

YTL LAND & DEVELOPMENT BERHAD

Company No. 1116-M
Incorporated in Malaysia

Interim Financial Report
31 December 2012

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated result for the financial period ended 31 December 2012.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2011 RM'000	6 MONTHS ENDED	
			31.12.2012	31.12.2011
			RM'000	RM'000
REVENUE	35,143	222,477	86,249	225,859
COST OF SALES	(24,596)	(209,337)	(67,634)	(211,999)
GROSS PROFIT	10,547	13,140	18,615	13,860
OTHER OPERATING INCOME	12,074	8,212	19,115	16,600
OTHER OPERATING EXPENSES	(8,156)	(8,644)	(15,629)	(13,850)
PROFIT FROM OPERATIONS	14,465	12,708	22,101	16,610
FINANCE COSTS	(3,023)	(1,758)	(6,119)	(1,765)
SHARE OF RESULTS OF A JOINTLY CONTROLLED ENTITY	(88)	(6)	(113)	(6)
PROFIT BEFORE TAXATION	11,354	10,944	15,869	14,839
TAXATION	(4,826)	(1,768)	(6,411)	(3,134)
PROFIT FOR THE PERIOD	<u>6,528</u>	<u>9,176</u>	<u>9,458</u>	<u>11,705</u>
ATTRIBUTABLE TO:				
Owners of the Parent	4,224	6,383	6,217	9,262
Non-Controlling Interests	2,304	2,793	3,241	2,443
PROFIT FOR THE PERIOD	<u>6,528</u>	<u>9,176</u>	<u>9,458</u>	<u>11,705</u>
EARNINGS PER 50 SEN SHARE				
Basic (sen):-				
• Before mandatory conversion of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 ("ICULS")	<u>0.51</u>	<u>0.77</u>	<u>0.75</u>	<u>1.12</u>
• After mandatory conversion of ICULS	<u>0.56</u>	<u>0.67</u>	<u>0.95</u>	<u>0.91</u>
Diluted (sen)	<u>0.56</u>	<u>0.67</u>	<u>0.95</u>	<u>0.91</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 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 COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2011 RM'000	6 MONTHS ENDED 31.12.2012 RM'000	
PROFIT FOR THE PERIOD	6,528	9,176	9,458	11,705
OTHER COMPREHENSIVE INCOME:				
FOREIGN CURRENCY TRANSLATION	96	(389)	(102)	(389)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	96	(389)	(102)	(389)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,624	8,787	9,356	11,316
ATTRIBUTABLE TO:				
Owners of the Parent	4,320	6,149	6,115	9,028
Non-Controlling Interests	2,304	2,638	3,241	2,288
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,624	8,787	9,356	11,316

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 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
	31.12.2012	30.06.2012
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	34,321	34,558
Investment in a jointly controlled entity	22,380	22,493
Investment property	32,900	32,900
Land held for property development	870,838	864,976
Goodwill on consolidation	36,519	36,530
Deferred tax assets	2,553	2,667
	<u>999,511</u>	<u>994,124</u>
Current Assets		
Inventories	152,597	186,274
Property development expenditure	1,288,402	1,231,461
Trade and other receivables	97,763	85,069
Other current assets	14,200	55,748
Income tax assets	3,668	3,665
Amount due from related companies	4,172	952
Amount due from a jointly controlled entity	5,850	5,405
Fixed deposits with licensed banks	137,046	20,195
Cash and bank balances	38,492	261,900
	<u>1,742,190</u>	<u>1,850,669</u>
TOTAL ASSETS	<u>2,741,701</u>	<u>2,844,793</u>
EQUITY		
Share capital	422,156	422,156
Share premium	177,445	177,445
Treasury shares, at cost	(22,200)	(22,200)
Retained earnings	22,010	15,793
Equity component of ICULS	355,001	355,001
Foreign currency translation reserve	4,219	4,321
	<u>958,631</u>	<u>952,516</u>
Equity Attributable to Owners of the Parent	958,631	952,516
Non-Controlling Interests	33,278	30,037
	<u>991,909</u>	<u>982,553</u>
TOTAL EQUITY	<u>991,909</u>	<u>982,553</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 2012 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 - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2012	30.06.2012
	RM'000	RM'000
LIABILITIES		
Non-Current Liabilities		
Loans and borrowings	1,376,113	1,399,134
Other non-current liability	67,696	67,696
Deferred tax liabilities	54,724	54,838
	<u>1,498,533</u>	<u>1,521,668</u>
Current Liabilities		
Trade and other payables	67,318	90,064
Other current liabilities	4,111	4,143
Loans and borrowings	126,847	164,477
Amount due to immediate holding company	1,115	1,052
Amount due to related companies	35,964	45,340
Provisions	4,005	4,005
Income tax payable	11,899	31,491
	<u>251,259</u>	<u>340,572</u>
TOTAL LIABILITIES	<u>1,749,792</u>	<u>1,862,240</u>
TOTAL EQUITY AND LIABILITIES	<u>2,741,701</u>	<u>2,844,793</u>
Net assets per 50 sen share (RM)	<u>1.16</u>	<u>1.15</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 2012 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 31 DECEMBER 2012**

