

**YTL CORPORATION BERHAD**

Company No. 92647-H

Incorporated in Malaysia

**Interim Financial Report**

**31 March 2014**

**YTL CORPORATION BERHAD**  
Company No. 92647-H  
Incorporated in Malaysia

**Interim Financial Report**  
**31 March 2014**

	<b>Page No.</b>
<b>Condensed Consolidated Income Statement</b>	<b>1</b>
<b>Condensed Consolidated Statement of Comprehensive Income</b>	<b>2</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>3 - 4</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>5 - 6</b>
<b>Condensed Consolidated Statement of Cash Flows</b>	<b>7 - 9</b>
<b>Notes to the Interim Financial Report</b>	<b>10 - 33</b>

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial year ended 31 March 2014.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2013 RM'000	9 MONTHS ENDED 31.03.2014 RM'000	
<b>REVENUE</b>	4,545,289	4,752,737	14,662,330	14,947,537
<b>COST OF SALES</b>	(3,314,956)	(3,714,781)	(11,091,597)	(12,093,786)
<b>GROSS PROFIT</b>	1,230,333	1,037,956	3,570,733	2,853,751
<b>OTHER OPERATING EXPENSES</b>	(524,696)	(412,427)	(1,386,416)	(1,026,583)
<b>OTHER OPERATING INCOME</b>	154,981	53,269	651,102	313,112
<b>PROFIT FROM OPERATIONS</b>	860,618	678,798	2,835,419	2,140,280
<b>FINANCE COSTS</b>	(271,504)	(241,033)	(835,019)	(720,747)
<b>SHARE OF PROFITS OF ASSOCIATED COMPANIES</b>	84,948	103,607	217,242	328,384
<b>PROFIT BEFORE TAXATION</b>	674,062	541,372	2,217,642	1,747,917
<b>TAXATION</b>	(100,493)	(120,030)	(290,761)	(376,534)
<b>PROFIT FOR THE PERIOD</b>	573,569	421,342	1,926,881	1,371,383
<b>ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	389,815	289,825	1,200,913	944,215
<b>NON-CONTROLLING INTERESTS</b>	183,754	131,517	725,968	427,168
<b>PROFIT FOR THE PERIOD</b>	573,569	421,342	1,926,881	1,371,383
<b>EARNINGS PER 10 SEN SHARE</b>				
Basic (Sen)	3.76	2.80	11.59	9.12
Diluted (Sen)	3.76	2.80	11.59	9.12

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR		
	YEAR	CORRESPONDING		
	QUARTER	QUARTER	9 MONTHS ENDED	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
<b>PROFIT FOR THE PERIOD</b>	573,569	421,342	1,926,881	1,371,383
<b>OTHER COMPREHENSIVE INCOME/(LOSS):</b>				
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS :-				
- <i>AVAILABLE-FOR-SALE FINANCIAL ASSETS</i>	(9,694)	(3,643)	1,715	(11,341)
CASH FLOW HEDGES	(38,184)	56,953	12,806	232,089
FOREIGN CURRENCY TRANSLATION	49,105	(191,663)	639,702	(269,533)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	1,227	(138,353)	654,223	(48,785)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>574,796</u>	<u>282,989</u>	<u>2,581,104</u>	<u>1,322,598</u>
<b>ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	391,689	204,609	1,551,697	915,982
NON-CONTROLLING INTERESTS	183,107	78,380	1,029,407	406,616
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>574,796</u>	<u>282,989</u>	<u>2,581,104</u>	<u>1,322,598</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 2013 and the accompanying explanatory notes attached to the interim financial statement.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.03.2014</b>	<b>30.06.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	24,543,005	22,193,050
Investment properties	8,015,426	633,608
Investment in associated companies and jointly controlled entity	1,691,264	3,441,230
Investments	171,483	155,035
Development expenditure	961,738	975,874
Intangible assets	5,085,124	4,785,485
Biological assets	1,918	1,700
Other receivables and other non-current assets	591,554	706,283
Derivative financial instruments	14,880	7,850
	<u>41,076,392</u>	<u>32,900,115</u>
<b>Current Assets</b>		
Inventories	801,870	892,569
Property development costs	1,519,956	1,370,881
Trade, other receivables and other current assets	3,815,390	3,935,296
Derivative financial instruments	16,182	37,654
Income tax assets	34,196	37,251
Amount due from related parties	36,998	41,000
Short term investments	604,478	590,715
Fixed deposits	11,927,825	13,145,698
Cash and bank balances	927,210	668,315
	<u>19,684,105</u>	<u>20,719,379</u>
<b>TOTAL ASSETS</b>	<u><u>60,760,497</u></u>	<u><u>53,619,494</u></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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.03.2014</b>	<b>30.06.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY</b>		
Share capital	1,073,893	1,073,893
Share premium	1,987,700	1,987,700
Other reserves	(172,898)	(530,426)
Retained profits	11,953,176	11,395,643
Less : Treasury shares, at cost	<u>(596,570)</u>	<u>(593,339)</u>
<b>Total Equity Attributable to</b>		
<b>Owners of the Parent</b>	14,245,301	13,333,471
<b>Non-Controlling Interests</b>	<u>5,455,648</u>	<u>2,224,274</u>
<b>TOTAL EQUITY</b>	<u>19,700,949</u>	<u>15,557,745</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long term payables and other non-current liabilities	585,846	387,977
Bonds & borrowings	28,976,054	26,514,811
Grants and contributions	342,785	295,774
Deferred tax liabilities	2,646,198	2,513,137
Provision for liabilities and charges	120,466	100,012
Derivative financial instruments	<u>10,841</u>	<u>140,332</u>
	<u>32,682,190</u>	<u>29,952,043</u>
<b>Current Liabilities</b>		
Trade, other payables and other current liabilities	3,386,139	3,494,835
Derivative financial instruments	75,635	61,282
Amount due to related parties	5,943	5,359
Bonds & borrowings	4,651,468	4,227,257
Income tax liabilities	255,490	310,749
Provision for liabilities and charges	<u>2,683</u>	<u>10,224</u>
	<u>8,377,358</u>	<u>8,109,706</u>
<b>TOTAL LIABILITIES</b>	41,059,548	38,061,749
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>60,760,497</u>	<u>53,619,494</u>
Net Assets per 10 share (RM)	<u>1.37</u>	<u>1.29</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

