

YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

Interim Financial Report
30 September 2013

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**Interim Financial Report
30 September 2013**

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YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated result for the financial period ended 30 September 2013.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2012 RM'000	3 MONTHS ENDED	
			30.09.2013 RM'000	30.09.2012 RM'000
REVENUE	116,917	51,106	116,917	51,106
COST OF SALES	(107,677)	(43,038)	(107,677)	(43,038)
GROSS PROFIT	9,240	8,068	9,240	8,068
OTHER OPERATING INCOME	9,116	7,041	9,116	7,041
OTHER OPERATING EXPENSES	(8,519)	(7,473)	(8,519)	(7,473)
PROFIT FROM OPERATIONS	9,837	7,636	9,837	7,636
FINANCE COSTS	(2,632)	(3,096)	(2,632)	(3,096)
SHARE OF RESULTS OF A JOINTLY CONTROLLED ENTITY	*	(25)	*	(25)
PROFIT BEFORE TAXATION	7,205	4,515	7,205	4,515
TAXATION	(2,696)	(1,585)	(2,696)	(1,585)
PROFIT FOR THE PERIOD	4,509	2,930	4,509	2,930
ATTRIBUTABLE TO:				
Owners of the Parent	3,254	1,993	3,254	1,993
Non-Controlling Interests	1,255	937	1,255	937
PROFIT FOR THE PERIOD	4,509	2,930	4,509	2,930
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 (“ICULS”)	0.39	0.24	0.39	0.24
• After mandatory conversion of ICULS	0.48	0.38	0.48	0.38
Diluted (sen)	0.48	0.38	0.48	0.38

*Less than RM1,000

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2012 RM'000	3 MONTHS ENDED	
			30.09.2013 RM'000	30.09.2012 RM'000
PROFIT FOR THE PERIOD	4,509	2,930	4,509	2,930
OTHER COMPREHENSIVE INCOME:				
FOREIGN CURRENCY TRANSLATION	6,419	(198)	6,419	(198)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	6,419	(198)	6,419	(198)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,928	2,732	10,928	2,732
ATTRIBUTABLE TO:				
Owners of the Parent	9,673	1,795	9,673	1,795
Non-Controlling Interests	1,255	937	1,255	937
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,928	2,732	10,928	2,732

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.09.2013	30.06.2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	35,850	34,789
Investment in a jointly controlled entity	22,490	22,490
Investment property	32,900	32,900
Land held for property development	858,988	885,744
Goodwill on consolidation	37,283	36,606
Deferred tax assets	3,058	3,058
	<u>990,569</u>	<u>1,015,587</u>
Current Assets		
Inventories	67,250	149,204
Property development expenditure	1,439,996	1,344,050
Trade and other receivables	76,621	35,001
Other current assets	46,123	40,764
Income tax assets	3,073	5,422
Amount due from related companies	3,120	456
Amount due from a jointly controlled entity	6,650	6,610
Fixed deposits with licensed banks	92,130	50,661
Cash and bank balances	32,665	19,268
	<u>1,767,628</u>	<u>1,651,436</u>
TOTAL ASSETS	<u>2,758,197</u>	<u>2,667,023</u>
EQUITY		
Share capital	422,172	422,172
Share premium	177,471	177,471
Treasury shares, at cost	(22,200)	(22,200)
Retained earnings	44,260	41,006
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	11,482	5,063
	<u>988,154</u>	<u>978,481</u>
Equity Attributable to Owners of the Parent	988,154	978,481
Non-Controlling Interests	39,477	38,222
	<u>1,027,631</u>	<u>1,016,703</u>
TOTAL EQUITY	<u>1,027,631</u>	<u>1,016,703</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	UNAUDITED AS AT 30.09.2013 RM'000	AUDITED AS AT 30.06.2013 RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	1,395,576	1,358,032
Other non-current liability	67,696	67,696
Deferred tax liabilities	54,660	54,659
	<u>1,517,932</u>	<u>1,480,387</u>
Current Liabilities		
Trade and other payables	72,742	74,990
Other current liabilities	39,092	2,002
Loans and borrowings	45,314	45,365
Amount due to immediate holding company	1,089	1,054
Amount due to related companies	49,401	41,551
Provisions	4,288	4,288
Income tax payable	708	683
	<u>212,634</u>	<u>169,933</u>
TOTAL LIABILITIES	<u>1,730,566</u>	<u>1,650,320</u>
TOTAL EQUITY AND LIABILITIES	<u>2,758,197</u>	<u>2,667,023</u>
Net assets per 50 sen share (RM)	<u>1.19</u>	<u>1.18</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	<----- Attributable to owners of the parent ----->								
	Ordinary Shares RM'000	Share Premium RM'000	Treasury Shares RM'000	Retained earnings RM'000	Equity Component of ICULS RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
As at 01 July 2013	422,172	177,471	(22,200)	41,006	354,969	5,063	978,481	38,222	1,016,703
Profit for the period	-	-	-	3,254	-	-	3,254	1,255	4,509
Other comprehensive income for the period	-	-	-	-	-	6,419	6,419	-	6,419
Total comprehensive income for the period	-	-	-	3,254	-	6,419	9,673	1,255	10,928
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 30 September 2013	422,172	177,471	(22,200)	44,260	354,969	11,482	988,154	39,477	1,027,631

