YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

Interim Financial Report
30 June 2019

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

Interim Financial Report
30 June 2019

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated result for the financial year ended 30 June 2019.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter			**Cumulative Quarter**		
	Current Year Quarter	**Preceding Year Corresponding Quarter**		**12 Months Ended**		
	30.6.2019	**30.6.2018 (restated)**	*Changes*	**30.6.2019**	**30.6.2018 (restated)**	*Changes*
	RM'000	**RM'000**	*(%)*	**RM'000**	**RM'000**	*(%)*
Revenue	286,213	128,866	*122%*	446,329	328,801	*36%*
Cost of sales	(310,433)	(55,497)		(445,976)	(120,827)	
Gross (loss)/profit	(24,220)	73,369	*-133%*	353	207,974	*-100%*
Other income	11,600	4,287		44,092	14,329	
Selling and distribution expenses	(1,526)	(1,061)		(4,304)	(2,192)	
Administrative expenses	(10,731)	(8,544)		(41,948)	(42,383)	
Other operating expenses	(64,253)	(139,481)		(72,197)	(156,708)	
Operating (loss)/profit	(89,130)	(71,430)	*-25%*	(74,004)	21,020	*-452%*
Finance costs	(26,653)	(30,348)		(93,246)	(86,914)	
Share of results of a joint venture	281	555		806	1,933	
Loss before taxation	(115,502)	(101,223)	*-14%*	(166,444)	(63,961)	*-160%*
Taxation	(3,822)	(9,705)		(9,034)	(42,635)	
Loss for the period/year	(119,324)	(110,928)	*-8%*	(175,478)	(106,596)	*-65%*
<u>Attributable to :</u>						
Owners of the parent	(119,319)	(110,924)	*-8%*	(175,465)	(106,584)	*-65%*
Non-controlling interests	(5)	(4)		(13)	(12)	
Loss for the period/year	(119,324)	(110,928)		(175,478)	(106,596)	
Loss per share						
Basic (sen)	(7.46)	(8.21)		(10.71)	(7.46)	

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.6.2019	30.6.2018 (restated)	30.6.2019	30.6.2018 (restated)
	RM'000	RM'000	RM'000	RM'000
Loss for the period/year	(119,324)	(110,928)	(175,478)	(106,596)
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent period/year:				
Foreign currency translation, representing total other comprehensive (loss)/income for the period/year, net of tax	(2,032)	674	(2,329)	(7,367)
Total comprehensive loss for the period/year	(121,356)	(110,254)	(177,807)	(113,963)
Attributable to :				
Owners of the parent	(121,351)	(110,250)	(177,794)	(113,951)
Non-controlling interests	(5)	(4)	(13)	(12)
Total comprehensive loss for the period/year	(121,356)	(110,254)	(177,807)	(113,963)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 as at 30.6.2019 RM'000	Restated as at 30.6.2018 RM'000	Restated as at 1.7.2017 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	34,719	35,559	36,597
Investment in a joint venture	25,290	45,041	46,496
Investment properties	86,077	49,300	48,100
Land held for property development	677,567	670,448	670,816
Goodwill on consolidation	5,432	5,432	5,432
Deferred tax assets	10,119	9,957	7,800
Trade and other receivables	7,078	7,222	7,296
	846,282	822,959	822,537
Current Assets			
Inventories	1,652,708	2,089,299	49,929
Property development expenditure	462,983	377,064	2,539,578
Trade and other receivables	270,782	73,025	35,049
Contract assets	2,143	1,064	114,727
Income tax assets	9,000	5,447	2,625
Amounts due from related parties	9,558	6,341	18,051
Deposits with licensed banks	59,462	155,326	25,206
Cash and bank balances	49,127	20,825	18,321
	2,515,763	2,728,391	2,803,486
TOTAL ASSETS	3,362,045	3,551,350	3,626,023
EQUITY			
Share capital	599,643	599,643	599,643
Treasury shares, at cost	(22,203)	(22,203)	(22,203)
Accumulated losses	(371,690)	(196,225)	(89,641)
Equity component of ICULS	354,969	354,969	354,969
Foreign currency translation reserve	41,304	43,633	51,000
Equity attributable to owners of the parent	**602,023**	**779,817**	**893,768**
Non-controlling interests	23,309	23,322	23,334
TOTAL EQUITY	625,332	803,139	917,102

