

YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

**Interim Financial Report
30 September 2016**

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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 2016.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2015 RM'000	3 MONTHS ENDED	
			30.9.2016 RM'000	30.9.2015 RM'000
REVENUE	70,808	29,557	70,808	29,557
COST OF SALES	(50,889)	(20,104)	(50,889)	(20,104)
GROSS PROFIT	19,919	9,453	19,919	9,453
OTHER OPERATING INCOME	6,915	17,676	6,915	17,676
OTHER OPERATING EXPENSES	(11,342)	(12,353)	(11,342)	(12,353)
PROFIT FROM OPERATIONS	15,492	14,776	15,492	14,776
FINANCE COSTS	(4,025)	(3,216)	(4,025)	(3,216)
SHARE OF RESULTS OF A JOINT VENTURE	3,331	7,032	3,331	7,032
PROFIT BEFORE TAXATION	14,798	18,592	14,798	18,592
TAXATION	(3,666)	(1,337)	(3,666)	(1,337)
PROFIT FOR THE PERIOD	11,132	17,255	11,132	17,255
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	8,564	16,268	8,564	16,268
NON-CONTROLLING INTERESTS	2,568	987	2,568	987
PROFIT FOR THE PERIOD	11,132	17,255	11,132	17,255
EARNINGS PER 50 SEN SHARE				
Basic/diluted (sen)	0.81	1.55	0.81	1.55

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 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 30.9.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2015 RM'000	3 MONTHS ENDED	
			30.9.2016 RM'000	30.9.2015 RM'000
PROFIT FOR THE PERIOD	11,132	17,255	11,132	17,255
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:				
FOREIGN CURRENCY TRANSLATION	4,026	23,997	4,026	23,997
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	4,026	23,997	4,026	23,997
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,158	41,252	15,158	41,252
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	12,590	40,265	12,590	40,265
NON-CONTROLLING INTERESTS	2,568	987	2,568	987
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,158	41,252	15,158	41,252

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 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
	30.9.2016	30.6.2016
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	37,354	37,561
Investment in a joint venture	43,977	40,646
Investment property	48,100	48,100
Land held for property development	703,604	700,443
Goodwill on consolidation	31,753	31,282
Deferred tax assets	7,594	7,580
Trade and other receivables	8,027	8,027
	<u>880,409</u>	<u>873,639</u>
Current Assets		
Inventories	58,223	58,223
Property development expenditure	2,342,460	2,275,197
Trade and other receivables	38,380	34,721
Other current assets	126,521	60,680
Income tax assets	4,710	3,703
Amount due from ultimate holding company	8	2
Amount due from related companies	1,005	100
Amount due from a joint venture	2	602
Deposits with licensed banks	29,464	29,127
Cash and bank balances	9,609	10,640
	<u>2,610,382</u>	<u>2,472,995</u>
TOTAL ASSETS	<u>3,490,791</u>	<u>3,346,634</u>
EQUITY		
Share capital	422,172	422,172
Share premium	177,471	177,471
Treasury shares, at cost	(22,203)	(22,203)
Retained earnings	77,433	68,869
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	45,995	41,969
	<u>1,055,837</u>	<u>1,043,247</u>
Equity attributable to owners of the parent	1,055,837	1,043,247
Non-controlling interests	73,715	71,147
	<u>1,129,552</u>	<u>1,114,394</u>
TOTAL EQUITY	<u>1,129,552</u>	<u>1,114,394</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 2016 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 FINANCIAL POSITION - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.9.2016	30.6.2016
	RM'000	RM'000
LIABILITIES		
Non-current Liabilities		
Borrowings	1,272,881	1,209,798
Provision for affordable housing	40,331	40,331
Other non-current liability	67,696	67,696
Deferred tax liabilities	45,151	45,608
	<u>1,426,059</u>	<u>1,363,433</u>
Current Liabilities		
Trade and other payables	14,353	17,016
Other current liabilities	13,780	13,975
Borrowings	661,961	654,148
Amount due to immediate holding company	109	83
Amount due to related companies	244,560	183,562
Income tax payable	417	23
	<u>935,180</u>	<u>868,807</u>
TOTAL LIABILITIES	<u>2,361,239</u>	<u>2,232,240</u>
TOTAL EQUITY AND LIABILITIES	<u>3,490,791</u>	<u>3,346,634</u>
Net assets per 50 sen share (RM)	<u>1.27</u>	<u>1.26</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 2016 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 PERIOD ENDED 30 SEPTEMBER 2016**

	<----- 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 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	<u>422,172</u>	<u>177,471</u>	<u>(22,203)</u>	<u>77,433</u>	<u>354,969</u>	<u>45,995</u>	<u>1,055,837</u>	<u>73,715</u>	<u>1,129,552</u>

* 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 2016 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 2015**

	<----- 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 2015	422,172	177,471	(22,202)	85,457	354,969	28,605	1,046,472	60,225	1,106,697
Prior year adjustments	-	-	-	(32,983)	-	-	(32,983)	-	(32,983)
As at 1 July 2015, as restated	422,172	177,471	(22,202)	52,474	354,969	28,605	1,013,489	60,225	1,073,714
Profit for the period	-	-	-	16,268	-	-	16,268	987	17,255
Other comprehensive income for the period	-	-	-	-	-	23,997	23,997	-	23,997
Total comprehensive income for the period	-	-	-	16,268	-	23,997	40,265	987	41,252
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 30 September 2015	422,172	177,471	(22,202)	68,742	354,969	52,602	1,053,754	61,212	1,114,966

* 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 2016 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 30 SEPTEMBER 2016**