Group	← Attributable to Owners of the Parent →					Non-Controlling interests	Total equity	
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 July 2013	1,073,893	1,987,700	11,395,643	(593,339)	(530,426)	13,333,471	2,224,274	15,557,745
Profit for the period	-	-	1,200,913	-	-	1,200,913	725,968	1,926,881
Other comprehensive income								
- Available-for-Sale Financial Assets	-	-	-	-	1,490	1,490	225	1,715
- Cash Flow Hedges	-	-	-	-	7,399	7,399	5,407	12,806
- Foreign Currency Translation	-	-	-	-	341,895	341,895	297,807	639,702
Total comprehensive income for the period	-	-	1,200,913	-	350,784	1,551,697	1,029,407	2,581,104
Changes in composition of the Group	-	-	(473,076)	-	180	(472,896)	2,375,336	1,902,440
Dividend paid	-	-	(155,484)	-	-	(155,484)	(188,189)	(343,673)
Gain/(loss) recognised on deemed dilution of interest in subsidiaries	-	-	(14,820)	-	-	(14,820)	14,820	-
Issue of share capital	-	-	-	(3,231)	-	(3,231)	-	(3,231)
Provision for share options	-	-	-	-	6,564	6,564	-	6,564
At 31 March 2014	1,073,893	1,987,700	11,953,176	(596,570)	(172,898)	14,245,301	5,455,648	19,700,949

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013**

Group	← Attributable to Owners of the Parent →					Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2012	1,054,677	1,674,496	10,305,216	(1,253,032)	397,317	12,178,674	2,200,582	14,379,256
Profit for the period	-	-	944,215	-	-	944,215	427,168	1,371,383
Other comprehensive income/(loss)								
- Available-for-Sale Financial Assets	-	-	-	-	(7,705)	(7,705)	(3,636)	(11,341)
- Cash Flow Hedges	-	-	-	-	119,187	119,187	112,902	232,089
- Foreign Currency Translation	-	-	-	-	(139,715)	(139,715)	(129,818)	(269,533)
Total comprehensive income for the period	-	-	944,215	-	(28,233)	915,982	406,616	1,322,598
Changes in composition of the Group	-	-	(12,842)	-	(66)	(12,908)	95,257	82,349
Dividend paid	-	-	(258,920)	-	-	(258,920)	(216,760)	(475,680)
Gain/(loss) recognised on deemed dilution of interest in subsidiaries	-	-	(45)	-	-	(45)	45	-
Issue of share capital	19,216	313,204	-	-	-	332,420	-	332,420
Share buyback	-	-	-	(274,447)	-	(274,447)	-	(274,447)
Share dividend declared	-	-	-	934,140	(934,140)	-	-	-
Share option granted by subsidiary	-	-	-	-	7,177	7,177	-	7,177
At 31 March 2013	1,073,893	1,987,700	10,977,624	(593,339)	(557,945)	12,887,933	2,485,740	15,373,673

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

	<b>9 MONTHS ENDED</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,217,642	1,747,917
Adjustment for :-		
Adjustments on fair value of investment properties	(354,602)	-
Allowance for impairment of inventories	21,857	-
Amortisation of grants and contributions	(6,535)	(8,470)
Amortisation of other intangible assets	33,707	-
Provision for post-employment benefit	39,858	39,913
Depreciation	1,146,128	1,071,626
Fair value changes of derivatives	(76,094)	(80,008)
Gain on disposal of investments	(5,913)	(66,802)
Impairment loss	124,172	48,889
Interest expense	835,019	720,832
Interest income	(134,379)	(65,265)
Share of results of associated companies and jointly controlled entities	(217,242)	(328,384)
Unrealised (gain)/loss on foreign exchange - net	53,834	(92,914)
Other non cash items	9,081	29,424
<b>Operating profit before changes in working capital</b>	<b>3,686,533</b>	<b>3,016,758</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 - continued**

