

**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 2006.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2006 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2005 RM'000	CURRENT YEAR TO DATE 31.12.2006 RM'000	PRECEDING YEAR TO DATE 31.12.2005 RM'000
<b>REVENUE</b>	27,053	21,751	51,062	55,237
<b>COST OF SALES</b>	(22,115)	(15,088)	(41,102)	(39,606)
<b>GROSS PROFIT</b>	4,938	6,663	9,960	15,631
<b>OTHER OPERATING INCOME</b>	2,330	2,373	6,700	4,658
<b>OTHER OPERATING EXPENSES</b>	(3,731)	(3,790)	(9,345)	(7,711)
<b>PROFIT FROM OPERATIONS</b>	3,537	5,246	7,315	12,578
<b>FINANCE COSTS</b>	(292)	(515)	(606)	(1,028)
<b>PROFIT BEFORE TAXATION</b>	3,245	4,731	6,709	11,550
<b>TAXATION</b>	(413)	(364)	(933)	(1,607)
<b>PROFIT FOR THE PERIOD</b>	2,832	4,367	5,776	9,943
<b>ATTRIBUTABLE TO:</b>				
SHAREHOLDERS	2,832	4,367	5,776	9,943
<b>PROFIT FOR THE PERIOD</b>	2,832	4,367	5,776	9,943
<b>EARNINGS PER 50 SEN SHARE</b>				
<b>Basic (per 50 sen share)(sen):-</b>				
• Before mandatory conversion of ICPS-A & ICPS-B	0.80	1.25	1.63	2.86
• After mandatory conversion of ICPS-A & ICPS-B	0.34	0.51	0.86	1.17
<b>Diluted (per 50 sen share) (sen)</b>	0.34	0.51	0.86	1.17

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2006

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.12.2006</b>	<b>30.06.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	37,031	34,955
Investment properties	82,882	82,882
Land & development expenditure	399,840	398,609
Goodwill on consolidation	12,183	12,183
	-----	-----
	531,936	528,629
	-----	-----
<b>CURRENT ASSETS</b>		
Inventories	48,702	54,424
Property development expenditure	159,046	177,669
Trade receivables	41,054	38,924
Other receivables	11,226	15,332
Amount due from related companies	10,257	717
Fixed deposits	122,616	95,526
Cash & bank balances	10,333	10,404
	-----	-----
	403,234	392,996
	-----	-----
<b>TOTAL ASSETS</b>	<b>935,170</b>	<b>921,625</b>
	=====	=====
<b>EQUITY</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY</b>		
<b>HOLDERS OF THE COMPANY</b>		
<b>SHARE CAPITAL</b>		
Ordinary shares	177,836	177,624
Preference shares	416,738	417,566
<b>RESERVES</b>		
Share premium	98,398	97,782
Treasury share, at cost	(264)	(264)
Accumulated losses	(174,458)	(180,234)
	-----	-----
<b>TOTAL EQUITY</b>	<b>518,250</b>	<b>512,474</b>
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**YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.12.2006</b>	<b>30.06.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowing	204,000	146,543
Long term liabilities	69,216	69,216
Hire purchase creditor	176	422
Deferred taxation	58,902	59,361
	-----	-----
	332,294	275,542
	-----	-----
<b>CURRENT LIABILITIES</b>		
Provisions	11,581	12,257
Trade payables	16,666	3,792
Other payables	24,243	23,318
Hire purchase creditor	525	597
Amount due to holding companies	580	431
Amount due to related companies	29,973	50,718
Short term Borrowings	-	41,870
Provision for taxation	1,058	626
	-----	-----
	84,626	133,609
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>416,920</b>	<b>409,151</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>935,170</b>	<b>921,625</b>
	=====	=====
 Net assets per 50 sen share (RM)	 1.46	 1.44
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2006

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2006**

	<b>6 MONTHS ENDED</b>	
	<b>31.12.2006</b>	<b>31.12.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from/(used in) operating activities	24,554	(36,099)
	=====	=====
Net cash used in investing activities	(12,661)	(7,276)
	=====	=====
Net cash generated from/(used in) financing activities	15,126	(2,266)
	=====	=====
Net increase/(decrease) in cash and cash equivalents	27,019	(45,641)
Cash and cash equivalents at beginning of the year	105,930	192,678
	-----	-----
Cash and cash equivalent at end of the period (note a)	132,949	147,037
	=====	=====

**Note (a)**

Cash and cash equivalent

	<b>31.12.2006</b>	<b>31.12.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed Deposit	122,616	137,457
Cash and bank balances	10,333	9,580
	-----	-----
Cash and cash equivalent at end of the period	132,949	147,037
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2006

