 – RM100,000	–	4
RM500,001 – RM550,000	1	–
RM700,001 – RM750,000	1	–

## Notes to the Financial Statements

### 6. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax				
Current financial year provision	19,258	18,734	413	593
(Over)/Under-provision in prior financial year	(48)	5	(20)	5
Deferred tax (Note 15)				
Origination and reversal of temporary differences	(101)	(95)	(57)	(43)
Relating to reduction in Malaysian income tax rate	1	–	8	–
Under/(Over)-provision in prior financial year	1	(119)	–	(121)
	19,111	18,525	344	434

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	76,446	74,234	49,331	30,734
Taxation using Malaysian statutory tax rate of 25% (2014: 25%)	19,112	18,559	12,333	7,684
Non-deductible expenses	149	201	92	156
Non-taxable income	(120)	(151)	(12,069)	(7,290)
Relating to reduction in Malaysian income tax rate	1	–	8	–
(Over)/Under-provision of income tax in prior financial year	(48)	5	(20)	5
Under/(Over)-provision of deferred tax in prior financial year	1	(119)	–	(121)
Tax effect of unrecognised deferred tax assets	15	27	–	–
Different tax rates in other country	1	3	–	–
	19,111	18,525	344	434

Subject to agreement with the Inland Revenue Board, the Company has exempt income estimated at RM161,000 (2014: RM161,000), from which tax exempt dividends can be declared.

The Company may distribute dividends out of its entire retained earnings as at 30 June 2015 under the single-tier system.

## Notes to the Financial Statements

### 7. EARNINGS PER SHARE ("EPS")

#### (a) Basic

The basic EPS of the Group is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015	2014
<b>Basic EPS</b>		
Profit for the financial year attributable to owners of the parent (RM'000)	35,716	34,511
Weighted average number of ordinary shares in issue for basic EPS ('000)	1,345,325	1,345,327
Basic EPS (sen)	2.65	2.57

#### (b) Diluted

The Group does not have any convertible securities and accordingly, the disclosure of diluted earnings per share is not applicable.

### 8. DIVIDENDS

	Group/Company			
	2015		2014	
	Gross per share sen	Amount of dividend RM'000	Gross per share sen	Amount of dividend RM'000
Dividends paid in respect of:-				
An interim single tier dividend for the financial year ended				
– 30 June 2013	–	–	2.000	26,907
– 30 June 2014	4.000	53,813	–	–

Subsequent to the financial year ended 30 June 2015, the Directors of the Company had on 20 August 2015 declared an interim single tier dividend of 40% or 4 sen per ordinary share of RM0.10 each, with the total amounting to approximately RM53,813,000 computed based on the total issued and paid-up share capital of 1,345,325,100 ordinary shares of RM0.10 each in the Company, excluding treasury shares, in respect of the financial year ended 30 June 2015. The financial statements for the current financial year do not reflect these dividends. The dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 June 2016. The Directors do not propose any final dividend in respect of the financial year ended 30 June 2015.

## Notes to the Financial Statements

### 9. PROPERTY, PLANT AND EQUIPMENT

#### Group – 2015

	Computer infrastructure and equipment RM'000	Furniture, fixtures and equipment RM'000	Motor vehicles RM'000	Telecom- munications equipment RM'000	Office renovation and fittings RM'000	Total RM'000
<b>Cost</b>						
At 1 July 2014	10,295	500	675	14	413	11,897
Additions	354	40	–	–	–	394
Write-offs	(134)	(1)	–	–	(5)	(140)
At 30 June 2015	10,515	539	675	14	408	12,151
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 July 2014						
Accumulated Depreciation	7,727	334	117	14	218	8,410
Accumulated Impairment Losses	1,123	56	–	–	23	1,202
	8,850	390	117	14	241	9,612
Depreciation charge for the financial year	473	41	51	–	26	591
Write-offs	(117)	(1)	–	–	(5)	(123)
At 30 June 2015	9,206	430	168	14	262	10,080
<b>Analysed as:</b>						
Accumulated Depreciation	8,083	374	168	14	239	8,878
Accumulated Impairment Losses	1,123	56	–	–	23	1,202
	9,206	430	168	14	262	10,080
<b>Net Carrying Amount</b>						
At 30 June 2015	1,309	109	507	–	146	2,071

## Notes to the Financial Statements

### 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Group – 2014

	Computer infrastructure and equipment RM'000	Furniture, fixtures and equipment RM'000	Motor vehicles RM'000	Telecom- munications equipment RM'000	Office renovation and fittings RM'000	Total RM'000
<b>Cost</b>						
At 1 July 2013	10,283	479	675	15	413	11,865
Additions	44	34	–	–	–	78
Write-offs	(32)	(13)	–	(1)	–	(46)
At 30 June 2014	10,295	500	675	14	413	11,897
<b>Accumulated Depreciation and Impairment Losses</b>						
At 1 July 2013						
Accumulated Depreciation	7,279	308	75	15	191	7,868
Accumulated Impairment Losses	1,123	56	–	–	23	1,202
	8,402	364	75	15	214	9,070
Depreciation charge for the financial year	479	39	42	–	27	587
Write-offs	(31)	(13)	–	(1)	–	(45)
At 30 June 2014	8,850	390	117	14	241	9,612
<b>Analysed as:</b>						
Accumulated Depreciation	7,727	334	117	14	218	8,410
Accumulated Impairment Losses	1,123	56	–	–	23	1,202
	8,850	390	117	14	241	9,612
<b>Net Carrying Amount</b>						
At 30 June 2014	1,445	110	558	–	172	2,285

