

YTL CORPORATION BERHAD

Company No. 92647-H

Incorporated in Malaysia

Interim Financial Report

30 June 2013

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

Interim Financial Report
30 June 2013

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 10
Notes to the Interim Financial Report	11 - 31

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 2013.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING		
	YEAR	YEAR		
	QUARTER	QUARTER	12 MONTHS ENDED	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
REVENUE	5,031,097	5,087,783	19,978,634	20,195,789
COST OF SALES	(3,632,306)	(4,012,278)	(15,784,592)	(15,965,415)
GROSS PROFIT	1,398,791	1,075,505	4,194,042	4,230,374
OTHER OPERATING EXPENSES	(724,075)	(583,590)	(1,692,158)	(1,482,278)
OTHER OPERATING INCOME	103,936	177,711	417,048	331,339
PROFIT FROM OPERATIONS	778,652	669,626	2,918,932	3,079,435
FINANCE COSTS	(271,678)	(247,938)	(992,425)	(1,009,220)
SHARE OF PROFITS OF ASSOCIATED COMPANIES	118,275	193,854	446,659	379,939
PROFIT BEFORE TAXATION	625,249	615,542	2,373,166	2,450,154
TAXATION	(92,037)	(3,440)	(468,571)	(476,064)
PROFIT FOR THE PERIOD/YEAR	533,212	612,102	1,904,595	1,974,090
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	389,940	327,084	1,334,155	1,181,123
NON-CONTROLLING INTERESTS	143,272	285,018	570,440	792,967
PROFIT FOR THE PERIOD/YEAR	533,212	612,102	1,904,595	1,974,090
EARNINGS PER 10 SEN SHARE				
Basic (Sen)	3.76	3.39	12.87	12.25
Diluted (Sen)	3.76	3.39	12.87	12.25

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	12 MONTHS ENDED	
	YEAR	CORRESPONDING	30.06.2013	30.06.2012
	QUARTER	QUARTER	RM'000	RM'000
PROFIT FOR THE PERIOD/YEAR	533,212	612,102	1,904,595	1,974,090
OTHER COMPREHENSIVE (LOSS)/INCOME:				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	1,711	(30,990)	(9,630)	(48,379)
CASHFLOW HEDGES	(64,179)	(241,088)	167,910	(244,812)
SHARE OF OTHER COMPREHENSIVE EXPENSE OF ASSOCIATED COMPANY	(6,471)	(22,825)	(6,287)	(8,741)
CURRENCY TRANSLATION DIFFERENCES	(25,813)	148,355	(295,530)	151,536
OTHER COMPREHENSIVE LOSS FOR THE PERIOD/YEAR, NET OF TAX	(94,752)	(146,548)	(143,537)	(150,396)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	438,460	465,554	1,761,058	1,823,694
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	319,504	214,466	1,235,486	1,055,264
NON-CONTROLLING INTERESTS	118,956	251,088	525,572	768,430
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	438,460	465,554	1,761,058	1,823,694

