

YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

Interim Financial Report
31 March 2014

YTL LAND & DEVELOPMENT BERHAD

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**Interim Financial Report
31 March 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 March 2014.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2013 RM'000	9 MONTHS ENDED 31.3.2014 RM'000	
REVENUE	93,635	27,614	239,403	113,863
COST OF SALES	(67,521)	(18,674)	(194,251)	(86,308)
GROSS PROFIT	26,114	8,940	45,152	27,555
OTHER OPERATING INCOME	8,623	3,984	29,447	23,099
OTHER OPERATING EXPENSES	(13,776)	(4,048)	(34,562)	(19,677)
PROFIT FROM OPERATIONS	20,961	8,876	40,037	30,977
FINANCE COSTS	(2,423)	(2,895)	(7,497)	(9,014)
SHARE OF RESULTS OF A JOINTLY CONTROLLED ENTITY	(1)	(2)	(30)	(115)
PROFIT BEFORE TAXATION	18,537	5,979	32,510	21,848
TAXATION	(6,471)	(3,807)	(12,498)	(10,218)
PROFIT FOR THE PERIOD	12,066	2,172	20,012	11,630
ATTRIBUTABLE TO:				
Owners of the Parent	7,824	1,204	13,404	7,421
Non-Controlling Interests	4,242	968	6,608	4,209
PROFIT FOR THE PERIOD	12,066	2,172	20,012	11,630
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 (“ICULS”)	0.96	0.15	1.63	0.89
• After mandatory conversion of ICULS	0.86	0.31	1.74	1.26
Diluted (sen)	0.86	0.31	1.74	1.26

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)
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2013 RM'000	9 MONTHS ENDED 31.3.2014 RM'000	
PROFIT FOR THE PERIOD	12,066	2,172	20,012	11,630
OTHER COMPREHENSIVE INCOME:				
FOREIGN CURRENCY TRANSLATION	(130)	(949)	6,534	(1,051)
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD, NET OF TAX	(130)	(949)	6,534	(1,051)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,936	1,223	26,546	10,579
ATTRIBUTABLE TO:				
Owners of the Parent	7,694	255	19,938	6,370
Non-Controlling Interests	4,242	968	6,608	4,209
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,936	1,223	26,546	10,579

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)
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.3.2014	30.6.2013
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	36,186	34,789
Investment in a jointly controlled entity	22,459	22,490
Investment property	32,900	32,900
Land held for property development	861,174	885,744
Goodwill on consolidation	37,297	36,606
Deferred tax assets	2,188	3,058
	<u>992,204</u>	<u>1,015,587</u>
Current Assets		
Inventories	64,133	149,204
Property development expenditure	1,490,891	1,344,050
Trade and other receivables	55,212	35,001
Other current assets	40,130	40,764
Income tax assets	1,590	5,422
Amount due from related companies	1,402	456
Amount due from a jointly controlled entity	10,914	6,610
Fixed deposits with licensed banks	94,513	50,661
Cash and bank balances	17,273	19,268
	<u>1,776,058</u>	<u>1,651,436</u>
TOTAL ASSETS	<u><u>2,768,262</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	54,410	41,006
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	11,597	5,063
	<u>998,419</u>	<u>978,481</u>
Equity Attributable to Owners of the Parent	998,419	978,481
Non-Controlling Interests	44,830	38,222
	<u>1,043,249</u>	<u>1,016,703</u>
TOTAL EQUITY	<u><u>1,043,249</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
	31.3.2014	30.6.2013
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	1,373,993	1,358,032
Other non-current liability	67,696	67,696
Deferred tax liabilities	54,660	54,659
	<u>1,496,349</u>	<u>1,480,387</u>
Current Liabilities		
Trade and other payables	62,166	74,990
Other current liabilities	40,044	2,002
Loans and borrowings	62,460	45,365
Amount due to immediate holding company	1,082	1,054
Amount due to related companies	59,815	41,551
Provisions	-	4,288
Income tax payable	3,097	683
	<u>228,664</u>	<u>169,933</u>
TOTAL LIABILITIES	<u>1,725,013</u>	<u>1,650,320</u>
TOTAL EQUITY AND LIABILITIES	<u>2,768,262</u>	<u>2,667,023</u>
Net assets per 50 sen share (RM)	<u>1.20</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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 period	-	-	-	13,404	-	-	13,404	6,608	20,012
Other comprehensive income for the period	-	-	-	-	-	6,534	6,534	-	6,534
Total comprehensive income for the period	-	-	-	13,404	-	6,534	19,938	6,608	26,546
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 March 2014	422,172	177,471	(22,200)	54,410	354,969	11,597	998,419	44,830	1,043,249

*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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 period	-	-	-	7,421	-	-	7,421	4,209	11,630
Other comprehensive income for the period	-	-	-	-	-	(1,051)	(1,051)	-	(1,051)
Total comprehensive income for the period	-	-	-	7,421	-	(1,051)	6,370	4,209	10,579
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 March 2013	422,156	177,445	(22,200)	23,214	355,001	3,270	958,886	34,246	993,132

*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 PERIOD ENDED 31 MARCH 2014**

