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

Interim Financial Report
31 December 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 31 December 2018.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	**Preceding Year Corresponding Quarter**		**6 Months Ended**		
	31.12.2018	**31.12.2017 (restated)**	*Changes*	**31.12.2018**	**31.12.2017 (restated)**	*Changes*
	RM'000	**RM'000**	*(%)*	**RM'000**	**RM'000**	*(%)*
Revenue	72,391	7,416	*876%*	106,848	202,516	*-47%*
Cost of sales	(63,766)	(5,039)		(84,365)	(67,558)	
Gross profit	8,625	2,377	*263%*	22,483	134,958	*-83%*
Other income	3,168	2,649		29,995	7,346	
Selling and distribution expenses	(720)	(191)		(1,380)	(890)	
Administrative expenses	(8,969)	(8,415)		(19,484)	(18,018)	
Other operating expenses	(205)	(7,093)		(414)	(7,945)	
Operating profit/(loss)	1,899	(10,673)	*118%*	31,200	115,451	*-73%*
Finance costs	(22,111)	(18,725)		(42,277)	(36,668)	
Share of results of a joint venture	517	(1)		555	1,256	
(Loss)/profit before taxation	(19,695)	(29,399)	*33%*	(10,522)	80,039	*-113%*
Taxation	299	(2,045)		(5,000)	(34,793)	
(Loss)/profit for the period	(19,396)	(31,444)	*38%*	(15,522)	45,246	*-134%*
<u>Attributable to :</u>						
Owners of the parent	(19,393)	(31,440)	*38%*	(15,516)	45,251	*-134%*
Non-controlling interests	(3)	(4)		(6)	(5)	
(Loss)/profit for the period	(19,396)	(31,444)		(15,522)	45,246	
(Loss)/earnings per share						
Basic (sen)	(1.13)	(2.23)		(0.77)	3.69	

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

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	Preceding Year Corresponding Quarter	6 Months Ended	
	31.12.2018	31.12.2017 (restated)	31.12.2018	31.12.2017 (restated)
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the period	(19,396)	(31,444)	(15,522)	45,246
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	(213)	(3,669)	(5,119)	(3,871)
Total comprehensive (loss)/ income for the period	(19,609)	(35,113)	(20,641)	41,375
Attributable to :				
Owners of the parent	(19,606)	(35,109)	(20,635)	41,380
Non-controlling interests	(3)	(4)	(6)	(5)
Total comprehensive (loss)/ income for the period	(19,609)	(35,113)	(20,641)	41,375

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)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31.12.2018 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	35,176	35,559	36,597
Investment in a joint venture	39,007	49,131	50,908
Investment properties	80,717	49,300	48,100
Land held for property development	707,214	704,474	704,843
Goodwill on consolidation	5,432	5,432	5,432
Deferred tax assets	10,003	10,151	9,210
Trade and other receivables	7,222	7,222	7,296
	884,771	861,269	862,386
Current Assets			
Inventories	2,050,298	2,089,989	49,929
Property development expenditure	441,909	378,190	2,537,023
Trade and other receivables	93,077	71,637	21,143
Other current assets	1,146	2,462	141,967
Income tax assets	9,893	5,447	2,625
Amounts due from related parties	6,417	6,341	18,051
Deposits with licensed banks	103,521	155,326	25,206
Cash and bank balances	16,606	20,825	18,321
	2,722,867	2,730,217	2,814,265
TOTAL ASSETS	3,607,638	3,591,486	3,676,651
EQUITY			
Share capital	599,643	599,643	599,643
Treasury shares, at cost	(22,203)	(22,203)	(22,203)
Accumulated losses	(213,773)	(198,257)	(91,962)
Equity component of ICULS	354,969	354,969	354,969
Foreign currency translation reserve	38,514	43,633	51,000
Equity attributable to owners of the parent	**757,150**	**777,785**	**891,447**
Non-controlling interests	23,316	23,322	23,334
TOTAL EQUITY	780,466	801,107	914,781

