

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

Interim Financial Report
31 March 2015

YTL LAND & DEVELOPMENT BERHAD

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Incorporated in Malaysia

**Interim Financial Report
31 March 2015**

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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 31 March 2015.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2014 RM'000	9 MONTHS ENDED	
			31.3.2015 RM'000	31.3.2014 RM'000
REVENUE	21,805	93,635	69,260	239,403
COST OF SALES	(12,237)	(67,521)	(42,819)	(194,251)
GROSS PROFIT	9,568	26,114	26,441	45,152
OTHER OPERATING INCOME	14,248	8,623	31,194	29,447
OTHER OPERATING EXPENSES	(13,048)	(13,776)	(32,777)	(34,562)
PROFIT FROM OPERATIONS	10,768	20,961	24,858	40,037
FINANCE COSTS	(2,650)	(2,423)	(7,634)	(7,497)
SHARE OF RESULTS OF A JOINT VENTURE	2,962	(1)	2,931	(30)
PROFIT BEFORE TAXATION	11,080	18,537	20,155	32,510
TAXATION	(3,976)	(6,471)	(7,060)	(12,498)
PROFIT FOR THE PERIOD	7,104	12,066	13,095	20,012
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	5,185	7,824	10,125	13,404
NON-CONTROLLING INTERESTS	1,919	4,242	2,970	6,608
PROFIT FOR THE PERIOD	7,104	12,066	13,095	20,012
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 (“ICULS”)	0.64	0.96	1.22	1.63
• After mandatory conversion of ICULS	0.63	0.86	1.44	1.74
Diluted (sen)	0.63	0.86	1.44	1.74

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 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 COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2014 RM'000	9 MONTHS ENDED 31.3.2015 RM'000	
			31.3.2015 RM'000	31.3.2014 RM'000
PROFIT FOR THE PERIOD	7,104	12,066	13,095	20,012
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:				
FOREIGN CURRENCY TRANSLATION	4,314	(130)	10,256	6,534
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	4,314	(130)	10,256	6,534
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,418	11,936	23,351	26,546
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	9,499	7,694	20,381	19,938
NON-CONTROLLING INTERESTS	1,919	4,242	2,970	6,608
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,418	11,936	23,351	26,546

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 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 FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.3.2015	30.6.2014
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	37,286	37,041
Investment in a joint venture	25,339	22,408
Investment property	32,900	32,900
Land held for property development	868,342	862,946
Goodwill on consolidation	38,205	37,083
Deferred tax assets	2,456	2,474
	<u>1,004,528</u>	<u>994,852</u>
Current Assets		
Inventories	60,917	64,047
Property development expenditure	1,675,700	1,482,291
Trade and other receivables	41,663	34,360
Other current assets	5,379	89,023
Income tax assets	6,862	852
Amount due from related companies	861	259
Amount due from a joint venture	18,376	14,364
Fixed deposits with licensed banks	13,914	71,727
Cash and bank balances	9,204	23,779
	<u>1,832,876</u>	<u>1,780,702</u>
TOTAL ASSETS	<u>2,837,404</u>	<u>2,775,554</u>
EQUITY		
Share capital	422,172	422,172
Share premium	177,471	177,471
Treasury shares, at cost	(22,202)	(22,200)
Retained earnings	74,913	64,788
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	20,054	9,798
	<u>1,027,377</u>	<u>1,006,998</u>
Equity attributable to owners of the parent	1,027,377	1,006,998
Non-controlling interests	51,025	48,055
	<u>1,078,402</u>	<u>1,055,053</u>
TOTAL EQUITY	<u>1,078,402</u>	<u>1,055,053</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 2014 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 - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.3.2015	30.6.2014
	RM'000	RM'000
LIABILITIES		
Non-current Liabilities		
Loans and borrowings	1,410,932	1,338,525
Other non-current liability	67,696	67,696
Deferred tax liabilities	53,407	52,960
	<u>1,532,035</u>	<u>1,459,181</u>
Current Liabilities		
Trade and other payables	10,837	33,894
Other current liabilities	13,899	49,075
Loans and borrowings	128,646	88,118
Amount due to immediate holding company	1,185	1,195
Amount due to related companies	72,382	86,918
Income tax payable	18	2,120
	<u>226,967</u>	<u>261,320</u>
TOTAL LIABILITIES	<u>1,759,002</u>	<u>1,720,501</u>
TOTAL EQUITY AND LIABILITIES	<u>2,837,404</u>	<u>2,775,554</u>
Net assets per 50 sen share (RM)	<u>1.24</u>	<u>1.21</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 2014 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

