

**YTL CORPORATION BERHAD**

Company No. 92647-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 September 2011**

**YTL CORPORATION BERHAD**  
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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 period ended 30 September 2011.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2010 RM'000	3 MONTHS ENDED	
			30.09.2011 RM'000	30.09.2010 RM'000
<b>REVENUE</b>	4,543,049	4,405,049	4,543,049	4,405,049
<b>COST OF SALES</b>	(3,538,039)	(3,416,211)	(3,538,039)	(3,416,211)
<b>GROSS PROFIT</b>	1,005,010	988,838	1,005,010	988,838
<b>OTHER OPERATING EXPENSES</b>	(355,744)	(325,551)	(355,744)	(325,551)
<b>OTHER OPERATING INCOME</b>	81,287	141,469	81,287	141,469
<b>PROFIT FROM OPERATIONS</b>	730,553	804,756	730,553	804,756
<b>FINANCE COSTS</b>	(270,960)	(239,526)	(270,960)	(239,526)
<b>SHARE OF PROFITS OF ASSOCIATED COMPANIES</b>	70,550	58,586	70,550	58,586
<b>PROFIT BEFORE TAXATION</b>	530,143	623,816	530,143	623,816
<b>TAXATION</b>	(140,298)	(157,312)	(140,298)	(157,312)
<b>PROFIT FOR THE PERIOD</b>	389,845	466,504	389,845	466,504
<b>ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	251,833	278,906	251,833	278,906
<b>NON-CONTROLLING INTERESTS</b>	138,012	187,598	138,012	187,598
<b>PROFIT FOR THE PERIOD</b>	389,845	466,504	389,845	466,504
<b>EARNINGS PER 10 SEN SHARE*</b>				
Basic (Sen)	2.81	3.11*	2.81	3.11*
Diluted (Sen)	2.79	3.08*	2.79	3.08*

\* On 29 April 2011, the subdivision of the Company's ordinary shares of RM0.50 each into ordinary shares of RM0.10 each was completed with the listing of and quotation for the new shares on the Main Market of Bursa Malaysia Securities Berhad. The earnings per share calculated above is based on the subdivided shares of the Company.

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 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 COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2010 RM'000	3 MONTHS ENDED	
			30.09.2011 RM'000	30.09.2010 RM'000
<b>PROFIT FOR THE PERIOD</b>	389,845	466,504	389,845	466,504
<b>OTHER COMPREHENSIVE INCOME:</b>				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	(14,833)	6,151	(14,833)	6,151
CASHFLOW HEDGES	8,084	13,703	8,084	13,703
SHARE OF OTHER COMPREHENSIVE EXPENSE OF ASSOCIATED COMPANY	(14,857)	-	(14,857)	-
CURRENCY TRANSLATION DIFFERENCES	105,194	143,802	105,194	143,802
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	83,588	163,656	83,588	163,656
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	473,433	630,160	473,433	630,160
<b>ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	292,214	360,310	292,214	360,310
NON-CONTROLLING INTERESTS	181,219	269,850	181,219	269,850
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	473,433	630,160	473,433	630,160

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.09.2011</b>	<b>30.6.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	20,012,153	19,774,461
Investment properties	124,911	137,484
Investment in associated companies & joint controlled entity	2,822,462	2,854,405
Investments	663,466	696,606
Development expenditure	1,005,623	960,717
Intangible assets	4,561,559	4,569,986
Biological assets	1,128	1,128
Other receivables & other non-current assets	83,201	73,316
Derivative financial instruments	-	2,611
	<u>29,274,503</u>	<u>29,070,714</u>
<b>Current Assets</b>		
Inventories	841,445	835,802
Property development costs	1,496,789	1,485,700
Trade, other receivables & other current assets	3,562,136	3,911,601
Derivative financial instruments	136,966	95,904
Income tax assets	43,642	50,233
Amount due from related parties	28,197	21,798
Short term investments	559,319	554,925
Fixed deposits	12,313,817	11,478,146
Cash & bank balances	655,904	761,362
	<u>19,638,215</u>	<u>19,195,471</u>
<b>TOTAL ASSETS</b>	<u><u>48,912,718</u></u>	<u><u>48,266,185</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 2011 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 AS AT 30.09.2011 RM'000</b>	<b>AUDITED AS AT 30.6.2011 RM'000</b>
<b>EQUITY</b>		
Share capital	953,987	952,802
Share premium	1,327,333	1,317,192
Other reserves	(382,472)	(415,426)
Retained profits	9,611,293	9,233,901
Less : Treasury shares, at cost	(755,888)	(722,616)
<b>Total Equity Attributable to Owners of the Parent</b>	<u>10,754,253</u>	<u>10,365,853</u>
<b>Non-Controlling Interest</b>	<u>2,649,833</u>	<u>2,171,082</u>
<b>TOTAL EQUITY</b>	<u>13,404,086</u>	<u>12,536,935</u>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long term payables & other non-current liabilities	115,031	125,540
Bonds & borrowings	18,493,286	17,810,620
Deferred income	267,771	256,834
Deferred tax liabilities	2,837,586	2,785,365
Provision for liabilities & charges	139,207	132,769
Derivative financial instruments	-	19,989
	<u>21,852,881</u>	<u>21,131,117</u>
<b>Current Liabilities</b>		
Trade & other payables & other current liabilities	3,166,760	3,518,850
Derivative financial instruments	216,193	248,648
Amount due to related parties	13,685	3,501
Bonds & borrowings	9,847,683	10,440,536
Income tax liabilities	385,676	359,329
Provision for liabilities & charges	25,754	27,269
	<u>13,655,751</u>	<u>14,598,133</u>
<b>TOTAL LIABILITIES</b>	<u>35,508,632</u>	<u>35,729,250</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>48,912,718</u>	<u>48,266,185</u>
Net Assets per 10 sen share (RM)	<u>1.20</u>	<u>1.15</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 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 PERIOD ENDED 30 SEPTEMBER 2011**