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited as at 31.12.2018 RM'000	Restated as at 30.6.2018 RM'000	Restated as at 1.7.2017 RM'000
LIABILITIES			
Non-current Liabilities			
Borrowings	686,535	2,221,403	1,991,814
Provision	7,077	7,077	7,077
Deferred tax liabilities	37,468	37,940	52,163
	731,080	2,266,420	2,051,054
Current Liabilities			
Trade and other payables	16,993	30,768	33,976
Other current liabilities	76,366	74,531	82,869
Borrowings	1,650,094	63,666	224,932
Provision	44,533	45,086	42,782
Amounts due to related parties	307,061	302,678	324,030
Income tax payable	1,045	7,230	2,227
	2,096,092	523,959	710,816
TOTAL LIABILITIES	2,827,172	2,790,379	2,761,870
TOTAL EQUITY AND LIABILITIES	3,607,638	3,591,486	3,676,651
Net assets per share (RM)	0.91	0.94	1.08

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	-	-	2,408	-	-	2,408	-	2,408
As at 1 July 2018 (restated)	**599,643**	**(22,203)**	**(198,257)**	**354,969**	**43,633**	**777,785**	**23,322**	**801,107**
Loss for the period	-	-	(15,516)	-	-	(15,516)	(6)	(15,522)
Other comprehensive loss for the period	-	-	-	-	(5,119)	(5,119)	-	(5,119)
Total comprehensive loss for the period	-	-	(15,516)	-	(5,119)	(20,635)	(6)	(20,641)
As at 31 December 2018	**599,643**	**(22,203)**	**(213,773)**	**354,969**	**38,514**	**757,150**	**23,316**	**780,466**

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 31 DECEMBER 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	-	-	34,324	-	-	34,324	-	34,324
As at 1 July 2017 (restated)	**599,643**	**(22,203)**	**(91,962)**	**354,969**	**51,000**	**891,447**	**23,334**	**914,781**
Profit/(loss) for the period	-	-	45,251	-	-	45,251	(5)	45,246
Other comprehensive loss for the period	-	-	-	-	(3,871)	(3,871)	-	(3,871)
Total comprehensive income/(loss) for the period	-	-	45,251	-	(3,871)	41,380	(5)	41,375
As at 31 December 2017 (restated)	**599,643**	**(22,203)**	**(46,711)**	**354,969**	**47,129**	**932,827**	**23,329**	**956,156**

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)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	6 months ended	
	31.12.2018	**31.12.2017 (restated)**
	RM'000	**RM'000**
Cash flows from operating activities		
(Loss)/profit before taxation	(10,522)	80,039
Adjustments for:		
Depreciation of property, plant and equipment	415	413
Interest expenses	42,277	36,668
Interest income	(2,529)	(1,744)
Gain on disposal of property, plant and equipment	(6)	-
Gain from fair value adjustment of investment properties	(12,035)	-
Reversal of accrual	(19)	-
Unrealised (gain)/loss on foreign exchange	(12,531)	7,531
Bad debts recovered	-	(1)
Reversal of impairment loss on other receivable	(48)	-
Share of results of a joint venture	(555)	(1,256)
Operating cash flows before working capital changes	4,447	121,650
Net changes in current assets	(9,605)	(34,548)
Net changes in current liabilities	(12,878)	9,741
Net changes in inter-company balances	2,767	40,249
Cash (used in)/from operations	(15,269)	137,092
Income tax paid	(15,954)	(12,337)
Net cash (used in)/from operating activities	(31,223)	124,755
Cash flows from investing activities		
Interest received	2,529	1,747
Land held for property development	(3,277)	(32,170)
Purchase of property, plant and equipment	(31)	(21)
Dividend income received from a joint venture	10,679	-
Net cash from/(used in) investing activities	9,900	(30,444)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018 - continued

	6 months ended	
	31.12.2018	**31.12.2017 (restated)**
	RM'000	**RM'000**
Cash flows from financing activities		
Interest paid	(55,683)	(53,270)
Net repayments of hire purchase payables	(90)	(227)
Placement of debt service reserve account fund placed with licensed bank not available for use	(1,540)	-
Net drawdown of borrowings	21,023	84,873
Net cash (used in)/from financing activities	(36,290)	31,376
Net changes in cash and cash equivalents	**(57,613)**	**125,687**
Effect of exchange rate changes on cash and cash equivalents	49	(372)
Cash and cash equivalents at beginning of the financial period	170,544	42,027
Cash and cash equivalents at end of the financial period	**112,980**	**167,342**
Cash and cash equivalents comprise:		
Deposits with licensed banks	103,521	135,368
Cash and bank balances	16,606	33,474
	120,127	168,842
Less : Cash and bank balances not available for use	(7,147)	(1,500)
	112,980	**167,342**

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 31 December 2018 is the second 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:

<u>MFRS 9 : Financial Instruments ("MFRS 9")</u>

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.

