

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

Interim Financial Report
31 March 2018

YTL LAND & DEVELOPMENT BERHAD

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Incorporated in Malaysia

**Interim Financial Report
31 March 2018**

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3-4
Condensed Consolidated Statement of Changes in Equity	5-6
Condensed Consolidated Statement of Cash Flows	7-8
Notes to the Interim Financial Report	9-15

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated result for the financial period ended 31 March 2018.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes (%)	9 Months Ended		Changes (%)
	Quarter	Corresponding Quarter		31.3.2018	31.3.2017	
31.3.2018	31.3.2017		RM'000	RM'000		
Revenue	4,954	144,482	-97%	214,083	284,285	-25%
Cost of sales	(1,133)	(103,313)		(71,978)	(201,146)	
Gross profit	3,821	41,169	-91%	142,105	83,139	71%
Other operating income	3,152	13,299		11,166	31,485	
Other operating expenses	(26,280)	(16,735)		(58,923)	(39,291)	
(Loss)/profit from operations	(19,307)	37,733	-151%	94,348	75,333	25%
Finance costs	(19,898)	(8,536)		(56,566)	(18,601)	
Share of results of a joint venture	4	(232)		1,090	6,576	
(Loss)/profit before taxation	(39,201)	28,965	-235%	38,872	63,308	-39%
Taxation	1,729	(10,012)		(31,839)	(20,730)	
(Loss)/profit for the period	(37,472)	18,953	-298%	7,033	42,578	-83%
Attributable to :						
Owners of the parent	(37,470)	18,955	-298%	7,041	38,261	-82%
Non-controlling interests	(2)	(2)		(8)	4,317	
(Loss)/profit for the period	(37,472)	18,953		7,033	42,578	
(LOSSES)/EARNINGS PER SHARE						
Basic/diluted (sen)	(2.69)	1.57		0.95	3.35	

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 31.3.2018 RM'000	Preceding Year Corresponding Quarter 31.3.2017 RM'000	9 Months Ended	
			31.3.2018 RM'000	31.3.2017 RM'000
(Loss)/profit for the period	<u>(37,472)</u>	<u>18,953</u>	<u>7,033</u>	<u>42,578</u>
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	<u>(4,170)</u>	<u>4,708</u>	<u>(8,041)</u>	<u>13,561</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(4,170)</u>	<u>4,708</u>	<u>(8,041)</u>	<u>13,561</u>
Total comprehensive (loss)/income for the period	<u>(41,642)</u>	<u>23,661</u>	<u>(1,008)</u>	<u>56,139</u>
Attributable to :				
Owners of the parent	(41,640)	23,663	(1,000)	51,822
Non-controlling interests	<u>(2)</u>	<u>(2)</u>	<u>(8)</u>	<u>4,317</u>
Total comprehensive (loss)/income for the period	<u>(41,642)</u>	<u>23,661</u>	<u>(1,008)</u>	<u>56,139</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 31.3.2018 RM'000	Audited as at 30.6.2017 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	36,002	36,597
Investment in a joint venture	49,726	48,636
Investment properties	48,100	48,100
Land held for property development	738,290	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>894,078</u>	<u>860,136</u>
Current Assets		
Inventories	2,100,966	49,929
Property development expenditure	420,465	2,492,479
Trade and other receivables	62,215	21,143
Other current assets	16,812	144,919
Income tax assets	13,417	2,625
Amounts due from related parties	352	18,051
Deposits with licensed banks	153,654	25,206
Cash and bank balances	22,535	18,321
	<u>2,790,416</u>	<u>2,772,673</u>
TOTAL ASSETS	<u>3,684,494</u>	<u>3,632,809</u>
EQUITY		
Share capital	599,643	599,643
Treasury shares, at cost	(22,203)	(22,203)
Accumulated losses	(119,245)	(126,286)
Equity component of ICULS	354,969	354,969
Foreign currency translation reserve	42,959	51,000
Equity attributable to owners of the parent	<u>856,123</u>	<u>857,123</u>
Non-controlling interests	23,326	23,334
TOTAL EQUITY	<u>879,449</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 31.3.2018 RM'000	Audited as at 30.6.2017 RM'000
LIABILITIES		
Non-current Liabilities		
Borrowings	2,023,529	1,991,814
Provision	7,077	7,077
Deferred tax liabilities	41,751	42,062
	<u>2,072,357</u>	<u>2,040,953</u>
Current Liabilities		
Trade and other payables	28,086	33,976
Other current liabilities	95,490	83,452
Borrowings	239,766	224,932
Provision	42,214	42,782
Amounts due to related parties	296,856	324,030
Income tax payable	30,276	2,227
	<u>732,688</u>	<u>711,399</u>
TOTAL LIABILITIES	<u>2,805,045</u>	<u>2,752,352</u>
TOTAL EQUITY AND LIABILITIES	<u>3,684,494</u>	<u>3,632,809</u>
Net assets per share (RM)	<u>1.03</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