	← Attributable to Owners of the Parent →					Total	Non-Controlling interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
<b>Group</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>
At 1.07.2011	952,802	1,317,192	9,233,901	(722,616)	(415,426)	10,365,853	2,171,082	12,536,935
Profit for the period	-	-	251,833	-	-	251,833	138,012	389,845
Other Comprehensive Income								
- Available-for-Sale Financial Assets					(18,368)	(18,368)	3,535	(14,833)
- Cash Flow Hedges					4,181	4,181	3,903	8,084
- Share of Other Comprehensive expense of associated company					(14,857)	(14,857)	-	(14,857)
- Currency Transilation Differences	-	-	-	-	69,425	69,425	35,769	105,194
Total Comprehensive Income for the period	-	-	251,833	-	40,381	292,214	181,219	473,433
Gain recognised on deemed dilution of interest in subsidiaries	-	-	2,140	-	-	2,140	(2,351)	(211)
Share buyback	-	-	-	(33,272)	-	(33,272)	-	(33,272)
Issue of share capital	1,185	10,141	-	-	-	11,326	-	11,326
Warrant reserve	-	-	-	-	1,746	1,746	-	1,746
Share options granted	-	-	-	-	383	383	-	383
Changes in composition of the Group	-	-	123,419	-	(9,556)	113,863	299,883	413,746
Balance at 30.09.2011	953,987	1,327,333	9,611,293	(755,888)	(382,472)	10,754,253	2,649,833	13,404,086

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 2011 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 PERIOD ENDED 30 SEPTEMBER 2010**

Group	Attributable to Owners of the Parent					Total	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	RM'000
At 1.07.2010								
As previously reported	950,109	1,292,354	8,814,835	(687,121)	(646,255)	9,723,922	1,701,456	11,425,378
Effects of adoption of FRS 139	-	-	(374,953)	-	(60,611)	(435,564)	-	(435,564)
At 1.07.2010, as restated	950,109	1,292,354	8,439,882	(687,121)	(706,866)	9,288,358	1,701,456	10,989,814
Profit for the period	-	-	278,906	-	-	278,906	187,598	466,504
Other Comprehensive Income	-	-	-	-	81,404	81,404	82,252	163,656
Total Comprehensive Income for the period	-	-	278,906	-	81,404	360,310	269,850	630,160
Equity component of Ex. Bonds	-	-	-	-	(45,000)	(45,000)	-	(45,000)
Gain recognised on deemed dilution of interest in subsidiaries	-	-	4,899	-	-	4,899	(4,957)	(58)
Share buyback	-	-	-	(6,398)	-	(6,398)	-	(6,398)
Distribution of treasury shares	-	-	-	-	-	-	-	-
Issue of share capital	123	1,043	-	-	-	1,166	-	1,166
Warrant reserve	-	-	-	-	(333)	(333)	-	(333)
Share options granted	-	-	-	-	1,682	1,682	-	1,682
Changes in composition of the Group	-	-	-	-	-	-	17,619	17,619
Balance at 30.09.2010	950,232	1,293,397	8,723,687	(693,519)	(669,113)	9,604,684	1,983,968	11,588,652

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 2011 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 PERIOD ENDED 30 SEPTEMBER 2011**

	<b>FOR THE 3 MONTHS ENDED</b>	
	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	723,252	973,061
Net cash used in investing activities	(325,245)	(97,289)
Net cash generated from financing activities	334,340	475,883
Net changes in cash and cash equivalents	732,347	1,351,655
Cash and cash equivalents brought forward	12,189,844	11,046,029
Cash and cash equivalents carried forward	<u>12,922,191</u>	<u>12,397,684</u>

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	12,313,817	11,888,701
Cash and bank balances	655,904	529,781
Bank overdraft	(47,530)	(20,798)
	<u>12,922,191</u>	<u>12,397,684</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 2011 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 2011.

**A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) 134, “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2010.

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 Interpretation Committee (“IC”) Interpretations that are applicable to the Group for financial period beginning 1 July 2011.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations does not have any significant impact to the financial statements of the Group.

