

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

Interim Financial Report
30 June 2014

YTL LAND & DEVELOPMENT BERHAD

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Incorporated in Malaysia

**Interim Financial Report
30 June 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 year ended 30 June 2014.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2013 RM'000	12 MONTHS ENDED	
			30.6.2014 RM'000	30.6.2013 RM'000
REVENUE	45,973	70,860	285,376	184,723
COST OF SALES	(24,655)	(47,269)	(218,906)	(133,577)
GROSS PROFIT	21,318	23,591	66,470	51,146
OTHER OPERATING INCOME	12,482	21,398	41,929	44,497
OTHER OPERATING EXPENSES	(13,356)	(16,098)	(47,918)	(35,775)
PROFIT FROM OPERATIONS	20,444	28,891	60,481	59,868
FINANCE COSTS	(2,699)	(2,799)	(10,196)	(11,813)
SHARE OF RESULTS OF A JOINTLY CONTROLLED ENTITY	(52)	112	(82)	(3)
PROFIT BEFORE TAXATION	17,693	26,204	50,203	48,052
TAXATION	(4,259)	(4,436)	(16,757)	(14,654)
PROFIT FOR THE PERIOD/YEAR	13,434	21,768	33,446	33,398
ATTRIBUTABLE TO:				
Owners of the Parent	10,209	17,792	23,613	25,213
Non-Controlling Interests	3,225	3,976	9,833	8,185
PROFIT FOR THE PERIOD/YEAR	13,434	21,768	33,446	33,398
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 (“ICULS”)	1.24	2.15	2.85	3.04
• After mandatory conversion of ICULS	1.06	1.69	2.78	2.94
Diluted (sen)	1.06	1.69	2.78	2.94

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 30.6.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2013 RM'000	12 MONTHS ENDED 30.6.2014 RM'000	
PROFIT FOR THE PERIOD/YEAR	13,434	21,768	33,446	33,398
OTHER COMPREHENSIVE INCOME:				
FOREIGN CURRENCY TRANSLATION	(1,799)	1,793	4,735	742
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD/YEAR, NET OF TAX	(1,799)	1,793	4,735	742
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	11,635	23,561	38,181	34,140
ATTRIBUTABLE TO:				
Owners of the Parent	8,410	19,585	28,348	25,955
Non-Controlling Interests	3,225	3,976	9,833	8,185
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	11,635	23,561	38,181	34,140

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

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

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.6.2014	30.6.2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	37,041	34,789
Investment in a jointly controlled entity	22,408	22,490
Investment property	32,900	32,900
Land held for property development	862,945	885,744
Goodwill on consolidation	37,083	36,606
Deferred tax assets	2,474	3,058
	<u>994,851</u>	<u>1,015,587</u>
Current Assets		
Inventories	64,047	149,204
Property development expenditure	1,507,328	1,344,050
Trade and other receivables	34,354	35,001
Other current assets	63,983	40,764
Income tax assets	481	5,422
Amount due from related companies	245	456
Amount due from a jointly controlled entity	14,364	6,610
Fixed deposits with licensed banks	71,727	50,661
Cash and bank balances	23,779	19,268
	<u>1,780,308</u>	<u>1,651,436</u>
TOTAL ASSETS	<u><u>2,775,159</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	64,619	41,006
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	9,798	5,063
	<u>1,006,829</u>	<u>978,481</u>
Equity Attributable to Owners of the Parent	1,006,829	978,481
Non-Controlling Interests	48,055	38,222
	<u>1,054,884</u>	<u>1,016,703</u>
TOTAL EQUITY	<u><u>1,054,884</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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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.6.2014	30.6.2013
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	1,338,896	1,358,032
Other non-current liability	67,696	67,696
Deferred tax liabilities	52,969	54,659
	<u>1,459,561</u>	<u>1,480,387</u>
Current Liabilities		
Trade and other payables	39,290	74,990
Other current liabilities	43,625	2,002
Loans and borrowings	87,747	45,365
Amount due to immediate holding company	1,192	1,054
Amount due to related companies	86,898	41,551
Provisions	-	4,288
Income tax payable	1,962	683
	<u>260,714</u>	<u>169,933</u>
TOTAL LIABILITIES	<u>1,720,275</u>	<u>1,650,320</u>
TOTAL EQUITY AND LIABILITIES	<u>2,775,159</u>	<u>2,667,023</u>
Net assets per 50 sen share (RM)	<u>1.21</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 YEAR ENDED 30 JUNE 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 year	-	-	-	23,613	-	-	23,613	9,833	33,446
Other comprehensive income for the year	-	-	-	-	-	4,735	4,735	-	4,735
Total comprehensive income for the year	-	-	-	23,613	-	4,735	28,348	9,833	38,181
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 30 June 2014	422,172	177,471	(22,200)	64,619	354,969	9,798	1,006,829	48,055	1,054,884