	<----- 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 01 July 2012	422,156	177,445	(22,200)	15,793	355,001	4,321	952,516	30,037	982,553
Profit for the period	-	-	-	6,217	-	-	6,217	3,241	9,458
Other comprehensive income for the period	-	-	-	-	-	(102)	(102)	-	(102)
Total comprehensive income for the period	-	-	-	6,217	-	(102)	6,115	3,241	9,356
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
As at 31 December 2012	422,156	177,445	(22,200)	22,010	355,001	4,219	958,631	33,278	991,909

*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 2012 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 31 DECEMBER 2011**

	<----- Attributable to owners of the parent ----->								
	Ordinary Shares RM'000	Share Premium 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 01 July 2011	422,060	270,912	(22,200)	(104,892)	-	-	565,880	8,722	574,602
Profit for the period	-	-	-	9,262	-	-	9,262	2,443	11,705
Other comprehensive income for the period	-	-	-	-	-	(234)	(234)	(155)	(389)
Total comprehensive income for the period	-	-	-	9,262	-	(234)	9,028	2,288	11,316
Acquisition of subsidiaries	-	-	-	-	-	-	-	55,018	55,018
Issuance of ICULS	-	-	-	-	391,115	-	391,115	-	391,115
Effect of share premium reduction	-	(93,624)	-	93,624	-	-	-	-	-
As at 31 December 2011	<u>422,060</u>	<u>177,288</u>	<u>(22,200)</u>	<u>(2,006)</u>	<u>391,115</u>	<u>(234)</u>	<u>966,023</u>	<u>66,028</u>	<u>1,032,051</u>

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 2012 and the accompanying explanatory notes attached to the interim financial statements

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	6 MONTHS ENDED	
	31.12.2012	31.12.2011
	RM'000	RM'000
Cash flows from Operating Activities		
Profit before taxation	15,869	14,839
Depreciation of property, plant and equipment	250	262
Loss/(gain) on disposal of property, plant and equipment	43	(9)
Interest expenses	6,119	1,765
Interest income	(446)	(1,668)
Net provision of damages claims	-	289
Unrealised losses on foreign exchange	47	825
Share of results of a jointly controlled entity	113	6
	-----	-----
Operating cash flows before working capital changes	21,995	16,309
Net changes in current assets	5,555	15,730
Net changes in current liabilities	(22,778)	(15,428)
Net changes in inter-company balances	(13,025)	(1,157,047)
	-----	-----
Cash used in operations	(8,253)	(1,140,436)
Income tax paid	(26,006)	(3,501)
	-----	-----
Net cash used in operating activities	(34,259)	(1,143,937)
	-----	-----
Cash flows from Investing Activities		
Interest received	446	1,668
Land held for property development	(5,861)	(20,245)
Net cash outflow on acquisition of subsidiaries	-	(113,055)
Purchase of property, plant and equipment	(280)	(1,162)
Proceeds from disposal of property, plant and equipment	223	9
	-----	-----
Net cash used in investing activities	(5,472)	(132,785)
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 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 DECEMBER 2012 - continued

	6 MONTHS ENDED	
	31.12.2012	31.12.2011
	RM'000	RM'000
Cash flows from Financing Activities		
Interest paid	(8,407)	(17)
Net (repayments)/drawdown of hire purchase payables	(147)	744
Net (repayments)/drawdown of borrowings	(58,217)	1,084,806
Net proceeds from rights issue of ICULS	-	247,527
Purchase of treasury shares	*	-
	-----	-----
Net cash (used in)/generated from financing activities	(66,771)	1,333,060
	-----	-----
Net changes in cash and cash equivalents	(106,502)	56,338
Effect of exchange rate changes on cash and cash equivalents	(55)	(512)
Cash and cash equivalents at beginning of the financial period	282,095	110,830
	-----	-----
Cash and cash equivalents at end of the financial period	175,538	166,656
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	137,046	87,563
Cash and bank balances	38,492	79,093
	-----	-----
	175,538	166,656
	=====	=====

*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 2012 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 2012.

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 2012.

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. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2015.