TL 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 MARCH 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
As at 1 July 2017	599,643	(22,203)	(126,286)	354,969	51,000	857,123	23,334	880,457
Profit/(loss) for the period	-	-	7,041	-	-	7,041	(8)	7,033
Other comprehensive loss for the period	-	-	-	-	(8,041)	(8,041)	-	(8,041)
Total comprehensive income/ (loss) for the period	-	-	7,041	-	(8,041)	(1,000)	(8)	(1,008)
As at 31 March 2018	599,643	(22,203)	(119,245)	354,969	42,959	856,123	23,326	879,449

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

TL 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 31 MARCH 2017**

<----- 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	-	-	-	38,261	-	-	38,261	4,317	42,578
Other comprehensive income for the period	-	-	-	-	-	13,561	13,561	-	13,561
Total comprehensive income for the period	-	-	-	38,261	-	13,561	51,822	4,317	56,139
Purchase of treasury shares	-	-	*	-	-	-	*	-	*
Transition to no par value regime **	177,471	(177,471)	-	-	-	-	-	-	-
Acquisition of non-controlling interest in a subsidiary	-	-	-	(200,299)	-	-	(200,299)	(52,125)	(252,424)
As at 31 March 2017	599,643	-	(22,203)	(93,169)	354,969	55,530	894,770	23,339	918,109

* Less than RM1,000

** Effective from 31 January 2017, the new Companies Act 2016 ("Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	9 months ended	
	31.3.2018	31.3.2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	38,872	63,308
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	620	634
Interest expenses	56,566	18,601
Interest income	(3,121)	(1,688)
Reversal of provision	(68)	(33)
Unrealised loss/(gain) on foreign exchange	16,596	(13,905)
Bad debts recovered	(1)	-
Impairment loss on trade receivables	9	-
Share of results of a joint venture	(1,090)	(6,576)
Operating cash flows before working capital changes	108,383	60,341
Net changes in current assets	2,906	(131,327)
Net changes in current liabilities	6,343	(16,939)
Net changes in inter-company balances	(5,749)	84,115
Cash from/(used in) operations	111,883	(3,810)
Income tax paid	(14,763)	(15,392)
Net cash from/(used in) operating activities	97,120	(19,202)
Cash flows from investing activities		
Interest received	3,121	1,688
Land held for property development	(33,984)	(3,351)
Purchase of property, plant and equipment	(26)	(46)
Acquisition of non-controlling interests in a subsidiary	-	(190,000)
Net cash used in investing activities	(30,889)	(191,709)

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 31 MARCH 2018 - continued**

	9 months ended	
	31.3.2018	31.3.2017
	RM'000	RM'000
Cash flows from financing activities		
Interest paid	(76,117)	(57,601)
Net repayments of hire purchase payables	(343)	(434)
Net drawdown of borrowings	143,016	294,742
Purchase of treasury shares	-	*
Net cash from financing activities	<u>66,556</u>	<u>236,707</u>
Net changes in cash and cash equivalents	132,787	25,796
Effect of exchange rate changes on cash and cash equivalents	(125)	217
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>176,189</u>	<u>65,780</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits with licensed banks	153,654	28,315
Cash and bank balances	22,535	37,465
	<u>176,189</u>	<u>65,780</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 2017.

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 31 March 2018, 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 31 March 2018.

