

YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

**Interim Financial Report
31 December 2013**

YTL LAND & DEVELOPMENT BERHAD

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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 December 2013.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2012 RM'000	6 MONTHS ENDED 31.12.2013 31.12.2012 RM'000 RM'000	
REVENUE	28,851	35,143	145,768	86,249
COST OF SALES	(19,053)	(24,596)	(126,730)	(67,634)
GROSS PROFIT	9,798	10,547	19,038	18,615
OTHER OPERATING INCOME	11,708	12,074	20,824	19,115
OTHER OPERATING EXPENSES	(12,267)	(8,156)	(20,786)	(15,629)
PROFIT FROM OPERATIONS	9,239	14,465	19,076	22,101
FINANCE COSTS	(2,442)	(3,023)	(5,074)	(6,119)
SHARE OF RESULTS OF A JOINTLY CONTROLLED ENTITY	(29)	(88)	(29)	(113)
PROFIT BEFORE TAXATION	6,768	11,354	13,973	15,869
TAXATION	(3,331)	(4,826)	(6,027)	(6,411)
PROFIT FOR THE PERIOD	3,437	6,528	7,946	9,458
ATTRIBUTABLE TO:				
Owners of the Parent	2,326	4,224	5,580	6,217
Non-Controlling Interests	1,111	2,304	2,366	3,241
PROFIT FOR THE PERIOD	3,437	6,528	7,946	9,458
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 (“ICULS”)	0.28	0.51	0.67	0.75
• After mandatory conversion of ICULS	0.40	0.56	0.88	0.95
Diluted (sen)	0.40	0.56	0.88	0.95

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)
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2012 RM'000	6 MONTHS ENDED	
			31.12.2013 RM'000	31.12.2012 RM'000
PROFIT FOR THE PERIOD	3,437	6,528	7,946	9,458
OTHER COMPREHENSIVE INCOME:				
FOREIGN CURRENCY TRANSLATION	245	96	6,664	(102)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	245	96	6,664	(102)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>3,682</u>	<u>6,624</u>	<u>14,610</u>	<u>9,356</u>
ATTRIBUTABLE TO:				
Owners of the Parent	2,571	4,320	12,244	6,115
Non-Controlling Interests	1,111	2,304	2,366	3,241
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>3,682</u>	<u>6,624</u>	<u>14,610</u>	<u>9,356</u>

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2013	30.06.2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	35,818	34,789
Investment in a jointly controlled entity	22,460	22,490
Investment property	32,900	32,900
Land held for property development	859,718	885,744
Goodwill on consolidation	37,310	36,606
Deferred tax assets	2,188	3,058
	<u>990,394</u>	<u>1,015,587</u>
Current Assets		
Inventories	66,745	149,204
Property development expenditure	1,484,819	1,344,050
Trade and other receivables	35,868	35,001
Other current assets	50,523	40,764
Income tax assets	3,329	5,422
Amount due from related companies	2,190	456
Amount due from a jointly controlled entity	6,771	6,610
Fixed deposits with licensed banks	100,731	50,661
Cash and bank balances	12,135	19,268
	<u>1,763,111</u>	<u>1,651,436</u>
TOTAL ASSETS	<u><u>2,753,505</u></u>	<u><u>2,667,023</u></u>
EQUITY		
Share capital	422,172	422,172
Share premium	177,471	177,471
Treasury shares, at cost	(22,200)	(22,200)
Retained earnings	46,586	41,006
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	11,727	5,063
	<u>990,725</u>	<u>978,481</u>
Equity Attributable to Owners of the Parent	990,725	978,481
Non-Controlling Interests	40,588	38,222
	<u>1,031,313</u>	<u>1,016,703</u>
TOTAL EQUITY	<u><u>1,031,313</u></u>	<u><u>1,016,703</u></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	AUDITED
	AS AT	AS AT
	31.12.2013	30.06.2013
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	1,372,156	1,358,032
Other non-current liability	67,696	67,696
Deferred tax liabilities	54,659	54,659
	<u>1,494,511</u>	<u>1,480,387</u>
Current Liabilities		
Trade and other payables	57,079	74,990
Other current liabilities	60,268	2,002
Loans and borrowings	45,270	45,365
Amount due to immediate holding company	1,078	1,054
Amount due to related companies	62,841	41,551
Provisions	-	4,288
Income tax payable	1,145	683
	<u>227,681</u>	<u>169,933</u>
TOTAL LIABILITIES	<u>1,722,192</u>	<u>1,650,320</u>
TOTAL EQUITY AND LIABILITIES	<u>2,753,505</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 31 DECEMBER 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	-	-	-	5,580	-	-	5,580	2,366	7,946
Other comprehensive income for the period	-	-	-	-	-	6,664	6,664	-	6,664
Total comprehensive income for the period	-	-	-	5,580	-	6,664	12,244	2,366	14,610
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 December 2013	422,172	177,471	(22,200)	46,586	354,969	11,727	990,725	40,588	1,031,313

