

**YTL CORPORATION BERHAD**

Company No. 92647-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 June 2015**

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

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial year ended 30 June 2015.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	PRECEDING YEAR QUARTER	12 MONTHS ENDED	30.06.2014
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	4,115,753	4,606,907	16,821,576	19,269,237
COST OF SALES	(2,891,521)	(3,333,062)	(12,142,220)	(14,424,659)
GROSS PROFIT	1,224,232	1,273,845	4,679,356	4,844,578
OTHER OPERATING EXPENSES	(585,057)	(623,029)	(1,871,725)	(2,009,445)
OTHER OPERATING INCOME	127,886	199,442	422,547	850,544
<b>PROFIT FROM OPERATIONS</b>	767,061	850,258	3,230,178	3,685,677
FINANCE COSTS	(317,605)	(288,730)	(1,161,626)	(1,123,749)
SHARE OF RESULTS OF ASSOCIATED COMPANIES AND JOINT VENTURES	70,661	32,429	297,364	249,671
<b>PROFIT BEFORE TAXATION</b>	520,117	593,957	2,365,916	2,811,599
TAXATION	(87,130)	84,092	(606,348)	(206,669)
<b>PROFIT FOR THE PERIOD/YEAR</b>	432,987	678,049	1,759,568	2,604,930
<b>ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	298,928	354,067	1,069,735	1,554,980
NON-CONTROLLING INTERESTS	134,059	323,982	689,833	1,049,950
<b>PROFIT FOR THE PERIOD/YEAR</b>	432,987	678,049	1,759,568	2,604,930
<b>EARNINGS PER 10 SEN SHARE</b>				
Basic (Sen)	2.87	3.42	10.27	15.00
Diluted (Sen)	2.87	3.42	10.27	15.00

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PRECEDING YEAR			
	YEAR CORRESPONDING		12 MONTHS ENDED	
	QUARTER 30.06.2015 RM'000	QUARTER 30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
<b>PROFIT FOR THE PERIOD/YEAR</b>	432,987	678,049	1,759,568	2,604,930
<b>OTHER COMPREHENSIVE INCOME/(LOSS):</b>				
<i>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
REMEASUREMENT GAIN/(LOSS)	115,428	51,679	(103,848)	51,679
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT :-</i>				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	(1,090)	1,623	(1,515)	3,338
CASH FLOW HEDGES	148,063	6,332	(344,103)	19,138
FOREIGN CURRENCY TRANSLATION	816,531	56,859	1,353,501	696,561
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX</b>	1,078,932	116,493	904,035	770,716
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	1,511,919	794,542	2,663,603	3,375,646
<b>ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	898,873	425,374	1,520,036	1,977,071
NON-CONTROLLING INTERESTS	613,046	369,168	1,143,567	1,398,575
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	1,511,919	794,542	2,663,603	3,375,646

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statement.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	28,389,027	25,314,106
Investment properties	8,967,083	7,586,285
Investment in associated companies and joint ventures	1,897,069	1,675,749
Investments	262,342	192,605
Development expenditure	886,557	940,529
Intangible assets	5,772,224	5,013,992
Biological assets	1,798	1,798
Other receivables and other non-current assets	319,270	637,741
Derivative financial instruments	53,792	19,848
	<u>46,549,162</u>	<u>41,382,653</u>
<b>Current Assets</b>		
Inventories	776,810	773,878
Property development costs	1,849,493	1,530,598
Trade, other receivables and other current assets	3,667,775	3,451,830
Derivative financial instruments	85,243	30,590
Income tax assets	11,182	4,661
Amount due from related parties	42,510	42,173
Short term investments	632,106	609,531
Fixed deposits	13,398,908	11,907,881
Cash and bank balances	665,808	1,308,615
	<u>21,129,835</u>	<u>19,659,757</u>
<b>TOTAL ASSETS</b>	<u><u>67,678,997</u></u>	<u><u>61,042,410</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**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>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY</b>		
Share capital	1,079,399	1,073,893
Share premium	2,069,188	1,987,700
Other reserves	420,038	(111,478)
Retained profits	11,878,078	12,033,219
Less : Treasury shares, at cost	(596,574)	(596,570)
<b>Total Equity Attributable to</b>		
<b>Owners of the Parent</b>	14,850,129	14,386,764
<b>Non-Controlling Interests</b>	6,151,840	5,392,919
<b>TOTAL EQUITY</b>	<u>21,001,969</u>	<u>19,779,683</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long term payables and other non-current liabilities	742,337	711,767
Bonds & borrowings	32,956,988	28,188,999
Grants and contributions	1,348,336	347,207
Deferred tax liabilities	2,415,579	2,275,723
Provision for liabilities and charges	743,326	553,780
Derivative financial instruments	136,223	10,754
	<u>38,342,789</u>	<u>32,088,230</u>
<b>Current Liabilities</b>		
Trade, other payables and other current liabilities	3,287,893	3,345,240
Derivative financial instruments	304,311	77,831
Amount due to related parties	10,742	6,559
Bonds & borrowings	4,432,108	5,396,109
Income tax liabilities	253,242	316,850
Provision for liabilities and charges	45,943	31,908
	<u>8,334,239</u>	<u>9,174,497</u>
<b>TOTAL LIABILITIES</b>	46,677,028	41,262,727
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>67,678,997</u>	<u>61,042,410</u>
Net Assets per 10 share (RM)	<u>1.43</u>	<u>1.39</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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 2014	1,073,893	1,987,700	12,033,219	(596,570)	(111,478)	14,386,764	5,392,919	19,779,683
Profit for the year	-	-	1,069,735	-	-	1,069,735	689,833	1,759,568
Other comprehensive income/(loss)	-	-	(58,940)	-	509,241	450,301	453,734	904,035
Total comprehensive income for the year	-	-	1,010,795	-	509,241	1,520,036	1,143,567	2,663,603
Changes in composition of the Group	-	-	(181,417)	-	-	(181,417)	313,008	131,591
Conversion of ICULS	-	-	-	-	(30)	(30)	-	(30)
Dividend paid	-	-	(984,541)	-	-	(984,541)	(697,654)	(1,682,195)
Issue of share capital	5,506	81,488	-	-	-	86,994	-	86,994
Share option lapsed	-	-	22	-	(22)	-	-	-
Share options granted	-	-	-	-	7,074	7,074	-	7,074
Shares options granted by subsidiary	-	-	-	-	15,253	15,253	-	15,253
Share buyback	-	-	-	(4)	-	(4)	-	(4)
At 30 June 2015	1,079,399	2,069,188	11,878,078	(596,574)	420,038	14,850,129	6,151,840	21,001,969