## Notes to the Financial Statements

### 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Company – 2015

	Computer infrastructure and equipment RM'000	Furniture, fixtures and equipment RM'000	Motor vehicles RM'000	Telecom- munications equipment RM'000	Office renovation and fittings RM'000	Total RM'000
<b>Cost</b>						
At 1 July 2014	865	129	541	5	269	1,809
Additions	12	2	–	–	–	14
Write-offs	(104)	(1)	–	–	(5)	(110)
At 30 June 2015	773	130	541	5	264	1,713
<b>Accumulated Depreciation</b>						
At 1 July 2014	746	88	114	4	104	1,056
Depreciation charge for the financial year	87	7	43	–	26	163
Write-offs	(104)	(1)	–	–	(5)	(110)
At 30 June 2015	729	94	157	4	125	1,109
<b>Net Carrying Amount</b>						
At 30 June 2015	44	36	384	1	139	604

#### Company – 2014

<b>Cost</b>						
At 1 July 2013	875	142	541	6	269	1,833
Additions	9	–	–	–	–	9
Write-offs	(19)	(13)	–	(1)	–	(33)
At 30 June 2014	865	129	541	5	269	1,809
<b>Accumulated Depreciation</b>						
At 1 July 2013	672	93	76	3	78	922
Depreciation charge for the financial year	93	8	38	1	26	166
Write-offs	(19)	(13)	–	–	–	(32)
At 30 June 2014	746	88	114	4	104	1,056
<b>Net Carrying Amount</b>						
At 30 June 2014	119	41	427	1	165	753

## Notes to the Financial Statements

### 10. GOODWILL ON CONSOLIDATION

	Group	
	2015 RM'000	2014 RM'000
<b>Cost</b>		
At 1 July/30 June	3,311	3,311
<b>Accumulated Impairment Losses</b>		
At 1 July/30 June	821	821
<b>Net Carrying Amount</b>	<b>2,490</b>	<b>2,490</b>

For the purposes of impairment testing, goodwill on consolidation has been allocated to the Group's CGU identified according to the following:-

	Group	
	2015 RM'000	2014 RM'000
Digital narrowcasting and digital media ("A")	767	767
Broadband provision ("B")	1,723	1,723
	<b>2,490</b>	<b>2,490</b>

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs.

The recoverable amount of these CGUs was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate. The growth rate did not exceed the long-term average growth rate for the segment business in which the CGUs operates.



## Notes to the Financial Statements

### 10. GOODWILL ON CONSOLIDATION (CONTINUED)

#### (a) Key assumption used in the value-in-use calculation

The following assumption has been applied in the value-in-use calculation:-

	2015		2014	
	A %	B %	A %	B %
Pre-tax discount	4.5	4.5	4.5	4.5
Revenue growth	5.9	0.0	6.6	0.0

The recoverable amounts of the CGUs determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management.

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of the assessment of the respective CGU.

#### (b) Sensitivity to change in key assumptions

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's results. The Group's review includes the sensitivity of key assumptions to the cash flow projections.

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

	2015		2014	
	A %	B %	A %	B %
Pre-tax discount	9.7	>100	8.0	>100
Revenue growth	4.8	N/A	5.3	N/A

## Notes to the Financial Statements

### 11. OTHER INTANGIBLE ASSETS

#### Group – 2015

	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base and coverage RM'000	Total RM'000
<b>Cost</b>				
At 1 July 2014	1,216	506	364	2,086
Additions	57	–	–	57
Exchange differences	–	44	–	44
At 30 June 2015	1,273	550	364	2,187
<b>Accumulated Amortisation and Impairment Losses</b>				
At 1 July 2014				
Accumulated Amortisation	766	253	74	1,093
Accumulated Impairment Losses	391	253	290	934
	1,157	506	364	2,027
Amortisation charge for the financial year	56	–	–	56
Exchange differences	–	44	–	44
At 30 June 2015	1,213	550	364	2,127
<b>Analysed as:</b>				
Accumulated Amortisation	822	275	74	1,171
Accumulated Impairment Losses	391	275	290	956
At 30 June 2015	1,213	550	364	2,127
<b>Net Carrying Amount</b>				
At 30 June 2015	60	–	–	60