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.06.2013	30.06.2012
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant & equipment	22,114,457	20,620,111
Investment properties	583,622	627,851
Investment in associated companies & jointly controlled entity	3,411,500	3,225,964
Investments	152,830	168,010
Development expenditure	1,086,429	955,625
Intangible assets	4,738,002	4,717,126
Biological assets	1,700	1,316
Other receivables & other non-current assets	706,283	519,334
Derivative financial instruments	7,850	3,797
	<u>32,802,673</u>	<u>30,839,134</u>
Current Assets		
Inventories	893,875	928,654
Property development costs	1,377,383	1,224,628
Trade, other receivables & other current assets	3,985,092	4,557,002
Derivative financial instruments	37,654	75,856
Income tax assets	35,893	47,480
Amount due from related parties	37,772	25,303
Short term investments	590,716	572,881
Fixed deposits	13,148,775	12,569,307
Cash & bank balances	667,433	783,068
	<u>20,774,593</u>	<u>20,784,179</u>
TOTAL ASSETS	<u><u>53,577,266</u></u>	<u><u>51,623,313</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.06.2013	30.06.2012
	RM'000	RM'000
EQUITY		
Share capital	1,073,893	1,054,677
Share premium	1,987,700	1,674,496
Other reserves	(610,161)	397,317
Retained profits	11,396,605	10,305,216
Less : Treasury shares, at cost	(593,339)	(1,253,032)
Total Equity Attributable to		
Owners of the Parent	13,254,698	12,178,674
Non-Controlling Interests	2,276,039	2,200,582
TOTAL EQUITY	<u>15,530,737</u>	<u>14,379,256</u>
LIABILITIES		
Non-current liabilities		
Long term payables & other non-current liabilities	387,910	382,149
Bonds & borrowings	27,051,969	17,584,590
Grant and contribution	295,774	280,011
Deferred tax liabilities	2,514,018	2,696,881
Provision for liabilities & charges	100,013	127,898
Derivative financial instruments	140,332	239,719
	<u>30,490,016</u>	<u>21,311,248</u>
Current Liabilities		
Trade & other payables & other current liabilities	3,425,690	3,607,288
Derivative financial instruments	61,282	284,648
Amount due to related parties	43,173	9,806
Bonds & borrowings	3,683,236	11,618,783
Income tax liabilities	335,693	402,918
Provision for liabilities & charges	7,439	9,366
	<u>7,556,513</u>	<u>15,932,809</u>
TOTAL LIABILITIES	38,046,529	37,244,057
TOTAL EQUITY & LIABILITIES	<u><u>53,577,266</u></u>	<u><u>51,623,313</u></u>
Net Assets per 10 share (RM)	<u>1.28</u>	<u>1.26</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Group	Attributable to Owners of the Parent					Total RM'000	Non- Controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2012	1,054,677	1,674,496	10,305,216	(1,253,032)	397,317	12,178,674	2,200,582	14,379,256
Profit for the year	-	-	1,334,155	-	-	1,334,155	570,440	1,904,595
Other Comprehensive Income/(Loss)								
- Available-for-Sale Financial Assets	-	-	-	-	(5,297)	(5,297)	(4,333)	(9,630)
- Cash Flow Hedges	-	-	-	-	88,365	88,365	79,545	167,910
- Share of Other Comprehensive expense of associated company	-	-	-	-	(6,287)	(6,287)	-	(6,287)
- Currency Translation Differences	-	-	-	-	(175,450)	(175,450)	(120,080)	(295,530)
Total Comprehensive Income/(Loss) for the year	-	-	1,334,155	-	(98,669)	1,235,486	525,572	1,761,058
Changes in composition of the Group								
Dividend paid	-	-	16,290	-	28	16,318	(270,972)	(254,654)
Dividend paid to non-Controlling Interests	-	-	(258,920)	-	-	(258,920)	-	(258,920)
Dividend paid to non-Controlling Interests	-	-	-	-	-	-	(179,279)	(179,279)
Gain/(loss) recognised on deemed dilution of interest in subsidiaries	-	-	(136)	-	-	(136)	136	-
Issue of share capital	19,216	313,204	-	-	-	332,420	-	332,420
Provision for share options	-	-	-	-	25,303	25,303	-	25,303
Share buyback	-	-	-	(274,447)	-	(274,447)	-	(274,447)
Share dividend payable reserve	-	-	-	934,140	(934,140)	-	-	-
At 30 June 2013	1,073,893	1,987,700	11,396,605	(593,339)	(610,161)	13,254,698	2,276,039	15,530,737

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

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 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 year	-	-	1,181,123	-	-	1,181,123	792,967	1,974,090
Other Comprehensive Income/(Loss)								
- Available-for-Sale Financial Assets	-	-	-	-	(45,737)	(45,737)	(2,642)	(48,379)
- Cash Flow Hedges	-	-	-	-	(126,624)	(126,624)	(118,188)	(244,812)
- Share of Other Comprehensive expense of associated company	-	-	-	-	(8,741)	(8,741)	-	(8,741)
- Currency Translation Differences	-	-	-	-	55,243	55,243	96,293	151,536
Total Comprehensive Income/(Loss) for the year	-	-	1,181,123	-	(125,859)	1,055,264	768,430	1,823,694
Conversion of ICULS	-	-	-	-	(7,568)	(7,568)	-	(7,568)
Changes in composition of the Group	-	-	253,264	-	(4,545)	248,719	(589,060)	(340,341)
Dividend paid	-	-	(375,856)	-	-	(375,856)	-	(375,856)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(340,752)	(340,752)
Effect of issue of share by subsidiaries to non-controlling interests	-	-	118	-	(9,446)	(9,328)	190,882	181,554
Issuance of ICULS	-	-	-	-	60,305	60,305	-	60,305
Issue of share capital	101,875	1,302,324	-	-	(22,799)	1,381,400	-	1,381,400
Share buyback	-	-	-	(530,416)	-	(530,416)	-	(530,416)
Share dividend declared	-	(934,140)	-	-	934,140	-	-	-
Share issuance expenses	-	(10,880)	-	-	-	(10,880)	-	(10,880)
Share option expenses	-	-	-	-	1,181	1,181	-	1,181
Share options lapsed	-	-	12,666	-	(12,666)	-	-	-
At 30 June 2012	1,054,677	1,674,496	10,305,216	(1,253,032)	397,317	12,178,674	2,200,582	14,379,256

