

YTL CORPORATION BERHAD

Company No. 92647-H
Incorporated in Malaysia

Interim Financial Report
31 March 2016

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Incorporated in Malaysia

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 March 2016.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2015 RM'000	9 MONTHS ENDED	
			31.03.2016 RM'000	31.03.2015 RM'000
Revenue	3,617,745	4,000,185	12,004,530	12,705,823
Cost of sales	<u>(2,412,176)</u>	<u>(2,755,332)</u>	<u>(8,602,371)</u>	<u>(9,250,699)</u>
Gross profit	1,205,569	1,244,853	3,402,159	3,455,124
Other operating income	58,516	109,550	382,583	365,319
Other operating expenses	<u>(549,646)</u>	<u>(526,524)</u>	<u>(1,518,851)</u>	<u>(1,357,326)</u>
Profit from operations	714,439	827,879	2,265,891	2,463,117
Finance costs	(322,204)	(288,747)	(1,006,043)	(844,021)
Share of results of associated companies and joint ventures	<u>97,117</u>	<u>81,992</u>	<u>299,204</u>	<u>226,703</u>
Profit before taxation	489,352	621,124	1,559,052	1,845,799
Taxation	<u>(90,877)</u>	<u>(226,593)</u>	<u>(388,346)</u>	<u>(519,218)</u>
Profit for the period	<u>398,475</u>	<u>394,531</u>	<u>1,170,706</u>	<u>1,326,581</u>
Attributable to:				
Owners of the parent	229,878	233,172	667,415	770,807
Non-controlling interests	<u>168,597</u>	<u>161,359</u>	<u>503,291</u>	<u>555,774</u>
Profit for the period	<u>398,475</u>	<u>394,531</u>	<u>1,170,706</u>	<u>1,326,581</u>
Earnings per 10 sen share				
Basic (sen)	<u>2.21</u>	<u>2.24</u>	<u>6.41</u>	<u>7.43</u>
Diluted (sen)	<u>2.21</u>	<u>2.24</u>	<u>6.41</u>	<u>7.43</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2015 RM'000	9 MONTHS ENDED 31.03.2016 RM'000	
Profit for the period	<u>398,475</u>	<u>394,531</u>	<u>1,170,706</u>	<u>1,326,581</u>
Other comprehensive (loss)/income :-				
<i>Items that will not be reclassified subsequently to income statement :-</i>				
Re-measurement of post- employment benefit obligations	(113,285)	(135,932)	(113,285)	(219,276)
<i>Items that may be reclassified subsequently to income statement :-</i>				
Available-for-sale financial assets	(611)	544	(2,475)	(425)
Cash flow hedges	115,323	194,669	(282,669)	(492,166)
Foreign currency translation	<u>(1,245,723)</u>	<u>295,229</u>	<u>340,724</u>	<u>536,970</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(1,244,296)</u>	<u>354,510</u>	<u>(57,705)</u>	<u>(174,897)</u>
Total comprehensive (loss)/income for the period	<u>(845,821)</u>	<u>749,041</u>	<u>1,113,001</u>	<u>1,151,684</u>
Attributable to :-				
Owners of the parent	(422,873)	418,889	584,125	621,163
Non-controlling interests	<u>(422,948)</u>	<u>330,152</u>	<u>528,876</u>	<u>530,521</u>
Total comprehensive (loss)/income for the period	<u>(845,821)</u>	<u>749,041</u>	<u>1,113,001</u>	<u>1,151,684</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statement.