## Notes to the Financial Statements

### 11. OTHER INTANGIBLE ASSETS (CONTINUED)

#### Group – 2014

	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base and coverage RM'000	Total RM'000
<b>Cost</b>				
At 1 July 2013	1,215	449	364	2,028
Additions	2	–	–	2
Write-offs	(1)	–	–	(1)
Exchange differences	–	57	–	57
At 30 June 2014	1,216	506	364	2,086
<b>Accumulated Amortisation and Impairment Losses</b>				
At 1 July 2013				
Accumulated Amortisation	719	225	74	1,018
Accumulated Impairment Losses	391	224	290	905
	1,110	449	364	1,923
Amortisation charge for the financial year	48	–	–	48
Write-offs	(1)	–	–	(1)
Exchange differences	–	57	–	57
At 30 June 2014	1,157	506	364	2,027
<b>Analysed as:</b>				
Accumulated Amortisation	766	253	74	1,093
Accumulated Impairment Losses	391	253	290	934
At 30 June 2014	1,157	506	364	2,027
<b>Net Carrying Amount</b>				
At 30 June 2014	59	–	–	59

## Notes to the Financial Statements

### 11. OTHER INTANGIBLE ASSETS (CONTINUED)

	Company	
	— Computer Software — 2015 RM'000	2014 RM'000
<b>Cost</b>		
At 1 July	134	134
Additions	55	1
Write-offs	—	(1)
At 30 June	189	134
<b>Accumulated Amortisation</b>		
At 1 July	95	64
Amortisation charge for the financial year	40	32
Write-offs	—	(1)
At 30 June	135	95
<b>Net Carrying Amount</b>		
At 30 June	54	39

### 12. SUBSIDIARIES

#### (a) Investment in subsidiaries

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	76,398	76,398
Less: Accumulated impairment losses	(1,501)	(1,501)
	74,897	74,897
Movement in accumulated impairment losses:-		
At 1 July/30 June	1,501	1,501

## Notes to the Financial Statements

### 12. SUBSIDIARIES (CONTINUED)

#### (a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2015 %	2014 %
<b>Held by the Company:</b>				
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
YMax Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Y-Max Networks Sdn. Bhd. ("YMN")	Malaysia	Providing computer networking & related information technology services	60.00	60.00
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
* Infoscreen Networks Limited	England & Wales	Investment holding	100.00	100.00
<b>Held through YMN:</b>				
Bizsurf MSC Sdn. Bhd.	Malaysia	Inactive	60.00	60.00
<b>Held through Y-Max Solutions Holdings Sdn. Bhd.:</b>				
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	70.00	70.00
Airzed Services Sdn. Bhd.	Malaysia	Inactive	56.00	56.00
<b>Held through Infoscreen Networks Limited:</b>				
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media, & up to date information via electronic media	100.00	100.00

\* Subsidiary not audited by HLB Ler Lum

## Notes to the Financial Statements

### 12. SUBSIDIARIES (CONTINUED)

#### (a) Investment in subsidiaries (continued)

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly or indirectly by the parent company do not differ from the proportion of ordinary shares held.

The country of incorporation of subsidiary is also their place of principal place of business.

#### (b) Amount due from subsidiaries

The amounts due from subsidiaries are trade and non-trade, unsecured, non-interest bearing and repayable upon demand.

#### (c) Non-controlling interest in subsidiaries

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

#### 2015

	YMN Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<i>NCI effective equity interest</i>	40%		
Carrying amount of NCI	1,770	1,065	2,835
Profit allocated to NCI	21,597	22	21,619

Summarised financial information before inter-company elimination

#### As at 30 June

Non-current assets	–	244	244
Current assets	15,764	5,697	21,461
Current liabilities	(11,339)	(1,649)	(12,988)
Net assets	4,425	4,292	8,717

#### Financial year ended 30 June

Revenue	75,000	42	75,042
Profit for the financial year representing total comprehensive income for the financial year	53,993	73	54,066

## Notes to the Financial Statements

### 12. SUBSIDIARIES (CONTINUED)

#### (c) Non-controlling interest in subsidiaries (continued)

	YMN Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<i>NCI effective equity interest</i>	40%		
Cash flows from operating activities	59,834	105	59,939
Cash flows used in financing activities	(80,460)	–	(80,460)
Net (decrease)/increase in cash and cash equivalents	(20,626)	105	(20,521)
Dividend paid to NCI	32,184	–	–

#### 2014

	YMN Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<i>NCI effective equity interest</i>	40%		
Carrying amount of NCI	12,356	1,044	13,400
Profit/(Loss) allocated to NCI	21,202	(4)	21,198

Summarised financial information before inter-company elimination

As at 30 June

Non-current assets	–	269	269
Current assets	37,965	5,585	43,550
Current liabilities	(7,075)	(1,635)	(8,710)
Net assets	30,890	4,219	35,109

## Notes to the Financial Statements

### 12. SUBSIDIARIES (CONTINUED)

#### (c) Non-controlling interest in subsidiaries (continued)

	YMN Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
<i>NCI effective equity interest</i>	40%		
<u>Financial year ended 30 June</u>			
Revenue	75,000	112	75,112
Profit/(Loss) for the financial year representing total comprehensive income/(loss) for the financial year	53,004	(11)	52,993
Cash flows from operating activities	46,206	202	46,408
Cash flows used in financing activities	(48,600)	–	(48,600)
Net (decrease)/increase in cash and cash equivalents	(2,394)	202	(2,192)
Dividend paid to NCI	19,440	–	19,440

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

There were no changes during the year (2014: Nil) in the Group's ownership interest in its significant subsidiaries.