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	12 MONTHS ENDED	
	30.06.2013	30.06.2012
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	2,373,166	2,450,154
Adjustment for :-		
Adjustment on fair value of investment properties	(1,475)	(4,390)
Allowance for inventories obsolescence	-	7,630
Defined benefit plan	60,160	79,700
Depreciation	1,402,512	1,348,377
Dividend income	(608)	(27,742)
Fair value changes of derivatives	(92,992)	50,663
Gain on disposal of investments	(67,541)	(263)
Gain on disposal of property, plant & equipment	(25,098)	(6,391)
Gain on disposal of subsidiaries	-	(71,409)
Gain on derecognition of financial assets	-	(87,608)
Gain on redemption of preference shares	(45,000)	-
Provision for impairment of trade & other receivables	178,153	1,741
Interest expense	992,425	1,009,220
Interest income	(107,910)	(212,221)
Property, plant & equipment written off	13,926	7,310
Share based payments	14,477	1,181
Share of results of associated companies & jointly controlled entities	(446,659)	(379,939)
Over provision for liabilities & charges	-	(17,059)
Unrealised (gain)/loss on foreign exchange - net	(34,199)	36,133
Provision for fuel cost	12,849	-
Other non cash items	6,649	2,545
Operating profit before changes in working capital	4,232,835	4,187,632

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 - continued

	12 MONTHS ENDED	
	30.06.2013	30.06.2012
	RM'000	RM'000
Changes in working capital:-		
Inventories	15,915	(94,857)
Property development costs	(122,439)	273,133
Receivables	171,107	(721,316)
Payables	104,968	462,334
Related parties balances	20,897	(11,722)
Cash generated from operations	4,423,283	4,095,204
Dividend received	180,776	191,994
Interest paid	(1,168,334)	(813,845)
Interest received	124,715	131,739
Payment to a retirement benefits scheme	(90,069)	(93,026)
Income tax paid	(706,407)	(590,761)
Income tax refunded	26,957	10,729
Net cash from operating activities	2,790,921	2,932,034

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 - continued

	12 MONTHS ENDED	
	30.06.2013	30.06.2012
	RM'000	RM'000
Cash flows from investing activities		
Acquisition of additional shares in existing subsidiaries	(266,589)	(17,093)
Acquisition of new subsidiaries (net of cash acquired)	-	(32,334)
Additional investment in associated companies	(10,217)	(15,751)
Development expenditure incurred	(169,047)	(105,519)
Grants received in respect of infrastructure assets	28,335	27,475
Proceeds from disposal of investment properties	-	17,760
Proceeds from disposal of property, plant & equipment	46,670	75,175
Proceeds from disposal of investments	62,557	63,343
Proceeds from disposal of shares in existing subsidiaries	137,834	644,369
Purchase of investment properties	(4,255)	(433,247)
Purchase of property, plant & equipment	(3,304,721)	(1,508,993)
Purchase of short term investments	(17,833)	(17,956)
Purchase of investments	(51,570)	(26,566)
Other investing activities	(2,593)	362
Net cash used in investing activities	(3,551,429)	(1,328,975)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 - continued

	12 MONTHS ENDED	
	30.06.2013	30.06.2012
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(258,920)	(375,856)
Dividend paid to non-controlling interests by subsidiaries	(179,279)	(340,752)
Repurchase of own shares by the company (at net)	(274,447)	(530,416)
Repurchase of subsidiaries' shares by subsidiaries	(270,176)	(1)
Redemption of subsidiary's preference shares by subsidiary	-	(9,800)
Proceeds from borrowings	11,636,516	16,612,899
Proceeds from issue of shares in subsidiaries to non-controlling interests	11,871	91,359
Proceeds from issue of shares	332,419	174,851
Repayment of bonds	-	(2,227,430)
Repayment of borrowings	(9,749,952)	(14,052,028)
Net cash from/(used in) financing activities	<u>1,248,032</u>	<u>(657,174)</u>
Net changes in cash and cash equivalents	487,524	945,885
Effects of exchange rate changes	(19,794)	141,346
Cash and cash equivalents at beginning of the financial year	<u>13,277,075</u>	<u>12,189,844</u>
Cash and cash equivalents at end of the financial year	<u><u>13,744,805</u></u>	<u><u>13,277,075</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	13,148,775	12,569,307
Cash and bank balances	667,433	783,068
Bank overdraft	(71,403)	(75,300)
	<u>13,744,805</u>	<u>13,277,075</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2012.

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 2012.

The adoption of these amendments to FRSs and IC Int does not have any significant impact on the financial statements of the Group.

Malaysia Financial Reporting Standards (“MFRS Framework”)

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

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

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

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2016.

A2. Seasonality or Cyclicity of Operations

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

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

INTERIM FINANCIAL REPORT

Notes: - continued

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:-

- (i) During the current year to date, 192,156,804 ordinary shares of RM0.10 each were issued as a result of the conversion of USD96,400,000 exchangeable bonds.
- (ii) During the current financial year to date, the Company repurchased 152,294,500 ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM1.80. The total consideration paid for the share buy-back, including transaction costs during the current financial year to date amounted to RM274,446,600 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 2013, the total number of treasury shares held was 373,343,939 ordinary shares of RM0.10 each.

A6. Dividend paid

On 2 July 2012, a total of 647,539,006 treasury shares amounting to RM934,139,770 were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifteen (15) ordinary shares held on 18 June 2012.