YTL CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.03.2016 RM'000	AUDITED AS AT 30.06.2015 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	27,052,790	27,569,745
Investment properties	9,195,711	9,014,876
Investment in associated companies and joint ventures	1,946,005	1,896,955
Investments	257,384	262,342
Development expenditure	1,223,665	825,026
Intangible assets	5,813,547	5,560,416
Biological assets	1,798	1,798
Other receivables and other non-current assets	283,233	320,003
Derivative financial instruments	25,032	53,792
	<u>45,799,165</u>	<u>45,504,953</u>
Current Assets		
Inventories	761,733	770,212
Property development costs	2,070,132	1,883,184
Trade, other receivables and other current assets	3,327,969	3,645,305
Derivative financial instruments	45,285	85,243
Income tax assets	18,607	19,168
Amount due from related parties	52,659	42,634
Short term investments	701,679	632,106
Fixed deposits	12,086,153	13,318,448
Cash and bank balances	1,408,593	798,158
	<u>20,472,810</u>	<u>21,194,458</u>
TOTAL ASSETS	<u>66,271,975</u>	<u>66,699,411</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited As At 31.03.2016 RM'000	Audited As At 30.06.2015 RM'000
EQUITY		
Share capital	1,079,399	1,079,399
Share premium	2,069,188	2,069,188
Other reserves	465,012	489,086
Retained earnings	10,959,317	11,591,646
Less : Treasury shares, at cost	(596,575)	(596,574)
Total Equity Attributable to Owners of the Parent	<u>13,976,341</u>	<u>14,632,745</u>
Non-Controlling Interests	6,830,327	6,163,877
TOTAL EQUITY	<u>20,806,668</u>	<u>20,796,622</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other non-current liabilities	980,220	913,306
Bonds and borrowings	34,031,063	33,059,646
Grants and contributions	437,357	413,485
Deferred tax liabilities	2,196,638	2,403,899
Post-employment benefit obligations	804,567	743,365
Derivative financial instruments	193,853	136,223
	<u>38,643,698</u>	<u>37,669,924</u>
Current liabilities		
Trade, other payables and other current liabilities	2,894,378	3,180,302
Derivative financial instruments	453,949	304,311
Amount due to related parties	12,379	10,132
Bonds and borrowings	3,090,706	4,422,890
Income tax liabilities	295,166	249,815
Provision for liabilities and charges	75,031	65,415
	<u>6,821,609</u>	<u>8,232,865</u>
TOTAL LIABILITIES	45,465,307	45,902,789
TOTAL EQUITY AND LIABILITIES	<u>66,271,975</u>	<u>66,699,411</u>
Net Assets per share (RM)	<u>1.34</u>	<u>1.40</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

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 earnings RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2015	1,079,399	2,069,188	11,591,646	(596,574)	489,086	14,632,745	6,163,877	20,796,622
Profit for the period	-	-	667,415	-	-	667,415	503,291	1,170,706
Other comprehensive (loss)/income	-	-	(60,988)	-	(22,302)	(83,290)	25,585	(57,705)
Total comprehensive income/(loss) for the period	-	-	606,427	-	(22,302)	584,125	528,876	1,113,001
Changes in composition of the Group	-	-	(249,198)	-	(851)	(250,049)	824,427	574,378
Conversion of ICULS	-	-	-	-	(191)	(191)	-	(191)
Dividend paid	-	-	(989,771)	-	-	(989,771)	(686,853)	(1,676,624)
Issuance of ICULS / bonus issue	-	-	(90)	-	67	(23)	-	(23)
Share option lapsed	-	-	303	-	(163)	140	-	140
Share option expenses by subsidiary	-	-	-	-	(634)	(634)	-	(634)
Share buyback	-	-	-	(1)	-	(1)	-	(1)
At 31 March 2016	<u>1,079,399</u>	<u>2,069,188</u>	<u>10,959,317</u>	<u>(596,575)</u>	<u>465,012</u>	<u>13,976,341</u>	<u>6,830,327</u>	<u>20,806,668</u>

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 2015 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

