

YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

Interim Financial Report
30 September 2018

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Incorporated in Malaysia

**Interim Financial Report
30 September 2018**

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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 2018.

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		
	30.9.2018	30.9.2017 (restated)		30.9.2018	30.9.2017 (restated)	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	34,457	195,147	-82%	34,457	195,147	-82%
Cost of sales	(20,599)	(63,039)		(20,599)	(63,039)	
Gross profit	13,858	132,108	-90%	13,858	132,108	-90%
Other income	26,827	4,696		26,827	4,696	
Selling and distribution expenses	(660)	(699)		(660)	(699)	
Administrative expenses	(10,515)	(9,603)		(10,515)	(9,603)	
Other operating expenses	(209)	(851)		(209)	(851)	
Operating profit	29,301	125,651	-77%	29,301	125,651	-77%
Finance costs	(20,166)	(17,943)		(20,166)	(17,943)	
Share of results of a joint venture	38	1,312		38	1,312	
Profit before taxation	9,173	109,020	-92%	9,173	109,020	-92%
Taxation	(5,299)	(32,397)		(5,299)	(32,397)	
Profit for the period	3,874	76,623	-95%	3,874	76,623	-95%
Attributable to :						
Owners of the parent	3,877	76,627	-95%	3,877	76,627	-95%
Non-controlling interests	(3)	(4)		(3)	(4)	
Profit for the period	3,874	76,623		3,874	76,623	
Earnings per share						
Basic (sen)	0.42	5.91		0.42	5.91	

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2018 RM'000	Preceding Year Corresponding Quarter 30.9.2017 (restated) RM'000	3 Months Ended 30.9.2018 30.9.2017 (restated) RM'000	
Profit for the period	3,874	76,623	3,874	76,623
Other comprehensive loss to be reclassified to profit or loss in subsequent period:				
Foreign currency translation, representing total other comprehensive loss for the period, net of tax	(4,906)	(202)	(4,906)	(202)
Total comprehensive (loss)/ income for the period	(1,032)	76,421	(1,032)	76,421
<u>Attributable to :</u>				
Owners of the parent	(1,029)	76,425	(1,029)	76,425
Non-controlling interests	(3)	(4)	(3)	(4)
Total comprehensive (loss)/ income for the period	(1,032)	76,421	(1,032)	76,421

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 as at 30.9.2018 RM'000	Restated as at 30.6.2018 RM'000	Restated as at 1.7.2017 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	35,363	35,559	36,597
Investment in a joint venture	38,551	49,192	51,660
Investment properties	80,717	49,300	48,100
Land held for property development	705,517	704,474	704,843
Goodwill on consolidation	5,432	5,432	5,432
Deferred tax assets	10,068	10,151	9,210
Trade and other receivables	7,222	7,222	7,296
	<u>882,870</u>	<u>861,330</u>	<u>863,138</u>
Current Assets			
Inventories	2,100,478	2,089,989	49,929
Property development expenditure	406,708	378,190	2,536,612
Trade and other receivables	54,952	71,637	21,143
Other current assets	1,680	2,463	142,201
Income tax assets	10,766	5,447	2,625
Amounts due from related parties	6,545	6,341	18,051
Deposits with licensed banks	135,360	155,326	25,206
Cash and bank balances	16,096	20,825	18,321
	<u>2,732,585</u>	<u>2,730,218</u>	<u>2,814,088</u>
TOTAL ASSETS	<u>3,615,455</u>	<u>3,591,548</u>	<u>3,677,226</u>
EQUITY			
Share capital	599,643	599,643	599,643
Treasury shares, at cost	(22,203)	(22,203)	(22,203)
Accumulated losses	(194,318)	(198,195)	(92,818)
Equity component of ICULS	354,969	354,969	354,969
Foreign currency translation reserve	38,727	43,633	51,000
Equity attributable to owners of the parent	<u>776,818</u>	<u>777,847</u>	<u>890,591</u>
Non-controlling interests	23,319	23,322	23,334
TOTAL EQUITY	<u>800,137</u>	<u>801,169</u>	<u>913,925</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 2018 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 as at 30.9.2018 RM'000	Restated as at 30.6.2018 RM'000	Restated as at 1.7.2017 RM'000
LIABILITIES			
Non-current Liabilities			
Borrowings	2,255,281	2,221,403	1,991,814
Provision	7,077	7,077	7,077
Deferred tax liabilities	37,873	37,940	51,655
	<u>2,300,231</u>	<u>2,266,420</u>	<u>2,050,546</u>
Current Liabilities			
Trade and other payables	19,237	30,768	33,976
Other current liabilities	73,781	74,531	84,808
Borrowings	68,661	63,666	224,932
Provision	44,937	45,086	42,782
Amounts due to related parties	305,506	302,678	324,030
Income tax payable	2,965	7,230	2,227
	<u>515,087</u>	<u>523,959</u>	<u>712,755</u>
TOTAL LIABILITIES	<u>2,815,318</u>	<u>2,790,379</u>	<u>2,763,301</u>
TOTAL EQUITY AND LIABILITIES	<u>3,615,455</u>	<u>3,591,548</u>	<u>3,677,226</u>
Net assets per share (RM)	<u>0.94</u>	<u>0.94</u>	<u>1.07</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 2018 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