*Less than RM1,000

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

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 2012	422,156	177,445	(22,200)	15,793	355,001	4,321	952,516	30,037	982,553
Profit for the year	-	-	-	25,213	-	-	25,213	8,185	33,398
Other comprehensive income for the year	-	-	-	-	-	742	742	-	742
Total comprehensive income for the year	-	-	-	25,213	-	742	25,955	8,185	34,140
Conversion of ICULS to ordinary shares	16	26	-	-	(32)	-	10	-	10
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 30 June 2013	422,172	177,471	(22,200)	41,006	354,969	5,063	978,481	38,222	1,016,703

*Less than RM1,000

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

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	12 MONTHS ENDED	
	30.6.2014	30.6.2013
	RM'000	RM'000
Cash flows from Operating Activities		
Profit before taxation	50,203	48,052
Depreciation of property, plant and equipment	718	621
Interest expenses	10,196	11,813
Interest income	(2,196)	(1,151)
Reversal of damages claims	(3,478)	-
Other non-cash items	20	333
Unrealised gain on foreign exchange	(2,262)	(347)
Share of results of a jointly controlled entity	82	3
	-----	-----
Operating cash flows before working capital changes	53,283	59,324
Net changes in current assets	(96,210)	21,381
Net changes in current liabilities	30,783	(17,218)
Net changes in inter-company balances	40,205	(4,149)
	-----	-----
Cash from used in operations	28,061	59,338
Income tax paid	(11,642)	(47,790)
	-----	-----
Net cash from operating activities	16,419	11,548
	-----	-----
Cash flows from Investing Activities		
Interest received	2,196	1,151
Land held for property development	22,798	(18,464)
Purchase of property, plant and equipment	(2,966)	(497)
	-----	-----
Net cash from/ (used in) investing activities	22,028	(17,810)
	-----	-----

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

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 - continued**

	12 MONTHS ENDED	
	30.6.2014	30.6.2013
	RM'000	RM'000
Cash flows from Financing Activities		
Interest paid	(15,153)	(49,062)
Net repayments of hire purchase payables	22	-
Net drawdown/ (repayments) of borrowings	2,510	(155,974)
Purchase of treasury shares	*	*
	-----	-----
Net cash used in financing activities	(12,621)	(205,036)
	-----	-----
Net changes in cash and cash equivalents	25,826	(211,298)
Effect of exchange rate changes on cash and cash equivalents	(249)	(868)
Cash and cash equivalents at beginning of the financial year	69,929	282,095
	-----	-----
Cash and cash equivalents at end of the financial year	95,506	69,929
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	71,727	50,661
Cash and bank balances	23,779	19,268
	-----	-----
	95,506	69,929
	=====	=====

*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 year to date, the Company repurchased 200 ordinary shares of RM0.50 each of its issued share capital from the open market at a cost of RM0.94 per share. The total consideration paid for the share buy-back, including transaction costs during current financial year to date amounted to RM269.56 and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

As at 30 June 2014, the total number of treasury shares held was 15,172,300 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 30 June 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 year.