	<b>9 MONTHS ENDED</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Changes in working capital:-</b>		
Inventories	82,721	(48,194)
Property development costs	(149,074)	(75,146)
Receivables, deposits and prepayments	320,271	343,227
Payables and accrued expenses	(184,611)	2,425
Related parties balances	(7,782)	(14,273)
<b>Cash generated from operations</b>	<b>3,748,058</b>	<b>3,224,797</b>
Dividend received	292,854	167,806
Interest paid	(785,092)	(690,074)
Interest received	121,653	73,353
Payment to a retirement benefits scheme	(86,879)	(79,785)
Income tax paid	(467,849)	(482,030)
<b>Net cash from operating activities</b>	<b>2,822,745</b>	<b>2,214,067</b>
<b>Cash flows from investing activities</b>		
Acquisition of additional shares in existing subsidiaries	(313)	(262,559)
Acquisition of new subsidiaries (net of cash acquired)	(84,545)	-
Development expenditure incurred	(22,939)	(100,916)
Grants received in respect of infrastructure assets	26,554	19,283
Proceeds from disposal of property, plant & equipment	7,601	19,485
Proceeds from disposal of investments	64,652	16,957
Proceeds from disposal of shares in existing subsidiaries	-	137,834
Purchase of property, plant & equipment	(1,792,997)	(2,774,044)
Purchase of investments	-	(41,305)
Other investing activities	38,078	(7,264)
<b>Net cash used in investing activities</b>	<b>(1,763,909)</b>	<b>(2,992,529)</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 - continued**

	<b>9 MONTHS ENDED</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(155,484)	(258,920)
Dividend paid to non-controlling interests by subsidiaries	(188,189)	(216,760)
Repurchase of own shares by the company (at net)	(3,231)	(274,447)
Repurchase of subsidiaries' shares by subsidiaries	(1,332,167)	(30,061)
Proceeds from borrowings	1,762,852	9,885,800
Proceeds from issue of shares in subsidiaries to non-controlling interests	109,253	11,712
Proceeds from issue of bonds	-	527,995
Proceeds from issue of shares	-	332,420
Repayment of borrowings	(2,602,116)	(8,332,384)
<b>Net cash from/(used in) financing activities</b>	<u>(2,409,082)</u>	<u>1,645,355</u>
Net changes in cash and cash equivalents	(1,350,246)	866,893
Effects of exchange rate changes	367,091	(148,820)
Cash and cash equivalents at beginning of the financial year	<u>13,742,611</u>	<u>13,277,075</u>
Cash and cash equivalents at end of the financial year	<u><u>12,759,456</u></u>	<u><u>13,995,148</u></u>
<b>Cash and cash equivalent comprise :-</b>		
Fixed deposit with licensed bank	11,927,825	13,286,506
Cash and bank balances	927,210	819,545
Bank overdraft	(95,579)	(110,903)
	<u><u>12,759,456</u></u>	<u><u>13,995,148</u></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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)  
(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**Notes:-**

**Disclosure requirements pursuant to FRS 134 – paragraph 16**

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2013.

**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 2013.

The adoption of these amendments to FRSs and IC Int does not have any significant impact on the financial statements of the Group except as disclosed below:-

**FRS 10: Consolidated Financial Statements**

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor’s returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Malaysia Financial Reporting Standards (“MFRS Framework”)  
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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.

On 7 August 2013, MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 2016.

**A2. Seasonality or Cyclicity of Operations**

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

**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.

**A4. Changes in estimates of amounts reported**

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

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A5. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

During the current financial quarter and financial period to date, the Company repurchased 2,000,000 and 2,000,100 ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM1.62. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial period to date amounted to RM3,230,826 and RM3,231,020, respectively 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 March 2014, the total number of treasury shares held was 375,344,039 ordinary shares of RM0.10 each.

**A6. Dividend paid**

An interim single tier dividend of 15% or 1.5 sen per ordinary share of RM0.10 amounting to RM 155,483,841.75 in respect of financial year ending 30 June 2014 was paid on 16 January 2014.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A7. Segment Information**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the financial period ended 31 March 2014 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>External revenue</b>	79,699	4,511	1,951,800	814,540	268,543	546,997	10,996,240	-	14,662,330
<b>Inter-segment revenue</b>	249,877	60,636	9,446	142,140	209,921	11,970	4,484	(688,474)	-
<b>Total revenue</b>	<u>329,576</u>	<u>65,147</u>	<u>1,961,246</u>	<u>956,680</u>	<u>478,464</u>	<u>558,967</u>	<u>11,000,724</u>	<u>(688,474)</u>	<u>14,662,330</u>
<b>Segment results</b>									
Profit/(loss) from operations	(14,017)	2,406	484,022	744,216	273,431	30,406	1,314,955	-	2,835,419
Finance costs									(835,019)
									<u>2,000,400</u>
Share of profit of associated companies									217,242
Profit before taxation									<u><u>2,217,642</u></u>

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A7. Segment Information - continued**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental result for the financial period ended 31 March 2013 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>External revenue</b>	191,013	5,257	1,718,748	396,516	419,137	372,861	11,844,005	-	14,947,537
<b>Inter-segment revenue</b>	166,437	60,044	26,718	86,523	274,511	9,452	937	(624,622)	-
<b>Total revenue</b>	<b>357,450</b>	<b>65,301</b>	<b>1,745,466</b>	<b>483,039</b>	<b>693,648</b>	<b>382,313</b>	<b>11,844,942</b>	<b>(624,622)</b>	<b>14,947,537</b>
<b>Segment results</b>									
Profit/(loss) from operations	24,446	3,344	354,936	164,005	341,766	44,148	1,207,635	-	2,140,280
Finance costs									(720,747)
									<u>1,419,533</u>
Share of profit of associated companies									<u>328,384</u>
Profit before taxation									<u><u>1,747,917</u></u>

## **YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

**Notes: - continued**

#### **A8. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the current quarter ended 31 March 2014, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 5 July 2013, the Group's interest in Starhill Global Real Estate Investment Trust ("SGREIT") increased by 6.89% from 29.38% to 36.27% as a result of the issuance of 210,195,189 new units by SGREIT through the conversion of 152,727,825 convertible preferred units in SGREIT by the Company and YTL Hotels & Properties Sdn Bhd, a wholly-owned subsidiary of the Company.