### 13. INVESTMENT IN ASSOCIATE

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	7,250	7,250
Share of post-acquisition reserves	1,177	700
	8,427	7,950



## Notes to the Financial Statements

### 13. INVESTMENT IN ASSOCIATE (CONTINUED)

Details of associate are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2015 %	2014 %
Endless Momentum Sdn. Bhd.	Malaysia	Investment holding	30.00	30.00

The associated company is listed above has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

There are no contingent liabilities related to the Group's interest in the associated companies.

The financial year end of associated company is not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these company's unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 December as the case may be.

The summarised financial information of the Group's associated company is as follows:-

	Endless Momentum Sdn. Bhd.	
	2015 RM'000	2014 RM'000
<i>Effective equity interest</i>	30%	30%
<u>Summarised financial information as at 30 June</u>		
Non-current assets	8,363	5,691
Current assets	77,013	55,301
Non-current liabilities	(1,262)	(1,225)
Current liabilities	(65,526)	(42,771)
<b>Net assets</b>	<b>18,588</b>	<b>16,996</b>
<u>Financial year ended 30 June</u>		
Revenue	353,636	313,290
Profit for the financial year representing total comprehensive income for the financial year	1,572	1,991

## Notes to the Financial Statements

### 13. INVESTMENT IN ASSOCIATE (CONTINUED)

	Endless Momentum Sdn. Bhd.	
	2015 RM'000	2014 RM'000
<i>Effective equity interest</i>	30%	30%
<u>Reconciliation of net assets to carrying amount as at 30 June</u>		
Group's share of net assets	5,576	5,099
Goodwill	2,851	2,851
<b>Carrying amount in the statement of financial position</b>	<b>8,427</b>	<b>7,950</b>
<u>Group's share of results for financial year ended 30 June</u>		
Group's share of profit for the financial year representing total comprehensive income for the financial year	477	607

### 14. INVESTMENT

	Group/Company	
	2015 RM'000	2014 RM'000
Available for sale financial assets		
– Unquoted equity investment within Malaysia	898	–

On 23 April 2015, YTL e-Solutions Berhad entered into an agreement with Business Pixel Sdn Bhd (“BPSL”) on Simple Agreement for Future Equity amounted USD250,000.00 for the right to be issued and allotted with certain shares in BPSL.

## Notes to the Financial Statements

### 15. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 July	(79)	(293)	136	(28)
Recognised in profit or loss (Note 6)	99	214	49	164
At 30 June	20	(79)	185	136

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes related to the same tax authority. The following amounts, determined after appropriate offsetting are as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets	185	136	185	136
Deferred tax liabilities	(165)	(215)	-	-
	20	(79)	185	136

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

Deferred tax assets/(liabilities) of the Group:-

#### 2015

	At 1.7.2014 RM	Recognised in profit or loss RM	Transfer RM	At 30.6.2015 RM
Deferred tax assets				
– unutilised capital allowances	171	19	-	190
– others	20	(16)	-	4
	191	3	-	194
Deferred tax liabilities				
– property, plant and equipment	(235)	75	-	(160)
– interest receivables	(35)	21	-	(14)
	(270)	96	-	(174)
Net (after offsetting)	(79)	99	-	20

## Notes to the Financial Statements

### 15. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

2014

	At 1.7.2013 RM	Recognised in profit or loss RM	Transfer RM	At 30.6.2014 RM
Deferred tax assets				
– unutilised capital allowance	27	144	–	171
– others	61	(41)	–	20
	88	103	–	191
Deferred tax liabilities				
– property, plant and equipment	(337)	102	–	(235)
– interest receivables	(44)	9	–	(35)
	(381)	111	–	(270)
Net (after offsetting)	(293)	214	–	(79)

Deferred tax assets/(liabilities) of the Company:-

2015

	At 1.7.2014 RM	Recognised in profit or loss RM	Transfer RM	At 30.6.2015 RM
Deferred tax assets				
– unutilised capital allowances	171	19	–	190
	171	19	–	190
Deferred tax liabilities				
– property, plant and equipment	–	8	–	8
– interest receivables	(35)	22	–	(13)
	(35)	30	–	(5)
Net (after offsetting)	136	49	–	(185)

## Notes to the Financial Statements

### 15. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

2014

	At 1.7.2013 RM	Recognised in profit or loss RM	Transfer RM	At 30.6.2014 RM
Deferred tax assets				
– unutilised capital allowance	27	144	–	171
	27	144	–	171
Deferred tax liabilities				
– property, plant and equipment	(14)	14	–	–
– interest receivables	(41)	6	–	(35)
	(55)	20	–	(35)
Net (after offsetting)	(28)	164	–	136

The estimated potential tax benefits of temporary differences not dealt with in the financial statements are as follows:-

	Group	
	2015 RM'000	2014 RM'000
Property, plant and equipment	(244)	(253)
Unabsorbed tax losses	4,479	4,479
Unutilised capital allowances	5,592	5,589
	9,827	9,815
Potential tax benefits calculated at tax rate of 24% (2014: 25%)	2,358	2,454

The unabsorbed tax losses and utilised capital allowance are subject to agreement with the Inland Revenue Board.