A first interim single tier dividend of 10% or 1 sen per ordinary share of RM0.10 amounting to RM103,436,419.48 in respect of financial year ended 30 June 2013 was paid on 15 January 2013.

A second interim single tier dividend of 15% or 1.5 sen per ordinary share of RM0.10 amounting to RM155,483,844.66 in respect of financial year ended 30 June 2013 was paid on 29 March 2013.

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

INTERIM FINANCIAL REPORT

Notes: - continued

A7. Segment Information

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

The Group's segmental result for the financial year ended 30 June 2013 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	248,581	7,037	2,367,554	606,693	523,833	509,444	15,715,492	-	19,978,634
Inter-segment revenue	239,096	80,848	42,483	136,751	235,293	12,168	2,016	(748,655)	-
Total revenue	487,677	87,885	2,410,037	743,444	759,126	521,612	15,717,508	(748,655)	19,978,634
Segment results									
Profit from operations	31,884	2,955	533,837	256,447	462,922	40,048	1,590,839	-	2,918,932
Finance costs									(992,425)
									1,926,507
Share of profit of associated companies									446,659
Profit before taxation									2,373,166

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

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 year ended 30 June 2012 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	214,736	3,267	2,383,884	1,102,436	437,980	284,114	15,769,372	-	20,195,789
Inter-segment revenue	289,938	82,787	41,760	101,278	262,676	10,299	-	(788,738)	-
Total revenue	504,674	86,054	2,425,644	1,203,714	700,656	294,413	15,769,372	(788,738)	20,195,789
Segment results									
Profit from operations	65,510	1,868	570,703	220,748	485,041	3,380	1,732,185	-	3,079,435
Finance costs									(1,009,220)
									2,070,215
Share of profit of associated companies									379,939
Profit before taxation									2,450,154

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current quarter ended 30 June 2013, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 24 October 2012, YTL Power Investments Limited (“YTLPIIL”), an indirect wholly-owned subsidiary of the Company incorporated in the Cayman Islands, disposed of all its shares in Swiss Water System AG (“SWS”) comprising 22,650 shares with a par value of CHF100, representing 58.98% of the issued and paid-up share capital of SWS for EUR1.00 in cash (“Disposal”). As a result of the Disposal, SWS ceased to be a subsidiary of YTLPIIL and an indirect subsidiary of YTL Power.
- On 29 October 2012, YTL Power announced that Frogtrade Limited (“Frogtrade”), a 57.58% owned subsidiary of YTLPIIL, which in turn is an indirect subsidiary of YTL Power, had entered into an agreement with Steven John Holt, Micheal Luke Wilkinson and Simon Marshall, for the acquisition of a total 1,020 ordinary shares of 5 pence each in the capital of I Education Limited (“I Education”), representing 51% of the issued and paid-up share capital of I Education, for a cash consideration of GBP1,020,000 (“Acquisition”). As a result of the Acquisition, I Education became a subsidiary of Frogtrade and indirect subsidiary of YTL Power and the Company.

Concurrently with the Acquisition, Pagabo Limited, a wholly-owned subsidiary of I Education, became an indirect subsidiary of Frogtrade, YTL Power and the Company.

- On 19 November 2012, YTL Power acquired 1 ordinary share of the par value GBP1.00 in the share capital of YTL Infrastructure Limited (“YTL Infrastructure”) at par value, representing the entire issued and paid-up share capital of YTL Infrastructure (“Acquisition”). As a result, YTL Infrastructure became a wholly-owned subsidiary of YTL Power and indirect subsidiary of the Company.

Concurrently with the acquisition, YTL Infrastructure acquired the entire issued and paid-up share capital of Sword Holdings Limited (“Sword Holdings”) comprising 1 ordinary share at par value of GBP1.00. As a result, Sword Holdings became an indirect subsidiary of YTL Power and the Company. Both YTL Infrastructure and Sword Holdings will be principally involved in investment holding.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes: - continued

- As announced on 13 June 2012, the following wholly-owned subsidiaries and trusts of Starhill REIT:-
 - (a) Starhill Hospitality (Australia) Pty Ltd as the Trustee for Starhill Hospitality REIT (Sydney) Trust, Starhill Hospitality REIT (Brisbane) Trust, Starhill Hospitality REIT (Melbourne) Trust; and
 - (b) Starhill Hotel (Sydney) Pty Ltd, Starhill Hotel (Brisbane) Pty Ltd and Starhill Hotel (Melbourne) Pty Ltd.

entered into three (3) separate Hotel Business and Property Sale Agreements (“SPAs”) with the respective sellers, namely Commonwealth Managed Investments Limited, 30 Pitt Street Pty Limited, 515 Queen Street Pty Limited and Lonex Pty Limited to acquire the following hotel properties for a total cash consideration of AUD415,000,000 (equivalent to RM1,310,570,000¹), subject to the terms and conditions as set out in the SPAs:-

- (i) Sydney Harbour Marriott Hotel
- (ii) Melbourne Marriott Hotel; and
- (iii) Brisbane Marriott Hotel

¹ Based on the RM:AUD exchange rate of RM3.158:AUD1.00

(hereinafter referred to as the “Acquisition”)

The Acquisition was completed on 29 November 2012.