**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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**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:-

- (i) During the current financial quarter and financial period to date, 11,851,300 ordinary shares of RM0.10 each were issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme (ESOS) at a weighted average exercise price of RM0.96 per share.
- (ii) During the current quarter and current financial period to date, the Company repurchased a total of 26,225,800 ordinary shares of RM0.10 each of its issued share capital from the open market for a total consideration including transaction costs of RM36,663,262, at an average cost of RM1.40 per share. The repurchase of shares were financed by internally generated funds.

**A6. Dividend paid**

There was no dividend paid during the current financial quarter ended 30 September 2011.

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**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 period ended 30 September 2011 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>	77,136	2,064	550,631	112,082	142,080	47,716	3,611,340	-	4,543,049
<b>Inter-segment revenue</b>	23,886	18,771	15,188	10,561	33,279	19,239	-	(120,924)	-
<b>Total revenue</b>	101,022	20,835	565,819	122,643	175,359	66,955	3,611,340	(120,924)	4,543,049
<b>Segment results</b>									
Profit from operations	25,496	909	112,470	23,978	67,509	(1,165)	501,356	-	730,553
Finance costs									(270,960)
									459,593
Share of profit of associated companies									70,550
Profit before taxation									530,143

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

**Notes: - continued**

**A7. Segment Reporting - continued**

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

The Group's segmental result for the financial period ended 30 September 2010 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>	61,708	3,910	468,457	246,708	106,161	59,772	3,458,333	-	4,405,049
<b>Inter-segment revenue</b>	2,874	1,985	68,622	12,265	64,000	883	-	(150,629)	-
<b>Total revenue</b>	64,582	5,895	537,079	258,973	170,161	60,655	3,458,333	(150,629)	4,405,049
<b>Segment results</b>									
Profit from operations	7,890	951	114,029	63,606	77,671	1,195	539,414	-	804,756
Finance costs									(239,526)
									565,230
Share of profit of associated companies									58,586
Profit before taxation									623,816

**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 30 September 2011, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 7 July 2011, YTL Power International Berhad (“YTL Power”) together with YTL Jawa Power Holdings Limited (“YTLJPHL”), an indirect wholly-owned subsidiary of the Company, entered into a share purchase agreement (“SPA”) with Marubeni Corporation (“Marubeni”) and Aster Power Holding B.V., a wholly-owned subsidiary of Marubeni, relating to the sale and purchase of 7,714 ordinary shares of EUR1.00 and certain Company Interests (as defined in the SPA) in YTL Jawa Power Holdings BV (“YTLJPH”) representing 15/35 or 42.86% equity interests in YTLJPH. The sale was completed on 15 August 2011.
- On 18 July 2011, YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of YTL Cement Berhad (“YTL Cement”), incorporated a wholly-owned subsidiary known as YTL Cement Terminal Services Pte Ltd (“YTL Cement Terminal Services”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL Cement Terminal Services will be principally involved in the operation of port terminal and specialize in handling of cementitious products.
- On 22 August 2011, YTL Cayman Limited (“YTL Cayman”), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value USD1.00 in YTL Property Investments Limited (“YTLPIIL”) at par value. As a result, YTLPIIL became a wholly-owned subsidiary of YTL Cayman and an indirect subsidiary of the Company. YTLPIIL will be principally involved in investment holding.
- On 29 September 2011, YTL Land & Development Berhad, incorporated a wholly-owned subsidiary, YTL Land & Development Management Pte Ltd (“YTL Land Management”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL Land Management will be principally involved in the provision of financial services and management consultancy services.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

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

There were no material events subsequent to the end of the current financial quarter that have been reflected in this interim financial report.

**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 4 October 2011, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, subscribed for the entire issued and paid-up share capital of EUR18,000.00 comprising 18,000 shares of EUR1.00 each in Bath Hotel & SPA B.V. (“Bath Hotel”). As a result, Bath Hotel has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company. Bath Hotel will be principally involved in investment holding.
- Wimax Capital Management Ltd (“WCM”), a 80% owned subsidiary of YTL e-Solutions Berhad (“YTLE”), had on 18 October 2011, been struck-off from the register of the Companies House of UK. Accordingly, WCM has ceased to be a subsidiary of YTLE and the Company.
- On 10 October 2011, YTL Power acquired 1 ordinary share in YTL Power Trading (Labuan) Ltd (“YTL Power Trading”) at USD1.00. As a result, YTL Power Trading became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company. YTL Power Trading will be principally involved in trading.
- On 27 October 2011, YTL Communication Sdn Bhd, a 60% owned subsidiary of YTL Power, incorporated a wholly-owned subsidiary, YTL Communications Pte Ltd (“YCPL”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YCPL will be principally involved in provision of software integration and technical services (inclusive of hardware, software and system maintenance).
- On 8 November 2011, Mayban Trustee Berhad (“MTB”), as the trustee for Starhill Real Estate Investment Trust (“Starhill REIT”) (“Trustee”) subscribed and held in trust for Starhill REIT, the entire issued and paid-up share capital of JPY1 comprising 1 share in Starhill REIT Niseko G.K (“Starhill REIT Niseko”). As a result, Starhill REIT Niseko has become a wholly-owned subsidiary of Starhill REIT and an indirect subsidiary of the Company. Starhill REIT Niseko will be principally involved in purchase, possession, disposal, lease and management of real properties.
- On 4 November 2011, the Disposals and the settlement of outstanding inter-company balances of the Subject Companies (except for AASB Disposal where the ASSB Agreement was terminated by mutual agreement on 27 October 2011) referred to under Note B9 have been completed. The sale shares of the Subject Companies (except for YTLW) were registered in the name of YTL Land on 14 November 2011.