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited as at 30.6.2019 RM'000	Restated as at 30.6.2018 RM'000	Restated as at 1.7.2017 RM'000
LIABILITIES			
Non-current Liabilities			
Borrowings	647,918	2,221,403	1,991,814
Deferred tax liabilities	36,258	37,726	52,877
	684,176	2,259,129	2,044,691
Current Liabilities			
Trade and other payables	24,179	30,795	32,038
Contract liabilities	97,593	72,881	71,475
Borrowings	1,625,043	63,666	224,932
Provision	9,528	11,832	9,528
Amounts due to related parties	295,247	302,678	324,030
Income tax payable	947	7,230	2,227
	2,052,537	489,082	664,230
TOTAL LIABILITIES	2,736,713	2,748,211	2,708,921
TOTAL EQUITY AND LIABILITIES	3,362,045	3,551,350	3,626,023
Net assets per share (RM)	0.73	0.94	1.08

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	<---------------- Attributable to owners of the parent				---------------------->			
	Share Capital RM'000	Treasury Shares RM'000	Accumulated Losses 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
At 1 July 2018 (as previously reported)	**599,643**	**(22,203)**	**(200,665)**	**354,969**	**43,633**	**775,377**	**23,322**	**798,699**
Effect of first-time MFRS adoption	-	-	4,440	-	-	4,440	-	4,440
As at 1 July 2018 (restated)	**599,643**	**(22,203)**	**(196,225)**	**354,969**	**43,633**	**779,817**	**23,322**	**803,139**
Loss for the year	-	-	(175,465)	-	-	(175,465)	(13)	(175,478)
Other comprehensive loss for the year	-	-	-	-	(2,329)	(2,329)	-	(2,329)
Total comprehensive loss for the year	-	-	(175,465)	-	(2,329)	(177,794)	(13)	(177,807)
As at 30 June 2019	**599,643**	**(22,203)**	**(371,690)**	**354,969**	**41,304**	**602,023**	**23,309**	**625,332**

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 2018 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 CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	<------------------ Attributable to owners of the parent				--------------------->			
	Share Capital RM'000	**Treasury Shares RM'000**	**Accumulated Losses 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**
At 1 July 2017 (as previously reported)	**599,643**	**(22,203)**	**(126,286)**	**354,969**	**51,000**	**857,123**	**23,334**	**880,457**
Effect of first-time MFRS adoption	-	-	36,645	-	-	36,645	-	36,645
As at 1 July 2017 (restated)	**599,643**	**(22,203)**	**(89,641)**	**354,969**	**51,000**	**893,768**	**23,334**	**917,102**
Loss for the year	-	-	(106,584)	-	-	(106,584)	(12)	(106,596)
Other comprehensive loss for the year	-	-	-	-	(7,367)	(7,367)	-	(7,367)
Total comprehensive loss for the year	-	-	(106,584)	-	(7,367)	(113,951)	(12)	(113,963)
As at 30 June 2018 (restated)	**599,643**	**(22,203)**	**(196,225)**	**354,969**	**43,633**	**779,817**	**23,322**	**803,139**

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 2018 and the accompanying explanatory notes attached to the interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	12 months ended	
	30.6.2019	**30.6.2018 (restated)**
	RM'000	**RM'000**
Cash flows from operating activities		
Loss before taxation	(166,444)	(63,961)
Adjustments for:		
Depreciation of property, plant and equipment	914	1,063
Interest expenses	93,246	86,914
Interest income	(3,956)	(4,728)
Accretion of interest on trade and other receivables	(429)	(431)
Gain from fair value adjustment of investment properties	(17,395)	(1,200)
Reversal of provision	(699)	(108)
Inventories written down	69,140	130,312
Development costs written off	457	-
Unrealised (gain)/loss on foreign exchange	(11,913)	15,460
Impairment loss on land held for property development	1,080	6,248
Impairment loss on trade and other receivables	533	234
Impairment loss on investment in a joint venture	-	3,388
Share of results of a joint venture	(806)	(1,933)
Other non-cash items	(111)	(11)
Operating cash flows before working capital changes	(36,383)	171,247
Net changes in current assets	140,428	(35,763)
Net changes in current liabilities	16,051	3,240
Net changes in inter-company balances	(12,791)	(6,117)
Cash from operations	107,305	132,607
Income tax paid	(20,499)	(57,644)
Net cash from operating activities	86,806	74,963
Cash flows from investing activities		
Interest received	3,956	4,728
Land held for property development	(8,656)	(6,416)
Purchase of property, plant and equipment	(77)	(26)
Proceeds from disposal of property, plant and equipment	6	-
Dividend income received from a joint venture	20,557	-
Net cash from/(used in) investing activities	15,786	(1,714)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 - continued

