

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

Interim Financial Report
30 September 2017

YTL LAND & DEVELOPMENT BERHAD

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Incorporated in Malaysia

**Interim Financial Report
30 September 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 30 September 2017.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (%)	3 Months Ended		
	30.9.2017 RM'000	30.9.2016 RM'000		30.9.2017 RM'000	30.9.2016 RM'000	Changes (%)
Revenue	201,990	70,808	185%	201,990	70,808	185%
Cost of sales	(65,595)	(50,889)		(65,595)	(50,889)	
Gross profit	136,395	19,919	585%	136,395	19,919	585%
Other operating income	5,062	6,915		5,062	6,915	
Other operating expenses	(13,731)	(11,342)		(13,731)	(11,342)	
Profit from operations	127,726	15,492	724%	127,726	15,492	724%
Finance costs	(17,943)	(4,025)		(17,943)	(4,025)	
Share of results of a joint venture	1,090	3,331		1,090	3,331	
Profit before taxation	110,873	14,798	649%	110,873	14,798	649%
Taxation	(32,450)	(3,666)		(32,450)	(3,666)	
Profit for the period	78,423	11,132	604%	78,423	11,132	604%
Attributable to :						
Owners of the parent	78,427	8,564	816%	78,427	8,564	816%
Non-controlling interests	(4)	2,568		(4)	2,568	
Profit for the period	78,423	11,132		78,423	11,132	
EARNINGS PER SHARE						
Basic/diluted (sen)	6.05	0.81		6.05	0.81	

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 30.9.2017 RM'000	Preceding Year Corresponding Quarter 30.9.2016 RM'000	3 Months Ended 30.9.2017 30.9.2016 RM'000 RM'000	
Profit for the period	<u>78,423</u>	<u>11,132</u>	<u>78,423</u>	<u>11,132</u>
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	<u>(202)</u>	<u>4,026</u>	<u>(202)</u>	<u>4,026</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(202)</u>	<u>4,026</u>	<u>(202)</u>	<u>4,026</u>
Total comprehensive income for the period	<u>78,221</u>	<u>15,158</u>	<u>78,221</u>	<u>15,158</u>
<u>Attributable to :</u>				
Owners of the parent	78,225	12,590	78,225	12,590
Non-controlling interests	<u>(4)</u>	<u>2,568</u>	<u>(4)</u>	<u>2,568</u>
Total comprehensive income for the period	<u>78,221</u>	<u>15,158</u>	<u>78,221</u>	<u>15,158</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 30.9.2017 RM'000	Audited as at 30.6.2017 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	36,397	36,597
Investment in a joint venture	49,726	48,636
Investment properties	48,100	48,100
Land held for property development	736,609	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>892,792</u>	<u>860,136</u>
Current Assets		
Inventories	2,216,562	49,929
Property development expenditure	315,795	2,492,479
Trade and other receivables	14,380	21,143
Other current assets	175,741	144,919
Income tax assets	4,262	2,625
Amount due from ultimate holding company	3	-
Amount due from related companies	170	18,048
Amount due from a joint venture	3	3
Deposits with licensed banks	145,321	25,206
Cash and bank balances	13,444	18,321
	<u>2,885,681</u>	<u>2,772,673</u>
TOTAL ASSETS	<u>3,778,473</u>	<u>3,632,809</u>
EQUITY		
Share capital	599,643	599,643
Treasury shares, at cost	(22,203)	(22,203)
Accumulated losses	(47,859)	(126,286)
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	50,798	51,000
Equity attributable to owners of the parent	<u>935,348</u>	<u>857,123</u>
Non-controlling interests	23,330	23,334
TOTAL EQUITY	<u>958,678</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 30.9.2017 RM'000	Audited as at 30.6.2017 RM'000
LIABILITIES		
Non-current Liabilities		
Borrowings	2,046,579	1,991,814
Provision	7,077	7,077
Deferred tax liabilities	42,010	42,062
	<u>2,095,666</u>	<u>2,040,953</u>
Current Liabilities		
Trade and other payables	37,143	33,976
Other current liabilities	81,010	83,452
Borrowings	225,133	224,932
Provision	42,691	42,782
Amount due to immediate holding company	126	21
Amount due to related companies	308,423	324,009
Income tax payable	29,603	2,227
	<u>724,129</u>	<u>711,399</u>
TOTAL LIABILITIES	<u>2,819,795</u>	<u>2,752,352</u>
TOTAL EQUITY AND LIABILITIES	<u>3,778,473</u>	<u>3,632,809</u>
Net assets per share (RM)	<u>1.13</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 30 SEPTEMBER 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 for the period	-	-	78,427	-	-	78,427	(4)	78,423
Other comprehensive loss for the period	-	-	-	-	(202)	(202)	-	(202)
Total comprehensive income for the period	-	-	78,427	-	(202)	78,225	(4)	78,221
As at 30 September 2017	599,643	(22,203)	(47,859)	354,969	50,798	935,348	23,330	958,678

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 30 SEPTEMBER 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	-	-	-	8,564	-	-	8,564	2,568	11,132
Other comprehensive income for the period	-	-	-	-	-	4,026	4,026	-	4,026
Total comprehensive income for the period	-	-	-	8,564	-	4,026	12,590	2,568	15,158
Purchase of treasury shares	-	-	-	*	-	-	*	-	*
As at 30 September 2016	422,172	177,471	(22,203)	77,433	354,969	45,995	1,055,837	73,715	1,129,552