- Sword Holdings had on 30 November 2012 and 6 December 2012, respectively, incorporated the following wholly-owned subsidiaries:-
 - (i) Sword Bidco Limited (“Sword Bidco”)
 - (ii) Sword Bidco (Holdings) Limited (“Sword Bidco Holdings”)

Both Sword Bidco and Sword Bidco Holdings were incorporated with issued share capital of GBP1.00 comprising 1 ordinary share of the nominal value of GBP1.00 each.

- On 14 December 2012, Sword Bidco Holdings incorporated a wholly-owned subsidiary, Sword Midco Limited (“Sword Midco”) with an issued share capital of GBP1.00 comprising 1 ordinary share of the nominal value of GBP1.00. Following the incorporation, Sword Holdings had on 17 December 2012 transferred its 1 ordinary share in Sword Bidco, representing the entire issued share capital of Sword Bidco to Sword Midco.

All Sword Bidco Holdings, Sword Midco and Sword Bidco are indirect subsidiaries of YTL Power and the Company.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes: - continued

- On 29 January 2013, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, transferred its entire shareholding of 350,000 ordinary shares of RM1.00 each in Kampung Tiong Development Sdn Bhd (“KTD”), representing 70% of the issued and paid-up share capital of KTD, to Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), another wholly-owned subsidiary of the Company, at par value per share. As a result, KTD became a direct subsidiary of SPYTL and remains as an indirect subsidiary of the Company.
- On 6 February 2013, YTL Cement Berhad (“YTL Cement”), a subsidiary of the Company incorporated a wholly-owned subsidiary known as YTL Cement (Vietnam) Pte Ltd (“YTLCV”) in Singapore with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTLCV will be principally involved in investment holding.
- On 7 March 2013, the Company acquired 1 ordinary share of RM1.00 in the share capital of YTL Eco Solutions Sdn Bhd (“YTLES”) at par value, representing 50% of the issued and paid-up share capital of YTLES (“Acquisition”). As a result of the Acquisition, YTLES became a wholly-owned subsidiary of the Company.
- On 19 March 2013, the Company announced that its indirect wholly-owned subsidiary, Bath Hotel & SPA B.V. (“Bath Hotel”), had acquired the entire issued and paid-up share capital of GBP4.00 comprising 4 ordinary shares of £1 each in Bath Hotel and Spa Limited (“BHSL”) for a total consideration of GBP4.00 (“Acquisition”). As a result of the Acquisition, BHSL became a subsidiary of Bath Hotel and indirect subsidiary of the Company.
- On 29 March 2013, YTL Singapore Pte Ltd, a wholly owned subsidiary of the Company, incorporated a wholly-owned subsidiary in the People’s Republic of China by the name, Guangzhou Autodome Food & Beverage Management Co., Ltd (“Guangzhou Autodome”) with a registered capital of USD300,000. Guangzhou Autodome was incorporated to undertake the management of food and beverage business.
- YTL-CPI Power Limited (“YTL-CPI”), a 51% owned subsidiary of YTL Power, had on 12 April 2013, been dissolved following its deregistration under Section 291AA of the Companies Ordinance, Cap 32 of Hong Kong. Accordingly, YTL-CPI ceased to be a subsidiary of YTL Power and the Company.
- On 12 April 2013, YTL Infrastructure, a wholly-owned subsidiary of YTL Power, acquired 1 ordinary share of par value USD1.00 in YTL Power (Thailand) Limited (“YTL Power Thailand”) at par value. As a result, YTL Power Thailand became a wholly-owned subsidiary of YTL Infrastructure and an indirect subsidiary of YTL Power and the Company. YTL Power Thailand will be principally involved in investment holding.
- On 15 April 2013, Wessex Water Enterprise Limited, an indirect wholly-owned subsidiary of YTL Power incorporated a wholly-owned subsidiary in England & Wales by the name Enterprise Laundry Services Limited (“ELS”) with the issued and paid-up share capital of GBP100 comprising 100 ordinary shares at GBP1.00 each. ELS will be principally involved in the provision of laundry services.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes: - continued

- On 25 April 2013, Y-Max Solutions Holdings Sdn Bhd (“YMS”) and Y-Max Networks Sdn Bhd, both subsidiaries of the Company, transferred their entire holding of, in aggregate, 1,000 ordinary shares of RM1.00 each in YMax Sdn Bhd (“YMax”), representing 100% of the issued and paid-up share capital of YMax to the Company, at par value per share for cash (“Shares Transfers”). As a result of the Shares Transfers, YMax became a direct subsidiary of the Company.
- On 26 April 2013, YMS completed the subscription for 7,250,400 ordinary shares of RM1.00 each in the share capital of Endless Momentum Sdn Bhd (“EMSB”), representing 30% of the issued and paid-up share capital of EMSB, for a total cash consideration of RM7,250,400. As a result, EMSB became an associate company of YMS.
- On 7 May 2013, Wessex Water Limited, an indirect wholly-owned subsidiary of YTL Power incorporated a wholly-owned subsidiary in England & Wales by the name Water 2 Business Limited (“W2B”) with the issued and paid-up share capital of GBP100 comprising 100 ordinary shares at GBP1.00 each. W2B will be a licenced water supplier, providing retail water services to business customer.