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 supersede 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 depict 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 follow:

(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 account 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.

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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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 Consolidated Income Statement

	Individual Quarter 31.12.2017			Cumulative Quarter 31.12.2017		
	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000
Revenue	7,139	277	7,416	209,129	(6,613)	202,516
Cost of sales	(5,250)	211	(5,039)	(70,845)	3,287	(67,558)
Gross profit	1,889	488	2,377	138,284	(3,326)	134,958
Other income	2,952	(303)	2,649	8,014	(668)	7,346
Selling and distribution expenses	(3,300)	3,109	(191)	(6,394)	5,504	(890)
Administrative expenses	(8,519)	104	(8,415)	(18,304)	286	(18,018)
Other operating expenses	(7,093)	-	(7,093)	(7,945)	-	(7,945)
Operating (loss)/profit	(14,071)	3,398	(10,673)	113,655	1,796	115,451
Finance costs	(18,725)	-	(18,725)	(36,668)	-	(36,668)
Share of results of a joint venture	(4)	3	(1)	1,086	170	1,256
(Loss)/profit before taxation	(32,800)	3,401	(29,399)	78,073	1,966	80,039
Taxation	(1,118)	(927)	(2,045)	(33,568)	(1,225)	(34,793)
(Loss)/profit for the period	(33,918)	2,474	(31,444)	44,505	741	45,246
<u>Attributable to :</u>						
Owners of the parent	(33,916)	2,476	(31,440)	44,511	740	45,251
Non-controlling interests	(2)	(2)	(4)	(6)	1	(5)
(Loss)/profit for the period	(33,918)	2,474	(31,444)	44,505	741	45,246
(Loss)/earnings per share						
Basic (sen)	(2.41)	0.18	(2.23)	3.64	0.05	3.69

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

(ii) Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter 31.12.2017			Cumulative Quarter 31.12.2017		
	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000
(Loss)/profit for the period	(33,918)	2,474	(31,444)	44,505	741	45,246
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	(3,669)	-	(3,669)	(3,871)	-	(3,871)
Total comprehensive (loss)/income for the period	(37,587)	2,474	(35,113)	40,634	741	41,375
<u>Attributable to :</u>						
Owners of the parent	(37,585)	2,476	(35,109)	40,640	740	41,380
Non-controlling interests	(2)	(2)	(4)	(6)	1	(5)
Total comprehensive (loss)/income for the period	(37,587)	2,474	(35,113)	40,634	741	41,375

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	79	49,131	48,636	2,272	50,908
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	44,544	2,537,023
Other current assets	2,319	143	2,462	144,919	(2,952)	141,967
Equity						
Accumulated losses	(200,665)	2,408	(198,257)	(126,286)	34,324	(91,962)
Non-current Liabilities						
Deferred tax liabilities	37,112	828	37,940	42,062	10,101	52,163
Current Liabilities						
Other current liabilities	72,881	1,650	74,531	83,452	(583)	82,869
Net assets per share (RM)	0.94	0.00	0.94	1.03	0.04	1.08

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A3. Seasonality or Cyclicality 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	Preceding Year Corresponding Quarter	6 Months Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000 (restated)	RM'000	RM'000 (restated)
Sale of properties under development	5,166	6,514	8,151	63,185
Sale of completed properties	65,837	513	88,663	4,655
Sale of land held for property development	930	-	9,050	133,874
Rendering of services	458	389	984	802
	72,391	7,416	106,848	202,516

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 31 December 2018, the total number of treasury shares held was 15,175,500 ordinary shares.

The outstanding debts are disclosed in Note B11.

A8. Dividend Paid

There was no dividend paid during the current financial quarter ended 31 December 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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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 RM72.391 million and loss before taxation of RM19.695 million in the current financial quarter, compared to revenue of RM7.416 million and loss before taxation of RM29.399 million recorded in the preceding year corresponding financial quarter ended 31 December 2017.

The higher Group revenue was mainly contributed by the 3 Orchard By-The-Park project undertaken by YTL Westwood Properties Pte Ltd ("YTL Westwood") and the Camellia project undertaken by PYP Sendirian Berhad ("PYP").