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
**(Incorporated in Malaysia)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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 2013	1,073,893	1,987,700	11,201,379	(593,339)	(527,520)	13,142,113	2,042,832	15,184,945
Profit for the year	-	-	1,554,980	-	-	1,554,980	1,049,950	2,604,930
Other comprehensive income	-	-	29,857	-	392,234	422,091	348,625	770,716
Total comprehensive income for the year	-	-	1,584,837	-	392,234	1,977,071	1,398,575	3,375,646
Changes in composition of the Group	-	-	(493,877)	-	-	(493,877)	2,276,605	1,782,728
Dividend paid	-	-	(259,120)	-	-	(259,120)	(330,885)	(590,005)
Goodwill impairment	-	-	-	-	-	-	5,290	5,290
Treasury shares	-	-	-	(3,231)	-	(3,231)	-	(3,231)
Share options forfeiture	-	-	-	-	(502)	(502)	502	-
Share options granted	-	-	-	-	15,700	15,700	-	15,700
Share option granted by subsidiary	-	-	-	-	8,610	8,610	-	8,610
At 30 June 2014	1,073,893	1,987,700	12,033,219	(596,570)	(111,478)	14,386,764	5,392,919	19,779,683

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 2014 and the accompanying explanatory notes attached to the interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

	<b>12 MONTHS ENDED</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,365,916	2,811,599
Adjustment for :-		
Adjustments on fair value of investment properties	(38,950)	(447,530)
Write back for impairment of inventories	(928)	(1,180)
Amortisation of deferred income	(1,574)	(3,399)
Amortisation of grants and contributions	(8,468)	(9,757)
Amortisation of other intangible assets	70,892	47,776
Depreciation	1,692,918	1,561,281
Dividend income	(1,488)	(2,089)
Fair value changes of derivatives	(69,310)	(55,459)
Loss/(gain) on disposal of investments	719	(6,793)
Gain on disposal of property, plant and equipment	(29,606)	(6,402)
Impairment loss	70,804	290,269
Interest expense	1,161,626	1,123,749
Interest income	(266,220)	(211,244)
Provision for post-employment benefit	66,829	61,197
Provision for liabilities and charges	13,240	24,064
Share of results of associated companies and joint ventures	(297,364)	(249,671)
Unrealised loss/(gain) on foreign exchange - net	32,866	(25,720)
Other non cash items	16,126	(33,161)
<b>Operating profit before changes in working capital</b>	<b>4,778,028</b>	<b>4,867,530</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 - continued**

	<b>12 MONTHS ENDED</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Changes in working capital:-</b>		
Inventories	44,839	90,017
Property development costs	(247,195)	(101,222)
Receivables, deposits and prepayments	272,128	594,639
Payables and accrued expenses	(364,759)	61,371
Related parties balances	(3,845)	(27)
<b>Cash generated from operations</b>	<b>4,479,196</b>	<b>5,512,308</b>
Dividend received	655,895	302,438
Interest paid	(1,126,990)	(1,030,076)
Interest received	233,088	190,382
Payment to a retirement benefits scheme	(99,250)	(98,663)
Income tax paid	(747,856)	(570,109)
<b>Net cash from operating activities</b>	<b>3,394,083</b>	<b>4,306,280</b>
<b>Cash flows from investing activities</b>		
Acquisition of additional shares in existing subsidiaries	(159,993)	(418)
Acquisition of new subsidiaries (net of cash acquired)	(119,101)	71,064
Acquisition of associated companies	(1,587)	(8,137)
Development expenditure incurred	(21,579)	(21,689)
Grants received in respect of infrastructure assets	141,798	33,766
Proceeds from disposal of investments properties	741	32,583
Proceeds from disposal of property, plant & equipment	98,529	73,380
Proceeds from disposal of investments	1,046	65,541
Purchase of investment properties	(859,175)	(12,547)
Purchase of property, plant & equipment	(2,506,467)	(2,680,069)
Purchase of intangible assets	(91,374)	(74,308)
Purchase of investments	(81,178)	(38,969)
Other investing activities	(13,673)	(98)
<b>Net cash used in investing activities</b>	<b>(3,612,013)</b>	<b>(2,559,901)</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 - continued**

	<b>12 MONTHS ENDED</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(984,541)	(259,120)
Dividend paid to non-controlling interests by subsidiaries	(697,654)	(330,885)
Repurchase of own shares by the company (at net)	(4)	(3,231)
Repurchase of subsidiaries' shares by subsidiaries	(6)	(1,332,167)
Proceeds from borrowings	6,008,539	2,382,943
Proceeds from disposal of interest in subsidiaries to non-controlling interests	-	(2,240)
Proceeds from issue of shares in subsidiaries to non-controlling interests	365,612	108,247
Repayment of borrowings	(4,311,040)	(3,263,137)
<b>Net cash (used in)/from financing activities</b>	<u>380,906</u>	<u>(2,699,590)</u>
Net changes in cash and cash equivalents	162,976	(953,211)
Effects of exchange rate changes	752,492	359,764
Cash and cash equivalents at beginning of the financial year	<u>13,149,164</u>	<u>13,742,611</u>
Cash and cash equivalents at end of the financial year	<u><u>14,064,632</u></u>	<u><u>13,149,164</u></u>
<b>Cash and cash equivalent comprise :-</b>		
Fixed deposit with licensed bank	13,398,908	11,907,881
Cash and bank balances	665,808	1,308,615
Bank overdraft	(84)	(67,332)
	<u>14,064,632</u>	<u>13,149,164</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**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 2014.