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 2012.

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

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

- On 24 July 2013, YTL Cement incorporated a wholly-owned subsidiary known as YTL Cement (Myanmar) Pte Ltd (“YTLCM”) in Singapore with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTLCM will be principally involved in investment holding.
- On 30 July 2013, YTL Power acquired/subscribed for 70 ordinary shares of RM1.00 each in the share capital of SIPP Power Sdn Bhd (“SIPP”) at par value of RM1.00 per share. As a result, SIPP became a subsidiary of YTL Power and the Company. SIPP will be principally involved in developing, constructing, completing, maintaining and operating power plants.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes: - continued

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

	Individual Quarter		Cumulative Quarter	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Revenue				
Construction	57,568	53,249	248,581	214,736
Information technology & e-commerce related business	1,780	1,472	7,037	3,267
Cement Manufacturing & trading	648,806	553,330	2,367,554	2,383,884
Property investment & development	210,177	220,387	606,693	1,102,436
Management services & others	104,696	78,337	523,833	437,980
Hotels	136,583	48,026	509,444	284,114
Utilities	3,871,487	4,132,982	15,715,492	15,769,372
	<u>5,031,097</u>	<u>5,087,783</u>	<u>19,978,634</u>	<u>20,195,789</u>
Profit before tax				
Construction	7,436	(22,784)	31,871	56,540
Information technology & e-commerce related business	(393)	(1,015)	2,946	1,867
Cement Manufacturing & trading	172,064	136,169	506,177	533,270
Property investment & development	94,839	73,553	300,477	284,891
Management services & others	36,500	255,762	149,221	159,892
Hotels	(14,174)	5,120	26,775	16,539
Utilities	328,977	168,737	1,355,699	1,397,155
	<u>625,249</u>	<u>615,542</u>	<u>2,373,166</u>	<u>2,450,154</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – continued

For the current quarter under review, the Group's revenue decreased to RM5,031.1 million, representing a decrease of 1.1% whilst profit before tax increased to RM625.2 million, representing an increase of 1.6% when compared to RM5,087.8 million and RM615.5 million, respectively recorded in the preceding year corresponding quarter ended 30 June 2012.

For the twelve months under review, the Group revenue and profit before tax decreased to RM19,978.6 million and RM2,373.2 million, representing a decrease of 1.1% and 3.1%, respectively, when compared to RM20,195.8 million and RM2,450.2 million, respectively recorded in the preceding financial year ended 30 June 2012.

Performance of the respective operating business segments for the period ended 30 June 2013 as compared to the preceding year are analysed as follows:

Construction

Revenue and profit before tax for the current quarter under review increased to RM57.6 million and RM7.4 million, representing an increase of 8.1% and 132.6% from RM53.2 million and loss before tax of RM22.8 million, respectively recorded in the preceding year corresponding quarter. The increase in revenue and profit before tax were principally due to higher percentage of work done recognized by both local and Singapore subsidiaries.

Increase in revenue for the twelve months under review to RM248.6 million, representing an increase of 15.8% from RM214.7 million recorded in the preceding year whilst profit before tax for the financial year under review decreased to RM31.9 million, representing a decrease of 43.6% from RM56.5 million recorded in the preceding year. The increase in revenue was due to higher percentage of work done recognized whilst decrease in profit before tax was mainly due to higher operations expenses incurred by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd.

Information technology & e-commerce related business

Revenue and profit before tax for the current quarter under review increased by 20.9% and 61.3% to RM1.8 million and loss before tax of RM0.4 million from RM1.5 million and loss before tax of RM1.0 million, respectively.

Revenue and profit before tax for the financial year under review also increased by 115.4% and 57.8%, respectively, when compared to the preceding year.

The increase in revenue and profit before tax were mainly contributed by higher digital media advertising sales and lower operating expenses.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – continued

Cement Manufacturing & trading

Revenue and profit before tax for the current quarter under review increased to RM648.8 million and RM172.1 million, representing an increase of 17.3% and 26.4% from RM553.3 million and RM136.2 million, respectively recorded in the preceding year corresponding quarter. The increase in revenue and profit before tax were mainly due to better performance in concrete, quarry and overseas operations.

Revenue and profit before tax for the financial year under review decreased to RM2,367.6 million and RM506.2 million, representing a decrease of 0.7% and 5.1% from RM2,383.9 million and RM533.3 million, respectively recorded in the preceding year. The lower revenue and profit before tax were mainly attributable to competitive pricing in the cement industry.