*Less than RM1,000

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	<----- Attributable to owners of the parent ----->								
	Ordinary Shares RM'000	Share Premium RM'000	Treasury Shares RM'000	Retained earnings RM'000	Equity Component of ICULS RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
As at 01 July 2012	422,156	177,445	(22,200)	15,793	355,001	4,321	952,516	30,037	982,553
Profit for the period	-	-	-	1,993	-	-	1,993	937	2,930
Other comprehensive income for the period	-	-	-	-	-	(198)	(198)	-	(198)
Total comprehensive income for the period	-	-	-	1,993	-	(198)	1,795	937	2,732
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 30 September 2012	422,156	177,445	(22,200)	17,786	355,001	4,123	954,311	30,974	985,285

*Less than RM1,000

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	3 MONTHS ENDED	
	30.09.2013	30.09.2012
	RM'000	RM'000
Cash flows from Operating Activities		
Profit before taxation	7,205	4,515
Depreciation of property, plant and equipment	142	129
Interest expenses	2,632	3,096
Interest income	(300)	(245)
Unrealised (gains)/losses on foreign exchange	(3,095)	135
Share of results of a jointly controlled entity	*	25
	-----	-----
Operating cash flows before working capital changes	6,584	7,655
Net changes in current assets	(46,246)	20,650
Net changes in current liabilities	60,903	(16,445)
Net changes in inter-company balances	8,277	(1,933)
	-----	-----
Cash generated from operations	29,518	9,927
Income tax paid	(321)	(10,981)
	-----	-----
Net cash generated from/(used in) operating activities	29,197	(1,054)
	-----	-----
Cash flows from Investing Activities		
Interest received	300	245
Land held for property development	26,756	(2,811)
Purchase of property, plant and equipment	(1,196)	(75)
	-----	-----
Net cash generated from/(used in) investing activities	25,860	(2,641)
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The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 - continued

	3 MONTHS ENDED	
	30.09.2013	30.09.2012
	RM'000	RM'000
Cash flows from Financing Activities		
Interest paid	(73)	(466)
Net repayments of hire purchase payables	(100)	(53)
Net repayments of borrowings	-	(51,300)
Purchase of treasury shares	*	*
	-----	-----
Net cash used in financing activities	(173)	(51,819)
	-----	-----
Net changes in cash and cash equivalents	54,884	(55,514)
Effect of exchange rate changes on cash and cash equivalents	(18)	(61)
Cash and cash equivalents at beginning of the financial period	69,929	282,095
	-----	-----
Cash and cash equivalents at end of the financial period	124,795	226,520
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	92,130	153,155
Cash and bank balances	32,665	73,365
	-----	-----
	124,795	226,520
	=====	=====

*Less than RM1,000

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements

INTERIM FINANCIAL REPORT

Disclosure requirement per FRS 134 – paragraph 16

The condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2013.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the latest audited annual financial statements except for the adoption of the amendments to FRSs and IC Interpretations (“IC Int”) that are applicable to the Group for the financial period beginning 1 July 2013.

The adoption of these amendments to FRSs and IC Int does not have any significant impact on the financial statements of the Group.

Malaysia Financial Reporting Standards (“MFRS Framework”)

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

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

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

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

A2. Seasonality or Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factor.

A3. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

INTERIM FINANCIAL REPORT

Notes : - continued

A4. Changes in estimates of amounts reported

There was no significant change in estimates of amount reported in prior interim periods or prior financial years.

A5. Changes in Debt and Equity Securities

Save as disclosed below, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter:

During the current financial quarter and financial period to date, the Company repurchased 100 ordinary shares of RM0.50 each of its issued share capital from the open market at a cost of RM0.965 per share. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial period to date amounted to RM137.53 and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

As at 30 September 2013, the total number of treasury shares held was 15,172,200 ordinary shares of RM0.50 each.

The outstanding debts are disclosed in Note B9.

A6. Dividend Paid

There was no dividend paid during the current financial quarter ended 30 September 2013 .

A7. Segment Information

No segment information is prepared as the Group's activities are predominantly in one industry segment.

A8. Subsequent Events

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing of operations during the current financial period.