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**Notes: - continued**

As a result, all the Subject Companies (except for YTLW) have become direct subsidiaries of YTL Land and remain indirect subsidiaries of the Company.

Please refer to Note B9 for further details.

- As part of the rationalization exercise to reposition Starhill REIT as a full-fledged hospital REIT, the acquisition of all the following hospitality assets (save for Hilton Niseko) by MTB, the trustee of Starhill REIT were completed on 15 November 2011:-

- (i) Cameron Highlands Resort;
- (ii) Vistana Penang; and
- (iii) Vistana Kuala Lumpur.
- (iv) Vistana Kuantan;
- (v) Residences@Ritz-Carlton;
- (vi) Ritz Carlton, Kuala Lumpur;
- (vii) Pangkor Laut Resort; and
- (viii) Tanjong Jara Resort.

Please refer to Note B9 for further details.

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**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**

The Group recorded a revenue for the current quarter of RM4,543.0 million representing an increase of 3.1%, whilst profit before taxation for the current financial quarter decreased to RM530.1 million representing a decrease of 15.0% when compared to the preceding year corresponding quarter ended 30 September 2010. The increase in revenue was mainly due to better performance in multi utilities business segment whilst the decrease in profit before taxation was substantially attributable to a loss of RM94.9 million recorded by the Mobile Broadband Network segment in current financial quarter whereas in preceding year corresponding quarter, this business segment has had yet to commence operation.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.09.2011 RM'000</b>	<b>Preceding Quarter 30.06.2011 RM'000</b>
Revenue	4,543,049	5,208,343
Profit before taxation	530,143	620,653
Profit attributable to owners of the parent	251,833	279,426

For the current financial quarter, Group revenue and profit before taxation decreased by 12.8% and 14.6% respectively when compared to the preceding quarter ended 30 June 2011.

The decrease in revenue and profit before taxation is mainly attributable to:

- i) a one-off accounting non-cash credit adjustment of RM64.0 million in the preceding quarter relating to full year effects on application of IC 12 Service Concession Arrangements from a foreign associated company;
- ii) a lower volume of electricity sales recorded by the Multi Utilities Business (Merchant) segment; and
- iii) unrealised foreign exchange losses, fair value loss on quoted investment and higher finance cost.

**B3. Audit Report of the preceding financial year ended 30 June 2011**

The Auditors' Report on the financial statements of the financial year ended 30 June 2011 did not contain any qualification.

**B4. Prospects**

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2012.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B5. Profit Forecast**

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

**B6. Taxation**

Taxation comprises the following:-

	<b>Current Quarter 30.09.2011 RM'000</b>	<b>Year To Date 30.09.2011 RM'000</b>
Taxation based on profit for the period	169,021	169,021
Deferred taxation	(28,723)	(28,723)
	<u>140,298</u>	<u>140,298</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate higher than the Statutory Income Tax Rate due to income subjected to different tax jurisdictions and expenses not deductible for tax purposes, partially offset by income not subjected to tax.

**B7. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investments or properties during current financial quarter.

**B8. Quoted Securities**

(a) Particulars of investment in quoted securities as at 30 September 2011:

	<b>RM'000</b>
- At cost	41,947
- At carrying value	69,937
- At market value	69,937
	=====

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B9. Corporate Developments**

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

As at 16 November 2011, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:-

- (i) On 23 November 2010, the following proposals were announced by the Company:-
  - (a) disposal of the entire equity interests of the Company in the following subsidiaries to YTL Land & Development Berhad (“YTL Land”) and the settlement of outstanding inter-company balances as at the latest practicable date preceding the relevant completion date (“Agreed Cut-Off Date”):-
    - (i) 100% equity interest in Arah Asas Sdn Bhd (“AASB”) (“AASB Disposal”)
    - (ii) 100% equity interest in Satria Sewira Sdn Bhd (“SSSB”) (“SSSB Disposal”)
    - (iii) 70% equity interest in Emerald Hectares Sdn Bhd (“EHSB”) (“EHSB Disposal”)
    - (iv) 100% equity interest in Pinnacle Trend Sdn Bhd (“PTSB”) (“PTSB Disposal”)
    - (v) 100% equity interest in Trend Acres Sdn Bhd (“TASB”) (“TASB Disposal”)
    - (vi) 100% equity interest in YTL Westwood Properties Pte Ltd (“YTLW”) (“YTLW Disposal”)
  - (b) disposal of 70% equity interest in the following companies by YTL Singapore Pte Ltd (“YTLS”), a wholly-owned subsidiary of the Company and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date
    - (i) Lakefront Pte Ltd (“LFPL”) (“LFPL Disposal”); and
    - (ii) Sandy Island Pte Ltd (“SIPL”) (“SIPL Disposal”)
  - (c) disposal of 100% equity interest in Budaya Bersatu Sdn Bhd (“BBSB”) by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), a wholly-owned subsidiary of the Company and the settlement of the outstanding inter-company balances as at the Agreed Cut-Off Date (“BBSB Disposal”); and
  - (d) disposal of six (6) parcels of agricultural land (“Bidor Land”) by YTL Land Sdn Bhd (“YLSB”), a wholly-owned subsidiary of the Company (“Bidor Land Disposal”).