In accordance to new FRS 10 as disclosed in Note A1, the above increase in interest has effectively made SGREIT a subsidiary of the Company by the Company's de facto control in SGREIT.

- On 18 July 2013, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each in the share capital of Horizon Valley Sdn Bhd ("HVSBS") at par value, representing the entire issued and paid-up share capital of HVSBS. As a result, HVSBS became a wholly-owned subsidiary of SPYTL and indirect subsidiary of the Company.

Subsequently, HVSBS had on 24 July 2013 changed its name to YTL Development Sdn Bhd.

- On 24 July 2013, YTL Cement Berhad ("YTL Cement") incorporated a wholly-owned subsidiary known as YTL Cement (Myanmar) Pte Ltd ("YTLCM") in Singapore with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTLCM will be principally involved in investment holding.
- On 25 July 2013, SPYTL acquired 90,000 ordinary shares of RM1.00 in the share capital of Suri Travel & Tours Sdn Bhd ("STT") at par value, representing 30% of the issued and paid-up share capital of STT not held by SPYTL ("Acquisition"). As a result of the Acquisition, STT became a wholly-owned subsidiary of SPYTL and remain an indirect subsidiary of the Company.
- On 29 July 2013, YTL Power International Berhad ("YTL Power") subscribed for 68 ordinary shares of RM1.00 each, representing 68% of the issued and paid-up share capital in SIPP Power Sdn Bhd ("SIPP") at par value of RM1.00 per share. As a result, SIPP became a subsidiary of YTL Power. On 30 July 2013, YTL Power acquired another 2 ordinary shares in SIPP resulting in SIPP becoming a 70% owned subsidiary of YTL Power and an indirect subsidiary of the Company. SIPP will be principally involved in developing, constructing, completing, maintaining and operating power plants.

## **YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

#### **Notes: - continued**

- On 24 October 2013, YTL Power acquired 2 ordinary shares of RM1.00 each in the share capital of Tunas Madani Sdn Bhd (“TMSB”) at par value, representing the entire issued and paid-up share capital of TMSB (“Acquisition”). As a result, TMSB became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company. TMSB will be principally involved in investment holding.

Subsequent to the Acquisition, TMSB had on 22 October 2013 and 25 October 2013 acquired/subscribed 70 ordinary shares of RM1.00 each in the share capital of Budaya Kencana Sdn Bhd (“BKSB”) at par value of RM1.00 per share. As a result, BKSB became a subsidiary of TMSB and an indirect subsidiary of YTL Power and the Company. BKSB will be principally involved in investment holding.

Both TMSB and BKSB had on 7 November 2013 and 1 November 2013, changed their name to YTL Power Energy Holdings Sdn Bhd (“YTLPEH”) and YTL SIPP Power Holdings Sdn Bhd (“YTL SIPP Power Holdings”), respectively. YTLPEH had on 14 February 2014 changed its name to YTL Energy Holdings Sdn Bhd.

- On 25 October 2013, YTL Power transferred its entire holding of 70 ordinary shares of RM1.00 each in SIPP Power Sdn Bhd (“SIPP”), representing 70% of the issued and paid-up share capital in SIPP to YTL SIPP Power Holdings at cost of RM70.00 (“Share Transfer”). Concurrently with the Share Transfer, the remaining 30% equity stake in SIPP not held by YTL Power was also transferred to YTL SIPP Power Holdings. As a result, SIPP became a wholly-owned subsidiary of YTL SIPP Power Holdings and an indirect subsidiary of YTL Power and the Company.
- On 6 November 2013, Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly-owned subsidiary of YTL Cement, acquired a total of 250,002 ordinary shares of RM1.00 each in Madah Seloka Sdn Bhd (“MSSB”), representing the entire issued and paid-up share capital of MSSB for a cash consideration of RM18,000,000.00 (“Acquisition”). As a result of the Acquisition, MSSB has become a wholly-owned subsidiary of BTQ and an indirect subsidiary of YTL Cement and the Company. MSSB is principally involved in investment holding.
- On 7 November 2013, Buildcon Concrete Enterprise Sdn Bhd (“BCE”), a wholly-owned subsidiary of YTL Cement, acquired 2 ordinary shares of RM1.00 each in Shatoosh.Com Sdn Bhd (“SCSB”) at par value of RM1.00 per share, representing the entire issued and paid-up share capital of SCSB (“Acquisition”). As a result of the Acquisition, SCSB has become a wholly-owned subsidiary of BCE and an indirect subsidiary of YTL Cement and the Company. SCSB will be principally involved in trading, sale and manufacturing of building materials.

SCSB had on 11 November 2013, changed its name to Bentara Gemilang Industries Sdn Bhd.