	12 months ended	
	30.6.2019	**30.6.2018 (restated)**
	RM'000	**RM'000**
Cash flows from financing activities		
Interest paid	(121,244)	(102,958)
Net repayments of hire purchase payables	(90)	(418)
Placement of debt service reserve account fund placed with licensed bank not available for use	(1,110)	(4,107)
Net (repayment)/drawdown of borrowings	(49,294)	162,799
Net cash (used in)/from financing activities	(171,738)	55,316
Net changes in cash and cash equivalents	**(69,146)**	**128,565**
Effect of exchange rate changes on cash and cash equivalents	474	(48)
Cash and cash equivalents at beginning of the financial year	170,544	42,027
Cash and cash equivalents at end of the financial year	**101,872**	**170,544**
Cash and cash equivalents comprise:		
Deposits with licensed banks	59,462	155,326
Cash and bank balances	49,127	20,825
	108,589	176,151
Less : Cash and bank balances not available for use	(6,717)	(5,607)
	101,872	**170,544**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

Disclosure requirement per MFRS 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 2018.

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 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").

Since the previous annual audited financial statements as at 30 June 2018 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB"). This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. The effects on the adoption of MFRS framework are described in Note A2 below.

A2. Changes in Accounting Policies and Methods of Computation

The interim financial report of the Group for the current quarter ended 30 June 2019 is the fourth interim financial report prepared in accordance with MFRS Framework, including MFRS 1 "First-time Adoption of MFRS". Subject to certain transition elections and effects of adoption of MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from contracts with customers" as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

The effects on the adoption of MFRS framework are as follows:

<u>MFRS 9 : Financial Instruments ("MFRS 9")</u>

MFRS 9 replaces the guidance in FRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristic. The key effect of the adoption of this standard on the Group would principally be in respect of the assessment of impairment losses of outstanding external and internal debts based on an "expected credit loss" model. This may have the effect of accelerating the recognition of impairment losses in respect of these debts if any.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

MFRS 15 : Revenue from Contracts with Customers ("MFRS 15")

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersede the revenue recognition guidance including MFRS 118 : Revenue, MFRS 111 : Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follow:

(i) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Currently, the Group account for the bundled sales as one deliverable and recognises revenue over time. Under MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

MFRS 15 : Revenue from Contracts with Customers ("MFRS 15") (cont'd)

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follow (cont'd):

(ii) Cost incurred in fulfilling a contract

Under the current standards, the Group expensed off sales commissions and legal fees of sales and purchase agreement ("SPA") as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and legal fees of SPA relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under MFRS 15, these costs will be eligible for capitalisation and recognised as property development costs and contract sales respectively.

(iii) Recognition of provision for foreseeable losses for low cost housing

Under the current standards, the Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above is in accordance to FRSIC Consensus 17 : Development of Affordable Housing ("FRSIC 17") issued by Malaysia Institute of Accountants ("MIA").

MFRS 15 requires the accounting to be done on a contract basis. On 7 March 2018, MIA has withdrawn FRSIC 17 and stated that FRSIC 17 is no longer relevant for the adoption of MFRS framework. This has resulted in the retrospective reversal of the provision for affordable housing previously provided for in the financial statements of the Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Notes : continued

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS are disclosed in the following tables:

(i) Condensed Consolidated Income Statement

	Individual Quarter 30.6.2018			Cumulative Quarter 30.6.2018		
	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000
Revenue	114,832	14,034	128,866	328,915	(114)	328,801
Cost of sales	(6,331)	(49,166)	(55,497)	(78,309)	(42,518)	(120,827)
Gross profit	108,501	(35,132)	73,369	250,606	(42,632)	207,974
Other income	4,829	(542)	4,287	15,995	(1,666)	14,329
Selling and distribution expenses	(1,195)	134	(1,061)	(8,598)	6,406	(2,192)
Administrative expenses	(8,684)	140	(8,544)	(42,977)	594	(42,383)
Other operating expenses	(139,481)	-	(139,481)	(156,708)	-	(156,708)
Operating (loss)/profit	(36,030)	(35,400)	(71,430)	58,318	(37,298)	21,020
Finance costs	(25,780)	(4,568)	(30,348)	(82,346)	(4,568)	(86,914)
Share of results of a joint venture	2,714	(2,159)	555	3,804	(1,871)	1,933
Loss before taxation	(59,096)	(42,127)	(101,223)	(20,224)	(43,737)	(63,961)
Taxation	(22,328)	12,623	(9,705)	(54,167)	11,532	(42,635)
Loss for the period/year	(81,424)	(29,504)	(110,928)	(74,391)	(32,205)	(106,596)
Attributable to :						
Owners of the parent	(81,420)	(29,504)	(110,924)	(74,379)	(32,205)	(106,584)
Non-controlling interests	(4)	-	(4)	(12)	-	(12)
Loss for the period/year	(81,424)	(29,504)	(110,928)	(74,391)	(32,205)	(106,596)
Loss per share						
Basic (sen)	(5.97)	(2.24)	(8.21)	(5.04)	(2.42)	(7.46)

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

(ii) Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter			Cumulative Quarter		
	30.6.2018			30.6.2018		
	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000
Loss for the period/year	(81,424)	(29,504)	(110,928)	(74,391)	(32,205)	(106,596)
Other comprehensive profit/(loss) to be reclassified to profit or loss in subsequent period/year:						
Foreign currency translation, representing total other comprehensive profit/(loss) for the period/year, net of tax	674	-	674	(7,367)	-	(7,367)
Total comprehensive loss for the period/year	(80,750)	(29,504)	(110,254)	(81,758)	(32,205)	(113,963)
<u>Attributable to :</u>						
Owners of the parent	(80,746)	(29,504)	(110,250)	(81,746)	(32,205)	(113,951)
Non-controlling interests	(4)	-	(4)	(12)	-	(12)
Total comprehensive loss for the period/year	(80,750)	(29,504)	(110,254)	(81,758)	(32,205)	(113,963)

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

(iii) Condensed Consolidated Statement of Financial Position

	Audited as at 30.6.2018 RM'000	Adoption of MFRS RM'000	Restated as at 30.6.2018 RM'000	Audited as at 1.7.2017 RM'000	Adoption of MFRS RM'000	Restated as at 1.7.2017 RM'000
Non-current Assets						
Investment in a joint venture	49,052	(4,011)	45,041	48,636	(2,140)	46,496
Land held for property development	704,474	(34,026)	670,448	704,843	(34,027)	670,816
Deferred tax assets	10,060	(103)	9,957	9,232	(1,432)	7,800
Current Assets						
Inventories	2,086,542	2,757	2,089,299	49,929	-	49,929
Property development expenditure	377,064	-	377,064	2,492,479	47,099	2,539,578
Trade and other receivables	71,637	1,388	73,025	21,143	13,906	35,049
Contract assets	-	1,064	1,064	-	114,727	114,727
Other current assets	2,319	(2,319)	-	144,919	(144,919)	-
Equity						
Accumulated losses	(200,665)	4,440	(196,225)	(126,286)	36,645	(89,641)
Non-current Liabilities						
Provision	7,077	(7,077)	-	7,077	(7,077)	-
Deferred tax liabilities	37,112	614	37,726	42,062	10,815	52,877
Current Liabilities						
Trade and other payables	30,768	27	30,795	33,976	(1,938)	32,038
Contract liabilities	-	72,881	72,881	-	71,475	71,475
Other current liabilities	72,881	(72,881)	-	83,452	(83,452)	-
Provision	45,086	(33,254)	11,832	42,782	(33,254)	9,528
Net assets per share (RM)	0.94	-	0.94	1.03	0.05	1.08

Notes : continued

A3. Seasonality or Cyclicality of Operations

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

A4. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Sale of properties under development	4,730	23,634	19,022	83,177
Sale of completed properties	279,985	3,048	415,149	8,330
Sale of land held for property development	-	96,511	9,050	230,385
Rendering of services	1,498	5,673	3,108	6,909
	286,213	128,866	446,329	328,801

A5. 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.

A6. Changes in Estimates of Amounts Reported

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

A7. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter.

As at 30 June 2019, the total number of treasury shares held was 15,175,500 ordinary shares.

The outstanding debts are disclosed in Note B11.

A8. Dividend Paid

There was no dividend paid during the current financial quarter ended 30 June 2019.

