

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

Interim Financial Report
31 December 2014

YTL LAND & DEVELOPMENT BERHAD

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Incorporated in Malaysia

**Interim Financial Report
31 December 2014**

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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 2014.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	6 MONTHS ENDED	
	YEAR	YEAR	31.12.2014	31.12.2013
	QUARTER	CORRESPONDING	QUARTER	QUARTER
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
REVENUE	20,141	28,851	47,455	145,768
COST OF SALES	(11,768)	(19,053)	(30,582)	(126,730)
GROSS PROFIT	8,373	9,798	16,873	19,038
OTHER OPERATING INCOME	7,139	11,708	16,945	20,824
OTHER OPERATING EXPENSES	(9,297)	(12,267)	(19,728)	(20,786)
PROFIT FROM OPERATIONS	6,215	9,239	14,090	19,076
FINANCE COSTS	(2,506)	(2,442)	(4,984)	(5,074)
SHARE OF RESULTS OF A JOINT VENTURE	(6)	(29)	(31)	(29)
PROFIT BEFORE TAXATION	3,703	6,768	9,075	13,973
TAXATION	(1,839)	(3,331)	(3,084)	(6,027)
PROFIT FOR THE PERIOD	1,864	3,437	5,991	7,946
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	1,367	2,326	4,940	5,580
NON-CONTROLLING INTERESTS	497	1,111	1,051	2,366
PROFIT FOR THE PERIOD	1,864	3,437	5,991	7,946
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 ("ICULS")	0.16	0.28	0.60	0.67
• After mandatory conversion of ICULS	0.31	0.40	0.81	0.88
Diluted (sen)	0.31	0.40	0.81	0.88

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)
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2013 RM'000	6 MONTHS ENDED 31.12.2014 RM'000	
			31.12.2014 RM'000	31.12.2013 RM'000
PROFIT FOR THE PERIOD	1,864	3,437	5,991	7,946
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:				
FOREIGN CURRENCY TRANSLATION	5,957	245	5,942	6,664
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	5,957	245	5,942	6,664
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>7,821</u>	<u>3,682</u>	<u>11,933</u>	<u>14,610</u>
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	7,324	2,571	10,882	12,244
NON-CONTROLLING INTERESTS	497	1,111	1,051	2,366
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>7,821</u>	<u>3,682</u>	<u>11,933</u>	<u>14,610</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 2014 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
	31.12.2014	30.6.2014
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	36,866	37,041
Investment in a joint venture	22,377	22,408
Investment property	32,900	32,900
Land held for property development	865,731	862,946
Goodwill on consolidation	37,730	37,083
Deferred tax assets	2,456	2,474
	<u>998,060</u>	<u>994,852</u>
Current Assets		
Inventories	61,928	64,047
Property development expenditure	1,616,897	1,482,291
Trade and other receivables	71,237	34,360
Other current assets	2,099	89,023
Income tax assets	5,880	852
Amount due from related companies	321	259
Amount due from a joint venture	18,095	14,364
Fixed deposits with licensed banks	30,387	71,727
Cash and bank balances	17,221	23,779
	<u>1,824,065</u>	<u>1,780,702</u>
TOTAL ASSETS	<u>2,822,125</u>	<u>2,775,554</u>
EQUITY		
Share capital	422,172	422,172
Share premium	177,471	177,471
Treasury shares, at cost	(22,201)	(22,200)
Retained earnings	69,728	64,788
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	15,740	9,798
	<u>1,017,879</u>	<u>1,006,998</u>
Equity attributable to owners of the parent	1,017,879	1,006,998
Non-controlling interests	48,106	48,055
	<u>1,066,985</u>	<u>1,055,053</u>
TOTAL EQUITY	<u>1,066,985</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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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2014	30.6.2014
	RM'000	RM'000
LIABILITIES		
Non-current Liabilities		
Loans and borrowings	1,373,996	1,338,525
Other non-current liability	67,696	67,696
Deferred tax liabilities	53,211	52,960
	<u>1,494,903</u>	<u>1,459,181</u>
Current Liabilities		
Trade and other payables	23,176	33,894
Other current liabilities	25,724	49,075
Loans and borrowings	101,783	88,118
Amount due to immediate holding company	1,092	1,195
Amount due to related companies	107,892	86,918
Income tax payable	570	2,120
	<u>260,237</u>	<u>261,320</u>
TOTAL LIABILITIES	<u>1,755,140</u>	<u>1,720,501</u>
TOTAL EQUITY AND LIABILITIES	<u>2,822,125</u>	<u>2,775,554</u>
Net assets per 50 sen share (RM)	<u>1.23</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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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 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	-	-	-	4,940	-	-	4,940	1,051	5,991
Other comprehensive income for the period	-	-	-	-	-	5,942	5,942	-	5,942
Total comprehensive income for the period	-	-	-	4,940	-	5,942	10,882	1,051	11,933
Purchase of treasury shares	-	-	(1)	-	-	-	(1)	-	(1)
As at 31 December 2014	422,172	177,471	(22,201)	69,728	354,969	15,740	1,017,879	49,106	1,066,985

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)

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 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	-	-	-	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 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 DECEMBER 2014**