Deferred tax assets have not been recognised as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised.

## Notes to the Financial Statements

### 16. INVENTORIES

	Group/Company	
	2015	2014
	RM'000	RM'000
Finished goods	–	21

### 17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade receivables	1,703	1,382	202	150
Less: Accumulated impairment losses	(745)	(718)	–	–
	958	664	202	150
Other receivables				
Other debtors	358	380	54	160
Deposits	11	23	7	5
Prepayments	89	94	8	17
	458	497	69	182
	1,416	1,161	271	332
Total trade and other receivables	1,416	1,161	271	332
Add: Amount due from holding company (Note 18)	420	411	105	93
Amount due from subsidiaries (Note 12(b))	–	–	30	36
Amount due from related companies (Note 19)	13,945	14,216	704	661
Cash and cash equivalents (Note 20)	188,059	211,517	112,202	118,315
Less: Prepayments	(89)	(94)	(8)	(17)
Total loans and receivables	203,751	227,211	113,304	119,420

## Notes to the Financial Statements

### 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (a) Trade receivables

Trade receivables of the Group and of the Company are non-interest bearing and are subject to normal trade credit terms ranging from 7 days to 30 days (2014: 7 days to 30 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at original invoiced amounts which represent their fair values on initial recognition.

#### Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables are as follows:-

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	176	184
1 to 30 days past due not impaired	249	255
31 to 60 days past due not impaired	145	4
61 to 90 days past due not impaired	104	221
91 to 120 days past due not impaired	76	-
More than 120 days past due not impaired	208	-
	782	480
Impaired	745	718
	<b>1,703</b>	<b>1,382</b>

	Company	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	69	80
1 to 30 days past due not impaired	66	67
31 to 60 days past due not impaired	67	3
	133	70
	<b>202</b>	<b>150</b>

## Notes to the Financial Statements

### 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (a) Trade receivables (continued)

##### 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 and the Company.

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

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

No allowance for impairment was made in respect of these past due trade receivables based on the past historical collection trends.

##### Receivables that are impaired

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Individually impaired:-				
Trade receivables – nominal amounts	745	718	–	–
Less: Accumulated impairment losses	(745)	(718)	–	–
At 30 June	–	–	–	–
Movement in accumulated impairment losses:-				
At 1 July	718	608	–	–
Impairment loss for the financial year	57	110	–	–
Reversal of impairment losses	(30)	–	–	–
At 30 June	745	718	–	–

Trade receivables that are individually determined to be impaired at the reporting date relate to balances which have been significantly long outstanding. These receivables are not secured by any collateral or credit enhancements.

#### (b) Other debtors

Amount due from other debtors are non-trade, unsecured, non-interest bearing and repayable upon demand.



## Notes to the Financial Statements

### 18. AMOUNT DUE FROM HOLDING COMPANY

The amount due from holding company is trade and non-trade, unsecured, non-interest bearing and repayable upon demand.

### 19. AMOUNT DUE FROM RELATED COMPANIES

The amounts due from related companies are trade and non-trade, unsecured, non-interest bearing and repayable upon demand.

### 20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash on hand and at banks	48,864	1,114	48,509	510
Deposits with licensed banks	139,195	210,403	63,693	117,805
	<b>188,059</b>	<b>211,517</b>	<b>112,202</b>	<b>118,315</b>

The weighted average effective interest rates and the range of remaining maturities of deposits with licensed banks as at the reporting date are as follows:-

	Group		Company	
	2015	2014	2015	2014
Interest rate (%)	3.23	3.08	3.46	3.33
Maturities (days)	4 to 70	4 to 63	4 to 30	4 to 31

The carrying amount of cash and cash equivalents approximates to its fair value.

## Notes to the Financial Statements

### 21. SHARE CAPITAL

	Group/Company	
	2015 RM'000	2014 RM'000
Authorised ordinary shares of RM0.10 each:-		
At 1 July/30 June	1,000,000	1,000,000
Issued and fully paid ordinary shares of RM0.10 each:-		
At 1 July/30 June	135,000	135,000

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

#### 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 eligible employees and Directors of the Company and its subsidiaries ("Group").

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 new shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS shall not exceed thirty per cent (30%) of the 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 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.

## Notes to the Financial Statements

### 21. SHARE CAPITAL (CONTINUED)

#### Employees Share Option Scheme (“ESOS”) (continued)

- (iv) The subscription price for shares under the ESOS shall be determined by the Board upon recommendation of the options committee and shall be fixed based on the higher of the following:-
- 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
  - the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act, 1965).
- (v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options 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 options 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 options to be exercised at any earlier or other period.
- (vi) A grantee shall be prohibited from disposing 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 options are 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.

### 22. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group	
	2015 RM'000	2014 RM'000
Currency translation reserve	(3,134)	(4,447)
Capital reserve	10	10
	<b>(3,124)</b>	<b>(4,437)</b>

The nature and purpose of each category of reserve are as follows:-

#### (a) Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of a subsidiary whose functional currencies are different from that of the Group’s presentation currency.