* 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 30 SEPTEMBER 2017**

	3 months ended	
	30.9.2017	30.9.2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	110,873	14,798
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	206	213
Interest expenses	17,943	4,025
Interest income	(560)	(205)
Unrealised gain on foreign exchange	645	(3,570)
Share of results of a joint venture	(1,090)	(3,331)
Operating cash flows before working capital changes	128,017	11,930
Net changes in current assets	(8,959)	(91,133)
Net changes in current liabilities	726	(2,994)
Net changes in inter-company balances	2,531	59,952
Cash from/(used in) operations	122,315	(22,245)
Income tax paid	(6,758)	(4,749)
Net cash used in operating activities	115,557	(26,994)
Cash flows from investing activities		
Interest received	564	253
Land held for property development	(31,765)	(3,161)
Purchase of property, plant and equipment	(6)	(5)
Net cash from/(used in) investing activities	(31,207)	(2,913)

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)
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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - continued

	3 months ended	
	30.9.2017	30.9.2016
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(25,138)	(11,610)
Net repayments of hire purchase payables	(113)	(148)
Net drawdown of borrowings	56,159	40,855
Purchase of treasury shares	-	*
Net cash from financing activities	<u>30,908</u>	<u>29,097</u>
Net changes in cash and cash equivalents	115,258	(810)
Effect of exchange rate changes on cash and cash equivalents	(20)	116
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>158,765</u>	<u>39,073</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	145,321	29,464
Cash and bank balances	13,444	9,609
	<u>158,765</u>	<u>39,073</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 2016.

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 30 June 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 30 September 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

For the current financial quarter under review, Group revenue and profit before taxation increased 185% and 649%, respectively from RM70.808 million and RM14.798 million recorded in the preceding year corresponding financial quarter ended 30 September 2016 to RM201.990 million and RM110.873 million, respectively.

The higher 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.

The Dahlia and U-Thant Place projects undertaken by PYP Sendirian Berhad and Budaya Bersatu Sdn Bhd (both wholly-owned subsidiaries), respectively continued to contribute to the Group's revenue in the current financial quarter despite lower revenue recognised from The Fennel project undertaken by Sentul Raya Sdn Bhd as the project is near completion.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2017 RM'000	Preceding Quarter 30.6.2017 RM'000	<i>Variance (%)</i>
Revenue	201,990	83,631	142%
Profit/(loss) before taxation	110,873	(30,550)	463%
Profit/(loss) attributable to owners of the parent	78,427	(33,117)	337%

The Group recorded revenue of RM201.990 million and profit before taxation of RM110.873 million in the current financial quarter, compared to revenue of RM83.631 million and loss before taxation of RM30.550 million recorded in the preceding financial quarter mainly attributable to the land disposal by Udapakat 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 30.9.2017 RM'000	Current Period To Date 30.9.2017 RM'000
Depreciation of property, plant and equipment	206	206
Interest expense	17,943	17,943
Interest income	(560)	(560)
Unrealised gain on foreign exchange	645	645
	<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 30.9.2017 RM'000	Current Period To Date 30.9.2017 RM'000
Income tax:		
- Current period	32,497	32,497
- Prior period	-	-
Deferred tax	(47)	(47)
	<u>32,450</u>	<u>32,450</u>

The Group provision for taxation for the financial period ended 30 September 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	45	350	395
Term loans	1,426,467	9,500	1,435,967
	<u>1,426,512</u>	<u>9,850</u>	<u>1,436,362</u>
<u>Unsecured:</u>			
ICULS*	87,666	15,283	102,949
Term loans	532,401	-	532,401
Revolving credit	-	200,000	200,000
	<u>620,067</u>	<u>215,283</u>	<u>835,350</u>
	<u>2,046,579</u>	<u>225,133</u>	<u>2,271,712</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	384,117	1,195,564
	<u>384,117</u>	<u>1,195,564</u>
<u>Unsecured:</u>		
Term loans	139,146	433,092
	<u>139,146</u>	<u>433,092</u>
	<u>523,263</u>	<u>1,628,656</u>

SGD1 : RM3.1125

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

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. Accumulated Losses

	As at 30.9.2017 RM'000	As at 30.6.2017 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	282,316	193,040
- Unrealised	164,968	176,744
	<u>447,284</u>	<u>369,784</u>
Total share of retained earnings from a joint venture:		
- Realised	26,826	25,736
Less : Consolidation adjustments	(521,969)	(521,806)
Total Group accumulated losses as per consolidated interim financial statements	<u>(47,859)</u>	<u>(126,286)</u>

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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 (2016: 991,786,363) ICULS into ordinary shares at a conversion price of RM0.99 (2016: RM0.99) per share.

	Current Quarter 30.9.2017	Preceding Year Corresponding Quarter 30.9.2016
Profit attributable to owners of the parent (RM'000)	78,427	8,564
Interest expense on ICULS (RM'000)	2,019	2,265
Profit attributable to owners of the parent including assumed conversion (RM'000)	<u>80,446</u>	<u>10,829</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 (per share) (sen)	<u>6.05</u>	<u>0.81</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated :22 November 2017