## **YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

#### **Notes: - continued**

- On 20 November 2013, YTL Cement acquired a total of 250,000 ordinary shares of RM1.00 each in Competent Teamwork Sdn Bhd (“CTSB”), representing the entire issued and paid-up share capital of CTSB for a cash consideration of RM11,177,868.39. As a result, CTSB has become a wholly-owned subsidiary of YTL Cement and an indirect subsidiary of the Company. CTSB is principally involved in investment holding.
- On 31 January 2014, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, acquired the entire issued and paid-up share capital of Thermae Development Company Limited (“Thermae Development”) comprising 260,000 ordinary shares of £1 each, at a total cash consideration of £12,000,000. As a result, Thermae Development became a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.
- On 11 March 2014, Maybank Trustee Berhad (formerly known as Mayban Trustee Berhad) (“MTB”), as the trustee for YTL Hospitality REIT (formerly known as Starhill Real Estate Investment Trust) (“YTL REIT”) (“Trustee”) acquired the entire issued and paid-up share capital of YTL REIT MTN Sdn Bhd (“YTLRMTN”) comprising 2 ordinary shares of RM1.00 each (“Shares”), at a total consideration of RM2.00 (“Acquisition”). The Trustee shall hold the Shares in trust and on behalf of YTL REIT. As a result, YTLRMTN has become a wholly-owned subsidiary of YTL REIT and an indirect subsidiary of the Company. YTLRMTN will be the finance vehicles for YTL REIT.

#### **A9. Changes in Contingent Liabilities or Contingent Assets**

There were no significant changes in the contingent liabilities of the Group since the last financial year ended 30 June 2013.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A10. Subsequent Events**

Save for the following, there was no item, transaction or event of a material or unusual in nature during the period from the end of the quarter under review to the date of this report.

- On 5 May 2014, BTQ acquired and subscribed for 51 ordinary shares of RM1.00 each representing 51% of the issued and paid-up share capital of Solaris Concept Sdn Bhd (“Solaris Concept”) at par value of RM1.00 per share (“Acquisition”). As a result, Solaris Concept became a subsidiary of BTQ and an indirect subsidiary of the Company.

Concurrently with the Acquisition, Solaris Concept acquired and subscribed for 7 ordinary shares of RM1.00 each representing 70% of the issued and paid-up share capital of Oasis Vision Sdn Bhd (“Oasis Vision”) at par value of RM1.00 per share. As a result, Oasis Vision became an indirect subsidiary of BTQ and the Company.

Both Solaris Concept and Oasis Vision will be principally involved in the business of manufacturing, production, trading and delivery of building and construction materials and products to the building and construction industry.

- On 6 May 2014, Pagabo Limited, a subsidiary of I Education Limited (“I Education”) which in turn is an indirect subsidiary of YTL Power, had been dissolved following its deregistration under Section 1000 of the Companies Act 2006 of the United Kingdom (“Dissolution”). As a result of the Dissolution, Pagabo has ceased to be a subsidiary of I Education and an indirect subsidiary of YTL Power and the Company.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Notes: - continued

**Disclosure requirements per Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities****B1. Review of Performance**

	Individual Quarter		Cumulative Quarter	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Construction	32,097	97,297	79,699	191,013
Information technology & e-commerce related business	1,394	1,663	4,511	5,257
Cement Manufacturing & trading	655,544	543,446	1,951,800	1,718,748
Property investment & development	277,354	114,238	814,540	396,516
Management services & others	87,405	185,292	268,543	419,137
Hotels	210,225	199,506	546,997	372,861
Utilities	3,281,270	3,611,295	10,996,240	11,844,005
	<u>4,545,289</u>	<u>4,752,737</u>	<u>14,662,330</u>	<u>14,947,537</u>
<b>Profit before tax</b>				
Construction	10,715	24,877	(14,024)	24,435
Information technology & e-commerce related business	594	505	2,397	3,339
Cement Manufacturing & trading	134,191	70,212	462,963	334,113
Property investment & development	120,813	53,673	630,155	205,638
Management services & others	58,605	16,364	8,278	112,721
Hotels	16,695	22,236	18,796	40,949
Utilities	332,449	353,505	1,109,077	1,026,722
	<u>674,062</u>	<u>541,372</u>	<u>2,217,642</u>	<u>1,747,917</u>

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## **YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

#### **Notes – continued**

For the current quarter under review, the Group revenue decreased to RM4,545.3 million, representing a decrease of 4.4% whilst profit before tax increased to RM674.1 million, representing an increase of 24.5% when compared to RM4,752.7 million and RM541.4 million, respectively recorded in the preceding year corresponding quarter ended 31 March 2013.

For the nine months under review, the Group revenue decreased by 1.9% to RM14,662.3 million from RM14,947.5 million recorded in the preceding year corresponding financial period ended 31 March 2013, whilst profit before tax increased by 26.9% to RM2,217.6 million from RM1,747.9 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the period ended 31 March 2014 as compared to the preceding year are analysed as follows:

#### Construction

Revenue and profit before tax for the current quarter under review decreased to RM32.1 million and RM10.7 million, representing a decrease of 67.0% and 56.9% from RM97.3 million and RM24.9 million, respectively recorded in the preceding year corresponding quarter. The decrease in revenue and profit before tax were mainly due to lower percentage recognition of work done by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd. (“SPYTL”)

For the nine months under review, revenue decreased by 58.3% to RM79.7 million from RM191.0 million whilst a loss before tax of RM14.0 million was recorded as compared to a profit before tax of RM24.4 million recorded in the preceding year corresponding period, representing a decrease of 157.4%.

The decrease in revenue and profit before tax were principally due to lower percentage recognition of work done by both SPYTL and YTL Construction (Singapore) Pte Ltd.

#### Information technology & e-commerce related business

Revenue for the current quarter under review decreased to RM1.4 million from RM1.7 million recorded in the preceding year corresponding quarter, representing a decrease of 16.2% whilst profit before tax increased to RM0.6 million from RM0.5 million recorded in the preceding year corresponding quarter ended 31 March 2013. The decrease in revenue was mainly due to lower income in relation to hardware sales activities and maintenance services. However, the increase in profit before tax was mainly due to higher interest income on higher cash deposits in the current financial quarter.