*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 31 DECEMBER 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	-	-	-	6,217	-	-	6,217	3,241	9,458
Other comprehensive income for the period	-	-	-	-	-	(102)	(102)	-	(102)
Total comprehensive income for the period	-	-	-	6,217	-	(102)	6,115	3,241	9,356
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 December 2012	422,156	177,445	(22,200)	22,010	355,001	4,219	958,631	33,278	991,909

*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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

	6 MONTHS ENDED	
	31.12.2013	31.12.2012
	RM'000	RM'000
Cash flows from Operating Activities		
Profit before taxation	13,973	15,869
Depreciation of property, plant and equipment	310	250
Loss on disposal of property, plant and equipment	*	43
Interest expenses	5,075	6,119
Interest income	(649)	(446)
Reversal of damages claims	(3,478)	-
Unrealised (gain)/ losses on foreign exchange	(3,217)	47
Share of results of a jointly controlled entity	30	113
	-----	-----
Operating cash flows before working capital changes	12,044	21,995
Net changes in current assets	(63,046)	5,555
Net changes in current liabilities	75,972	(22,778)
Net changes in inter-company balances	22,636	(13,025)
	-----	-----
Cash from/ (used in) operations	47,606	(8,253)
Income tax paid	(2,602)	(26,006)
	-----	-----
Net cash from/ (used in) operating activities	45,004	(34,259)
	-----	-----
Cash flows from Investing Activities		
Interest received	649	446
Land held for property development	26,026	(5,861)
Purchase of property, plant and equipment	(1,334)	(280)
Proceeds from disposal of property, plant and equipment	-	223
	-----	-----
Net cash from/ (used in) investing activities	25,341	(5,472)
	-----	-----

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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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013 - continued

	6 MONTHS ENDED	
	31.12.2013	31.12.2012
	RM'000	RM'000
Cash flows from Financing Activities		
Interest paid	(7,515)	(8,407)
Net repayments of hire purchase payables	(120)	(147)
Net repayments of borrowings	(19,840)	(58,217)
Purchase of treasury shares	*	*
	-----	-----
Net cash used in financing activities	(27,475)	(66,771)
	-----	-----
Net changes in cash and cash equivalents	42,870	(106,502)
Effect of exchange rate changes on cash and cash equivalents	67	(55)
Cash and cash equivalents at beginning of the financial period	69,929	282,095
	-----	-----
Cash and cash equivalents at end of the financial period	112,866	175,538
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	100,731	137,046
Cash and bank balances	12,135	38,492
	-----	-----
	112,866	175,538
	=====	=====

*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.

INTERIM FINANCIAL REPORT

Notes : continued

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.

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 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 current 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 31 December 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 31 December 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.

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 2013.

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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 to RM28.851 million and RM6.768 million from RM35.143 million and RM11.354 million, respectively recorded in the preceding year corresponding financial quarter ended 31 December 2012, representing a decrease of RM6.292 million (18%) in revenue and RM4.586 million (40%) in profit before taxation, respectively.