	<----- 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 1 July 2014	422,172	177,471	(22,200)	64,788	354,969	9,798	1,006,998	48,055	1,055,053
Profit for the period	-	-	-	10,125	-	-	10,125	2,970	13,095
Other comprehensive income for the period	-	-	-	-	-	10,256	10,256	-	10,256
Total comprehensive income for the period	-	-	-	10,125	-	10,256	20,381	2,970	23,351
Purchase of treasury shares	-	-	(2)	-	-	-	(2)	-	(2)
As at 31 March 2015	422,172	177,471	(22,202)	74,913	354,969	20,054	1,027,377	51,025	1,078,402

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 2014 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

	<----- 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 1 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	-	-	-	13,404	-	-	13,404	6,608	20,012
Other comprehensive income for the period	-	-	-	-	-	6,534	6,534	-	6,534
Total comprehensive income for the period	-	-	-	13,404	-	6,534	19,938	6,608	26,546
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 March 2014	422,172	177,471	(22,200)	54,410	354,969	11,597	998,419	44,830	1,043,249

*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 2014 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 31 MARCH 2015**

	9 MONTHS ENDED	
	31.3.2015	31.3.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	20,155	32,510
Depreciation of property, plant and equipment	568	499
Loss on disposal of property, plant and equipment	87	*
Interest expense	7,634	7,498
Interest income	(1,048)	(919)
Reversal of accruals	(6,287)	-
Reversal of damages claims	-	(3,478)
Bad debts	80	-
Unrealised gain on foreign exchange	(5,050)	(3,153)
Share of results of a joint venture	(2,931)	30
	-----	-----
Operating cash flows before working capital changes	13,208	32,987
Net changes in current assets	(99,700)	(75,354)
Net changes in current liabilities	(262)	60,126
Net changes in inter-company balances	(7,823)	16,195
	-----	-----
Cash (used in)/from operations	(94,577)	33,954
Income tax paid	(14,708)	(5,383)
	-----	-----
Net cash (used in)/from operating activities	(109,285)	28,571
	-----	-----
Cash flows from investing activities		
Interest received	1,048	919
Land held for property development	(5,034)	24,570
Proceeds from disposal of property, plant and equipment	62	-
Purchase of property, plant and equipment	(624)	(1,891)
	-----	-----
Net cash (used in)/from investing activities	(4,548)	23,598
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 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 31 MARCH 2015 - continued**

	9 MONTHS ENDED	
	31.3.2015	31.3.2014
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(12,097)	(7,521)
Net repayments of hire purchase payables	(214)	(229)
Net drawdown/(repayment) of borrowings	55,144	(2,409)
Purchase of treasury shares	(2)	*
	-----	-----
Net cash from/(used in) financing activities	42,831	(10,159)
	-----	-----
Net changes in cash and cash equivalents	(71,002)	42,010
Effect of exchange rate changes on cash and cash equivalents	(1,386)	(153)
Cash and cash equivalents at beginning of the financial period	95,506	69,929
	-----	-----
Cash and cash equivalents at end of the financial period	23,118	111,786
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	13,914	94,513
Cash and bank balances	9,204	17,273
	-----	-----
	23,118	111,786
	=====	=====

*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 2014 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 2014.

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 2014.

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. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017. Early application of MFRS is permitted.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2018.

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 current financial quarter and financial period to date, the Company repurchased 1,000 and 2,000 ordinary shares, respectively of RM0.50 each of its issued share capital from the open market at an average cost of RM0.94 per share. The total consideration paid for the share buy-back, including transaction costs during current financial quarter and current financial period to date amounted to RM1,021.30 and RM1,882.55, respectively 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 31 March 2015, the total number of treasury shares held was 15,174,300 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 31 March 2015.

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.

INTERIM FINANCIAL REPORT

Notes : continued

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 2014.

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INTERIM FINANCIAL REPORT

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

B1. Review of Performance

Current quarter review

For the current financial quarter under review, Group revenue and profit before taxation decreased 77% and 40%, respectively from RM93.635 million and RM18.537 million recorded in the preceding year corresponding financial quarter ended 31 March 2014 to RM21.805 million and RM11.080 million, respectively.