	<----- 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
At 1 July 2018 (as previously reported)	599,643	(22,203)	(200,665)	354,969	43,633	775,377	23,322	798,699
Effect of first-time MFRS adoption	-	-	2,470	-	-	2,470	-	2,470
As at 1 July 2018 (restated)	599,643	(22,203)	(198,195)	354,969	43,633	777,847	23,322	801,169
Profit/(Loss) for the period	-	-	3,877	-	-	3,877	(3)	3,874
Other comprehensive loss for the period	-	-	-	-	(4,906)	(4,906)	-	(4,906)
Total comprehensive profit/(loss) for the period	-	-	3,877	-	(4,906)	(1,029)	(3)	(1,032)
As at 30 September 2018	599,643	(22,203)	(194,318)	354,969	38,727	776,818	23,319	800,137

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 2018 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 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
At 1 July 2017 (as previously reported)	599,643	(22,203)	(126,286)	354,969	51,000	857,123	23,334	880,457
Effect of first-time MFRS adoption	-	-	33,468	-	-	33,468	-	33,468
As at 1 July 2017 (restated)	599,643	(22,203)	(92,818)	354,969	51,000	890,591	23,334	913,925
Profit/(Loss) for the period	-	-	76,627	-	-	76,627	(4)	76,623
Other comprehensive loss for the period	-	-	-	-	(202)	(202)	-	(202)
Total comprehensive income/(loss) for the period	-	-	76,627	-	(202)	76,425	(4)	76,421
As at 30 September 2017 (restated)	599,643	(22,203)	(16,191)	354,969	50,798	967,016	23,330	990,346

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 2018 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 2018**

	3 months ended	
	30.9.2018	30.9.2017 (restated)
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	9,173	109,020
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	210	206
Interest expenses	20,166	17,943
Interest income	(1,396)	(560)
Gain on disposal of property, plant and equipment	(6)	-
Gain from fair value adjustment of investment properties	(12,035)	-
Unrealised (gain)/loss on foreign exchange	(11,924)	645
Reversal of impairment loss on other receivable	(48)	-
Share of results of a joint venture	(38)	(1,312)
Operating cash flows before working capital changes	<u>4,102</u>	<u>125,942</u>
Net changes in current assets	7,847	(2,292)
Net changes in current liabilities	(12,807)	(3,866)
Net changes in inter-company balances	1,154	2,531
Cash from operations	<u>296</u>	<u>122,315</u>
Income tax paid	(14,866)	(6,758)
Net cash (used in)/from operating activities	<u>(14,570)</u>	<u>115,557</u>
Cash flows from investing activities		
Interest received	1,396	564
Land held for property development	(1,580)	(31,765)
Purchase of property, plant and equipment	(14)	(6)
Dividend income received from a joint venture	10,679	-
Net cash from/(used in) investing activities	<u>10,481</u>	<u>(31,207)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 2018 - continued

	3 months ended	
	30.9.2018	30.9.2017
		(restated)
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(20,952)	(25,138)
Net repayments of hire purchase payables	(45)	(113)
Net drawdown of borrowings	313	56,159
Net cash (used in)/from financing activities	<u>(20,684)</u>	<u>30,908</u>
Net changes in cash and cash equivalents	(24,773)	115,258
Effect of exchange rate changes on cash and cash equivalents	78	(20)
Cash and cash equivalents at beginning of the financial period	170,544	42,027
Cash and cash equivalents at end of the financial period	<u>145,849</u>	<u>157,265</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	135,360	145,321
Cash and bank balances	16,096	13,444
	<u>151,456</u>	<u>158,765</u>
Less : Cash and bank balances not available for use	(5,607)	(1,500)
	<u>145,849</u>	<u>157,265</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements

INTERIM FINANCIAL REPORT

Disclosure requirement per MFRS 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 2018.