Group	← Attributable to Owners of the Parent →					Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Treasury shares RM'000	Other reserves RM'000			
At 1 July 2014	1,073,893	1,987,700	12,033,219	(596,570)	(111,478)	14,386,764	5,392,919	19,779,683
Profit for the period	-	-	770,807	-	-	770,807	555,774	1,326,581
Other comprehensive income	-	-	(124,511)	-	(25,133)	(149,644)	(25,253)	(174,897)
Total comprehensive income/(loss) for the period	-	-	646,296	-	(25,133)	621,163	530,521	1,151,684
Changes on composition of the Group	-	-	55,223	-	-	55,223	73,068	128,291
Conversion of ICULS	-	-	-	-	(46)	(46)	-	(46)
Dividend paid	-	-	(984,541)	-	-	(984,541)	(581,271)	(1,565,812)
Issue of share capital	5,506	81,488	-	-	-	86,994	-	86,994
Share buyback	-	-	-	(4)	-	(4)	-	(4)
Share option expenses by subsidiary	-	-	-	-	5,434	5,434	-	5,434
At 31 March 2015	<u>1,079,399</u>	<u>2,069,188</u>	<u>11,750,197</u>	<u>(596,574)</u>	<u>(131,223)</u>	<u>14,170,987</u>	<u>5,415,237</u>	<u>19,586,224</u>

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

	9 MONTHS ENDED	
	31.03.2016	31.03.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,559,052	1,845,799
Adjustments for :-		
Adjustment on fair value of investment properties	-	(88,740)
Allowance for impairment of inventories	1,566	745
Amortisation of deferred income	-	(3,325)
Amortisation of grants and contribution	(16,037)	(7,285)
Amortisation of other intangible assets	69,922	53,864
Depreciation	1,251,943	1,177,475
Dividend income	(4,762)	(867)
Fair value changes of derivatives	17,101	(71,612)
Gain on disposal of property, plant and equipment	(6,290)	(26,855)
(Write back)/allowance for impairment of receivables - net	(82,667)	57,460
Interest expense	1,006,043	844,021
Interest income	(275,635)	(189,396)
Provision for post-employment benefit	47,573	40,647
Provision for liabilities and charges	22,336	11,660
Share of results of associated companies and joint ventures	(299,204)	(226,703)
Unrealised loss on foreign exchange	65,416	115,479
Other non-cash items	9,573	855
Operating profit before changes in working capital	3,365,930	3,533,222

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016 - continued**

	9 MONTHS ENDED	
	31.03.2016	31.03.2015
	RM'000	RM'000
Changes in working capital :-		
Inventories	14,248	98,455
Property development costs	(97,441)	(155,666)
Receivables, deposits and prepayments	451,490	187,519
Payables and accrued expenses	(180,578)	(35,315)
Related parties balances	(7,778)	6,136
Cash generated from operations	3,545,871	3,634,351
Dividend received	320,694	206,189
Interest paid	(1,028,579)	(852,965)
Interest received	209,134	165,760
Payment to a retirement benefits scheme	(94,221)	(85,058)
Income tax paid	(403,127)	(532,508)
Net cash from operating activities	2,549,772	2,535,769
Cash flows from investing activities		
Acquisition of additional shares in existing subsidiaries	(185,738)	(159,993)
Acquisition of new subsidiaries (net of cash acquired)	(8,258)	(119,384)
Acquisition of associated companies	-	(1,587)
Additional investment in associated companies	(3,254)	(8,326)
Development expenditure incurred	(469,650)	(4,521)
Grants received in respect of infrastructure assets	161,335	30,247
Proceeds from disposal of investment properties	86,593	741
Proceeds from disposal of property, plant and equipment	136,263	77,559
Proceeds from disposal of investments	12,239	1,061
Purchase of investment properties	(5,151)	(7,785)
Purchase of property, plant and equipment	(1,657,907)	(1,904,937)
Purchase of intangible assets	(57,280)	(97,081)
Purchase of investments	(10,041)	(38,920)
Net cash used in investing activities	(2,000,849)	(2,232,926)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016 - continued**