Revenue and profit before tax for the nine months under review decreased to RM4.5 million and RM2.4 million, respectively representing a decrease of 14.2% and 28.2%, respectively, when compared to RM5.3 million and RM3.4 million, respectively recorded in the preceding year corresponding period. The decrease in revenue and profit before tax were mainly due to lower hardware sales activities and additional depreciation charge on new capital expenditure and accrual of contribution to MCMC’s Universal Services Provision fund established under the Communications and Multimedia Act 1988.

## YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT

#### Notes – continued

##### Cement Manufacturing & trading

Revenue and profit before tax for the current quarter under review increased to RM655.5 million and RM134.2 million, representing an increase of 20.6% and 91.1% from RM543.4 million and RM70.2 million, respectively recorded in the preceding year corresponding quarter.

For the nine months under review, revenue and profit before tax increased to RM1,951.8 million and RM462.9 million, representing an increase of 13.6% and 38.6% from RM1,718.7 million and RM334.1 million, respectively recorded in the preceding year corresponding period.

The increase in revenue and profit before tax were mainly due to better performance in concrete and quarry businesses.

This segment contributes to 13.3% and 20.9% of the Group's revenue and profit before tax, respectively.

##### Property investment & development

For the current quarter under review, revenue and profit before tax increased to RM277.4 million and RM120.8 million from RM114.2 million and RM53.7 million, respectively recorded in the preceding year corresponding quarter ended 31 March 2013 representing an increase of 142.8% and 125.1%, respectively. The increase in revenue and profit before tax were mainly contributed by Fennel and Capers projects undertaken by Sentul Raya Sdn Bhd ("SRSB") and consolidation of the results of Starhill Global Real Estate Investment Trust ("SGREIT") during the current financial year.

For the nine months under review, revenue and profit before tax increased to RM814.5 million and RM630.2 million, representing an increase of 105.4% and 206.4% from RM396.5 million and RM205.6 million, respectively recorded in the preceding year corresponding period. The higher revenue and profit before taxation were mainly attributable to the net fair value gain on investment properties recorded by SGREIT, a new subsidiary consolidated during the current financial year.

##### Management services & others

Revenue for the current quarter under review decreased by 52.8% to RM87.4 million from RM185.3 million whilst profit before tax increased to RM58.6 million from RM16.4 million when compared to the preceding year corresponding quarter. The decrease in revenue was mainly due to lower sales recorded by a subsidiary, namely YTL Power Services Sdn Bhd whilst increase in profit before tax was mainly due to unrealized foreign exchange gain and derivative gain recorded by an offshore subsidiary.

For the nine months under review, revenue and profit before tax decreased to RM268.5 million and RM8.3 million, representing a decrease of 35.9% and 92.7% from RM419.1 million and RM112.7 million, respectively recorded in the preceding year corresponding period. The decrease in revenue and profit before tax were mainly due to provision for impairment of investment in associate and unrealised foreign exchange losses by a subsidiary, namely YTL Power .

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Hotels

Revenue for the current quarter under review increased by 5.4% to RM210.2 million from RM199.5 million, whilst profit before tax decreased by 24.9% to RM16.7 million from RM22.2 million when compared to preceding year corresponding quarter.

For the nine months under review, revenue increased by 46.7% to RM547.0 million from RM372.9 million recorded in the preceding year corresponding period whilst profit before tax decreased by 54.1% to RM18.8 million from RM40.9 million recorded in the preceding year corresponding period.

The increase in revenue was contributed by YTL Majestic Kuala Lumpur and 3 Marriott Hotels in Australia. Decrease in profit before tax was mainly due to lower unrealised foreign exchange gain on inter-company balances recorded in the current period following the weakening of Japanese Yen in the current period as compared to preceding year corresponding period.

Utilities

Revenue and profit before tax for the quarter under review decreased to RM3,281.3 million and RM332.4 million, representing a decrease of 9.1% and 6.0% from RM3,611.3 million and RM353.5 million, respectively recorded in preceding year corresponding quarter ended 31 March 2013. The decrease in revenue and profit before tax were mainly due to lower units of electricity sold, lower revenue recorded for fuel oil trading and lower vesting contract volume coupled with lower margin for vesting contract.

For the nine months under review, revenue decreased to RM10,996.2 million, representing a decrease of 7.2% from RM11,844.0 million recorded in the preceding year corresponding period whilst profit before tax increased to RM1,109.1 million, representing an increase of 8.0% from RM1,026.7 million recorded in the preceding year corresponding period. The decrease in revenue was due to lower units of electricity sold coupled with lower electricity price as a result of lower fuel oil price recorded under the multi utilities business division whilst increase in profit before tax was mainly due to increase in price allowed by the regulator in the water & sewerage division and lower losses recorded by mobile broadband network division.

The Utilities segment contributes to 75.0% and 50.0% of the Group's revenue and profit before tax, respectively.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.03.2014 RM'000</b>	<b>Preceding Quarter 31.12.2013 RM'000</b>
Revenue	4,545,289	4,906,293
Profit before taxation	674,062	886,387
Profit attributable to owners of the parent	389,815	383,536

For the current financial quarter, the Group revenue decreased by 7.4% to RM4,545.3 million and RM4,906.3 million when compared to preceding quarter ended 31 December 2013. The Group recorded a profit before tax of RM674.1 million for the current financial quarter. This represents an increase of 26.4% over RM533.4 million (after adjusting for RM353 million being the net fair value gain on investment properties) recorded by SGREIT in the preceding financial quarter.