#### (b) Capital reserve

The capital reserve comprises the equity portion of ordinary share issued by subsidiaries.

## Notes to the Financial Statements

### 23. TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 25 November 2014.

During the financial year, the Company repurchased 2,000 (2014: 200) ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM0.63 per share. The total consideration paid for the shares buy-back, including transaction costs amounted to RM1,267.37 and were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965.

As at 30 June 2015, the Company held a total of 4,674,900 (2014: 4,672,900) treasury shares out of its 1,350,000,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,143,000 (2014: RM2,141,000).

### 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	2,791	1,111	41	455
Other payables				
Post-employment defined contribution obligations	151	74	103	50
Other creditors	1,590	1,472	119	43
Accruals	9,626	9,619	785	896
Deferred revenue	8	3	8	3
Deferred credit	36	42	–	–
	11,411	11,210	1,015	992
	14,202	12,321	1,056	1,447
Total trade and other payables	14,202	12,321	1,056	1,447
Add: Amount due to related companies (Note 26)	25	2	13	2
Loans and borrowings (Note 27)	61	190	23	111
Less: Deferred revenue	(8)	(3)	(8)	(3)
Deferred credit	(36)	(42)	–	–
Total other financial liabilities carried at amortised cost	14,244	12,468	1,084	1,557

## Notes to the Financial Statements

### 24. TRADE AND OTHER PAYABLES (CONTINUED)

#### (a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranging from 30 days to 60 days (2014: 30 days to 60 days).

#### (b) Other creditors

Other creditors are non-trade, unsecured, non-interest bearing and repayable upon demand.

### 25. PROVISIONS

	Group Onerous Contract	
	2015 RM'000	2014 RM'000
<b>Current</b>		
At 1 July	37	119
Utilised during the financial year	(23)	(82)
At 30 June	14	37

#### Onerous Contract

Provision for onerous contract is made in respect of management's best estimate on the costs necessary to be incurred in meeting the obligations under an agreement. The estimated amount is determined after taking into consideration the expected timing to fulfil the obligations, and the amount to be incurred.

### 26. AMOUNT DUE TO RELATED COMPANIES

The amounts due to related companies are trade, unsecured, non-interest bearing and repayable upon demand.

## Notes to the Financial Statements

### 27. LOANS AND BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-Current</b>				
Secured:-				
Finance lease liabilities (Note 28)	–	61	–	23
<b>Current</b>				
Secured:-				
Finance lease liabilities (Note 28)	61	129	23	88
	<b>61</b>	<b>190</b>	<b>23</b>	<b>111</b>

The maturities of the loans and borrowings as at 30 June 2015 are as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
On demand or within 1 year	61	129	23	88
More than 1 year and less than 2 years	–	61	–	23
	<b>61</b>	<b>190</b>	<b>23</b>	<b>111</b>

Loans and borrowings of the Group and of the Company bore weighted average interest rate at the reporting date as follows:-

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Finance lease liabilities	2.32 – 2.41	2.32 – 2.41	2.32	2.32

## Notes to the Financial Statements

### 28. FINANCE LEASE LIABILITIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments:-				
Not later than 1 year	62	135	23	91
Later than 1 year and not later than 5 years	-	62	-	23
Total minimum lease payments	62	197	23	114
Less: Amounts representing finance charges	(1)	(7)	-	(3)
Present value of minimum lease payments	61	190	23	111
Present value of payments:-				
Not later than 1 year	61	129	23	88
Later than 1 year and not later than 5 years	-	61	-	23
Present value of minimum lease payments	61	190	23	111
Less: Amount due within 12 months (Note 27)	-	(129)	-	(88)
Amount due after 12 months (Note 27)	61	61	23	23

### 29. DEVELOPMENT EXPENDITURE

The Group and the Company incurred development expenditure for the development of internet portal amounting to RM2,133,000 (2014: RM2,133,000) and RM1,125,000 (2014: RM1,125,000) respectively in prior financial years, which have been fully amortised/impaired in prior financial years.

## Notes to the Financial Statements

### 30. SIGNIFICANT RELATED PARTY TRANSACTIONS

#### (a) Related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. 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.

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<b>(i) Significant transactions with holding company</b>				
– Sale of services rendered*	1,640	1,535	1,267	1,217
– Sale of computer equipment*	145	220	145	220
<b>(ii) Significant transactions with subsidiaries of holding company or ultimate holding company</b>				
<u>Sale of services rendered*</u>				
– Autodome Sdn. Bhd.	349	334	312	312
– Frogasia Sdn. Bhd.	154	261	–	–
– Sentul Raya Sdn. Bhd.	120	–	–	–
– YTL Communications Sdn. Bhd.	75,385	75,463	–	–
– YTL Land & Development Sdn. Bhd.	157	–	157	–
– YTL Land Sdn. Bhd.	1,173	1,201	815	775
– YTL Majestic Hotel Sdn. Bhd.	915	1,155	–	–
<u>Sale of computer equipment*</u>				
– Autodome Sdn. Bhd.	110	–	110	–
– Buildcon Concrete Sdn. Bhd.	251	222	251	222
– Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	161	419	161	419
– YTL Land Sdn. Bhd.	141	164	141	164
<u>Rental of premises charged#</u>				
– YTL Hospitality REIT	521	521	521	521
<u>Media cost charged</u>				
– YTL Communication Sdn. Bhd.	372	795	–	–