**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 2014.

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:-

Malaysia Financial Reporting Standards (“MFRS Framework”)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called ‘Transitioning Entities’). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017. Early application of MFRS is permitted.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2018.

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

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**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.

**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 year to date, 55,059,789 ordinary shares of RM0.10 each was issued as a result of the conversion of USD26,200,000 exchangeable bonds.

During the current financial year to date, the Company repurchased 2,000 ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM1.73 per share. The total consideration paid for the share buy-back, including transaction costs during the current financial year to date amounted to RM3,465 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 30 June 2015, the total number of treasury shares held was 375,346,039 ordinary shares of RM0.10 each.

**A6. Dividend paid**

A third interim single tier dividend of 95% or 9.5 sen per ordinary share of RM0.10 amounting to RM984,540,740.09 in respect of financial year ended 30 June 2014 was paid on 14 November 2014.

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

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**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 year ended 30 June 2015 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
<b>External revenue</b>	85,061	6,172	2,857,294	903,292	458,297	760,213	11,751,247	-	16,821,576
<b>Inter-segment revenue</b>	211,098	81,360	31,262	196,980	378,582	9,447	6,773	(915,502)	-
<b>Total revenue</b>	296,159	87,532	2,888,556	1,100,272	836,879	769,660	11,758,020	(915,502)	16,821,576
<b>Segment results</b>									
Profit from operations	1,916	3,009	622,187	625,732	413,159	29,758	1,534,417	-	3,230,178
Finance costs									(1,161,626)
									2,068,552
Share of profit of associated companies									297,364
Profit before taxation									2,365,916

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

**A7. Segment Information - continued**

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

The Group's segmental result for the financial year ended 30 June 2014 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
<b>External revenue</b>	103,067	5,292	2,647,620	1,040,203	465,610	701,282	14,306,163	-	19,269,237
<b>Inter-segment revenue</b>	333,111	81,542	48,340	198,813	349,440	15,169	6,659	(1,033,074)	-
<b>Total revenue</b>	436,178	86,834	2,695,960	1,239,016	815,050	716,451	14,312,822	(1,033,074)	19,269,237
<b>Segment results</b>									
Profit/(loss) from operations	(20,699)	2,216	683,539	1,042,287	210,596	17,841	1,749,897	-	3,685,677
Finance costs									(1,123,749)
									2,561,928
Share of profit of associated companies									249,671
Profit before taxation									2,811,599

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## 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 financial year ended 30 June 2015, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 1 August 2014, YTL Communications Sdn Bhd (“YTL Comm”), a subsidiary of YTL Power International Berhad (“YTL Power”), completed the acquisition of a total of 1,500,000 ordinary shares of RM1.00 each in the capital of Konsortium Jaringan Selangor Sdn Bhd (“KJS”), representing 60% of the issued and paid-up share capital of KJS, from Kumpulan Darul Ehsan Berhad and Ingres Software (M) Sdn Bhd, for an aggregate consideration of RM49,800,000.00, in cash subject to adjustment, if any.

Consequent thereto, KJS became a 60% owned subsidiary of YTL Comm and an indirect subsidiary of YTL Power and the Company.

KJS is principally engaged in the business of planning, implementation and maintenance of telecommunication towers and telecommunication related services.

On 29 January 2015, YTL Comm entered into a Share Purchase & Option Agreement with Jati Fleet Systems Sdn Bhd (“Jati Fleet”) (“SPOA”) for:

- the sale by Jati Fleet to YTL Comm 500,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid up share capital of KJS (“Sale Shares”) at RM16,600,000 only, and
- the grant to each other respectively, a Call Option (as defined in the SPOA) in favour of YTL Comm, and a Put Option (as defined in the SPOA) in favour of Jati Fleet over 500,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid up share capital of KJS (“Option Shares”) at RM33.20 only per Option Share aggregating RM16,600,000 only for all of the Option Shares,

subject to the terms and conditions set out in the SPOA.

The acquisition by YTL Comm of the Sale Shares was completed on 4 March 2015. Consequent thereto, KJS became an 80%-owned subsidiary of YTL Comm and remain an indirect subsidiary of YTL Power and the Company.

- PowerSeraya Limited (“PowerSeraya”), an indirect wholly-owned subsidiary of YTL Power, which commenced member’s voluntary winding up pursuant to Section 290(1)(b) of the Companies Act (Cap 50) of Singapore (“the Act”) on 30 June 2012, held its final meeting and lodged the Return by Liquidator relating to the final meeting (“the Return”) with the Registrar of Companies, and Official Receiver of Singapore on 23 May 2014. In accordance with the Act, PowerSeraya was dissolved on the expiration of 3 months after lodgement of the Return i.e. on 23 August 2014.



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

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

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

- On 26 August 2014, Batu Tiga Quarry Sdn Bhd (“BTQ”), a subsidiary of YTL Cement Berhad (“YTL Cement”), acquired a total of 100 ordinary shares of RM1.00 each in the capital of Mobijack Sea Sdn Bhd (“Mobijack”), representing 100% of the issued and paid-up share capital of Mobijack, for a total cash consideration of RM5,250,001.00. As a result, Mobijack became a wholly owned subsidiary of BTQ and indirect subsidiary of YTL Cement and the Company. Mobijack will be principally involved in granite quarrying business.
- On 12 September 2014, YTL Vacation Club Berhad (“YTLVC”), a wholly-owned subsidiary of the Company, which is dormant, has been placed under member’s voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.