The improvement in loss before taxation was mainly attributable to the revenue recognition as highlighted above and higher unrealised gain on foreign exchange on amounts due from Singapore subsidiaries recorded by the Company following the strengthening of SGD in the current financial quarter under review as compared to preceding year corresponding financial quarter.

Financial year-to-date review

For the current financial period under review, the Group recorded revenue of RM106.848 million and loss before taxation of RM10.522 million in the current financial period, compared to revenue of RM68.642 million and loss before taxation of RM40.691 million (after adjusting for the one-off gain of RM120.73 million from land disposal by Udapakat Bina Sdn Bhd following the acquisition by Pentadbir Tanah Kuala Lumpur for Mass Rapid Transit project) recorded in the preceding year corresponding financial period.

This represents higher revenue of 56% and improvement in loss before taxation of 74%, respectively, mainly due to the revenue recognition and higher unrealized gain as highlighted above.

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B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2018 RM'000	Preceding Quarter 30.9.2018 RM'000	*Variance (%)*
Revenue	72,391	34,457	*110%*
(Loss)/profit before taxation	(19,695)	9,173	*-315%*
(Loss)/profit attributable to owners of the parent	(19,393)	3,877	*-600%*

The Group recorded revenue of RM72.391 million and loss before taxation of RM19.695 million in the current financial quarter, compared to revenue of RM34.457 million and profit before taxation of RM9.173 million recorded in the preceding financial quarter.

The higher Group revenue was mainly attributable to the revenue recognition from the 3 Orchard By-The-Park project undertaken by YTL Westwood and the Camellia project undertaken by PYP as set out under Note B1.

The loss before taxation was mainly due to the land disposal by Pakatan Perakbina Sdn Bhd recorded in the preceding financial quarter and the lower unrealised gain on foreign exchange on amounts due from Singapore subsidiaries recorded by the Company following the weakening of SGD in the current financial quarter as compared to 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.

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 31.12.2018 RM'000	Current Year To Date 31.12.2018 RM'000
Depreciation of property, plant and equipment	205	415
Interest expense	22,111	42,277
Interest income	(1,133)	(2,529)
Gain on disposal of property, plant and equipment	-	(6)
Gain from fair value adjustment of investment properties	-	(12,035)
Reversal of accruals	(19)	(19)
Unrealised gain on foreign exchange	(607)	(12,531)
Reversal of impairment loss on other receivable	-	(48)

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.

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.12.2018 RM'000	Current Period To Date 31.12.2018 RM'000
Income tax:		
- Current period	13	5,324
- Prior period	28	-
Deferred tax	(340)	(324)
	(299)	5,000

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

Notes : continued

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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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
Secured:			
Term loans	375,167	1,182,885	1,558,052
Revolving credit	170,000	20,000	190,000
	545,167	1,202,885	1,748,052
Unsecured:			
ICULS*	53,720	24,256	77,976
Term loans	87,648	422,953	510,601
	141,368	447,209	588,577
	686,535	1,650,094	2,336,629

** Irredeemable Convertible Unsecured Loan Stock ("ICULS")*

The above borrowings denominated in foreign currency as follows:

	Long Term	
	SGD'000	RM'000
Secured:		
Term loans	380,709	1,154,386
	380,709	1,154,386
Unsecured:		
Term loans	139,487	422,952
	139,487	422,952
	520,196	1,577,338

SGD1 : RM3.0322

B12. Loss Per Share

- **Basic loss per share**

The basic loss per share of the Group has been computed by dividing the loss 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 RM0.66 (2018: RM0.99) per share.

	Individual Quarter	
	Current Quarter	**Preceding Year Corresponding Quarter (restated)**
	31.12.2018	**31.12.2017**
Loss attributable to owners of the parent (RM'000)	(19,393)	(31,440)
Interest expense on ICULS (RM'000)	1,558	1,842
Loss attributable to owners of the parent including assumed conversion (RM'000)	(17,835)	(29,598)
Weighted average number of ordinary shares ('000)	829,169	829,169
Adjustment for assumed conversion of ICULS ('000)	751,353	500,902
Adjusted weighted average number of ordinary shares ('000)	1,580,522	1,330,071
Basic loss per share (sen)	(1.13)	(2.23)

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated :27 February 2019