

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

Interim Financial Report
31 December 2017

YTL LAND & DEVELOPMENT BERHAD

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Incorporated in Malaysia

**Interim Financial Report
31 December 2017**

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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 2017.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (%)	6 Months Ended		Changes (%)
	31.12.2017 RM'000	31.12.2016 RM'000		31.12.2017 RM'000	31.12.2016 RM'000	
Revenue	7,139	68,995	-90%	209,129	139,803	50%
Cost of sales	(5,250)	(46,944)		(70,845)	(97,833)	
Gross profit	1,889	22,051	-91%	138,284	41,970	229%
Other operating income	2,952	11,271		8,014	18,186	
Other operating expenses	(18,912)	(11,214)		(32,643)	(22,556)	
(Loss)/profit from operations	(14,071)	22,108	-164%	113,655	37,600	202%
Finance costs	(18,725)	(6,040)		(36,668)	(10,065)	
Share of results of a joint venture	(4)	3,477		1,086	6,808	
(Loss)/profit before taxation	(32,800)	19,545	-268%	78,073	34,343	127%
Taxation	(1,118)	(7,052)		(33,568)	(10,718)	
(Loss)/profit for the period	(33,918)	12,493	-371%	44,505	23,625	88%
Attributable to :						
Owners of the parent	(33,916)	10,742	-416%	44,511	19,306	131%
Non-controlling interests	(2)	1,751		(6)	4,319	
(Loss)/profit for the period	(33,918)	12,493		44,505	23,625	
(LOSSES)/EARNINGS PER SHARE						
Basic/diluted (sen)	(2.41)	0.97		3.64	1.78	

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 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 31.12.2017 RM'000	Preceding Year Corresponding Quarter 31.12.2016 RM'000	6 Months Ended 31.12.2017 31.12.2016 RM'000 RM'000	
(Loss)/profit for the period	<u>(33,918)</u>	<u>12,493</u>	<u>44,505</u>	<u>23,625</u>
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	<u>(3,669)</u>	<u>4,827</u>	<u>(3,871)</u>	<u>8,853</u>
Other comprehensive (loss)/ income for the period, net of tax	<u>(3,669)</u>	<u>4,827</u>	<u>(3,871)</u>	<u>8,853</u>
Total comprehensive (loss)/income for the period	<u>(37,587)</u>	<u>17,320</u>	<u>40,634</u>	<u>32,478</u>
<u>Attributable to :</u>				
Owners of the parent	(37,585)	15,569	40,640	28,159
Non-controlling interests	<u>(2)</u>	<u>1,751</u>	<u>(6)</u>	<u>4,319</u>
Total comprehensive (loss)/income for the period	<u>(37,587)</u>	<u>17,320</u>	<u>40,634</u>	<u>32,478</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 2017 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 31.12.2017 RM'000	Audited as at 30.6.2017 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	36,204	36,597
Investment in a joint venture	49,722	48,636
Investment properties	48,100	48,100
Land held for property development	736,437	704,843
Goodwill on consolidation	5,432	5,432
Deferred tax assets	9,232	9,232
Trade and other receivables	7,296	7,296
	<u>892,423</u>	<u>860,136</u>
Current Assets		
Inventories	2,165,525	49,929
Property development expenditure	387,631	2,492,479
Trade and other receivables	122,967	21,143
Other current assets	22,387	144,919
Income tax assets	8,756	2,625
Amount due from ultimate holding company	1	-
Amount due from immediate holding company	100	-
Amount due from related companies	316	18,048
Amount due from a joint venture	9	3
Deposits with licensed banks	135,368	25,206
Cash and bank balances	33,474	18,321
	<u>2,876,534</u>	<u>2,772,673</u>
TOTAL ASSETS	<u>3,768,957</u>	<u>3,632,809</u>
EQUITY		
Share capital	599,643	599,643
Treasury shares, at cost	(22,203)	(22,203)
Accumulated losses	(81,775)	(126,286)
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	47,129	51,000
Equity attributable to owners of the parent	<u>897,763</u>	<u>857,123</u>
Non-controlling interests	23,328	23,334
TOTAL EQUITY	<u>921,091</u>	<u>880,457</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 2017 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 – continued**