On 14 August 2015, the Liquidator convened a Final Meeting to conclude the Member’s Voluntary Winding-Up of YTLVC.

A Return by Liquidator Relating to Final Meeting was lodged with the Companies Commission of Malaysia and the Official Receiver on 17 August 2015 (“Lodgement Date”). Pursuant to Section 272(5) of the Companies Act, 1965, YTLVC will be dissolved on the expiration of 3 months of the Lodgement Date.

- On 23 October 2014, YTL Jawa Power Holdings Limited, a wholly-owned subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as YTL Jawa Energy B.V. (“YTL Jawa Energy”) in The Netherlands with an issued and paid-up share capital of EUR10,000 comprising 10,000 shares with a nominal values of EUR1.00 each. As a result, YTL Jawa Energy has become an indirect wholly-owned subsidiary of the Company. YTL Jawa Energy will be principally involved in investment holding.
- On 26 November 2014, Wessex Water Enterprises Limited, an indirect wholly-owned subsidiary of Wessex Water Limited (“WWL”) and YTL Power, acquired the entire issued capital of 1 ordinary share of the nominal value of GBP1 in NES (South West) Limited (“NES (SW)”) from New Earth Solutions (Bristol) Limited for GBP1. As a result, NES (SW) became an indirect wholly-owned subsidiary of YTL Power and the Company. NES (SW) is principally involved in waste disposal.
- On 3 December 2014, YTL Cement Singapore Pte Ltd (“YTL Cement Singapore”), a wholly-owned subsidiary of YTL Cement, acquired 30,000,000 ordinary shares in Sin Heng Chan (Singapore) Pte Ltd (“SHC (Singapore)”), representing 100% of the issued and paid-up capital of SHC (Singapore), for a total consideration of S\$24,734,274.00 (equivalent to RM64,969,517.52 based on Bank Negara Malaysia’s published middle rate of 2.6267 RM/SGD as at close of business on 3 December 2014)(“Acquisition”). As a result of the Acquisition, SHC (Singapore) became a wholly-owned subsidiary of YTL Cement Singapore and an indirect subsidiary of YTL Cement and the Company.

SHC (Singapore) is principally engaged in the business of cement terminal operation and trading in cement.

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

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT

#### Notes: - continued

- On 4 December 2014, YTL Jawa O & M Holdings Limited, a wholly-owned subsidiary of YTL Power, subscribed for the following shares :-
  - (a) 75 shares representing 75% of the issued share capital of Attarat Operation and Maintenance Company B.V. (“Attarat O&M Co”); and
  - (b) 50 shares representing 50% of the issued share capital of Attarat Mining Company B.V. (“Attarat Mining Co”).

As a result, Attarat O&M Co became an indirect subsidiary of YTL Power and the Company. Attarat Mining Co became a joint venture company.

Concurrently, YTL Jawa Power Holdings Limited (“YTLJPH”), another wholly-owned subsidiary of YTL Power, subscribed for 30 shares representing 30% of the issued share capital of Attarat Power Holding Company B.V. (“Attarat Power Holding”). As a result, Attarat Power Holding became an associated company of YTLJPH and YTL Power.

Attarat O&M Co, Attarat Mining Co and Attarat Power Holding were incorporated in the Netherlands, each with an issued share capital of USD100 comprising 100 shares with a nominal value of USD1.00 each.

Attarat O&M Co, Attarat Mining Co and Attarat Power Holding will be principally involved in operating and maintaining power plants, mining activities, and investment holding respectively.

- On 17 December 2014, YTL Power Investments Limited (“YTLPIIL”), an indirect wholly-owned subsidiary of YTL Power and immediate holding company of Frog Education Limited (“Frog Ed”), agreed with all the other shareholders of Frog Ed (holding the remaining 42.4% of the issued and paid up capital of Frog Ed) (“Other Shareholders”) (YTLPIIL and Other Shareholders collectively referred to as the “Shareholders”) to reorganise Frog Ed (“Re-organisation”).

The Re-organisation involves the transfer of the Shareholders’ existing shareholdings in Frog Ed to Frog Education Group Limited (“Frog Ed Grp”) in exchange for the issue of shares in the capital of Frog Ed Grp of the same number and class and therefore, in the same proportion, as the Shareholders currently hold in Frog Ed.

As a result of the Re-organisation,

- Frog Ed became a wholly-owned subsidiary of Frog Ed Grp;
- Frog Ed Grp became a subsidiary of YTLPIIL and indirect subsidiary of YTL Power;
- Frog Ed remains effectively, a 57.6%-owned subsidiary of YTL Power.

Frog Ed Grp is an investment holding company whilst Frog Ed is principally involved in the business of providing internet services, including the development and provision of education learning platforms.