	3 MONTHS ENDED	
	30.9.2016	30.9.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	14,798	18,592
Depreciation of property, plant and equipment	213	214
Interest expense	4,025	3,216
Interest income	(205)	(303)
Unrealised gain on foreign exchange	(3,570)	(15,185)
Share of results of a joint venture	(3,331)	(7,032)
	-----	-----
Operating cash flows before working capital changes	11,930	(498)
Net changes in current assets	(91,133)	(9,591)
Net changes in current liabilities	(2,994)	(7,974)
Net changes in inter-company balances	59,952	20,400
	-----	-----
Cash (used in)/from operations	(22,245)	2,337
Income tax paid	(4,749)	(3,275)
	-----	-----
Net cash used in operating activities	(26,994)	(938)
	-----	-----
Cash flows from investing activities		
Interest received	253	351
Land held for property development	(3,161)	(1,773)
Purchase of property, plant and equipment	(5)	(77)
	-----	-----
Net cash used in investing activities	(2,913)	(1,499)
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 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 30 SEPTEMBER 2016 - continued

	3 MONTHS ENDED	
	30.9.2016	30.9.2015
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(11,610)	(13,946)
Net repayments of hire purchase payables	(148)	(143)
Net drawdown of borrowings	40,855	32,562
Purchase of treasury shares	*	*
	-----	-----
Net cash from financing activities	29,097	18,473
	-----	-----
Net changes in cash and cash equivalents	(810)	16,036
Effect of exchange rate changes on cash and cash equivalents	116	662
Cash and cash equivalents at beginning of the financial period	39,767	31,554
	-----	-----
Cash and cash equivalents at end of the financial period	39,073	48,252
	=====	=====
Cash and cash equivalents comprise:		
Deposits with licensed banks	29,464	32,487
Cash and bank balances	9,609	15,765
	-----	-----
	39,073	48,252
	=====	=====

*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 2016 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 2016.

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

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 quarter and financial period to date, the Company repurchased 100 ordinary shares of RM0.50 each of its issued share capital from the open market at an average cost of RM1.02 per share. The total consideration paid for the share buy-back, including transaction costs during current financial period to date amounted to RM102.42, 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 September 2016, the total number of treasury shares held was 15,175,500 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 September 2016.

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.

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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 2016.

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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 RM70.808 million and profit before taxation of RM14.798 million in the current financial quarter, compared to revenue of RM29.557 million and profit before taxation of RM18.592 million in the preceding year corresponding financial quarter ended 30 September 2015.

The higher Group revenue was attributable to better site progress from the Fennel project undertaken by Sentul Raya Sdn Bhd. The Dahlia and the U-Thant Place projects undertaken by PYP Sendirian Bhd and Budaya Bersatu Sdn Bhd, (both wholly-owned subsidiaries), respectively made their maiden contribution to the Group's revenue.

The lower profit before taxation despite higher revenue in the current financial quarter was mainly due to lower unrealised gain on foreign exchange recorded by the Company on amounts due from Singapore subsidiaries following the weakening of SGD in the current financial quarter under review as compared to the preceding year corresponding financial quarter.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2016 RM'000	Preceding Quarter 30.6.2016 RM'000
Revenue	70,808	69,732
Profit before taxation	14,798	12,552
Profit attributable to owners of the parent	8,564	7,247

The Group revenue and profit before taxation increased to RM70.808 million and RM14.798 million from RM69.732 million and RM12.552 million, respectively recorded in the preceding financial quarter. The marginal increase was mainly attributable to lower operating expenses.

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INTERIM FINANCIAL REPORT

Notes : continued

B3. Audit Report of preceding financial year ended 30 June 2016

The Auditors' Report on the financial statements of the financial year ended 30 June 2016 did not contain any qualification.

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 2017 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 30.9.2016 RM'000	Current Period To Date 30.9.2016 RM'000
Depreciation of property, plant and equipment	213	213
Interest expense	4,025	4,025
Interest income	(205)	(205)
Unrealised gain on foreign exchange	(3,570)	(3,570)
	=====	=====

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.

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INTERIM FINANCIAL REPORT

Notes : continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.9.2016 RM'000	Current period To Date 30.9.2016 RM'000
Income tax :		
- Current period	4,137	4,137
Deferred tax	(471)	(471)
	-----	-----
	3,666	3,666
	=====	=====

The Group provision for taxation for the financial period ended 30 September 2016 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 period are as follows:-

	Short term		Long term		Total
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	RM'000
Secured	-	534	-	1,144,516	1,145,050
Unsecured	14,187	647,240	102,982	25,383	789,792
	-----	-----	-----	-----	-----
Total	14,187	647,774	102,982	1,169,899	1,934,842
	=====	=====	=====	=====	=====

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

In Singapore Dollar ('000)	525,225
	=====

YTL LAND & DEVELOPMENT BERHAD (Company No. 1116-M)
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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. Retained Earnings

	As at 30.9.2016 RM'000	As at 30.6.2016 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	356,298	340,748
- Unrealised	163,179	170,432
	----- 519,477	----- 511,180
Total share of retained earnings from a joint venture :		
- Realised	21,077	17,746
Less: Consolidation adjustments	(463,121)	(460,057)
Total Group retained earnings as per consolidated interim financial statements	----- 77,433 =====	----- 68,869 =====

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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 30.9.2016	Preceding Year Corresponding Quarter 30.9.2015
Profit attributable to owners of the parent (RM'000)	8,564	16,268
Interest expense on ICULS (RM'000)	2,265	2,374
Profit attributable to owners of the parent including assumed conversion (RM'000)	10,829	18,642
Weighted average number of ordinary shares of RM0.50 each ('000)	829,169	829,171
Adjustment for assumed conversion of ICULS ('000)	500,902	375,677
Adjusted weighted average number of ordinary shares ('000)	1,330,071	1,204,848
Basic/diluted (per 50 sen share) (sen)	0.81	1.55

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 17 November 2016