	9 MONTHS ENDED	
	31.03.2016	31.03.2015
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(989,771)	(984,541)
Dividend paid to non-controlling interests by subsidiaries	(686,853)	(581,271)
Repurchase of own shares by the company (at net)	(1)	(4)
Repurchase of subsidiaries' shares by subsidiaries	(3)	(6)
Proceeds from borrowings	2,784,712	3,232,948
Proceeds from issue of shares in subsidiaries to non-controlling interests	776,556	275,232
Repayment of borrowings	(2,999,908)	(1,875,985)
Net cash (used in)/from financing activities	<u>(1,115,268)</u>	<u>68,373</u>
Net changes in cash and cash equivalents	(566,345)	371,216
Effect of exchange rate changes	29,126	324,091
Cash and cash equivalents at beginning of the financial year	<u>14,031,412</u>	<u>13,149,164</u>
Cash and cash equivalents at end of the financial year	<u><u>13,494,193</u></u>	<u><u>13,844,471</u></u>
Cash and cash equivalents comprise :-		
Fixed deposit with licensed bank	12,086,153	12,903,678
Cash and bank balances	1,408,593	941,838
Bank overdraft	(553)	(45)
	<u><u>13,494,193</u></u>	<u><u>13,844,471</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2015 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 2015.

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 2015.

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

Malaysia Financial Reporting Standards (“MFRS”) Framework

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

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called ‘Transitioning Entities’). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018. Early application of MFRS is permitted.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019.

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INTERIM FINANCIAL REPORT

Notes: - continued

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

For the current financial period to date, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A4. Changes in estimates of amounts reported

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

A5. Changes in Debt and Equity Securities

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

During the current financial quarter and financial period to date, the Company repurchased 1,000 and 1,100 ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM1.61 and RM1.65 per share. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial period to date amounted to RM1,615 and RM1,810, respectively and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

As at 31 March 2016, the total number of treasury shares held was 375,347,139 ordinary shares of RM0.10 each.

A6. Dividend paid

The following dividend payment was made during the financial period ended 31 March 2016:-

	RM'000
In respect of the financial year ended 30 June 2015:-	
An interim single tier dividend of 95% or 9.5 sen per ordinary share of 10 sen each paid on 23 October 2015	<u>989,771</u>

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Notes: - continued

A7. Segment Information

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

The Group's segmental result for the financial period ended 31 March 2016 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
External revenue	87,456	2,951	2,133,461	741,688	435,281	701,262	7,902,431	-	12,004,530
Inter-segment revenue	222,473	60,864	25,297	149,145	222,180	7,224	10,425	(697,608)	-
Total revenue	309,929	63,815	2,158,758	890,833	657,461	708,486	7,912,856	(697,608)	12,004,530
Segment results									
Profit from operations	11,275	1,661	465,874	371,926	272,227	65,119	1,077,809	-	2,265,891
Finance costs									(1,006,043)
									1,259,848
Share of profit of associated companies									299,204
Profit before taxation									1,559,052

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

A7. Segment Information - continued

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

The Group's segmental result for the financial period ended 31 March 2015 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	70,894	5,600	2,088,899	659,378	323,891	604,642	8,952,519	-	12,705,823
Inter-segment revenue	171,092	60,894	23,907	146,464	276,494	8,036	4,461	(691,348)	-
Total revenue	241,986	66,494	2,112,806	805,842	600,385	612,678	8,956,980	(691,348)	12,705,823
Segment results									
Profit from operations	741	3,500	437,300	526,583	283,360	48,606	1,163,027	-	2,463,117
Finance costs									(844,021)
									1,619,096
Share of profit of associated companies									226,703
Profit before taxation									1,845,799

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Notes: - continued

A8. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 31 March 2016, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 2 July 2015, YTL Cement Berhad (“YTL Cement”) transferred 1 ordinary share in YTL Cement (Myanmar) Holdings Pte Ltd (“YTLC Myanmar”), representing the entire issued and paid-up share capital of YTLC Myanmar to its wholly-owned subsidiary, YTL Cement Singapore Pte Ltd (“YTLC Singapore”) for a consideration of S\$1.00. As a result, YTLC Myanmar became a wholly-owned subsidiary YTLC Singapore and remain an indirect subsidiary of the Company.
- On 8 July 2015, YTL Utilities (UK) Limited (“YTLUK”), an indirect wholly-owned subsidiary of YTL Power International Berhad (“YTL Power”), incorporated a wholly-owned subsidiary known as YTL Property Holdings (UK) Limited (“YTLPUK”) in England and Wales with an issued share capital of GBP1.00 comprising 1 ordinary share of the nominal value of GBP1.00. YTLPUK is intended to be principally involved in investing in development land in UK.
- YTL Power had on 10 July 2015 and 13 July 2015, respectively, incorporated the following wholly-owned subsidiaries in the Republic of Cyprus:-
 - (i) YTL Jordan Services Holdings Limited (“YTLJSH”)
 - (ii) YTL Jordan Power Holdings Limited (YTLJPH”)

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

YTLJSH and YTLJPH will be principally involved in investment holding.