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

(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT**

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

- On 18 December 2014, Frog Ed Grp completed the acquisition of 980 ordinary share, representing 49% of the issued and paid-up share capital (being the remaining equity stake not held by Frog Ed) of I Education Ltd (“I Ed”) for a total consideration of £980,000 satisfied via the payment of £530,094.92 in cash and £449,905.08 by the issue of 3,846 (non-voting) B Ordinary Shares in Frog Ed Grp. As a result, I Ed became an indirect wholly-owned subsidiary of YTL Power and the Company.
- On 29 December 2014, YTL Cement (Hong Kong) Limited (“YTL Cement HK”), a wholly-owned subsidiary of YTL Cement, acquired 1 ordinary share in Hopefield Enterprises Limited (“Hopefield”), representing 100% of the issued and paid-up capital of Hopefield, for a cash consideration of HK\$1.00. As a result, Hopefield became a wholly-owned subsidiary of YTL Cement HK and an indirect subsidiary of YTL Cement and the Company. Hopefield will be principally involved in investment holding.
- On 4 February 2015, YTL Comm, a subsidiary of YTL Power, acquired/subscribed for a total of 4,000,000 ordinary shares, representing 80% of the issued and paid-up share capital of YTL Broadband Sdn Bhd (formerly known as Y Concept Sdn Bhd) (“YTL Broadband”) at par value of RM1.00 per share. As a result, YTL Broadband became a subsidiary of YTL Comm and an indirect subsidiary of YTL Power and the Company. YTL Broadband will be principally involved in the marketing or sale of fibre broadband services to homes and business.
- On 1 April 2015, YTL Cement incorporated a wholly-owned subsidiary known as YTL Cement (Philippines) Holdings Pte Ltd (“YTLCP”) in Singapore with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTLCP will be principally involved in investment holding.
- On 23 April 2015, Frog Ed transferred all its shares in I Education Limited, comprising 1,020 ordinary shares of 5 pence each and representing 51% of the issued and paid-up share capital in I Ed to Frog Ed Grp, the holding company of Frog Ed, by way of a dividend in specie declaration by Frog Ed to Frog Ed Grp (“Re-organisation”). As a result of the Re-organisation, I Ed became a direct wholly-owned subsidiary of Frog Ed Grp and remain an indirect subsidiary of YTL Power and the Company.
- On 19 May 2015, YTL Cement incorporated a wholly-owned subsidiary known as YTL Cement (Cambodia) Holdings Pte Ltd (“YTLCC”) in Singapore with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTLCC will be principally involved in investment holding.
- On 4 June 2015, YTL Cement and its wholly-owned subsidiary, YTL Cement (Myanmar) Holdings Pte Ltd incorporated a subsidiary known as YTL Cement Myanmar Company Limited (“YTLCMC”) in the Republic of the Union of Myanmar with an issued and paid-up share capital of USD1,000,000 comprising 1,000,000 ordinary shares of USD1.00 each. YTLCMC will be principally engaged in the business of manufacturing of Ordinary Portland Cement, Portland Composite Cement and other cement products.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- On 26 June 2015, YTL Power entered into a sale and purchase agreement with its wholly-owned subsidiary, YTL Power Generation Sdn Bhd (“YTLPG”), for the acquisition of 3 ordinary shares of GBP1.00 each and 45,000 ordinary shares of USD1.00 each, representing the entire issued and paid-up share capital of YTL Utilities Limited (“YTL Utilities”) from YTLPG for a consideration of RM9,000,000,000, subject to the terms and conditions as set out in the agreement (“Re-organisation”). As a result of the Re-organisation, YTL Utilities will become a direct wholly-owned subsidiary of YTL Power and remains as an indirect subsidiary of the Company.

**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 2014.

**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 8 July 2015, YTL Utilities (UK) Limited (“YTLU”), an indirect wholly-owned subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as YTL Property Holdings (UK) Limited (“YTLPUK”) in England and Wales with an issued share capital of GBP1.00 comprising 1 ordinary share of the nominal value of GBP1.00. YTLPUK is intended to be principally involved in investing in development land in UK.
- YTL Power had on 10 July 2014 and 13 July 2015, respectively, incorporated the following wholly-owned subsidiaries in the Republic of Cyprus:-
  - (i) YTL Jordan Services Holdings Limited (“YTLJSH”)
  - (ii) YTL Jordan Power Holdings Limited (YTLJPH”)

Both YTLJSH and YTLJPH were incorporated with an authorized share capital of EUR5,000 divided in 5,000 shares of EUR1.00 each and issued share capital of EUR1,000 comprising 1,000 ordinary shares of EUR1.00 each.

YTLJSH and YTLJPH will be principally involved in investment holding.

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

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- On 15 July 2015, YTL Jawa Energy B.V. (“YTLJE”), an indirect wholly-owned subsidiary of YTL Power, entered into an agreement with the sellers (“Sellers”) listed in the table below (“SPA”), for the acquisition of a total 2,000,000 ordinary shares of the nominal value of USD1 each in the capital of P.T. Tanjung Jati Power Company (“TJPC”), representing 80% of the issued and paid-up share capital of TJPC, for an aggregate consideration of USD2,000,000.00 in cash (being the nominal value of the shares), subject to the terms and conditions set out in the SPA (“Proposed Acquisition”).

<u>Name of Seller</u>	<u>Number of ordinary shares disposed</u>
P.T. Bakrie Power	750,000
TJA Power Corporation (Asia) Ltd	<u>1,250,000</u>
TOTAL	<u>2,000,000</u>

Upon completion of the Proposed Acquisition, TJPC will become a subsidiary of YTLJE and an indirect subsidiary of YTL Power and the Company.

TJPC was incorporated in Indonesia in April 1997 to undertake the development of a 2 x 660MW power project in Java known as Tanjung Jati ‘A’ Coal Fired Independent Power Project.

- On 17 August 2015, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as Monkey Island Properties Limited (“MIPL”) in England and Wales with an issued share capital of GBP1.00 comprising 100 ordinary share of the nominal value of GBP0.01. MIPL will be principally involved in investment and property holding.