(AASB, SSSB, EHSB, PTSB, TASB, YTLW, LFPL, SIPL and BBSB are collectively referred to as “Subject Companies”)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(YTL Corp, SPYTL, YTLS and YLSB are collectively referred to as “Vendors”)

(The disposals of the Subject Companies and the Bidor Land Disposal are collectively referred to as “Disposals”)

The total disposal consideration of RM476,053,870 for the Disposals and the settlement of the outstanding inter-company balances (“Total Consideration”) is to be satisfied by the issuance by YTL Land of RM253,030,390 nominal value of ten (10)-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks (“ICULS”) at 100% of nominal value of RM0.50 per ICULS (“ICULS Consideration Issue”) and the remaining RM223,023,480 in cash.

Save for the AASB Disposal, any adjustment to the disposal consideration (where applicable) shall be satisfied in a manner to be mutually agreed upon by the respective vendors and YTL Land.

Where applicable, the outstanding inter-company balances are subject to adjustment based on the difference between the following:

- (i) the outstanding inter-company balances as at 30 June 2010 or 31 August 2010 (where applicable); and
- (ii) the outstanding inter-company balances as at the Agreed Cut-Off Date to be mutually agreed upon by YTL Land and the respective Vendors,

to be mutually agreed upon by the Company and YTL Land and verified by Messrs HLB Ler Lum or such other firm of external accountants to be appointed and mutually agreed upon by YTL Land and the respective Vendors and shall be adjusted accordingly in cash.

YTL Land will undertake a renounceable rights issue of ICULS (“Rights Issue of ICULS”) to raise funds to partly satisfy the cash portion of the Total Consideration, whereby the Company shall undertake to subscribe in full for its entitlement under the Rights Issue of ICULS.

The ICULS Consideration Issue and Rights Issue of ICULS were approved by the Securities Commission (“SC”) vide its letter dated 8 February 2011 subject to the terms and conditions stated therein.

On 6 May 2011, the Company announced that there have been some material developments (“Material Developments”) to the Disposals arising from the reappraisal of the market value of each of the lands held by the Subject Companies and Bidor Land by Raine & Horne International Zaki + Partners Sdn Bhd and Robert Khan & Co Pte Ltd, with reference to a new material date of valuation of which forms the basis of the valuation certificate included in the circular to the shareholders of the Company and also the verbal clearance from the Asset Valuation Audit Department of SC.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Arising from the Material Developments, the following supplemental agreements were entered into with YTL Land to address the Material Developments:-

- (i) by the Company, a supplemental agreement to the SSSB Agreement in relation to the SSSB Disposal for the revision to the disposal consideration for the SSSB Disposal;
- (ii) by the Company, a supplemental agreement to the EHSB Agreement in relation to the EHSB Disposal for the revision to the disposal consideration for the EHSB Disposal;
- (iii) by YTLS, a supplemental agreement to the LFPL Agreement in relation to the LFPL Disposal for the revision to the disposal consideration for the LFPL Disposal and the incorporation of an adjustment revision;
- (iv) by YTLS, a supplemental agreement to the SIPL Agreement in relation to the SIPL Disposal for the incorporation of an adjustment revision; and
- (v) by YLSB, a supplemental agreement to the Bidor Land Agreement in relation to the Bidor Land Disposal for the revision to the disposal consideration for the Bidor Land Disposal.

Consequent to the Material Developments, the Total Consideration has been revised downwards from RM476,053,870 to RM474,289,212.

On 23 June 2011, the Company announced that the respective Vendors and YTL Land have mutually agreed to extend the period for the fulfilment of the conditions to the relevant agreements to expire on 23 November 2011.

On 8 August 2011, PTSB received a notice dated 4 August 2011 from the land administrator that an enquiry will be held on 8 September 2011 to hear all claims for compensation on the intended compulsory acquisition of a portion of Bukit Bintang Land 1 measuring approximately 76.23 m<sup>2</sup>, representing roughly 7.5% of the total land area, for the construction of the Klang Valley mass rail transit project.

On 15 August 2011, the Company announced that Raine & Horne International Zaki + Partners Sdn Bhd, the appointed valuer for the said Bukit Bintang Land 1, has assessed the effects of the intended compulsory acquisition in its letter dated 15 August 2011.

The Disposals were approved by the shareholders of the Company at the Extraordinary General Meeting (“EGM”) of the Company held on 16 August 2011.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

The Shareholders of YTL Land had on 16 August 2011 approved the acquisition and the settlement of outstanding inter-company balances of the Subject Companies and Bidor Land, the Rights Issue of ICULS, Share Premium Reduction (as defined below) and provision of financial assistance at the EGM.