A9. Segment Information

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

A10. 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.

A11. 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.

A12. Changes in Contingent Liabilities

There was no significant change in the contingent liabilities of the Group since the last financial year ended 30 June 2018.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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, the Group recorded revenue of RM286.213 million and loss before taxation of RM115.502 million, compared to revenue of RM58.108 million and loss before taxation of RM142.886 million (after adjusting for the one-off revenue of RM70.758 million and gain of RM41.663 million from land disposal by Udapakat Bina Sdn Bhd following the acquisition by Pentadbir Tanah Kuala Lumpur for Mass Rapid Transit project) recorded in the preceding year corresponding financial quarter.

This represents higher revenue of 393% and reduction of 19% in loss before tax. Higher revenue was mainly due to sale of completed properties of the 3 Orchard By-The-Park and The Fennel projects undertaken by YTL Westwood Properties Pte Ltd ("YTL Westwood") and Sentul Raya Sdn Bhd ("SRSB"), respectively. The reduction in loss before tax was mainly attributable to lower inventory write down of 3 Orchard By-The-Park project.

Financial year-to-date review
For the current financial year under review, the Group recorded revenue of RM446.329 million and loss before taxation of RM166.444 million, compared to revenue of RM124.168 million and loss before taxation of RM226.354 million (after adjusting for the one-off revenue of RM204.633 million and gain of RM162.393 million from land disposal by Udapakat Bina Sdn Bhd following the acquisition by Pentadbir Tanah Kuala Lumpur for Mass Rapid Transit project) recorded in the preceding financial year.

This represents higher revenue of 260% and reduction of 26% in loss before tax. Higher revenue was mainly contributed by the Camellia project undertaken by PYP Sendirian Bhd, and the sale of completed properties of the projects as highlighted above. The reduction in loss before tax was mainly due to reason set out above.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2019 RM'000	**Preceding Quarter 31.3.2019 RM'000**	*Variance (%)*
Revenue	286,213	53,268	*437%*
Loss before taxation	(115,502)	(40,420)	*-186%*
Loss attributable to owners of the parent	(119,319)	(40,630)	*-194%*

The Group recorded revenue of RM286.213 million and loss before taxation of RM115.502 million in the current financial quarter, compared to revenue of RM53.268 million and loss before taxation of RM40.420 million recorded in the preceding financial quarter.

The higher Group revenue was mainly attributable to the higher sale of completed properties of the 3 Orchard By-The-Park project and The Fennel project undertaken by YTL Westwood and SRSB, respectively.

The higher Group loss before taxation recorded in the current financial quarter was mainly due to the lower net realisable value of the 3 Orchard By-The-Park project.

B3. Audit Report of preceding financial year ended 30 June 2018

The Auditors' Report on the financial statements of the financial year ended 30 June 2018 did not contain any qualification.

B4. Prospects

Notwithstanding the challenging property market conditions both in Malaysia and Singapore, the Group will continue to embark on marketing efforts and initiatives to unlock sales as well as undertake project launches during the financial year ending 2020.

B5. Profit Forecast

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

B6. Loss for the period/year

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

	Current Quarter 30.6.2019 RM'000	Current Year To Date 30.6.2019 RM'000
Depreciation of property, plant and equipment	250	914
Interest expense	26,653	93,246
Interest income	(664)	(3,956)
Accretion of interest on trade and other receivables	(429)	(429)
Gain from fair value adjustment of investment properties	(5,360)	(17,395)
Reversal of provision	(699)	(699)
Inventories written down	69,140	69,140
Development costs written off	457	457
Unrealised gain on foreign exchange	(6,642)	(11,913)
Impairment loss on land held for property development	1,080	1,080
Impairment loss on trade and other receivables	533	533

Other than the above items, there were no other investment income, gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives and exceptional items for the current financial period.