	9 MONTHS ENDED	
	31.3.2014	31.3.2013
	RM'000	RM'000
Cash flows from Operating Activities		
Profit before taxation	32,510	21,848
Depreciation of property, plant and equipment	499	372
Loss on disposal of property, plant and equipment	*	43
Interest expenses	7,498	9,014
Interest income	(919)	(737)
Reversal of damages claims	(3,478)	-
Unrealised (gain)/ losses on foreign exchange	(3,153)	518
Share of results of a jointly controlled entity	30	115
	-----	-----
Operating cash flows before working capital changes	32,987	31,173
Net changes in current assets	(75,354)	17,976
Net changes in current liabilities	60,126	(20,237)
Net changes in inter-company balances	16,195	(9,772)
	-----	-----
Cash from used in operations	33,954	19,140
Income tax paid	(5,383)	(40,310)
	-----	-----
Net cash from/ (used in) operating activities	28,571	(21,170)
	-----	-----
Cash flows from Investing Activities		
Interest received	919	737
Land held for property development	24,570	(17,500)
Purchase of property, plant and equipment	(1,891)	(527)
Proceeds from disposal of property, plant and equipment	-	224
	-----	-----
Net cash from/ (used in) investing activities	23,598	(17,066)
	-----	-----

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 PERIOD ENDED 31 MARCH 2014 - continued**

	9 MONTHS ENDED	
	31.3.2014	31.3.2013
	RM'000	RM'000
Cash flows from Financing Activities		
Interest paid	(7,521)	(8,797)
Net repayments of hire purchase payables	(229)	(226)
Net repayments of borrowings	(2,409)	(101,364)
Purchase of treasury shares	*	*
	-----	-----
Net cash used in financing activities	(10,159)	(110,387)
	-----	-----
Net changes in cash and cash equivalents	42,010	(148,623)
Effect of exchange rate changes on cash and cash equivalents	(153)	(343)
Cash and cash equivalents at beginning of the financial period	69,929	282,095
	-----	-----
Cash and cash equivalents at end of the financial period	111,786	133,129
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	94,513	118,465
Cash and bank balances	17,273	14,664
	-----	-----
	111,786	133,129
	=====	=====

*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 period 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 period 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 31 March 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 31 March 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 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 increased to RM93.635 million and RM18.537 million from RM27.614 million and RM5.979 million, respectively recorded in the preceding year corresponding financial quarter ended 31 March 2013, representing an increase of RM66.021 million (239%) in revenue and RM12.560 million (210%) in profit before taxation, respectively.

The increase in revenue and profit before taxation were mainly contributed by Fennel and Capers projects undertaken by Sentul Raya Sdn Bhd (“SRSB”).

Financial year-to-date review

For the nine months under review, Group revenue and profit before taxation increased by RM125.540 million (110%) and RM10.662 million (49%) to RM239.403 million and RM32.510 million, respectively recorded in the current and preceding year corresponding financial period.

The higher revenue and profit before tax were mainly contributed by Fennel and Capers projects under Sentul Raya development and sales of completed properties by Sandy Island Pte. Ltd..

B2. Comparison with Preceding Quarter

	Current Quarter 31.3.2014 RM'000	Preceding Quarter 31.12.2013 RM'000
Revenue	93,635	28,851
Profit before taxation	18,537	6,768
Profit attributable to owners of the parent	7,824	2,326

The Group revenue and profit before taxation increased to RM93.635 million and RM18.537 million from RM28.851 million and RM6.768 million, respectively recorded in the preceding financial quarter. The increases were mainly due to higher revenue recognition recorded by Fennel and Capers projects undertaken by SRSB during the current financial quarter.

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.

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

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 2014 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 31.3.2014 RM'000	Current Period To Date 31.3.2014 RM'000
Depreciation of property, plant and equipment	189	499
Interest expense	2,423	7,498
Interest income	(270)	(919)
Unrealised gain/(losses) on foreign exchange	64	(3,153)
	<u>=====</u>	<u>=====</u>

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 period.

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.3.2014 RM'000	Current Period To Date 31.3.2014 RM'000
Income tax :		
- Current period	6,323	11,481
Deferred tax	-	869
	<u>-----</u>	<u>-----</u>
	<u>=====</u>	<u>=====</u>

The Group provision for taxation for the financial period ended 31 March 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.

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Notes : continued

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 RM'000
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	
Secured	-	17,266	-	798,552	815,818
Unsecured	4,958	40,236	129,669	445,772	620,635
Total	4,958	57,502	129,669	1,244,324	1,436,453

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

In Singapore Dollar ('000)	454,789
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B10. 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.

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Notes : continued

B11. Dividend

No dividend has been declared for the current financial quarter.

B12. Retained Earnings

	As at 31.3.2014 RM'000	As at 30.06.2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	314,540	297,915
- Unrealised	152,784	149,367
	-----	-----
	467,324	447,282
Total share of accumulated losses from jointly controlled entity :		
- Realised	(441)	(410)
Less: Consolidation adjustments	(412,473)	(405,866)
	-----	-----
Total Group retained earnings as per consolidated interim financial statements	54,410	41,006
	=====	=====

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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 31.3.2014	Preceding Year Corresponding Quarter 31.3.2013
Profit attributable to owners of the parent (RM'000)	7,824	1,204
Interest expense on ICULS (RM'000)	2,417	2,504
Profit attributable to owners of the parent including assumed conversion (RM'000)	10,241	3,708
Weighted average number of ordinary shares of RM0.50 each ('000)	811,147	829,140
Adjustment for assumed conversion of ICULS ('000)	375,677	375,709
Adjusted weighted average number of ordinary shares ('000)	1,186,824	1,204,849
Basic (per 50 sen share) (sen):-		
• Before mandatory conversion of ICULS	<u>0.96</u>	<u>0.15</u>
• After mandatory conversion of ICULS	<u>0.86</u>	<u>0.31</u>
Diluted (per 50 sen share) (sen)	<u>0.86</u>	<u>0.31</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 20 May 2014