On 25 August 2011, the Company and YTL Land had entered into a supplemental agreement to the PTSB Agreement, incorporating the relevant post compulsory acquisition adjustments in the event that a portion of Bukit Bintang Land 1 measuring approximately 76.23 square meters is compulsorily acquired by the relevant authorities pursuant to the Land Acquisition Act, 1960.

On 26 August 2011, YTL Land announced the following:-

- (i) fixing the basis for the renounceable rights issue of up to RM248,684,727 nominal value of ten (10)-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks (“ICULS”) at 100% of nominal value (“Rights ICULS”) at three (3) RM0.50 nominal value of ICULS for every five (5) existing YTL Land ordinary shares of RM0.50 each held on 14 September 2011 at 5.00 p.m. (“Entitlement Date”) and determined 26 August 2011 as the price-fixing date.
- (ii) YTL Land had entered into a trust deed constituting the Consideration ICULS (as defined below) and Rights ICULS with Mayban Trustees Berhad (“MTB”), the trustee who acts for the benefit of the holders of the said ICULS; and
- (iii) YTL Land entered into an underwriting agreement with Maybank IB, wherein Maybank IB agreed to underwrite all of the Rights ICULS, other than the Rights ICULS representing the entitlement of the Company under the Rights Issue of ICULS as at the Entitlement Date, for which the Company had, on 23 November 2010, provided an irrevocable written undertaking to subscribe in full for its entitlement of the Rights ICULS as at the Entitlement Date.

The Entitlement Date was subsequently revised from 14 September 2011 to 5 October 2011 (“New Entitlement Date”) to facilitate the application to the SC for the issuance of the RM253,030,090 nominal value of consideration ICULS (“Consideration ICULS”) and Rights ICULS under the new Private Debt Securities Guidelines (“New PDS Guidelines”) that came into effect on 12 August 2011.

SC had via letter dated 27 September 2011 approved the issuance of up to RM501,715,117 nominal value of ICULS.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

On 28 September 2011, YTL Land had entered into a supplemental trust deed and a supplemental underwriting agreement with MTB and Maybank IB respectively, to reflect the approval granted by SC under the New PDS Guidelines on the issuance of the ICULS and to take into consideration certain clarification issued by SC on 22 September 2011 with regards to the New PDS Guidelines.

The Abridged Prospectus in relation to the Rights Issue of ICULS, together with the Notice of Provisional Allotment and Rights Subscription Form, was duly registered with the SC and lodged with the Registrar of Companies on 4 October 2011.

On 27 October 2011, the Company and YTL Land have mutually agreed to terminate the AASB Agreement due to the consent from Keretapi Tanah Melayu Berhad for the transfer of the AASB's sale shares to YTL Land has not been obtained. ("Termination"). As a result of the Termination, there was a reduction of RM5,525,753 nominal value of ICULS in the total Consideration ICULS to be issued. The final Consideration ICULS was RM247,504,637 nominal value of ICULS instead of RM253,030,390 nominal value of ICULS.

As at the close of acceptance and payment for the Provisional Rights ICULS and application for the Excess Rights ICULS on 20 October 2011, YTL Land had received valid Provisional Rights ICULS acceptances and Excess Rights ICULS applications for a total of 359,520,738 Rights ICULS. This represented a subscription rate of approximately 72.3% over the total number of Rights ICULS available for subscription.

The High Court of Malaya had on 27 October 2011 granted an order confirming the share premium reduction of up to RM130.0 million with the credit arising therefrom utilized towards setting-off against the accumulated losses of YTL Land and estimated expenses in relation to the proposal ("Share Premium Reduction"). The sealed order was lodged with Companies Commission of Malaysia on 8 November 2011 and consequent thereto, the Share Premium Reduction took effect on 8 November 2011.

On 1 November 2011, YTL Land and YLSB had entered in a second supplemental agreement to the Bidor Land Agreement (as amended by a supplemental agreement dated 6 May 2011) to incorporate certain revision to the Bidor Land Agreement in relation to the Bidor Land Disposal.

On 4 November 2011, YTL Land announced the admission of RM496,189,011.50 nominal value of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of nominal value to the Official List, and the listing of the quotation for the said ICULS on the Main Market of Bursa Securities.

In conjunction therewith, the Disposals and the settlement of outstanding inter-company balances of the Subject Companies (save for the AASB Disposal and the settlement of outstanding inter-company balances of AASB where the AASB Agreement was terminated by mutual agreement on 27 October 2011) and the Right Issue of ICULS by YTL Land have been completed on 4 November 2011.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

The sale shares of the Subject Companies (save for YTLW) were registered in the name of YTL Land on 14 November 2011. The Subject Companies (save for YTLW) are now direct subsidiaries of YTL Land and indirect subsidiaries of the Company.