**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 2006**

	<-----Attributable to equity holders of the company ----->					
	<---Share Capital--->		<-Non-distributable->			
	Ordinary Shares RM'000	ICPS RM'000	Share Premium RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total RM'000
<b>6 months ended 31 December 2006</b>						
As at 01 July 2006	177,624	417,566	97,782	(264)	(180,234)	512,474
Profit for the period	-	-	-	-	5,776	5,776
Total recognised income and expenses for the period	-	-	-	-	5,776	5,776
Conversion of ICPS to Ordinary shares	212	(828)	616	-	-	-
As at 31 December 2006	<u>177,836</u>	<u>416,738</u>	<u>98,398</u>	<u>(264)</u>	<u>(174,458)</u>	<u>518,250</u>
<b>6 months ended 31 December 2005</b>						
As at 01 July 2005	172,225	438,622	82,125	(264)	(226,128)	466,580
Profit for the period	-	-	-	-	9,943	9,943
Total recognised income and expenses for the period	-	-	-	-	9,943	9,943
Conversion of ICPS to Ordinary shares	5,389	(21,017)	15,628	-	-	-
As at 31 December 2005	<u>177,614</u>	<u>417,605</u>	<u>97,753</u>	<u>(264)</u>	<u>(216,185)</u>	<u>476,523</u>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2006

## **INTERIM FINANCIAL REPORT**

**Notes :**

### **Disclosure requirement per FRS 134<sub>2004</sub> – paragraph 16**

#### **A1. Accounting Policies**

The interim financial report is unaudited and has been prepared in accordance with FRS134<sub>2004</sub> “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, except for the adoption of the following new/revised Financial Reporting Standards (FRS) effective 1 July 2006 as disclosed below:-

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above FRSs does not have significant financial impact on the Group other than the effects of the following FRSs:

#### **(a) FRS 2: Share-based payment**

The Company’s holding company, YTL Corporation Berhad (“YTL Corp”), operates an equity-settled, share-based compensation plan (namely the Employee Share Option Scheme (“ESOS”) in relation to YTL Corp shares) for employees of the YTL Corp Group. As the Company is a subsidiary of YTL Corp, the eligible employees of the Company and its subsidiaries participate in the ESOS. Prior to 1 July 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting periods of the grants with a corresponding reduction in amount due from holding company. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date.

## **INTERIM FINANCIAL REPORT**

### **Notes : - continued**

The fair value of the share option is computed using a binomial model. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to amount due from holding company over the remaining vesting period.

The financial impact to the Group arising from the retrospective application of FRS 2 is not material and hence, no restatement of retained earning is performed.

For the current period under review, the application of FRS 2 has resulted in a charge of approximately RM191,000 to the income statement of the Group arising from the ESOS granted to employees of the Group.

#### **(b) FRS 140: Investment Property**

The adoption of FRS 140 has resulted in a change of accounting policy for investment properties whereby the investment properties are now stated at fair value. As the investment property was completed in the financial year ended 30 June 2006, the carrying amounts approximate its fair values.

#### **A2. Audit Report of preceding financial year ended 30 June 2006**

The Auditors' Report on the financial statements of the preceding financial year was not subject to any qualification.

#### **A3. Seasonality or Cyclicity of Operations**

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

#### **A4. 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.

#### **A5. Changes in estimates of amounts reported**

There was no change to estimate of amount reported in prior interim periods and prior financial years.

## **INTERIM FINANCIAL REPORT**

**Notes : - continued**

### **A6. 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:

- **Conversion of Irredeemable Convertible Preference Shares**

During the current financial quarter to date, the share capital of the company increased from RM177,646,036 of RM0.50 each to RM177,836,297 of RM0.50 each at the end of financial quarter ended 31 December 2006 as a result of the conversion of 1,484,032 Irredeemable Convertible Preference Shares - A ("ICPS-A") of RM0.50 each into 380,521 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 3.90 of ICPS-A of RM0.50 each held.

During the current financial quarter to date, there were no issuance of ICPS-A and ICPS-B. The total number of ICPS-A and ICPS-B outstanding as at 31 December 2006 were 272,626,746 and 560,849,502 of RM0.50 each respectively.

The outstanding debts are disclosed in Note B9.

### **A7. Dividend**

There was no dividend paid during the current financial quarter ended 31 December 2006.

### **A8. Segment Reporting**

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

### **A9. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without any amendments from the last annual financial statements.

### **A10. Material Events Subsequent to the end of the interim period**

There is no material event subsequent to the end of the interim period.



**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A11. Changes in the Composition of the Group**

There is no change in the composition of the Group for the current financial quarter ended 31 December 2006.