The decrease in revenue was mainly due to lower sales recorded by the multi utilities business under utilities segment whilst increase in profit before tax was due higher recognition recorded by Fennel and Capers projects undertaken by SRSB and consolidation of SGREIT during the current financial year under property investment & development segment.

**B3. Audit Report of the preceding financial year ended 30 June 2013**

The Auditors' Report on the financial statements of the financial year ended 30 June 2013 did not contain any qualification.

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## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

#### **B4. Prospects**

##### Construction

The construction segment is expected to achieve satisfactory performance for the financial year ending 30 June 2014 as the construction contracts relate mainly to the Group's property development and infrastructure works.

##### Information technology & e-commerce related business

The outlook for the segment's performance in the financial year ending 30 June 2014 should be satisfactory, given that a significant portion of its revenue is derived from relatively resilient spectrum sharing fee income.

##### Cement Manufacturing & trading

Considering the Group's current level of operations and continued growth in the construction sector, the segment is expected to achieve satisfactory performance for the financial year ending 30 June 2014.

##### Property investment & development

This segment is expected to achieve satisfactory performance for the financial year ending 30 June 2014 through the property development activities undertaken by its subsidiaries.

##### Management services & others/Hotels

After considering the current market condition and the level of uncertainty in the global economy, the performance of these two segments for the financial year ending 30 June 2014 is expected to remain satisfactory.

##### Utilities

For the financial year ending 30 June 2014, the increase in generation capacity into the electricity market of Singapore would add pressure to both margin and sales volume for the current financial year for the multi utilities business (merchant) division. Nevertheless, this division would continue to strive to diversify beyond their core business into integrated multi-utilities energy platform with focus on customer service. The water & sewerage company operates under strict regulatory regime and has met all of its regulatory targets and is top of the regulator's league table for customer service. Hence, the management is confident of delivering its 2010-15 regulatory outperformance target. This division has a long term planning horizon to ensure that water resources are going to be available in the future. Despite the challenging market in the telecommunications industry, this business division is expected to continuously grow its subscriber base to generate higher revenue by introducing improved and innovative services to the market.

#### **B5. Profit Forecast**

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

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes – continued****B6. Profit for the period**

	<b>Current Quarter 31.03.2014 RM'000</b>	<b>Year To Date 31.03.2014 RM'000</b>
<b>Profit for the period/year is stated after charging/(crediting):</b>		
Allowance for impairment of inventories	963	21,857
Amortisation of grant and contributions	(3,000)	(6,535)
Amortisation of intangible assets	15,157	33,707
Depreciation of property, plant and equipment	374,932	1,146,128
Fair value changes of derivatives	(33,414)	(76,094)
Gain on disposal of investment	-	(5,913)
Gain on disposal of property, plant and equipment	(1,157)	(2,211)
Loss on foreign exchange	15,894	104,366
Impairment loss on receivables - net of reversal	20,476	100,203
Impairment loss on investment in associates	154	23,969
Interest income	(11,258)	(48,647)
Interest expense	<u>271,504</u>	<u>835,019</u>

Other than the above items, there were no other income including investment income, write off of receivables, allowance for impairment and write off of inventories, gain or loss on disposal of properties, impairment of assets and exceptional items for the current financial quarter and financial year-to-date.

**B7. Taxation**

Taxation comprises the following:-

	<b>Current Quarter 31.03.2014 RM'000</b>	<b>Year To Date 31.03.2014 RM'000</b>
Taxation based on profit for the period/year	86,407	424,777
Deferred taxation	14,086	(134,016)
	<u>100,493</u>	<u>290,761</u>

The lower effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year to date is mainly attributable to lower corporate tax rate regime prevailing in foreign tax jurisdiction and tax credit recorded following a change in rate of tax recognized by Wessex Water Group.

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B8. Corporate Developments**

**(a) Corporate Proposals Announced and Pending Completion**

As at 19 February 2014, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:-

- (i) On 14 June 2013, Pintar Projek Sdn Bhd, a 70% subsidiary of the Company and the Manager for Starhill Real Estate Investment Trust, now known as YTL Hospitality REIT proposed to undertake the following proposals:-
- (a) Placement of new units in YTL Hospitality REIT (“Placement Units”), at a price to be determined later, to raise gross proceeds of up to RM800 million to partially repay YTL Hospitality REIT’s borrowings and reduce its gearing level (“Placement”)
  - (b) Increase in the existing approved fund size of YTL Hospitality REIT from 1,324,388,889 units up to a maximum of 2,125,000,000 units to facilitate the issuance of the Placement Units pursuant to the Placement (“Increase in Fund Size”); and
  - (c) Increase in borrowing limit to 60% of total asset value of YTL Hospitality REIT and its subsidiaries, to provide Starhill REIT with the flexibility of funding larger acquisition opportunities through borrowings in the future. This flexibility will be essential in situations where potential acquisitions are made through bidding or tender process as raising finance through borrowings may be more expedient as compared to an equity fund raising via issuance of new units.

On 28 June 2013, the Company accepted the YTL Hospitality REIT’s conditional invitation to subscribe for the Placement Units of up to RM310 million in value (“Subscription”).