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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”).

Since the previous annual audited financial statements as at 30 June 2018 were issued, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standards Board (“MASB”). This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standards framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. The effects on the adoption of MFRS framework are described in Note A2 below.

A2. Changes in Accounting Policies and Methods of Computation

The interim financial report of the Group for the current quarter ended 30 September 2018 is the first interim financial report prepared in accordance with MFRS Framework, including MFRS 1 “First-time Adoption of MFRS”. Subject to certain transition elections and effects of adoption of MFRS 9 “Financial Instruments” and MFRS 15 “Revenue from contracts with customers” as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

The effects on the adoption of MFRS framework are as follows:

MFRS 9 : Financial Instruments (“MFRS 9”)

MFRS 9 replaces the guidance in FRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristic. The key effect of the adoption of this standard on the Group would principally be in respect of the assessment of impairment losses of outstanding external and internal debts based on an “expected credit loss” model. This may have the effect of accelerating the recognition of impairment losses in respect of these debts if any.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

INTERIM FINANCIAL REPORT

Notes : continued

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

MFRS 15 : Revenue from Contracts with Customers (“MFRS 15”)

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersedes the revenue recognition guidance including MFRS 118 : Revenue, MFRS 111 : Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follows:

(i) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Currently, the Group accounts for the bundled sales as one deliverable and recognises revenue over time. Under MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

INTERIM FINANCIAL REPORT

Notes : continued

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

MFRS 15 : Revenue from Contracts with Customers ("MFRS 15") (cont'd)

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follow (cont'd):

(ii) Cost incurred in fulfilling a contract

Under the current standards, the Group expensed off sales commissions and legal fees of sales and purchase agreement ("SPA") as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and legal fees of SPA relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under MFRS 15, these costs will be eligible for capitalisation and recognised as property development costs and contract sales respectively.

(iii) Recognition of provision for foreseeable losses for low cost housing

Under the current standards, the Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above is in accordance to FRSIC Consensus 17 : Development of Affordable Housing ("FRSIC 17") issued by Malaysia Institute of Accountants ("MIA").

MFRS 15 requires the accounting to be done on a contract basis. Pursuant to the clarification on the use to FRSIC 17 on 7 March 2018, it stated that FRSIC 17 is no longer relevant upon the adoption of MFRS framework. Pending further clarification from MIA, the Group is of the view that the recognition of foreseeable losses is still required due to existence of contractual obligation to build low cost housing.

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INTERIM FINANCIAL REPORT

Notes : continued

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS are disclosed in the following tables:

(i) Condensed of Consolidated Income Statement

	Individual Quarter			Cumulative Quarter		
	30.9.2017			30.9.2017		
	As			As		
	previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000	previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000
Revenue	201,990	(6,843)	195,147	201,990	(6,843)	195,147
Cost of sales	(65,595)	2,556	(63,039)	(65,595)	2,556	(63,039)
Gross profit	136,395	(4,287)	132,108	136,395	(4,287)	132,108
Other income	5,062	(366)	4,696	5,062	(366)	4,696
Selling and distribution expenses	(3,095)	2,396	(699)	(3,095)	2,396	(699)
Administrative expenses	(9,785)	182	(9,603)	(9,785)	182	(9,603)
Other operating expenses	(851)	-	(851)	(851)	-	(851)
Operating profit	127,726	(2,075)	125,651	127,726	(2,075)	125,651
Finance costs	(17,943)	-	(17,943)	(17,943)	-	(17,943)
Share of results of a joint venture	1,090	222	1,312	1,090	222	1,312
Profit before taxation	110,873	(1,853)	109,020	110,873	(1,853)	109,020
Taxation	(32,450)	53	(32,397)	(32,450)	53	(32,397)
Profit for the period	78,423	(1,800)	76,623	78,423	(1,800)	76,623
Attributable to :						
Owners of the parent	78,427	(1,800)	76,627	78,427	(1,800)	76,627
Non-controlling interests	(4)	-	(4)	(4)	-	(4)
Profit for the period	78,423	(1,800)	76,623	78,423	(1,800)	76,623
Earnings per share						
Basic (sen)	6.05	(0.14)	5.91	6.05	(0.14)	5.91