	Unaudited as at 31.12.2017 RM'000	Audited as at 30.6.2017 RM'000
LIABILITIES		
Non-current Liabilities		
Borrowings	2,027,020	1,991,814
Provision	7,077	7,077
Deferred tax liabilities	41,806	42,062
	<u>2,075,903</u>	<u>2,040,953</u>
Current Liabilities		
Trade and other payables	37,471	33,976
Other current liabilities	91,843	83,452
Borrowings	225,338	224,932
Provision	42,551	42,782
Amount due to immediate holding company	3	21
Amount due to related companies	344,971	324,009
Income tax payable	29,786	2,227
	<u>771,963</u>	<u>711,399</u>
TOTAL LIABILITIES	<u>2,847,866</u>	<u>2,752,352</u>
TOTAL EQUITY AND LIABILITIES	<u>3,768,957</u>	<u>3,632,809</u>
Net assets per share (RM)	<u>1.08</u>	<u>1.03</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 2017 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 2017**

	<----- 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
As at 1 July 2017	599,643	(22,203)	(126,286)	354,969	51,000	857,123	23,334	880,457
Profit/(loss) for the period	-	-	44,511	-	-	44,511	(6)	44,505
Other comprehensive loss for the period	-	-	-	-	(3,871)	(3,871)	-	(3,871)
Total comprehensive income/ (loss) for the period	-	-	44,511	-	(3,871)	40,640	(6)	40,634
As at 31 December 2017	599,643	(22,203)	(81,775)	354,969	47,129	897,763	23,328	921,091

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 2017 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 2016**

	<----- Attributable to owners of the parent ----->								
	Share Capital 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 2016	422,172	177,471	(22,203)	68,869	354,969	41,969	1,043,247	71,147	1,114,394
Profit for the period	-	-	-	19,306	-	-	19,306	4,319	23,625
Other comprehensive income for the period	-	-	-	-	-	8,853	8,853	-	8,853
Total comprehensive income for the period	-	-	-	19,306	-	8,853	28,159	4,319	32,478
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 December 2016	422,172	177,471	(22,203)	88,175	354,969	50,822	1,071,406	75,466	1,146,872

* 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 2017 and the accompanying explanatory notes attached to the interim financial statements

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	6 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	78,073	34,343
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	413	423
Interest expenses	36,668	10,065
Interest income	(1,744)	(1,369)
Reversal of provision	-	(33)
Unrealised loss/(gain) on foreign exchange	7,530	(8,703)
Bad debts recovered	(1)	-
Share of results of a joint venture	(1,086)	(6,808)
Operating cash flows before working capital changes	119,853	27,918
Net changes in current assets	(32,917)	(151,295)
Net changes in current liabilities	12,129	(9,124)
Net changes in inter-company balances	40,253	96,886
Cash from/(used in) operations	139,318	(35,615)
Income tax paid	(12,337)	(11,183)
Net cash from/(used in) operating activities	126,981	(46,798)
Cash flows from investing activities		
Interest received	1,744	1,369
Land held for property development	(32,707)	(3,448)
Purchase of property, plant and equipment	(21)	(34)
Net cash used in investing activities	(30,984)	(2,113)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 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 2017 - continued

	6 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(55,277)	(44,353)
Net repayments of hire purchase payables	(227)	(305)
Net drawdown of borrowings	84,873	91,550
Purchase of treasury shares	-	*
Net cash from financing activities	<u>29,369</u>	<u>46,892</u>
Net changes in cash and cash equivalents	125,366	(2,019)
Effect of exchange rate changes on cash and cash equivalents	(51)	283
Cash and cash equivalents at beginning of the financial period	43,527	39,767
Cash and cash equivalents at end of the financial period	<u>168,842</u>	<u>38,031</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	135,368	18,084
Cash and bank balances	33,474	19,947
	<u>168,842</u>	<u>38,031</u>

* 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 2017 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 2017.

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 2017.

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 2018. 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 2019.

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

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

As at 31 December 2017, the total number of treasury shares held was 15,175,500 ordinary shares.

The outstanding debts are disclosed in Note B9.

A6. Dividend Paid

There was no dividend paid during the current financial quarter ended 31 December 2017.

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.

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 2017.

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

The Group recorded revenue of RM7.139 million and loss before taxation of RM32.800 million in the current financial quarter, compared to revenue of RM68.995 million and profit before taxation of RM19.545 million recorded in the preceding year corresponding financial quarter ended 31 December 2016.

As the projects, The Fennel, Dahlia and U-Thant projects undertaken by Sentul Raya Sdn Bhd, PYP Sendirian Berhad and Budaya Bersatu Sdn Bhd, respectively are near completion, progress billings were lower in the quarter under review which resulted lower Group revenue.

The loss before taxation was contributed by lower progress billings and lower unrealised gain on foreign exchange on amounts due from Singapore subsidiaries recorded by the Company following the weakening of SGD in the current financial quarter under review as compared to preceding year corresponding financial quarter and finance cost recorded in the income statement by 3 Orchard By-The-Park project undertaken by YTL Westwood Properties Pte Ltd upon completion of the project.