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

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**INTERIM FINANCIAL REPORT****Notes: - continued****Disclosure requirements per Part A of Appendix 9B of the Bursa Securities Main Market Listing Requirements****B1. Review of Performance**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Construction	14,167	23,368	85,061	103,067
Information technology & e-commerce related business	573	781	6,173	5,292
Cement Manufacturing & trading	768,395	695,820	2,857,294	2,647,620
Property investment & development	243,914	225,663	903,292	1,040,203
Management services & others	134,405	197,067	458,296	465,610
Hotels	155,571	154,285	760,213	701,282
Utilities	2,798,728	3,309,923	11,751,247	14,306,163
	<u>4,115,753</u>	<u>4,606,907</u>	<u>16,821,576</u>	<u>19,269,237</u>
<b>Profit before tax</b>				
Construction	1,173	(6,684)	1,910	(20,708)
Information technology & e-commerce related business	(492)	(193)	3,003	2,204
Cement Manufacturing & trading	189,709	201,049	600,457	664,012
Property investment & development	57,266	258,627	466,554	888,782
Management services & others	30,126	(149,621)	37,200	(141,343)
Hotels	(21,319)	(14,484)	19,676	4,312
Utilities	263,654	305,263	1,237,116	1,414,340
	<u>520,117</u>	<u>593,957</u>	<u>2,365,916</u>	<u>2,811,599</u>

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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

For the current quarter under review, the Group has recorded a decrease in revenue from RM4,606.9 million to RM4,115.8 million, representing a decrease of 10.7%. The Group profit before tax for the current financial quarter was RM520.1 million, a decrease of RM73.8 million or 12.4% as compared to a profit of RM594.0 million in the preceding year corresponding quarter.

For the year ended 30 June 2015, the Group revenue and profit before tax decreased to RM16,821.6 million and RM2,365.9 million, representing a decrease of 12.7% and 15.9% when compared to RM19,269.2 million and RM2,811.6 million, respectively recorded in the preceding year.

Performance of the respective operating business segments for the financial period/year ended 30 June 2015 as compared to the preceding year are analysed as follows:

Construction

Revenue for the current quarter under review decreased by 39.4% to RM14.2 million from RM23.3 million whilst profit before tax has improved by 117.5% to RM1.2 million from loss before tax of RM6.7 million when compared to the preceding year corresponding quarter.

For the current financial year, revenue decreased to RM85.1 million from RM103.1 million, representing a decrease of 17.4% whilst profit before tax has improved by 109.2% to RM1.9 million from loss before tax of RM20.7 million when compared to the preceding year.

The decrease in revenue was mainly due to lower revenue recognition of construction contracts whilst the improvement in profit before tax relates to better contract margin recorded by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd.

Information technology & e-commerce related business

For the current quarter under review, revenue decreased by 26.7% to RM0.6 million from RM0.8 million whilst loss before tax was increased by 155.1% to RM0.5 million from RM0.2 million when compared to the preceding year corresponding quarter. The decrease in revenue and increase in loss before tax were mainly due to lower digital media advertising income recorded during the current quarter as compared to the preceding year's corresponding quarter.

For the current financial year under review, revenue and profit before tax increased to RM6.2 million and RM3.0 million, representing an increase of 16.6% and 36.2% when compared to RM5.3 million and RM2.2 million, respectively recorded in the preceding year. The increase in revenue and profit before tax were mainly due to higher digital media advertising revenue and higher interest income earned on cash deposits.

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

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### INTERIM FINANCIAL REPORT

#### Notes – continued

##### Cement Manufacturing & trading

Revenue for the current quarter under review increased to RM768.4 million, representing an increase of 10.4% from RM695.8 million whilst profit before tax has decreased by RM11.3 million or 5.6%, from RM201.0 million to RM189.7 million when compared to preceding year corresponding quarter.

For the current financial year, revenue increased to RM2,857.3 million from RM2,647.6 million, representing an increase of 7.9% whilst profit before tax decreased to RM600.5 million from RM664.0 million, representing a decrease of 9.6% when compared to preceding year.

The increase in revenue was contributed by concrete, quarry businesses and consolidation of a subsidiary's revenue acquired during the year whilst decrease in profit before tax was substantially attributed to the intense competition and higher production costs in the cement division.

##### Property investment & development

For the current quarter under review, revenue increased to RM243.9 million, representing an increase of 8.1% from RM225.7 million, whilst profit before tax decreased to RM57.3 million from RM258.6 million, representing 77.9% as compared to the preceding year corresponding quarter ended 30 June 2014.

For the current financial year, revenue and profit before tax decreased to RM903.3 million and RM466.5 million, representing a decrease of 13.2% and 47.5% from RM1,040.2 million and RM888.8 million, respectively recorded in the preceding year.

The decrease in revenue and profit before tax were mainly attributable to the completion of the Capers project undertaken by Sentul Raya Sdn Bhd in the second quarter of the financial year, the absence of sales of completed properties by Sandy Island Pte. Ltd. and lower net fair value gain on investment properties contributed by Starhill Global Real Estate Investment Trust ("SGREIT") in the current financial year.

##### Management services & others

Revenue for the current quarter under review decreased by 31.8% to RM134.4 million from RM197.1 million whilst profit before tax has improved to RM30.1 million from loss before tax of RM149.6 million when compared to the preceding year corresponding quarter, representing an increase of 120.1%. The decrease in revenue was mainly due to lower sales attributable by YTL Power Services Sdn Bhd ("YTLPS") whilst the improvement in profit before tax was mainly due to lower overhead costs incurred by YTLPS during the current quarter.

For the current financial year, revenue decreased to RM458.3 million from RM465.6 million, representing a decrease of 1.6% whilst profit before tax has improved to RM37.2 million from loss before tax of RM141.3 million, representing an improved of 126.3% when compared to preceding year. Despite the lower revenue as highlighted above, the higher profit before tax relates to higher interest income, lower development cost incurred and unrealized foreign exchange gain recorded by YTL Power Group.



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

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

Hotels

Revenue for the current quarter under review increased to RM155.6 million, representing an increase of 0.8% from RM154.3 million when compared to preceding year corresponding quarter. However, loss before tax has increased by RM6.8 million or 47.2% from RM14.5 million to RM21.3 million. The marginal increase in revenue was contributed by Thermae Development Company Limited, YTL Majestic Kuala Lumpur and Niseko Village K.K. (“NVKK”) whilst decrease in profit was attributable to higher advertising and promotional expenditures incurred by NVKK.