The current quarter recorded profits from The Shorefront project undertaken by a joint venture, Shorefront Development Sdn Bhd (formerly known as PDC Heritage Hotel Sdn Bhd) and the income from sales of car park bays from completed projects undertaken by Sentul Raya Sdn Bhd (“SRSB”) for the first time. However these were offset by lower progress billings recognised from Fennel project undertaken by SRSB which resulted in lower revenue and profit before taxation in the current quarter as compared to the preceding corresponding quarter.

Financial year-to-date review

For the nine months under review, Group revenue and profit before taxation decreased 71% and 38%, respectively to RM69.260 million and RM20.155 million from RM239.403 million and RM32.510 million, respectively recorded in the preceding financial period.

Despite the profits recognised from The Shorefront project and sales of car park bays, the lower Group revenue and profit before taxation was mainly attributable to the completion of the Capers project undertaken by SRSB in the second quarter of the financial period, and the absence of sales of completed properties by Sandy Island Pte Ltd in the current financial period as compared to the preceding year corresponding financial period.

B2. Comparison with Preceding Quarter

	Current Quarter 31.3.2015 RM’000	Preceding Quarter 31.12.2014 RM’000
Revenue	21,805	20,141
Profit before taxation	11,080	3,703
Profit attributable to owners of the parent	5,185	1,367

The marginal improvement in revenue was attributable to higher work progress from the Fennel project in the current financial quarter as compared to the preceding financial quarter. The Group profit before taxation increased 199% to RM11.080 million from RM3.703 million recorded in the preceding financial quarter contributed substantially by the profits of The Shorefront project and sales of car park bays as highlighted above.

INTERIM FINANCIAL REPORT

Notes : continued

B3. Audit Report of preceding financial year ended 30 June 2014

The Auditors' Report on the financial statements of the financial year ended 30 June 2014 did not contain any qualification.

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 2015 through the property development activities undertaken by its subsidiaries and joint venture.

B5. Profit Forecast

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

B6. Profit for the period

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

	Current Quarter 31.3.2015 RM'000	Current Period To Date 31.3.2015 RM'000
Depreciation of property, plant and equipment	240	568
Loss on disposal of property, plant and equipment	87	87
Interest expense	2,650	7,634
Bad debts	-	80
Reversal of accruals	-	(6,287)
Interest income	(328)	(1,048)
Unrealised gain on foreign exchange	(2,274)	(5,050)
	=====	=====

Other than the above items, there were no other investment income, provision for and write off of 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.

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INTERIM FINANCIAL REPORT

Notes : continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.3.2015 RM'000	Current Period To Date 31.3.2015 RM'000
Income tax :		
- Current period	3,780	6,596
Deferred tax	196	464
	-----	-----
	3,976	7,060
	=====	=====

The Group provision for taxation for the financial period ended 31 March 2015 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.

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
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	RM'000
Secured	-	82,654	-	831,508	914,162
Unsecured	5,625	40,367	123,768	455,656	625,416
	-----	-----	-----	-----	-----
Total	5,625	123,021	123,768	1,287,164	1,539,578
	=====	=====	=====	=====	=====

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

In Singapore Dollar ('000)	478,616
	=====

INTERIM FINANCIAL REPORT

Notes : continued

B10. Material Litigation

There are claims made by third parties against SRSB 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 31.3.2015 RM'000	As at 30.6.2014 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	338,937	325,961
- Unrealised	153,073	153,073
	----- 492,010	----- 479,034
Total share of retained earnings/(accumulated losses) from joint venture :		
- Realised	2,439	(492)
Less: Consolidation adjustments	(419,536)	(413,754)
	-----	-----
Total Group retained earnings as per consolidated interim financial statements	74,913	64,788
	=====	=====

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INTERIM FINANCIAL REPORT

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 31.3.2015	Preceding Year Corresponding Quarter 31.3.2014
Profit attributable to owners of the parent (RM'000)	5,185	7,824
Interest expense on ICULS (RM'000)	2,323	2,417
Profit attributable to owners of the parent including assumed conversion (RM'000)	7,508	10,241
Weighted average number of ordinary shares of RM0.50 each ('000)	811,145	811,147
Adjustment for assumed conversion of ICULS ('000)	375,677	375,677
Adjusted weighted average number of ordinary shares ('000)	1,186,822	1,186,824
Basic (per 50 sen share) (sen):-		
• Before mandatory conversion of ICULS	0.64	0.96
• After mandatory conversion of ICULS	0.63	0.86
Diluted (per 50 sen share) (sen)	0.63	0.86

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 21 May 2015