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

The Group recorded revenue of RM4.954 million and loss before taxation of RM39.201 million in the current financial quarter, compared to revenue of RM144.482 million and profit before taxation of RM28.965 million recorded in the preceding year corresponding financial quarter ended 31 March 2017.

As the projects, The Fennel and Dahlia undertaken by Sentul Raya Sdn Bhd and PYP Sendirian Berhad, respectively are at its completion, progress billings were lower in the quarter under review which resulted in lower Group revenue. U-Thant project undertaken by Budaya Bersatu Sdn Bhd also recorded lower revenue as the project is near completion.

The loss before taxation was contributed by lower progress billings as mentioned above and 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 preceding year corresponding financial quarter and finance cost recorded in the income statement by 3 Orchard By-The-Park project undertaken by YTL Westwood Properties Pte Ltd.

Financial year-to-date review

For the current financial period under review, Group revenue and profit before taxation decreased by 25% and 39%, respectively to RM214.083 million and RM38.872 million from RM284.285 million and RM63.308 million, respectively recorded in the preceding year corresponding financial period.

The decreases in Group revenue and profit before taxation were mainly due to lower progress billings and lower unrealised gain on foreign exchange as highlighted above.

B2. Comparison with Preceding Quarter

	Current Quarter 31.3.2018 RM'000	Preceding Quarter 31.12.2017 RM'000	<i>Variance (%)</i>
Revenue	4,954	7,139	-31%
Loss before taxation	(39,201)	(32,800)	-20%
Loss attributable to owners of the parent	(37,470)	(33,916)	-10%

The Group recorded revenue of RM4.954 million and loss before taxation of RM39.201 million in the current financial quarter, compared to revenue of RM7.139 million and loss before taxation of RM32.800 million recorded in the preceding financial quarter mainly due to lower progress billings and lower unrealised gain on foreign exchange 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 31.3.2018 RM'000	Current Period To Date 31.3.2018 RM'000
Depreciation of property, plant and equipment	207	620
Interest expense	19,898	56,566
Interest income	(1,377)	(3,121)
Reversal of provision	(68)	(68)
Unrealised gain on foreign exchange	9,066	16,596
Bad debts recovered	-	(1)
Impairment loss on trade receivables	9	9

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, 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 31.3.2018 RM'000	Current Period To Date 31.3.2018 RM'000
Income tax:		
- Current period	(88)	32,786
- Prior period	(1,655)	(765)
Deferred tax	14	(182)
	<u>(1,729)</u>	<u>31,839</u>

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

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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	-	166	166
Term loans	1,443,770	23,750	1,467,520
	<u>1,443,770</u>	<u>23,916</u>	<u>1,467,686</u>
<u>Unsecured:</u>			
ICULS*	79,402	15,850	95,252
Term loans	500,357	-	500,357
Revolving credit	-	200,000	200,000
	<u>579,759</u>	<u>215,850</u>	<u>795,609</u>
	<u>2,023,529</u>	<u>239,766</u>	<u>2,263,295</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	388,239	1,143,907
	<u>388,239</u>	<u>1,143,907</u>
<u>Unsecured:</u>		
Term loans	139,146	409,980
	<u>139,146</u>	<u>409,980</u>
	<u>527,385</u>	<u>1,553,887</u>

SGD1 : RM2.9464

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. (Losses)/earnings Per Share

• **Basic/diluted (losses)/earnings per share**

The basic (losses)/earnings per share of the Group has been computed by dividing the (loss)/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 (2017: 991,786,363) ICULS into ordinary shares at a conversion price of RM0.99 (2016: RM0.99) per share.

	Current Quarter	Preceding Year Corresponding Quarter
	31.3.2018	31.3.2017
(Loss)/profit attributable to owners of the parent (RM'000)	(37,470)	18,955
Interest expense on ICULS (RM'000)	1,710	1,976
	<hr/>	<hr/>
(Loss)/profit attributable to owners of the parent including assumed conversion (RM'000)	<u>(35,760)</u>	<u>20,931</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>
	<hr/>	<hr/>
Basic/diluted (losses)/earnings (per share) (sen)	<u>(2.69)</u>	<u>1.57</u>

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 24 May 2018