The decrease in revenue was due to the lower revenue recognition recorded by Capers project undertaken by Sentul Raya Sdn Bhd (“SRSB”) whilst the lower profit before taxation were mainly due to lower other operating income recorded by Bayumaju Developments Sdn Bhd, and higher operating expenses incurred by SRSB.

Financial year-to-date review

For the six months under review, Group revenue increased by RM59.519 million (69%) to RM145.768 million from RM86.249 million recorded in the preceding year corresponding financial period, whilst Group profit before taxation decreased to RM7.946 million from RM9.458 million recorded in the preceding year corresponding financial period.

The improvement in revenue was mainly attributable to higher sales from completed properties of Sandy Island Pte Ltd whilst lower profit before taxation was mainly due to the reasons set out above.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2013 RM’000	Preceding Quarter 30.09.2013 RM’000
Revenue	28,851	116,917
Profit before taxation	6,768	7,205
Profit attributable to owners of the parent	2,326	3,254

The Group revenue and profit before taxation decreased to RM28.851 million and RM6.768 million from RM116.917 million and RM7.205 million, respectively recorded in the preceding financial quarter. The decreases were mainly due to the absence of sales from completed development project by Sandy Island Pte Ltd and higher operating expenses incurred by Sentul Raya Sdn Bhd during current financial quarter.

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.

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

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.

B6. Profit for the Period

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

	Current Quarter 31.12.2013 RM'000	Current Period To Date 31.12.2013 RM'000
Depreciation of property, plant and equipment	168	310
Interest expense	2,443	5,075
Interest income	(349)	(649)
Unrealised gains on foreign exchange	(122)	(3,217)
	<u> </u>	<u> </u>

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 31.12.2013 RM'000	Current Period To Date 31.12.2013 RM'000
Income tax :		
- Current period	2,462	5,158
Deferred tax	869	869
	<u> </u>	<u> </u>
	<u>3,331</u>	<u>6,027</u>

The Group provision for taxation for the financial period ended 31 December 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.

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Notes : continued

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 RM'000
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	
Secured	-	-	-	799,044	799,044
Unsecured	4,958	40,312	127,252	445,860	618,382
Total	<u>4,958</u>	<u>40,312</u>	<u>127,252</u>	<u>1,244,904</u>	<u>1,417,426</u>

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

In Singapore Dollar ('000)	<u>448,064</u>
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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.

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INTERIM FINANCIAL REPORT

Notes : continued

B11. Dividend

No dividend has been declared for the current financial quarter.

B12. Retained earnings

	As at 31.12.2013 RM'000	As at 30.06.2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	302,473	297,915
- Unrealised	152,784	149,367
	-----	-----
	455,257	447,282
Total share of accumulated losses from jointly controlled entity :		
- Realised	(440)	(410)
Less: Consolidation adjustments	(408,231)	(405,866)
	-----	-----
Total Group retained earnings as per consolidated interim financial statements	46,586	41,006
	=====	=====

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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 31.12.2013	Preceding Year Corresponding Quarter 31.12.2012
Profit attributable to owners of the parent (RM'000)	2,326	4,224
Interest expense on ICULS (RM'000)	2,500	2,583
Profit attributable to owners of the parent including assumed conversion (RM'000)	4,827	6,807
Weighted average number of ordinary shares of RM0.50 each ('000)	829,140	829,140
Adjustment for assumed conversion of ICULS ('000)	375,677	375,709
Adjusted weighted average number of ordinary shares ('000)	1,204,849	1,204,849
Basic (per 50 sen share) (sen):-		
• Before mandatory conversion of ICULS	<u>0.28</u>	<u>0.51</u>
• After mandatory conversion of ICULS	<u>0.40</u>	<u>0.56</u>
Diluted (per 50 sen share) (sen)	<u>0.40</u>	<u>0.56</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 20 February 2014