## Notes to the Financial Statements

### 30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Related party transactions (continued)

##### (ii) Significant transactions with subsidiaries of holding company or ultimate holding company (continued)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<u>Purchase of services</u>				
– Extiva Communications Sdn. Bhd.	67	107	67	107
– YTL Land Sdn. Bhd.	226	150	–	–

##### (iii) Significant transaction with subsidiary

###### Allocation of rental of premises

– YTL Info Screen Sdn. Bhd.	–	–	191	164
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##### (iv) Significant transactions with other related party

– Express Rail Link Sdn. Bhd. (associate company of holding company)				
– Sale of services rendered*	970	1,686	–	312
– Sale of computer equipment*	374	19	374	19
– Charges for media rights by related party^	900	1,350	–	–
– Xchanging Malaysia Sdn. Bhd. (joint venture company of holding company)				
– Sale of services rendered*	764	565	764	565

\* Sale of computer equipment and sale of services rendered by YTL e-Solutions Berhad Group.

# Rental of premises charged to YTL e-Solutions Berhad Group.

^ Charges for media rights charged to YTL e-Solutions Berhad Group.

## Notes to the Financial Statements

### 30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Related party outstanding balances

The significant outstanding balances with related parties not separately disclosed elsewhere in the financial statements as at 30 June 2015 were as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount receivable from other related party				
– Express Rail Link Sdn. Bhd.	–	20	–	–
– Xchanging Malaysia Sdn. Bhd.	200	133	200	133
Amount payable to related party				
– YTL Communications Sdn. Bhd.	1,599	1,227	–	–

#### (c) Key management personnel and compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

Key management personnel of the Group and of the Company are the Directors of the Company.

The key management personnel compensation during the financial year was in respect of the Directors' remuneration of the Group and of the Company as stated in Note 5.

### 31. COMMITMENTS

#### (a) Operating lease commitments

The Group and the Company have lease commitments in respect of rental of equipment and premises, all of which are classified as operating leases. A summary of the non-cancellable long term lease commitments is as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments:-				
Not later than 1 year	222	526	222	526
Later than 1 year and not later than 5 years	7	229	7	229
	229	755	229	755

Apart from the above, the Group also lease premises under cancellable lease agreements.

## Notes to the Financial Statements

### 31. COMMITMENTS (CONTINUED)

#### (b) Other commitments

	Group	
	2015 RM'000	2014 RM'000
Contracted media right fees payable:-		
Not later than 1 year	–	900
	–	900

### 32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's and of the Company's financial instruments are reasonable approximation of fair values due to their short-term nature.

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's operations are subject to a variety of financial risks, including interest rate risk, credit risk, liquidity risk and foreign currency risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available for the development of the Group's businesses whilst managing the above risks.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and are summarised below:-

#### (a) 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 risks arises mainly from their deposits placed with licensed banks. These deposits are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The Group's and the Company's policy is to obtain the most favourable interest rate available.

The information on maturity dates and effective interest rates of deposits with licensed banks are disclosed in Note 20.

As the influence of interest rate changes on profit or loss is insignificant, no sensitivity analysis has been conducted.

## Notes to the Financial Statements

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (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 primarily from trade and other receivables. 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.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms is subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

#### Exposure to credit risk

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.

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:-

	Group			
	2015		2014	
	RM'000	% of total	RM'000	% of total
By operating segment:-				
Information technology and e-commerce	202	21.1	150	22.6
Content and digital media	756	78.9	514	77.4
	<b>958</b>	<b>100.0</b>	<b>664</b>	<b>100.0</b>

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit worthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17(a).

## Notes to the Financial Statements

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) 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 the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

#### Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>Group – 2015</b>			
Financial liabilities:-			
Trade and other payables	14,158	–	14,158
Amount due to related companies	25	–	25
Loans and borrowings	61	–	61
<b>Total undiscounted financial liabilities</b>	<b>14,244</b>	<b>–</b>	<b>14,244</b>
<b>Company – 2015</b>			
Financial liabilities:-			
Trade and other payables	1,048	–	1,048
Amount due to related companies	13	–	13
Loans and borrowings	23	–	23
<b>Total undiscounted financial liabilities</b>	<b>1,084</b>	<b>–</b>	<b>1,084</b>

## Notes to the Financial Statements

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) Liquidity risk (continued)

	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>Group – 2014</b>			
Financial liabilities:-			
Trade and other payables	12,276	–	12,276
Amount due to related companies	2	–	2
Loans and borrowings	129	61	190
<b>Total undiscounted financial liabilities</b>	<b>12,407</b>	<b>61</b>	<b>12,468</b>
<b>Company – 2014</b>			
Financial liabilities:-			
Trade and other payables	1,444	–	1,444
Amount due to related companies	2	–	2
Loans and borrowings	88	23	111
<b>Total undiscounted financial liabilities</b>	<b>1,534</b>	<b>23</b>	<b>1,557</b>

#### (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 have minimal transactional currency exposures in respect of its sales or purchases that are denominated in a currency other than the respective functional currencies of Group's entities, primarily in RM. The Group and the Company do not consider it necessary to enter into foreign exchange contracts in managing its foreign exchange risk given the nature of the business for the time being.