INTERIM FINANCIAL REPORT

Notes : continued

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

(ii) Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter			Cumulative Quarter		
	30.9.2017			30.9.2017		
	As	Adoption	Restated	As	Adoption	Restated
	previously reported	of MFRS	Restated	previously reported	of MFRS	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	78,423	(1,800)	76,623	78,423	(1,800)	76,623
Other comprehensive loss to be reclassified to profit or loss in subsequent period:						
Foreign currency translation, representing total other comprehensive loss for the period, net of tax	(202)	-	(202)	(202)	-	(202)
Total comprehensive income for the period	78,221	(1,800)	76,421	78,221	(1,800)	76,421
Attributable to :						
Owners of the parent	78,225	(1,800)	76,425	78,225	(1,800)	76,425
Non-controlling interests	(4)	-	(4)	(4)	-	(4)
Total comprehensive income for the period	78,221	(1,800)	76,421	78,221	(1,800)	76,421

INTERIM FINANCIAL REPORT

Notes : continued

A2. Changes in Accounting Policies and Methods of Computation (cont'd)

(iii) Condensed Consolidated Statement of Financial Position

	Audited as at 30.6.2018 RM'000	Adoption of MFRS RM'000	Restated as at 30.6.2018 RM'000	Audited as at 1.7.2017 RM'000	Adoption of MFRS RM'000	Restated as at 1.7.2017 RM'000
Non-current Assets						
Investment in a joint venture	49,052	140	49,192	48,636	3,024	51,660
Deferred tax assets	10,060	91	10,151	9,232	(22)	9,210
Current Assets						
Inventories	2,086,542	3,447	2,089,989	49,929	-	49,929
Property development expenditure	377,064	1,126	378,190	2,492,479	44,133	2,536,612
Other current assets	2,319	144	2,463	144,919	(2,718)	142,201
Equity						
Accumulated losses	(200,665)	2,470	(198,195)	(126,286)	33,468	(92,818)
Non-current Liabilities						
Deferred tax liabilities	37,112	828	37,940	42,062	9,593	51,655
Current Liabilities						
Other current liabilities	72,881	1,650	74,531	83,452	1,356	84,808
Net assets per share (RM)	0.94	0.00	0.94	1.03	0.04	1.07

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INTERIM FINANCIAL REPORT

Notes : continued

A3. Seasonality or Cyclicity of Operations

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

A4. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2018 RM'000	Preceding Year Corresponding Quarter 30.9.2017 RM'000 (restated)	3 Months Ended	
			30.9.2018 RM'000	30.9.2017 RM'000 (restated)
Sale of development properties	2,985	57,413	2,985	57,413
Sale of completed properties	22,826	3,446	22,826	3,446
Sale of land held for property development	8,120	133,875	8,120	133,875
Rendering of services	526	413	526	413
	<u>34,457</u>	<u>195,147</u>	<u>34,457</u>	<u>195,147</u>

A5. 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.

A6. Changes in Estimates of Amounts Reported

There was no significant change in estimates of amount reported in prior interim periods or prior financial years.

A7. 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 September 2018, the total number of treasury shares held was 15,175,500 ordinary shares.

The outstanding debts are disclosed in Note B11.

INTERIM FINANCIAL REPORT

Notes : continued

A8. Dividend Paid

There was no dividend paid during the current financial quarter ended 30 September 2018.

A9. Segment Information

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

A10. 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.

A11. 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.

A12. Changes in Contingent Liabilities

There was no significant change in the contingent liabilities of the Group since the last financial year ended 30 June 2018.

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INTERIM FINANCIAL REPORT

Notes : continued

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 decreased 82% and 92%, respectively from RM195.147 million and RM109.020 million recorded in the preceding year corresponding financial quarter ended 30 September 2017 to RM34.457 million and RM9.173 million, respectively.

The lower Group revenue and profit before taxation were mainly attributable to the lower recognition of revenue and profits following completion of development projects in the current quarter and the land disposal by Udapakat Bina Sdn Bhd ("Udapakat") following the acquisition of land by Pentadbir Tanah Kuala Lumpur for Mass Rapid Transit project recorded in the preceding year corresponding financial quarter.