Financial year-to-date review

For the current financial period under review, Group revenue and profit before taxation increased by 50% and 127%, respectively to RM209.129 million and RM78.073 million from RM139.803 million and RM34.343 million, respectively recorded in the preceding year corresponding financial period.

The increases in Group revenue and profit before taxation were mainly due to the land disposal by Udapakat Bina Sdn Bhd (“Udapakat”) (a wholly-owned subsidiary) following the acquisition by Pentadbir Tanah Kuala Lumpur for the Mass Rapid Transit project.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2017 RM'000	Preceding Quarter 30.9.2017 RM'000	<i>Variance (%)</i>
Revenue	7,139	201,990	-96%
(Loss)/profit before taxation	(32,800)	110,873	-130%
(Loss)/profit attributable to owners of the parent	(33,916)	78,427	-143%

The Group recorded revenue of RM7.139 million and loss before taxation of RM32.800 million in the current financial quarter, compared to revenue of RM201.990 million and profit before taxation of RM110.873 million recorded in the preceding financial quarter mainly attributable to the land disposal by Udapakat in the preceding financial quarter as set out under Note B1.

INTERIM FINANCIAL REPORT

Notes : continued

B3. Audit Report of preceding financial year ended 30 June 2017

The Auditors' Report on the financial statements of the financial year ended 30 June 2017 did not contain any qualification.

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 2018 through the property development activities undertaken by its subsidiaries and joint venture.

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 31.12.2017 RM'000	Current Period To Date 31.12.2017 RM'000
Depreciation of property, plant and equipment	207	413
Interest expense	18,725	36,668
Interest income	(1,184)	(1,744)
Unrealised gain on foreign exchange	6,885	7,530
Bad debts recovered	(1)	(1)
	<hr/>	<hr/>

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 31.12.2017 RM'000	Current Period To Date 31.12.2017 RM'000
Income tax:		
- Current period	377	32,874
- Prior period	890	890
Deferred tax	(149)	(196)
	<u>1,118</u>	<u>33,568</u>

The Group provision for taxation for the financial period ended 31 December 2017 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.

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INTERIM FINANCIAL REPORT

Notes : continued

B9. 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
<u>Secured:</u>			
Hire purchase payables	-	281	281
Term loans	1,426,833	9,500	1,436,333
	<u>1,426,833</u>	<u>9,781</u>	<u>1,436,614</u>
<u>Unsecured:</u>			
ICULS*	77,985	15,557	93,542
Term loans	522,202	-	522,202
Revolving credit	-	200,000	200,000
	<u>600,187</u>	<u>215,557</u>	<u>815,744</u>
	<u>2,027,020</u>	<u>225,338</u>	<u>2,252,358</u>

* Irredeemable Convertible Unsecured Loan Stock ("ICULS")

The above borrowings denominated in foreign currency as follows:

	Long Term	
	SGD'000	RM'000
<u>Secured:</u>		
Term loans	387,265	1,176,976
	<u>387,265</u>	<u>1,176,976</u>
<u>Unsecured:</u>		
Term loans	139,146	422,893
	<u>139,146</u>	<u>422,893</u>
	<u>526,411</u>	<u>1,599,869</u>

SGD1 : RM3.0392

INTERIM FINANCIAL REPORT

Notes : continued

B10. Material Litigation

There were no material litigations during the quarter under review.

B11. Dividend

No dividend has been declared for the current financial quarter.

B12. (Losses)/earnings Per Share

• **Basic/diluted (losses)/earnings per share**

The basic (losses)/earnings per share of the Group has been computed by dividing the (loss)/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 (2016: 991,786,363) ICULS into ordinary shares at a conversion price of RM0.99 (2016: RM0.99) per share.

	Current Quarter 31.12.2017	Preceding Year Corresponding Quarter 31.12.2016
(Loss)/profit attributable to owners of the parent (RM'000)	(33,916)	10,742
Interest expense on ICULS (RM'000)	1,842	2,102
(Loss)/profit attributable to owners of the parent including assumed conversion (RM'000)	<u>(32,074)</u>	<u>12,844</u>
Weighted average number of ordinary shares ('000)	829,169	829,169
Adjustment for assumed conversion of ICULS ('000)	500,902	500,902
Adjusted weighted average number of ordinary shares ('000)	<u>1,330,071</u>	<u>1,330,071</u>
Basic/diluted (losses)/earnings (per share) (sen)	<u>(2.41)</u>	<u>0.97</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 23 February 2018