	6 MONTHS ENDED	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	9,075	13,973
Depreciation of property, plant and equipment	328	310
Loss on disposal of property, plant and equipment	-	*
Interest expense	4,984	5,075
Interest income	(720)	(649)
Reversal of accruals	(6,287)	-
Reversal of damages claims	-	(3,477)
Bad debts	80	-
Unrealised gain on foreign exchange	(2,776)	(3,217)
Share of results of a joint venture	31	29
	-----	-----
Operating cash flows before working capital changes	4,715	12,044
Net changes in current assets	(73,235)	(63,046)
Net changes in current liabilities	(648)	75,972
Net changes in inter-company balances	26,140	22,636
	-----	-----
Cash (used in)/from operations	(43,028)	47,606
Income tax paid	(9,395)	(2,602)
	-----	-----
Net cash (used in)/from operating activities	(52,423)	45,004
	-----	-----
Cash flows from investing activities		
Interest received	720	649
Land held for property development	(2,422)	26,026
Purchase of property, plant and equipment	(151)	(1,334)
	-----	-----
Net cash (used in)/from investing activities	(1,853)	25,341
	-----	-----

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 - continued

	6 MONTHS ENDED	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(11,240)	(7,515)
Net repayments of hire purchase payables	(151)	(120)
Net drawdown/(repayment) of borrowings	18,490	(19,840)
Purchase of treasury shares	(1)	*
	-----	-----
Net cash from/(used in) financing activities	7,098	(27,475)
	-----	-----
Net changes in cash and cash equivalents	(47,178)	42,870
Effect of exchange rate changes on cash and cash equivalents	(720)	67
Cash and cash equivalents at beginning of the financial period	95,506	69,929
	-----	-----
Cash and cash equivalents at end of the financial period	47,608	112,866
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	30,387	100,731
Cash and bank balances	17,221	12,135
	-----	-----
	47,608	112,866
	=====	=====

*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 ordinary shares of RM0.50 each of its issued share capital from the open market at a cost of RM0.98 per share. The total consideration paid for the share buy-back, including transaction costs during current financial period to date amounted to RM1,021.30 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 2014, the total number of treasury shares held was 15,173,300 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 December 2014.

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 by 30% and 45%, respectively from RM28.851 million and RM6.768 million recorded in the preceding year corresponding financial quarter ended 31 December 2013 to RM20.141 million and RM3.703 million, respectively. The lower Group revenue and profit before taxation was mainly due to lower progress billings recognised from the Capers project undertaken by Sentul Raya Sdn Bhd on its completion (“SRSB”).

Financial year-to-date review

For the six months under review, Group revenue and profit before taxation decreased by 67% and 35%, respectively to RM47.455 million and RM9.075 million from RM145.768 million and RM13.973 million, respectively recorded in the preceding financial period.

The Fennel project undertaken by SRSB contributed higher revenue in the current financial period. However, this was offset by the lower progress billings recognised from the Capers project undertaken by SRSB on its completion and the absence of sales of completed properties by Sandy Island Pte Ltd, which resulted in lower Group revenue and profit before taxation in the current financial period as compared to the preceding year corresponding financial period.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2014 RM'000	Preceding Quarter 30.9.2014 RM'000
Revenue	20,141	27,314
Profit before taxation	3,703	5,372
Profit attributable to owners of the parent	1,367	3,573

The Group revenue and profit before taxation decreased to RM20.141 million and RM3.703 million from RM27.314 million and RM5.372 million, respectively recorded in the preceding financial quarter. The decreases were mainly due to lower revenue contributed by the Capers project undertaken by SRSB on its completion.

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.

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 31.12.2014 RM'000	Current Period To Date 31.12.2014 RM'000
Depreciation of property, plant and equipment	132	328
Interest expense	2,506	4,984
Bad debts	-	80
Reversal of accruals	-	(6,287)
Interest income	(503)	(720)
Unrealised gain on foreign exchange	(2,772)	(2,776)
	=====	=====

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.

INTERIM FINANCIAL REPORT

Notes : continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.12.2014 RM'000	Current Period To Date 31.12.2014 RM'000
Income tax :		
- Current period	1,571	2,521
Deferred tax	268	268
	-----	-----
	1,839	2,789
	=====	=====

The Group provision for taxation for the financial period ended 31 December 2014 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	-	56,000	-	814,629	870,629
Unsecured	5,525	40,258	121,545	437,822	605,150
	-----	-----	-----	-----	-----
Total	5,525	96,258	121,545	1,252,451	1,475,779
	=====	=====	=====	=====	=====

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

In Singapore Dollar (^000)	469,173
	=====

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 31.12.2014 RM'000	As at 30.6.2014 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	333,720	325,961
- Unrealised	153,073	153,073
	----- 486,793	----- 479,034
Total share of accumulated losses from joint venture :		
- Realised	(523)	(492)
Less: Consolidation adjustments	(416,542)	(413,754)
Total Group retained earnings as per consolidated interim financial statements	----- 69,728 =====	----- 64,788 =====

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 31.12.2014	Preceding Year Corresponding Quarter 31.12.2013
Profit attributable to owners of the parent (RM'000)	1,367	2,326
Interest expense on ICULS (RM'000)	2,407	2,500
Profit attributable to owners of the parent including assumed conversion (RM'000)	3,774	4,826
Weighted average number of ordinary shares of RM0.50 each ('000)	829,172	829,172
Adjustment for assumed conversion of ICULS ('000)	375,677	375,677
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	0.16	0.28
• After mandatory conversion of ICULS	0.31	0.40
Diluted (per 50 sen share) (sen)	0.31	0.40

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 12 February 2015