**A12. Changes in Contingent Liabilities**

There was no change in the contingent liabilities of the Group since the last annual balance sheet as at 30 June 2006. The corporate guarantees given to banks for credit facilities granted at the end of current financial quarter are as follows:-

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Term Loan	204,000	204,000
Guarantee Facility	12,059	609
	-----	-----
	<u>216,059</u>	<u>204,609</u>

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## **INTERIM FINANCIAL REPORT**

### **Disclosure requirement per Bursa Malaysia listing requirements Part A of Appendix 9B**

#### **B1. Review of Performance**

The Group revenue and profit before taxation for the current financial quarter ended 31 December 2006 decreased to RM51.062 million and RM6.709 million from RM55.237 million and RM11.550 million respectively reported in the corresponding financial quarter ended 31 December 2005. This represents a decrease of 7.56% and 41.91% in revenue and profit before taxation respectively. The decline was substantially due to lower progress billings and profit recognised from the on-going.

#### **B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.12.2006 RM'000</b>	<b>Preceding Quarter 30.09.2006 RM'000</b>
Revenue	27,053	24,009
Profit before taxation	3,245	3,464
Profit after taxation	2,832	2,944

The Group revenue for the current financial quarter ended 31 December 2006 increased to RM27.053 million from RM24.009 million reported in the preceding financial quarter ended 30 September 2006, representing an increase of 12.68% in revenue whilst profit before taxation decreased marginally from RM3.464 million to RM3.245 million reported in the preceding financial quarter ended 30 September 2006, representing a decrease of 6.32%. The increase in revenue is contributed mainly by overwhelming sales recorded for The Saffron under the Sentul Raya project whilst the decline in the profit after taxation is substantially due to lower profit because of higher costs carried forward from the on-going projects and the decrease in the other operating income.

#### **B3. Prospects**

The Group, after considering the current market condition and the recent sales recorded, is expected to achieve satisfactory performance for financial year ending 2007 through the property development activities undertaken by its subsidiary companies.

#### **B4. Profit Forecast**

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

**INTERIM FINANCIAL REPORT**

Notes : continued

**B5. Taxation**

Tax comprises the following:-

	<b>Current Year Quarter 31.12.2006 RM'000</b>	<b>Current Year To Date 31.12.2006 RM'000</b>
Tax charged for the period	644	1,297
Deferred tax	(231)	(364)
	----- 413	----- 933
	=====	=====

The tax charged for the Group is lower than the effective tax rate as tax losses brought forward of certain subsidiary companies are sufficient to set-off any tax payable for the current financial quarter ended 31 December 2006 of such subsidiary companies.

**B6. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investment or properties during the current financial quarter.

**B7. Quoted Investment**

During the current financial quarter, there was no purchase or disposal of quoted investment.

**B8. Corporate Development**

There is no corporate proposal announced and pending completion at the date of this report.

**B9. Group Borrowings and Debt Securities**

The Group's bank borrowing of RM204 million as at end of the current financial period, bears interest at 0.75% per annum above the bank's cost of fund and is secured by a charge over the freehold land of a subsidiary:

	<b>Long term RM'000</b>	<b>Total RM'000</b>
Term loan – Secured	204,000	204,000
	=====	=====

**INTERIM FINANCIAL REPORT**

**Notes : continued**

**B10. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised for the current financial quarter.

**B11. 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.

**B12. Dividend**

No dividend has been declared for the current financial quarter.

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**INTERIM FINANCIAL REPORT**

Notes : continued

**B13. Earnings Per Share**

- **Basic/diluted earnings per share**

The basic/diluted earnings per share of the Group has been computed by dividing the net profit 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 full conversion of :-

1. ICPS-A in issue during the financial quarter of 272,626,746 on a conversion of one (1) new ordinary share of RM0.50 each for every RM3.90 nominal value of ICPS-A.
2. ICPS-B in issue during the financial quarter of 560,849,502 on a conversion ratio of one (1) new ordinary share of RM0.50 each for every RM1.34 nominal value.

	<b>Current Quarter 31.12.2006</b>	<b>Preceding Year Corresponding Quarter 31.12.2005</b>
Net profit for the quarter (RM'000)	2,832	4,367
Weighted average number of ordinary shares of RM0.50 each ('000):-		
Issued at the beginning of the period ('000)	355,271	344,797
Issue of ordinary shares during the quarter ('000)	120	5,636
	-----	-----
	355,391	350,433
Assumed full conversion of ICPS-A and ICPS-B ('000)	488,449	499,671
	-----	-----
Adjusted weighted average of ordinary shares ('000)	843,840	850,104
	=====	=====
<b>Basic (per 50 sen share)(sen):-</b>		
• Before mandatory conversion of ICPS-A & ICPS-B	0.80	1.25
	=====	=====
• After mandatory conversion of ICPS-A & ICPS-B	0.34	0.51
	=====	=====
<b>Diluted (per 50 sen share) (sen)</b>	0.34	0.51
	=====	=====

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 8 February 2007