- (ii) On 14 December 2010, the following proposals were announced by the Company:-

YTL Land Sdn Bhd (“YTL Land”), Niseko Village K.K.(“NVKK”), Business & Budget Hotels (Penang) Sdn Bhd (“BBHP”) and Prisma Tulin Sdn Bhd (“PTSB”) (which are either direct or indirect subsidiaries of the Company), have entered into four (4) separate conditional sale and purchase agreements with Mayban Trustees Berhad (as the trustee of Starhill Real Estate Investment Trust (“Starhill REIT”)) (“Trustee”) for the disposal of the following properties (together with appurtenant assets) (“Properties 1”) for a total indicative disposal consideration of RM472.0 million (“Disposal Consideration”):-

- (i) Cameron Highlands Resort;
- (ii) Hilton Niseko;
- (iii) Vistana Penang; and
- (iv) Vistana Kuala Lumpur.

The disposals of the abovementioned properties are collectively referred to as “Disposals”.

On 14 December 2010, the Trustee had also entered in another five (5) separate conditional sale and purchase agreements with Business & Budget Hotels (Kuantan) Sdn Bhd (“BBHK”), Megahub Development Sdn Bhd (“MDSB”), East-West Ventures Sdn Bhd (“EWV”), Syarikat Pelanchongan Pangkor Laut Sendirian Berhad (“SPPL”) and Tanjong Jara Beach Hotel Sdn Bhd (“TJBH”) for the acquisition of the following properties (together with appurtenant assets) (“Properties 2”) for a total indicative purchase consideration of RM582.0 million (“Purchase Consideration”):-

- (i) Vistana Kuantan;
- (ii) Residences@Ritz-Carlton;
- (iii) Ritz Carlton, Kuala Lumpur;
- (iv) Pangkor Laut Resort; and
- (v) Tanjong Jara Resort.

The acquisition of the abovementioned properties are collectively referred to as “Acquisition”.

(Properties 1 and Properties 2 are collectively referred to as “Properties”)

(Disposal Consideration and Purchase Consideration are collectively referred to as “Total Consideration”)

(YTL Land, NVKK, BBHP, PTSB, BBHK, MDSB, EWV, SPPL and TJBH are collectively referred to as “Vendors”)



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(The Disposals and the Acquisition are collectively referred to as “Proposals”)

The Vendors (save for YTL Land, MDSB and SPPL) and Cameron Highlands Resort Sdn Bhd which is the current hotel operator for Cameron Highlands Resort have also on even date entered into six (6) separate lease agreements with the Trustee for the lease of the Properties which shall be effective upon the completion of the Proposals on the terms and conditions set out therein.

The Total Consideration of RM1,054.0 million is to be satisfied by:-

- (i) cash consideration of RM536.5 million (“Cash Consideration”);
- (ii) issuance of 145,500,000 new units in Starhill REIT at an issue price of RM1.00 per units (“Consideration Units”);and
- (iii) convertible preference units issued by Starhill Global Real Estate Investment Trust (“Starhill Global REIT”) of a value equivalent to RM372.0 million (“CPUs”).

The Total Consideration may vary due to the following:-

- (i) final exchange rate used for Hilton Niseko
- (ii) if the respective area of the sub-divided land(s) for Tanjong Jara Resort land Hilton Niseko differs from the agreed area; and
- (iii) any variation to the valuation of the Properties which the Securities Commission (“SC”) may impose to be agreed by the parties.

The Total Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the market value of the Properties ascribed by the Independent Valuers, Messrs Raine & Horne International Zaki + Partners Sdn Bhd and Savills Japan Co., Ltd.

SC approved Starhill REIT’s application for an extension of time until 28 June 2011 to comply with clauses 8.08, 8.22(b), (c) and (d) to the Guidelines on REITs via their letter dated 20 December 2010. SC had via its letter dated 16 June 2011 approved a further extension of time to 28 December 2011 to complete the Proposals.

Bursa Securities had via their letter dated 12 January 2011 approved Starhill REIT’s application for an extension of time until 28 June 2011 to complete the Proposals. A further extension of time to 28 December 2011 for the completion of the Proposals was obtained from Bursa Securities via its letter of 13 July 2010.

On 23 June 2011, the respective Vendors and the Trustee have mutually agreed to extend the period to satisfy the conditions precedent of the respective sale and purchase agreements to expire on 14 December 2011.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

On 11 July 2011, the Trustee and TJBH had entered into a supplemental agreement to the sale and purchase agreement dated 14 December 2010, entered into between the Trustee and TJBH, to set out the terms and conditions arising from a fire at Tanjong Jara Resort on 15 June 2011 which had damaged one block of the buildings comprising 12 room/villas.

Starhill REIT had obtained the following approvals:-

- a. Approval from SC via letter dated 24 August 2011 on the following:-
  - (i) The proposed issuance of 145,500,000 Consideration Units by Starhill REIT;
  - (ii) The valuations of (i) Vistana Kuantan, (ii) Residences@Ritz-Carlton, (iii) Ritz Carlton, KL, (iv) Pangkor Laut Resort and (v) Tanjong Jara Resort (where the respective purchase consideration is partly satisfied by the Consideration Units); and
  - (iii) The listing of and quotation for the Consideration Units on the Main Market of Bursa Securities.
- b. Approval from Bursa Securities via letter dated 27 September 2011 on the listing of and quotation for up to 145,500,000 new units in Starhill REIT.