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 period to date, the Company repurchased 100 ordinary shares of RM0.50 each of its issued share capital from the open market at a cost of RM1.03 per share. The total consideration paid for the share buy-back, including transaction costs during current financial period to date amounted to RM144.04 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 December 2012, the total number of treasury shares held was 15,172,000 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 December 2012.

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 2012.

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Disclosure requirement per Part A of Appendix 9B of Main Market Listing Requirements of Bursa Securities

B1. Review of Performance

For the current financial quarter under review, Group revenue decreased by RM187.334 million (84.2%) to RM35.143 million from RM222.477 million recorded in the preceding year corresponding financial quarter ended 31 December 2011, whilst Group profit before taxation increased by RM0.41 million (3.7%) to RM11.354 million from RM10.944 million recorded in the preceding year corresponding quarter.

For the six months under review, Group revenue decreased by RM139.61 million (61.8%) to RM86.249 million from RM225.859 million recorded in the preceding year corresponding financial period ended 31 December 2011, whilst Group profit before taxation increased by RM1.03 million (6.9%) to RM15.869 million from RM14.839 million recorded in the preceding year corresponding period.

The lower Group revenue was mainly due to lower revenue recognition recorded on the development projects undertaken by the offshore subsidiaries, whilst the improvement in Group profit before taxation was mainly attributable to higher other operating income recorded in the current financial period.

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2012 RM'000	Preceding Quarter 30.09.2012 RM'000
Revenue	35,143	51,106
Profit before taxation	11,354	4,515
Profit attributable to owners of the parent	4,224	1,993

The Group revenue reduced by 31.2% to RM35.143 million from RM51.106 million recorded in the preceding financial quarter due to the completion of development projects undertaken by its offshore subsidiaries, whilst Group profit before taxation increased by 151.5% to RM11.354 million from RM4.515 million recorded in the preceding financial quarter mainly attributable to higher other operating income recorded during current financial quarter.

B3. Audit Report of preceding financial year ended 30 June 2012

The Auditors' Report on the financial statements of the financial year ended 30 June 2012 did not contain any qualification.

B4. Prospects

The Group is expected to achieve satisfactory performance for the financial year ending 2013 through the property development activities undertaken by its subsidiaries.

INTERIM FINANCIAL REPORT

Notes : continued

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

B6. Profit for the Period

Profit for the period is stated after charging/(crediting):

	Current Quarter 31.12.2012 RM'000	Current Period To Date 31.12.2012 RM'000
Depreciation of property, plant and equipment	121	250
Interest expense	3,023	6,119
Interest income	(201)	(446)
Unrealised (gain)/losses on foreign exchange	(88)	47
	=====	=====

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 31.12.2012 RM'000	Current Period To Date 31.12.2012 RM'000
Income tax :		
- Current period	4,826	6,411
	=====	=====

The Group provision for taxation for the financial period ended 31 December 2012 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.

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

	Short term		Long term		Total RM'000
	ICULS RM'000	Borrowings RM'000	ICULS RM'000	Borrowings RM'000	
Secured	-	-	-	770,924	770,924
Unsecured	4,630	122,217	132,374	472,815	732,036
Total	4,630	122,217	132,374	1,243,739	1,502,960

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

In Singapore Dollar ('000)	485,722
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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.

B11. Dividend

No dividend has been declared for the current financial quarter.

B12. Retained earnings

	As at 31.12.2012 RM'000	As at 30.06.2012 RM'000
Total retained earnings of the Company and its subsidiaries :		
- Realised	260,408	250,837
- Unrealised	149,142	149,142
	409,550	399,979
Total share of accumulated losses from jointly controlled entity :		
- Realised	(520)	(407)
Less: Consolidation adjustments	(387,020)	(383,779)
Total Group retained earnings as per consolidated interim financial statements	22,010	15,793

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 991,872,163 ICULS into ordinary shares at a conversion price of RM1.32 per share.

	Current Quarter 31.12.2012	Preceding Year Corresponding Quarter 31.12.2011
Profit attributable to owners of the parent (RM'000)	4,224	6,383
Interest expense on ICULS (RM'000)	2,583	1,748
Profit attributable to owners of the parent including assumed conversion (RM'000)	6,807	8,131
Weighted average number of ordinary shares of RM0.50 each ('000)	829,140	828,949
Adjustment for assumed conversion of ICULS ('000)	375,709	375,901
Adjusted weighted average number of ordinary shares ('000)	1,204,849	1,204,850
Basic (per 50 sen share) (sen):-		
• Before mandatory conversion of ICULS	0.51	0.77
• After mandatory conversion of ICULS	0.56	0.67
Diluted (per 50 sen share) (sen)	0.56	0.67

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 21 February 2013