For the current financial year, revenue and profit before tax increased to RM760.2 million and RM19.7 million, representing an increase of 8.4% and 356.3% from RM701.3 million and RM4.3 million, respectively recorded in the preceding year. The increase in revenue and profit before tax were contributed by companies as mentioned above. In addition, higher unrealised foreign exchange gain on inter-company balances also contributed to the higher profit during the current financial year.

Utilities

Revenue and profit before tax for the current quarter under review decreased to RM2,798.7 million and RM263.6 million from RM3,309.9 million and RM305.3 million, representing a decrease of 15.4% and 13.6% respectively when compared to preceding year corresponding quarter ended 30 June 2014. The decrease in revenue and profit before tax were mainly due to lower units of electricity sold, coupled with lower price from retail contracts under the multi utilities business division. In addition, lower generation of electricity and higher depreciation charge in power generation division also recorded a lower profit before tax.

For the current financial year, revenue and profit before tax decreased to RM11,751.3 million and RM1,237.1 million, representing a decrease of 17.9% and 12.5% from RM14,306.2 million and RM1,414.3 million respectively, as compared to the preceding year. The decrease in revenue and profit before tax were mainly due to lower sales and profit by multi utilities division as mentioned above.

The Utilities segment contributes to 69.9% and 52.3% 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 30.06.2015 RM'000</b>	<b>Preceding Quarter 31.03.2015 RM'000</b>
Revenue	4,115,753	4,000,185
Profit before taxation	520,117	621,124
Profit attributable to owners of the parent	298,928	233,172

For the current financial quarter, the Group revenue increased to RM4,115.8 million from RM4,000.2 million, representing an increase of 2.9% whilst profit before tax decreased to RM520.1 million from RM621.1 million, representing a decrease of 16.3% when compared to the preceding quarter ended 31 March 2015.

The increase in revenue was principally attributable to higher sales recorded in the multi utilities division whilst the decrease in profit before tax was mainly due to higher depreciation charge in power generation division and lower margin recorded in multi utilities business division. In addition, net revaluation loss on investment property incurred by SGREIT also contributed to the decrease in profit before tax.

**B3. Audit Report of the preceding financial year ended 30 June 2014**

The Auditors' Report on the financial statements of the financial year ended 30 June 2014 did not contain any qualification.

**B4. Prospects**

Construction

The construction segment is expected to achieve satisfactory performance for the financial year ending 30 June 2016 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 2016 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 2016.

Property investment & development

This segment is expected to achieve satisfactory performance for the financial year ending 30 June 2016 through the property development activities undertaken by its subsidiaries and joint venture.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

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 2016 is expected to remain satisfactory.

Utilities

The current power purchase agreement of YTL Power Generation Sdn Bhd (“YTLPG”) will be expiring on 30 September 2015. YTLPG has been selected as a successful bidder for supply of power from the existing facility in Paka under the short term capacity bid called by the Malaysian Energy Commission. The discussion on the terms and conditions is currently ongoing and on completion, a new Power Purchase Agreement is expected to be signed for the period from 1<sup>st</sup> March 2016 to 31<sup>st</sup> December 2018.

As for the Multi Utilities (Merchant) division, the excess generation capacity in the electricity market of Singapore coupled with lower vesting volumes, would continue to add pressure to both margins and sales volume for the next financial year. Nevertheless, this division would continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

As for water & sewerage division, the 2015-20 price determination by the water industry regulator Ofwat is challenging in that there will be reduction in both prices charged to customers and return on cost of capital. However, Wessex Water which operates under a strict regulatory regime has met all of its regulatory targets and is at the top of the regulator’s league table for customer service. Hence, management is confident of delivering its 2015-20 regulatory outperformance target.

Despite the challenging market in the telecommunications industry, this 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.

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**INTERIM FINANCIAL REPORT**

Notes – continued

**B6. Profit for the period/year**

	<b>Current Quarter 30.06.2015 RM'000</b>	<b>Year To Date 30.06.2015 RM'000</b>
<b>Profit for the period/year is stated after charging/(crediting):</b>		
Adjustments on fair value of investment properties	49,790	(38,950)
Amortisation of grant and contributions	(1,183)	(8,468)
Amortisation of deferred income	1,751	(1,574)
Amortisation of other intangible assets	17,028	70,892
Depreciation of property, plant and equipment	515,443	1,692,918
Fair value changes of derivatives	2,302	(69,310)
Gain on disposal of property, plant and equipment	(2,751)	(29,606)
(Gain)/loss on foreign exchange	(23,265)	22,016
Impairment loss on receivables - net of reversal	11,771	69,231
Interest income	(76,824)	(266,220)
Interest expense	317,605	1,161,626
Provision for liabilities and charges	1,580	13,240
Write back for impairment of inventories	<u>(1,673)</u>	<u>(928)</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 30.06.2015 RM'000</b>	<b>Year To Date 30.06.2015 RM'000</b>
In respect of current period/year		
- Income tax	129,908	640,735
- Deferred tax	(36,352)	(38,453)
In respect of prior period/year		
- Income tax	(9,821)	671
- Deferred tax	3,395	3,395
	<u>87,130</u>	<u>606,348</u>

The effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter is lower whereas that of the financial year to date is higher mainly due to income subjected to different tax jurisdictions and expenses not deductible for tax purposes, partially offset by income not subjected to tax.

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**Notes – continued**

**B8. Corporate Developments**

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

As at 20 May 2015, 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 YTL Hospitality 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 and 28 May 2014, an application was submitted by the Manager of YTL Hospitality REIT to the Securities Commission Malaysia (“SC”) and Bursa Malaysia Securities Berhad (“Bursa Securities”) respectively, 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 (“Extension of Time”). SC and Bursa Securities had vide their letter dated 23 May 2014 and 12 June 2014 approved the Extension of Time.