Property investment & development

For the current quarter under review, revenue decreased to RM210.2 million from RM220.4 million recorded in the preceding year corresponding quarter ended 30 June 2012 representing a decrease of 4.6% whilst profit before tax increased to RM94.8 million from RM73.6 million recorded in the preceding year corresponding quarter ended 30 June 2012, representing an increase of 28.9%.

Revenue for the financial year under review decreased to RM606.7 million, representing a decrease of 45.0% from RM1,102.4 million recorded in the preceding year whilst profit before tax for the financial year under review increased to RM300.5 million, representing an increase of 5.5% from RM284.9 million recorded in the preceding year.

The decrease in revenue was mainly due to the timing difference of new project launches and the absence of revenue contributed by the offshore subsidiaries following the completion of the projects. However, the increase in profit before tax was attributable to the relatively higher profit recognized by the Capers project undertaken by Sentul Raya Sdn Bhd, higher other operating income and lower operating expenses incurred during current financial quarter.

Management services & others

Revenue for the current quarter under review increased to RM104.7 million, representing an increase of 33.6% from RM78.3 million recorded in the preceding year corresponding quarter whilst profit before tax decreased to RM36.5 million, representing a decrease of 85.7% from RM255.8 million recorded in the preceding corresponding quarter.

For the financial year under review, revenue increased by 19.6% to RM523.8 million from RM438.0 million recorded in the preceding year whilst profit before tax decrease by 6.7% to RM149.2 million from RM160.0 million recorded in the preceding year.

The increase in revenue was attributable to the operations and maintenance contract of power stations by a subsidiary, namely YTL Power Services Sdn Bhd whilst decrease in profit before tax was mainly due to one off gain on derecognition of financial assets in the preceding year corresponding quarter.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – continued

Hotels

Revenue for the current quarter under review increased to RM136.6 million from RM48.0 million recorded in the preceding year corresponding quarter ended 30 June 2012 representing an increase of 184.4% whilst loss before tax of RM14.2 million from profit before tax of RM5.1 million recorded in the preceding year corresponding quarter ended 30 June 2012, representing a decrease of 376.8%. The loss before tax was mainly due to decrease in share of profit of associated companies.

For the financial year under review, the Group's revenue and profit before tax increased by 79.3% and 61.9% to RM509.4 million and RM26.8 million from RM284.1 million and RM16.5 million, respectively.

The increase in revenue was mainly contributed by the newly acquired 3 Marriott Hotels in Australia and YTL Majestic Hotel Kuala Lumpur in Kuala Lumpur and Gaya Island Resort in Sabah which opened during the financial year under review. The increase in profit before tax was mainly attributable to an unrealised foreign exchange gain.

Utilities

Revenue for the quarter under review decreased to RM3,871.5 million from RM4,133.0 million recorded in preceding year corresponding quarter ended 30 June 2012 representing a decrease of 6.3% whilst profit before tax increased to RM329.0 million from RM168.7 million recorded in the preceding year corresponding quarter ended 30 June 2012, representing an increase of 95.0%. The decrease in revenue was due to lower fuel oil price in the trading revenue of the Multi utilities business division whilst increase in profit before tax was due to improved margin on electricity sales and tank leasing and lower operating expenses recorded in the Multi utilities business division and increase in price as allowed by the regulator in the Water & sewerage division.

For the financial year under review, revenue and profit before tax decreased to RM15,715.5 million and RM1,355.7 million from RM15,769.4 million and RM1,397.2 million, respectively recorded in the preceding year. The decrease in revenue was mainly due to the reasons set out above whilst the decrease in profit before tax was mainly due to provision for impairment of other receivables by Power generation division.

This Utilities segment contributes to 78.7% and 57.1% of the Group's revenue and profit before tax, respectively.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2013 RM'000	Preceding Quarter 31.03.2013 RM'000
Revenue	5,031,097	4,752,737
Profit before taxation	625,249	541,372
Profit attributable to owners of the parent	389,940	289,825

For the current financial quarter, the Group revenue and profit before tax increased to RM5,031.1 million and RM625.2 million, respectively representing an increase of 5.9% and 15.5%, respectively, when compared to RM4,752.7 million and RM541.4 million, respectively recorded in the preceding quarter ended 31 March 2013.

The increase in revenue and profit before taxation were mainly attributed to better performance in concrete, quarry and overseas operations in the cement segment and higher profit recognized by property development division.

B3. Audit Report of the preceding financial year ended 30 June 2012

The Auditors' Report on the financial statements of the financial year ended 30 June 2012 did not contain any qualification.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – continued

B4. Prospects

Construction

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

Information technology & e-commerce related business

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

Cement Manufacturing & trading

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

Property investment & development

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

Management services & others/Hotels

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

Utilities

For the financial year ending 30 June 2014, the utilities business segment continues to strive for long-term sustainable growth despite the competitive environment with focus on customer service and value-added solutions. Despite the challenging market in the telecommunications industry, this business segment is expected to continuously grow its subscriber base to generate higher revenue.