The Group is also exposed to currency translation risk arising from its net investments in United Kingdom which is denominated in Sterling Pound (GBP).

These net investments are not hedged as currency position in GBP and are considered to be long-term in nature.

#### Sensitivity analysis for foreign currency risk

As the influence of foreign exchange rate changes on profit or loss is insignificant, no sensitivity analysis has been conducted in the reporting year.

## Notes to the Financial Statements

### 34. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise its shareholders value.

The Group and the Company manage its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year.

The Group and the Company monitor capital using return on equity, which is profit for the financial year as percentage of average equity.

At the reporting date, the ratios is as follows:-

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Return on equity	26.6	24.9	25.6	15.8

The Group and the Company are not subject to externally imposed capital requirements for the financial years ended 30 June 2015 and 30 June 2014.

### 35. SEGMENTAL INFORMATION

For management purposes, the Group is organised into operating segments based on their products and services, and has three reportable operating segments as follows:-

- (a) Information technology and e-commerce;
- (b) Communication technology; and
- (c) Content and digital media.

## Notes to the Financial Statements

### 35. SEGMENTAL INFORMATION (CONTINUED)

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

	Information technology and e-commerce RM'000	Commu- nications technology RM'000	Content and digital media RM'000	Total RM'000
<b>At 30 June 2015</b>				
Total revenue	5,131	75,042	7,406	87,579
Inter-segment revenue	(40)	–	(7)	(47)
External revenue	5,091	75,042	7,399	87,532
Results:-				
Share of results of associates	–	477	–	477
Interest income	2,975	3,021	515	6,511
Finance costs	(3)	–	(3)	(6)
Depreciation and amortisation	(203)	(24)	(420)	(647)
Segment profit before tax	1,058	73,443	1,945	76,446
<b>At 30 June 2014</b>				
Total revenue	5,144	75,112	6,605	86,861
Inter-segment revenue	(6)	–	(21)	(27)
External revenue	5,138	75,112	6,584	86,834
Results:-				
Share of results of associates	–	607	–	607
Interest income	3,739	1,492	408	5,639
Finance costs	(7)	–	(5)	(12)
Depreciation and amortisation	(198)	(24)	(413)	(635)
Segment profit before tax	1,594	72,029	611	74,234

#### Geographical Information

All external revenue and non-current assets are generated and located respectively within Malaysia and it is the opinion of the Directors that this represents one geographical segment.

#### Major Customer

Revenue from one (2014: one) major customer group, whose revenue is equal to or more than 10 percent of the Group revenue, amounting to RM81,210,000 (2014: RM81,670,000) arising from information technology e-commerce, communications technology and content and digital media segment.





## Notes to the Financial Statements

### 36. STANDARDS, AMENDMENTS TO MFRS AND IC INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE TO THE GROUP AND THE COMPANY

At the date of authorisation of these financial statements, the Group and the Company have not adopted the MFRS, Amendments to MFRS and IC Interpretations that are effective for financial year beginning 1 July 2015.

The adoption of these MFRS, Amendments to MFRS and IC Interpretations are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

### 37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 9 October 2015.

## Supplementary Information

on the Disclosure of Realised and Unrealised Profit or Losses

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2015 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries:-				
– Realised	80,453	77,507	54,308	59,183
– Unrealised	20	(79)	185	136
	<b>80,473</b>	<b>77,428</b>	<b>54,493</b>	<b>59,319</b>
Total retained earnings of the associated company				
– Realised	1,211	718	–	–
– Unrealised	(34)	(18)	–	–
	<b>1,177</b>	<b>700</b>	<b>–</b>	<b>–</b>
Consolidated adjustments	(14,114)	7,505	–	–
	<b>67,536</b>	<b>85,633</b>	<b>54,493</b>	<b>59,319</b>



## 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 e-Solutions 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 23rd Annual General Meeting of the Company to be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 24 November 2015 at 12.30 p.m. and at any adjournment thereof.

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

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Dato' Ahmad Fuaad Bin Mohd Dahalan		
2.	Re-election of Dato' Cheong Keap Tai		
3.	Re-election of Yeoh Keong Yeow		
4.	Re-appointment of Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman		
5.	Approval of the payment of Directors' fees		
6.	Re-appointment of Messrs. HLB Ler Lum as Company Auditors		
7.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
8.	Authorisation for Directors to Allot and Issue Shares		
9.	Proposed Renewal of Share Buy-Back Authority		
10.	Proposed Renewal of Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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 59(ii) 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 17 November 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 17 November 2015 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 E-SOLUTIONS BERHAD**  
11th Floor, Yeoh Tiong Lay Plaza  
55 Jalan Bukit Bintang  
55100 Kuala Lumpur

First fold here

**YTL E-SOLUTIONS BERHAD** 236137-K

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