A10. Changes in Contingent Liabilities

There was no significant change in the contingent liabilities of the Group since the last financial year ended 30 June 2013.

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Disclosure requirement per Part A of Appendix 9B of Main Market Listing Requirements of Bursa Securities

B1. Review of Performance

For the current financial quarter under review, Group revenue and profit before taxation increased to RM116.917 million and RM7.205 million from RM51.106 million and RM4.515 million, respectively recorded in the preceding year corresponding financial quarter ended 30 September 2012, representing an increase of RM65.811 million (128.8%) and RM2.690 million (59.6%) in revenue and profit before taxation, respectively.

The higher revenue and profit before taxation were mainly contributed by Capers project under the Sentul Raya development, sales of completed properties by Sandy Island Pte Ltd, and unrealised forex gains recorded during current financial quarter.

B2. Comparison with Preceding Quarter

	Current Quarter 30.09.2013 RM'000	Preceding Quarter 30.06.2013 RM'000
Revenue	116,917	70,860
Profit before taxation	7,205	26,204
Profit attributable to owners of the parent	3,254	17,792

The Group revenue increased by 65% from RM70.860 million to RM116.917 million, mainly attributable to the sales of completed properties by Sandy Island Pte Ltd, whilst profit before taxation reduced by 72.5% to RM7.205 million from RM26.204 million recorded in the preceding financial quarter as the preceding financial quarter recorded a higher profit from Capers project and other operating income.

B3. Audit Report of preceding financial year ended 30 June 2013

The Auditors' Report on the financial statements of the financial year ended 30 June 2013 did not contain any qualification.

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 2014 through the property development activities undertaken by its subsidiaries.

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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Notes : continued

B6. Profit for the Period

Profit for the period is stated after charging/(crediting):

	Current Quarter 30.09.2013 RM'000	Current Period To Date 30.09.2013 RM'000
Depreciation of property, plant and equipment	142	142
Interest expense	2,632	2,632
Interest income	(300)	(300)
Unrealised gains on foreign exchange	(3,095)	(3,095)
	=====	=====

Other than the above items, there were no other investment income, provision for and write off of receivables/inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and exceptional items for the current financial period.

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.09.2013 RM'000	Current Period To Date 30.09.2013 RM'000
Income tax :		
- Current period	2,696	2,696
	=====	=====

The Group provision for taxation for the financial period ended 30 September 2013 reflected a higher effective tax rate compared to the statutory tax rate, mainly due to non tax deductibility of certain expenses and losses incurred by the Company and certain subsidiaries.

B8. Corporate Development

There was no corporate proposal announced and pending completion at the date of this report.

INTERIM FINANCIAL REPORT

Notes : continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at the end of the financial period are as follows:-

	Short term		Long term		Total RM'000
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	
Secured	-	356	-	798,343	798,699
Unsecured	4,958	40,000	132,251	464,982	642,191
Total	4,958	40,356	132,251	1,263,325	1,440,890

The above include borrowings denominated in foreign currency as follow:-

In Singapore Dollar ('000)	448,000
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B10. Material litigation

There are claims made by third parties against Sentul Raya Sdn Bhd but the Directors of the Company are of the opinion that the claims will not materially affect the future position or business of the Group.

B11. Dividend

No dividend has been declared for the current financial quarter.

B12. Retained earnings

	As at 30.09.2013 RM'000	As at 30.06.2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	302,425	297,915
- Unrealised	149,366	149,367
	451,791	447,282
Total share of accumulated losses from jointly controlled entity :		
- Realised	(410)	(410)
Less: Consolidation adjustments	(407,121)	(405,866)
Total Group retained earnings as per consolidated interim financial statements	44,260	41,006

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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Notes : continued

B13. Earnings Per Share

- **Basic/diluted earnings per share**

The basic earnings per share of the Group has been computed by dividing the profit attributable to owners of the parent for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter, excluding treasury shares held by the Company, assuming the full conversion of 991,786,363 ICULS into ordinary shares at a conversion price of RM1.32 per share.

	Current Quarter 30.09.2013	Preceding Year Corresponding Quarter 30.09.2012
Profit attributable to owners of the parent (RM'000)	3,254	1,993
Interest expense on ICULS (RM'000)	2,559	2,630
Profit attributable to owners of the parent including assumed conversion (RM'000)	5,813	4,623
Weighted average number of ordinary shares of RM0.50 each ('000)	829,173	829,140
Adjustment for assumed conversion of ICULS ('000)	375,677	375,709
Adjusted weighted average number of ordinary shares ('000)	1,204,850	1,204,849
Basic (per 50 sen share) (sen):-		
• Before mandatory conversion of ICULS	0.39	0.24
• After mandatory conversion of ICULS	0.48	0.38
Diluted (per 50 sen share) (sen)	0.48	0.38

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 21 November 2013