On 6 October 2011, the Trustee and NVKK had entered into a supplemental exchange agreement to the sale and purchase agreement dated 14 December 2010 entered into between the Trustee and NVKK, by amending the definition of the term "Consideration Unit" to specify the number of CPUSs to be transferred as settlement of the disposal consideration, be fixed at 94,560,000 units based on the SGD/JPY exchange rate (SGD for every 100 units of JPY) of 1.5760 as at 30 September 2010 as published by the Monetary Authority of Singapore.

The unitholders of Starhill REIT approved the Proposals at the Unitholders Meeting held on 25 October 2011.

The Proposals (save for the disposal of Hilton Niseko to Starhill REIT, which is pending completion), were completed on 15 November 2011.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(b) **Status of Utilisation of Proceeds**

The net proceeds received from the issue of the US\$400 million Guaranteed Exchangeable Bonds due 2015 (“2015 Bonds”) were partially utilised to repay a principal amount of US\$291.1 million of the USD\$300 million Guaranteed Exchangeable Bonds due 2012 (“2012 Bonds”) pursuant to the exercise by bondholders of their right under the trust deed dated 15 May 2007 constituting the 2012 Bonds to require the Company to redeem all or some of the 2012 Bonds on 15 May 2010 at 108.70% of their principal amount, amounting to US\$316.4 million.

The balance of the proceeds of the 2015 Bonds is currently placed under fixed deposits pending investment.

**B10. Group Borrowings and Debt Securities**

Particulars of the Group’s borrowings and debts securities as at 30 September 2011 are as follows:-

	Short term		Long term		Total
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured	-	1,568,856	-	1,571,676	3,140,532
Unsecured	-	8,278,827	7,132,260	9,789,350	25,200,437
	-----	-----	-----	-----	-----
Total	-	9,847,683	7,132,260	11,361,026	28,340,969
	=====	=====	=====	=====	=====

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

In Singapore Dollar ('000)	3,228,164
	=====
In US Dollar ('000)	856,674
	=====
In Sterling Pound ('000)	1,620,503
	=====
In Japanese Yen ('000)	7,800,000
	=====
In Euro ('000)	1,000
	=====

Save for the borrowings of RM42.556 million, S\$552.722 million, EUR 1 million and Yen 7.8 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.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B11. Derivatives Financial Instruments**

As at 30 September 2011, 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 year to 3 years	2,328,154 72,802	2,318,468 73,793
<b><u>Currency forwards</u></b> - Less than 1 year - 1 year to 3 years	1,821,448 127,959	1,810,694 127,248
<b><u>Interest rate swaps</u></b> - 1 year to 3 years	575,086	546,089

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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**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 30 September 2011 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain	Fair value gain	
			Current year quarter 3 months to 30.09.2011	Current year to date 3 months to 30.09.2011
			<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 the Group	3,065	3,065
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	13,575	13,575
Exchangeable bonds	Quoted market price	The quoted market price has decreased from the last measurement date	72,347	72,347
Total			88,987	88,987

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(c) Retained Earnings

	<b>As at 30.09.2011 RM'000</b>	<b>As at 30.06.2011 RM'000</b>
Retained earnings of the Company and its subsidiaries		
- Realised	14,543,735	13,341,038
- Unrealised	(1,681,940)	(1,239,198)
	<u>12,861,795</u>	<u>12,101,840</u>
Total share of losses from jointly controlled entity		
- Realised	(3)	(3)
	<u>(3)</u>	<u>(3)</u>
Total share of accumulated profit from associated companies		
- Realised	1,057,685	1,320,943
- Unrealised	(106,407)	(132,633)
	<u>951,278</u>	<u>1,188,310</u>
Less: consolidated adjustments	(4,201,777)	(4,056,246)
	<u>9,611,293</u>	<u>9,233,901</u>

**B12. Material litigation**

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

**B13. Dividend**

The Board of Directors has not recommended any interim dividend for the current financial period to date.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B14. Earnings Per Share**

**i) Basic earnings per share**

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

	<b>Current Year Quarter 30.09.2011</b>	<b>Preceding Year Corresponding Quarter 30.09.2010</b>
Profit attributable to owners of the parent (RM'000)	251,833	278,906
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	9,538,273	9,501,890
Shares repurchased	(562,427)	(529,525)
	<u>8,975,846</u>	<u>8,972,365</u>
Basic earnings per share (sen)	<u>2.81</u>	<u>3.11</u>

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B14. Earnings Per Share - continued**

**ii) Diluted earnings per share**

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

	<b>Current Year Quarter 30.09.2011</b>	<b>Preceding Year Corresponding Quarter 30.09.2010</b>
Profit attributable to owners of the parent (RM'000)	251,833	278,906
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	8,975,846	8,972,365
Effect of unexercised employees share option scheme	55,161	70,785
	<u>9,031,007</u>	<u>9,043,150</u>
* Diluted earnings per share (sen)	<u>2.79</u>	<u>3.08</u>

\* Total cash expected to be received in the event of an exercise of all ESOS options is RM167.631 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM167.631 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: 17 November 2011