On 21 November 2014 and 26 November 2014, a further application was submitted to the SC and Bursa Securities respectively, to seek a further extension of time of six (6) months from 30 December 2014 until 29 June 2015 to complete the Placement and Increase in Fund Size (“Second Extension of Time”). SC and Bursa Securities had vide their letter dated 2 December 2014, respectively approved the Second Extension of Time.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****Notes – continued****B8. Corporate Developments - continued**

Further applications were submitted to the SC and Bursa Securities on 14 May 2015 to seek an extension of time of six (6) months from 30 June 2015 to 29 December 2015 to complete the Placement and Increase in Fund Size (“Further Extension of Time”). SC and Bursa Securities had vide their letter dated 21 May 2015 and 27 May 2015 approved the Further Extension of Time.

**B9. Group Borrowings and Debt Securities**

Particulars of the Group’s borrowings and debts securities as at 30 June 2015 are as follows:-

	Short term		Long term		Total
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	
Secured	-	678,063	-	5,504,437	6,182,500
Unsecured	348,390	3,405,655	16,555,978	10,896,573	31,206,596
<b>Total</b>	<b>348,390</b>	<b>4,083,718</b>	<b>16,555,978</b>	<b>16,401,010</b>	<b>37,389,096</b>

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

In Singapore Dollar ('000)	2,266,522
In US Dollar ('000)	679,750
In Sterling Pound ('000)	1,944,780
In Japanese Yen ('000)	10,310,000
In Thai Baht ('000)	322,000

Save for the borrowings of RM242.4 million, Thai Baht 322.0 million and Yen 10.3 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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**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 30 June 2015, 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	1,482,446	1,198,922
- 1 year to 3 years	610,925	492,694
- More than 3 years	31,102	24,149
<b><u>Currency forwards</u></b>		
- Less than 1 year	1,428,247	1,491,618
- 1 year to 3 years	692,218	723,050
- More than 3 years	56,731	59,066

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.

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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**INTERIM FINANCIAL REPORT**

**Notes – continued**

(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 30 June 2015 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 30.06.2015	Current year to date 12 months to 30.06.2015
			<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 (unfavourably against)/ in favour of the Group	(34,356)	3,717
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/(unfavourably against) the Group	176,905	(23,482)
Exchangeable bonds	Quoted market price	The quoted market price has decreased from the last measurement date	1,221	61,757
Total			143,770	41,992

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**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>30 June 2015</b>			
<b>Assets</b>			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	5,501	5,501
Derivative used for hedging	-	133,534	133,534
Available-for-sale financial assets	28,846	-	28,846
Total assets	<u>28,846</u>	<u>139,035</u>	<u>167,881</u>
<b>Liabilities</b>			
Financial liabilities at fair value through profit and loss			
- Trading derivatives	-	17,818	17,818
Derivative used for hedging	-	422,716	422,716
Total liabilities	<u>-</u>	<u>440,534</u>	<u>440,534</u>

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(d) Realised and Unrealised Profits or Losses

	<b>As at 30.06.2015 RM'000</b>	<b>As at 30.06.2014 RM'000</b>
Retained earnings of the Company and its subsidiaries		
- Realised	17,774,344	16,791,495
- Unrealised	1,099,175	(467,772)
	<u>18,873,519</u>	<u>16,323,723</u>
Total share of accumulated profit from associated companies and joint ventures		
- Realised	1,356,007	1,323,531
- Unrealised	(160,260)	(145,205)
	<u>1,195,747</u>	<u>1,178,326</u>
Less: consolidated adjustments	(8,191,188)	(5,468,830)
	<u>11,878,078</u>	<u>12,033,219</u>

**B11. Pending Material litigation**

- (a) Subsequent to year end, an award was issued in favour of a subsidiary of the Group in arbitration proceedings against a gas supplier for recovery of sums over-invoiced by the gas supplier under the Agreement for the Sale and Purchase of Dry Gas dated 15 March 1993. On 29 July 2015, the gas supplier filed an Originating Summons to set aside or to vary the award under the relevant provisions of the Arbitration Act 2005, which is pending. The subsidiary will be challenging the Originating Summons following advice from its solicitors that there are no merits in the application.
- (b) During the financial year, a foreign subsidiary of the Group has filed proceedings in court against two related customers for damages for breach of contract. The customers have filed their defence and counter claim and the matter is now awaiting trial

**B12. Dividend**

The Board of Directors (“Board”) is pleased to declare an interim single tier dividend of 95% or 9.5 sen per ordinary share of 10 sen each for the financial year ended 30 June 2015.

The book closure and payment dates in respect of the aforesaid dividend are 7 October 2015 and 23 October 2015, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2015 (2014: nil).

**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 30.06.2015</b>	<b>Preceding Year Corresponding Quarter 30.06.2014</b>
Profit attributable to owners of the parent (RM'000)	298,928	354,067
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,793,991	10,738,931
Shares repurchased	(375,346)	(375,344)
	10,418,645	10,363,587
Basic earnings per share (sen)	2.87	3.42

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B13. Earnings Per Share**

**i) 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 30.06.2015</b>	<b>Preceding Year Corresponding Quarter 30.06.2014</b>
Profit attributable to owners of the parent (RM'000)	298,928	354,067
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,418,645	10,363,587
Effect of unexercised employees share option scheme	-	-
	<u>10,418,645</u>	<u>10,363,587</u>
Diluted earnings per share (sen)	<u>2.87</u>	<u>3.42</u>

*Total cash expected to be received in the event of an exercise of all ESOS options is RM237.361 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM237.361 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 August 2015