B5. Profit Forecast

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

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

	Current Quarter 30.06.2013 RM'000	Year To Date 30.06.2013 RM'000
Profit for the period/year is stated after charging/(crediting):		
Amortisation of grant	(2,865)	(11,335)
Depreciation of property, plant and equipment	330,886	1,402,512
Fair value changes of derivatives	(12,984)	(92,992)
Gain on disposal of investment	(739)	(67,541)
Gain on disposal of property, plant and equipment	(17,888)	(25,098)
Loss/(gain) on foreign exchange	60,328	(32,586)
Impairment loss on receivables - net of reversal	137,077	178,153
Interest income	(41,700)	(145,690)
Interest expense	271,678	992,425
Property, plant & equipment written off	11,363	13,926
Provision for fuel cost	527	12,849
	<u>527</u>	<u>12,849</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.

B7. Taxation

Taxation comprises the following:-

	Current Quarter 30.06.2013 RM'000	Year To Date 30.06.2013 RM'000
Taxation based on profit for the period/year	137,521	617,099
Deferred taxation	(45,484)	(148,528)
	<u>92,037</u>	<u>468,571</u>

The lower effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year is mainly attributable to lower tax rate applicable in the foreign subsidiaries.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – continued

B8. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

As at 21 August 2013, 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 (“Starhill REIT”) proposed to undertake the following proposals:-
- (a) Proposed placement of new units in Starhill REIT (“Placement Units”), at a price to be determined later, to raise gross proceeds of up to RM800 million to partially repay Starhill REIT’s borrowings and reduce its gearing level (“Proposed Placement”)
 - (b) Proposed increase in the existing approved fund size of Starhill 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 Proposed Placement; and
 - (c) Proposed increase in borrowing limit to 60% of total asset value of Starhill REIT and its subsidiaries, to provide Starhill REIT with the flexibility of funding larger acquisition opportunities through borrowings in the future. This flexibility will be essential in situations where potential acquisitions are made through bidding or tender process as raising finance through borrowings may be more expedient as compared to an equity fund raising via issuance of new units.

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

The Proposed Placement and the Proposed Subscription are subject to all requisite approvals being obtained by Starhill REIT.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

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

Particulars of the Group's borrowings and debts securities as at 30 June 2013 are as follows:-

	Short term		Long term		Total RM'000
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	
Secured	-	467,133	-	3,263,325	3,730,458
Unsecured	-	3,216,103	8,294,485	15,494,159	27,004,747
Total	-	3,683,236	8,294,485	18,757,484	30,735,205

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

In Singapore Dollar ('000)	2,569,843
In US Dollar ('000)	673,596
In Sterling Pound ('000)	1,912,433
In Japanese Yen ('000)	8,000,000
In Euro ('000)	3,172

Save for the borrowings of RM215.0 million, EUR 3.172 million and Yen 8.0 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

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

(a) Derivatives Financial Instruments

As at 30 June 2013, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	1,877,875	1,836,623
- 1 year to 3 years	388,066	375,660
<u>Currency forwards</u>		
- Less than 1 year	1,666,768	1,693,925
- 1 year to 3 years	398,195	405,309
<u>Interest rate swaps</u>		
- 1 year to 3 years	431,922	419,269

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**Notes: - continued**

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial year ended 30 June 2013 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 30.06.2013	Current year to date 12 months to 30.06.2013
			RM'000	RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of / (unfavourably) against the Group	942	(13,521)
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	73,333	330,761
Exchangeable bonds	Quoted market price	The quoted market price has decreased from the last measurement date	10,699	67,566
Total			84,974	384,806

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**Notes: - continued**

(c) Realised and Unrealised Profits or Losses

	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000
Retained earnings of the Company and its subsidiaries		
- Realised	16,466,214	15,553,424
- Unrealised	(1,609,459)	(1,547,816)
	<u>14,856,755</u>	<u>14,005,608</u>
Total share of accumulated profit from associated companies and jointly controlled entity		
- Realised	1,621,832	1,577,314
- Unrealised	(140,136)	(150,392)
	<u>1,481,696</u>	<u>1,426,922</u>
Less: consolidated adjustments	(4,941,846)	(5,127,314)
	<u>11,396,605</u>	<u>10,305,216</u>

B11. Material litigation

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

B12. Dividend

No dividend has been declared for the current financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**Notes: - continued****B13. Earnings Per Share****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:-

	Current Year Quarter 30.06.2013	Preceding Year Corresponding Quarter 30.06.2012
Profit attributable to owners of the parent (RM'000)	389,940	327,084
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,738,931	10,450,825
Shares repurchased	(373,344)	(809,594)
	10,365,587	9,641,231
Basic earnings per share (sen)	3.76	3.39
Diluted earnings per share (sen)	3.76	3.39

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 22 August 2013