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.6.2019 RM'000	Current Year To Date 30.6.2019 RM'000
Income tax:		
- Current period/year	4,984	9,875
- Prior period/year	109	789
Deferred tax	(1,271)	(1,630)
	3,822	9,034

The Group provision for taxation for the financial year ended 30 June 2019 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

Saved as disclosed below, there was no corporate proposal announced and pending completion at the date of this report:-

(i) On 13 June 2019, the Company announced receipt of a notice of conditional share exchange offer from Maybank Investment Bank Berhad ("Maybank IB"), on behalf of YTL Corporation Berhad ("Offeror"), to acquire the following securities in the Company to be satisfied through the issuance of new ordinary shares of offeror ("YTL Corp Shares") at an issue price of RM1.14 each ("Consideration Shares"):

a) all the remaining ordinary shares (excluding treasury shares) in the Company ("YTL Land Shares") and such number of new YTL Land Shares that may be issued pursuant to the conversion of any outstanding 10-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks 2011/2012 with a nominal value of RM0.50 issued by the Company ("YTL Land ICULS") prior to the close of the Offer (as defined below) which are not already owned by the Offeror (collectively, "Offer Shares") at an offer price of RM0.36 for each Offer Shares, which translates to an exchange ratio of approximately 0.32 Consideration Share for each Offer Shares ("Shares Offer"), and

b) all the outstanding YTL Land ICULS which are not already owned by the Offeror ("Offer ICULS") at an offer price of RM0.32 for each Offer ICULS, which translates to an exchange ratio of approximately 0.28 Consideration Share for each Offer ICULS ("ICULS Offer").

(The Offer Shares and Offer ICULS are collectively referred to as "Offer Securities" and the Shares Offer and ICULS Offer are collectively referred to as the "Offer").

(ii) On 14 June 2019, the Company appointed Affin Hwang Investment Bank Berhad ("Affin Hwang") as the independent adviser in respect of the Offer to the non-interested Directors of the Company and the non-interested holders of the Offer Securities.

(iii) On 24 June 2019, Maybank IB announced on behalf of the Offeror that the Offer had become unconditional upon all the conditions of the Offer having been fulfilled.

(iv) On 11 July 2019, following the announcement by Maybank IB on behalf of the Offeror that as at 5.00 p.m. on 11 July 2019, the Offeror held 75.93% of the issued and paid-up share capital (excluding treasury shares) of the Company, the Company announced, *inter alia*, that it was not in compliance with the public shareholding spread requirement as set out in Rule 8.02(1) of the Listing Requirements as its public shareholding spread was 23.98%, which is below the required 25% threshold.

(v) On 15 July 2019, the independent advice circular in relation to the Offer comprising, *inter alia*, the letter from the Board of Directors of the Company and the independent advice letter from Affin Hwang was despatched to holders of the Offer Securities or their designated agents.

(vi) On 27 August 2019, Maybank IB announced on behalf of the Offeror that the closing date and time for acceptance of the Offer have been extended from 5:00 p.m. (Malaysian time) on 30 August 2019 to 5:00 p.m. (Malaysian time) on 20 September 2019.

B9. Material Litigation

There were no material litigations during the quarter under review.

B10. Dividend

No dividend has been declared for the current financial quarter.

B11. Group Borrowings and Debt Securities

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

	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured:			
Term loans	397,050	1,151,923	1,548,973
Revolving credit	160,000	20,000	180,000
	557,050	1,171,923	1,728,973
Unsecured:			
ICULS*	40,900	25,190	66,090
Term loans	49,968	427,930	477,898
	90,868	453,120	543,988
	647,918	1,625,043	2,272,961

* *Irredeemable Convertible Unsecured Loan Stock ("ICULS")*

The above borrowings denominated in foreign currency as follows:

	Long Term SGD'000	Long Term RM'000
Secured:		
Term loans	367,084	1,123,424
	367,084	1,123,424
Unsecured:		
Term loans	139,828	427,930
	139,828	427,930
	506,912	1,551,354

SGD1 : RM3.604

B12. Loss Per Share

- **Basic loss per share**

  The basic loss per share of the Group has been computed by dividing the loss 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 (2018: 991,786,363) ICULS into ordinary shares at a conversion price of RM0.66 (2018: RM0.99) per share.

	Individual Quarter	
	Current Quarter	**Preceding Year Corresponding Quarter (restated)**
	30.6.2019	**30.6.2018**
Loss attributable to owners of the parent (RM'000)	(119,319)	(110,924)
Interest expense on ICULS (RM'000)	1,441	1,730
Loss attributable to owners of the parent including assumed conversion (RM'000)	(117,878)	(109,194)
Weighted average number of ordinary shares ('000)	829,169	829,169
Adjustment for assumed conversion of ICULS ('000)	751,353	500,902
Adjusted weighted average number of ordinary shares ('000)	1,580,522	1,330,071
Basic loss per share (sen)	(7.46)	(8.21)

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 29 August 2019