Unitholders of YTL Hospitality REIT approved the Placement and Subscription at the meeting of unitholders held on 11 February 2014.

On 14 May 2014, an application was submitted by the Manager of YTL Hospitality REIT to the Securities Commission Malaysia to seek an extension of time of six (6) months from 30 June 2014 until 29 December 2014 to complete the Placement and Increase in Fund Size.

The Placement and the Subscription are now pending implementation.

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes: - continued****B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 31 March 2014 are as follows:-

	Short term		Long term		Total
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured	-	655,828	-	4,488,377	5,144,205
Unsecured	1,700,771	2,294,869	14,088,293	10,399,384	28,483,317
<b>Total</b>	<b>1,700,771</b>	<b>2,950,697</b>	<b>14,088,293</b>	<b>14,887,761</b>	<b>33,627,522</b>

The above include borrowings denominated in foreign currencies as follows:-

In Singapore Dollar ('000)	2,574,978
In US Dollar ('000)	674,552
In Sterling Pound ('000)	1,929,216
In Japanese Yen ('000)	8,250,000
In Euro ('000)	12,504

Save for the borrowings of RM220.7 million, EUR 12.504 million and Yen 8.25 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes: - continued****B10. Derivatives Financial Instruments, Fair Value Changes of Financial Liabilities, Fair Value hierarchy and Realised and Unrealised Profits or Losses****(a) Derivatives Financial Instruments**

As at 31 March 2014, the Group's outstanding derivatives are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value RM'000</b>
<b><u>Fuel oil swaps</u></b>		
- Less than 1 year	1,464,739	1,453,227
- 1 year to 3 years	651,737	649,114
- More than 3 years	144,456	143,997
<b><u>Currency forwards</u></b>		
- Less than 1 year	1,530,260	1,533,255
- 1 year to 3 years	726,547	728,776
- More than 3 years	199,004	197,233
<b><u>Interest rate swaps</u></b>		
- Less than 1 year	283,577	279,923

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance acquisition of subsidiaries and for the construction of property, plant and equipment.

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes: - continued**

## (b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period ended 31 March 2014 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current year quarter 3 months to 31.03.2014	Current year to date 9 months to 31.03.2014
			<b>RM'000</b>	<b>RM'000</b>
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of / (unfavourably) against the Group	5,556	9,711
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of the Group	(621)	12,927
Exchangeable bonds	Quoted market price	The quoted market price has decreased from the last measurement date	33,455	80,058
<b>Total</b>			<b>38,390</b>	<b>102,696</b>

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes: - continued**

## (c) Fair Value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (a) Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the statement of financial position:-

	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 March 2014</b>			
<b>Assets</b>			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	3,541	3,541
Derivative used for hedging	-	27,521	27,521
Available-for-sale financial assets	27,846	-	27,846
Total assets	<u>27,846</u>	<u>31,062</u>	<u>58,908</u>
<b>Liabilities</b>			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	4,588	4,588
Derivative used for hedging	-	81,888	81,888
Total liabilities	<u>-</u>	<u>86,476</u>	<u>86,476</u>

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes: - continued**

(d) Realised and Unrealised Profits or Losses

	<b>As at 31.03.2014 RM'000</b>	<b>As at 30.06.2013 RM'000</b>
Retained earnings of the Company and its subsidiaries		
- Realised	16,765,572	16,386,422
- Unrealised	(1,355,425)	(1,562,792)
	<u>15,410,147</u>	<u>14,823,630</u>
Total share of accumulated profit from associated companies and jointly controlled entity		
- Realised	1,524,374	1,622,684
- Unrealised	(233,903)	(140,136)
	<u>1,290,471</u>	<u>1,482,548</u>
Less: consolidated adjustments	(4,747,442)	(4,910,535)
	<u>11,953,176</u>	<u>11,395,643</u>

**B11. Material litigation**

There was no material litigation pending as at the date of this report.

**B12. Dividend**

The Board of Directors is pleased to declare a second interim single tier dividend of 10% or 1.0 sen per ordinary share of 10 sen each for the financial year ending 30 June 2014.

The book closure and payment dates in respect of the aforesaid dividend are 4 June 2014 and 19 June 2014, respectively.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B13. Earnings Per Share**

**i) Basic/diluted earnings per 10 sen share**

The basic earnings per share of the Group has been computed by dividing the net 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 as set out below:-

	<b>Current Year Quarter 31.03.2014</b>	<b>Preceding Year Corresponding Quarter 31.03.2013</b>
Profit attributable to owners of the parent (RM'000)	389,815	289,825
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,738,931	10,738,931
Shares repurchased	(374,677)	(373,344)
	10,364,254	10,365,587
Basic earnings per share (sen)	3.76	2.80

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**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes: - continued****B13. Earnings Per Share****ii) Diluted earnings per 10 sen share**

The diluted earnings per share of the Group has been computed by dividing the net 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 as set out below:-

	<b>Current Year Quarter 31.03.2014</b>	<b>Preceding Year Corresponding Quarter 31.03.2013</b>
Profit attributable to owners of the parent (RM'000)	389,815	289,825
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,364,254	10,365,587
Effect of unexercised employees share option scheme	-	-
	<u>10,364,254</u>	<u>10,365,587</u>
Diluted earnings per share (sen)	<u>3.76</u>	<u>2.80</u>

*Total cash expected to be received in the event of an exercise of all ESOS options is RM242.839 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM242.839 million resulting in an increase in NA per share of RM0.02. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds*

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 20 May 2014