B2. Comparison with Preceding Quarter

	Current Quarter 30.9.2018 RM'000	Preceding Quarter 30.6.2018 (restated) RM'000	<i>Variance (%)</i>
Revenue	34,457	118,987	-71%
Profit/(loss) before taxation	9,173	(101,713)	109%
Profit/(loss) attributable to owners of the parent	3,877	(113,961)	103%

The Group recorded revenue of RM34.457 million and profit before taxation of RM9.173 million in the current financial quarter, compared to revenue of RM118.987 million and loss before taxation of RM101.713 million recorded in the preceding financial quarter. The lower Group revenue was mainly due to the lower recognition of revenue following completion of development projects in the current quarter and the land disposals by Udapakat, Sentul Raya Sdn Bhd and Pakatan Perakbina Sdn Bhd recorded in the immediate preceding financial quarter. The Group recorded an increase in profit before taxation in the current financial quarter compared to the preceding quarter mainly due to the lower net realisable value of inventories held under the 3 Orchard By-The-Park project developed by its wholly-owned subsidiary, YTL Westwood Properties Pte Ltd recorded in the preceding financial quarter.

B3. Audit Report of preceding financial year ended 30 June 2018

The Auditors' Report on the financial statements of the financial year ended 30 June 2018 did not contain any qualification.

INTERIM FINANCIAL REPORT

Notes : continued

B4. Prospects

Notwithstanding the challenging property market conditions both in Malaysia and Singapore, the Group remains optimistic that properties in strategic locations across these jurisdictions will continue to draw prospective buyers. The Group will continue to embark on marketing efforts and initiatives to unlock sales including positioning itself to launch the sale of its residential project in Singapore. The Group is expected to achieve satisfactory performance for the financial year ending 2019 through the Group's unbilled sales and inventories.

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 30.9.2018 RM'000	Current Year To Date 30.9.2018 RM'000
Depreciation of property, plant and equipment	210	210
Interest expense	20,166	20,166
Interest income	(1,396)	(1,396)
Gain on disposal of property, plant and equipment	(6)	(6)
Gain from fair value adjustment of investment properties	(12,035)	(12,035)
Unrealised gain on foreign exchange	(11,924)	(11,924)
Reversal of impairment loss on other receivable	(48)	(48)
	<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.

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INTERIM FINANCIAL REPORT

Notes : continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.9.2018 RM'000	Current Period To Date 30.9.2018 RM'000
Income tax:		
- Current period	5,311	5,311
- Prior period	(28)	(28)
Deferred tax	16	16
	<u>5,299</u>	<u>5,299</u>

The Group provision for taxation for the financial period ended 30 September 2018 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. Material Litigation

There were no material litigations during the quarter under review.

B10. Dividend

No dividend has been declared for the current financial quarter.

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INTERIM FINANCIAL REPORT

Notes : continued

B11. 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	45
Term loans	1,506,189	28,500	1,534,689
Revolving credit	170,000	20,000	190,000
	<u>1,676,189</u>	<u>48,545</u>	<u>1,724,734</u>
<u>Unsecured:</u>			
ICULS*	67,550	20,116	87,666
Term loans	511,542	-	511,542
	<u>579,092</u>	<u>20,116</u>	<u>599,208</u>
	<u>2,255,281</u>	<u>68,661</u>	<u>2,323,942</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	385,377	1,167,268
	<u>385,377</u>	<u>1,167,268</u>
<u>Unsecured:</u>		
Term loans	139,487	422,492
	<u>139,487</u>	<u>422,492</u>
	<u>524,864</u>	<u>1,589,760</u>

SGD1 : RM3.0289

INTERIM FINANCIAL REPORT

Notes : continued

B12. Earnings Per Share

• **Basic 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 (2018: 991,786,363) ICULS into ordinary shares at a conversion price of RM0.99 (2018: RM0.99) per share.

	Individual Quarter	
	Current Quarter	Preceding Year Corresponding Quarter (restated)
	30.9.2018	30.9.2017
Profit attributable to owners of the parent (RM'000)	3,877	76,627
Interest expense on ICULS (RM'000)	1,749	2,019
	<hr/>	<hr/>
Profit attributable to owners of the parent including assumed conversion (RM'000)	<u>5,626</u>	<u>78,646</u>
Weighted average number of ordinary shares ('000)	829,169	829,169
Adjustment for assumed conversion of ICULS ('000)	500,902	500,902
	<hr/>	<hr/>
Adjusted weighted average number of ordinary shares ('000)	<u>1,330,071</u>	<u>1,330,071</u>
 Basic earnings per share (sen)	 <u>0.42</u>	 <u>5.91</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 23 November 2018