A10. Changes in Contingent Liabilities

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

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

B1. Review of Performance

Current quarter review

For the current financial quarter under review, Group revenue and profit before taxation decreased by 35% and 32.5%, respectively from RM70.860 million and RM26.204 million recorded in the preceding year corresponding financial quarter ended 30 June 2013 to RM45.973 million and RM17.693 million, respectively. The lower Group revenue and profit before taxation was mainly due to lower revenue contribution from the Capers project undertaken by Sentul Raya Sdn Bhd (“SRSB”).

Financial year-to-date review

For the current financial year, Group revenue and profit before taxation increased by 55% and 4.5%, respectively to RM285.376 million and RM50.203 million from RM184.723 million and RM48.052 million, respectively recorded in the preceding financial year.

The improvement in Group revenue and profit before taxation was contributed by the Fennel project undertaken by SRSB and sales of completed properties by Sandy Island Pte Ltd (“SIPL”). Higher management fees received by wholly-owned subsidiary, Bayumaju Development Sdn Bhd from a project undertaken by related company, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd also contributed to the increase in Group profit before taxation.

B2. Comparison with Preceding Quarter

	Current Quarter 30.6.2014 RM'000	Preceding Quarter 31.3.2014 RM'000
Revenue	45,973	93,635
Profit before taxation	17,693	18,537
Profit attributable to owners of the parent	10,209	7,824

The Group revenue and profit before taxation decreased to RM45.973 million and RM17.693 million from RM93.635 million and RM18.537 million, respectively recorded in the preceding financial quarter. The decreases were mainly due to lower revenue contributed by the Capers project undertaken by SRSB and higher operating expenses incurred by SRSB during the current financial quarter.

INTERIM FINANCIAL REPORT

Notes : continued

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

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

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 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/year

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

	Current Quarter 30.6.2014 RM'000	Current Year To Date 30.6.2014 RM'000
Depreciation of property, plant and equipment	219	718
Interest expense	2,699	10,196
Interest income	(1,277)	(2,196)
Unrealised gain/(losses) on foreign exchange	891	(2,262)
	=====	=====

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 year.

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

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.6.2014 RM'000	Current Year To Date 30.6.2014 RM'000
Income tax :		
- Current year	6,008	17,636
- Under-provision in prior years	226	227
Deferred tax	(1,975)	(1,106)
	-----	-----
	4,259	16,757
	=====	=====

The Group provision for taxation for the financial year ended 30 June 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 year are as follows:-

	Short term		Long term		Total
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	
Secured	-	42,510	-	791,652	834,162
Unsecured	4,958	40,279	124,735	422,509	592,481
	-----	-----	-----	-----	-----
Total	4,958	82,789	124,735	1,214,161	1,426,643
	=====	=====	=====	=====	=====

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

In Singapore Dollar ('000)	464,539
	=====

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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 30.6.2014 RM'000	As at 30.6.2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	325,801	297,915
- Unrealised	153,065	149,367
	----- 478,866	----- 447,282
Total share of accumulated losses from jointly controlled entity :		
- Realised	(492)	(410)
Less: Consolidation adjustments	(413,755)	(405,866)
	-----	-----
Total Group retained earnings as per consolidated interim financial statements	64,619	41,006
	=====	=====

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Notes : continued

B13. Earnings Per Share

- **Basic/diluted earnings per share**

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

	Current Quarter 30.6.2014	Preceding Year Corresponding Quarter 30.6.2013
Profit attributable to owners of the parent (RM'000)	10,209	17,792
Interest expense on ICULS (RM'000)	2,443	2,531
Profit attributable to owners of the parent including assumed conversion (RM'000)	12,652	20,323
Weighted average number of ordinary shares of RM0.50 each ('000)	820,160	829,173
Adjustment for assumed conversion of ICULS ('000)	375,677	375,677
Adjusted weighted average number of ordinary shares ('000)	1,195,837	1,204,850
Basic (per 50 sen share) (sen):-		
• Before mandatory conversion of ICULS	1.24	2.15
• After mandatory conversion of ICULS	1.06	1.69
Diluted (per 50 sen share) (sen)	1.06	1.69

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 28 August 2014