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

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

The Acquisition was completed on 20 August 2015. As a result, TJPC became a subsidiary of YTLJE and an indirect subsidiary of YTL Power and the Company.

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

- On 17 August 2015, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as Monkey Island Properties Limited (“MIPL”) in England and Wales with an issued share capital of GBP1.00 comprising 100 ordinary share of the nominal value of GBP0.01. MIPL will be principally involved in investment and property holding.
- YTL Vacation Club Berhad (“YTLVC”), a wholly-owned subsidiary of the Company, which commenced member’s voluntary winding up pursuant to Section 272(5) of the Companies Act, 1965 (“the Act”) on 12 September 2014, held its final meeting and lodged the Return by Liquidator Relating to Final Meeting (“the Return”) with the Companies Commission of Malaysia and the Official Receiver on 17 August 2015. In accordance with the Act, YTLVC was dissolved on the expiration of 3 months after lodgement of the Return i.e. on 17 November 2015.
- On 1 September 2015, MIPL acquired 1 ordinary share in New Architecture (Bray) Limited (“NABL”), representing the entire issued and paid-up share capital of NABL for cash consideration of GBP1. As a result, NABL became a wholly-owned subsidiary of MIPL and an indirect subsidiary of YTLHP and the Company. NABL will be principally engaged as a hotel operator.
- On 11 September 2015, Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly-owned subsidiary of YTL Cement, acquired 1,000,000 ordinary shares of RM1.00 each in Equity Corporation Sdn Bhd (“ECSB”), representing the entire issued and paid-up share capital of ECSB for a cash consideration of RM10.00. As a result, ECSB became a wholly-owned subsidiary of BTQ and an indirect subsidiary of YTL Cement and the Company. ECSB is principally involved in quarry business and related services.
- On 7 October 2015, YTL Power acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital in YTL Power Holdings (Indonesia) Sdn Bhd (“YTLPHI”) at par value per share. As a result, YTLPHI became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company.
- On 4 December 2015, YTL Jawa O & M Holdings Limited, a wholly-owned subsidiary of YTL Power disposed all its shares in Attarat Operation and Maintenance Company B.V. (“Attarat O&M Co”) comprising 75 ordinary shares with a nominal value of USD1.00 each and representing 75% of the issued and paid-up share capital of Attarat O&M Co, to YTL Jordan Services Holdings Limited (“YTLJSH”), also a wholly-owned subsidiary of YTL Power for USD75 (“Re-organisation”).

As a result of the Re-organisation, Attarat O&M Co became a direct subsidiary of YTLJSH and remain an indirect subsidiary of YTL Power and the Company.

- On 4 December 2015, Niseko Village K.K., an indirect wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as NV Land G.K. (“NV Land”) in Japan with a paid-up capital of JPY10,000. NV Land is intended to be principally involved in construction, development, sale and purchase of real properties.

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- YTL Construction GmbH (“YTLCG”), a wholly-owned subsidiary of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), which in turn a wholly-owned subsidiary of the Company, had on 21 December 2015 been dissolved pursuant to the Limited Liability Companies Act, German. Accordingly, YTLCG has ceased to be a subsidiary of SPYTL and the Company.
- On 23 December 2015, Frog Education Limited, an indirect subsidiary of the YTL Power (“FrogEd UK”) acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Frog Education Sdn Bhd (“FrogEd MY”) at par value per share. As a result, FrogEd MY became a wholly-owned subsidiary of FrogEd UK and indirect subsidiary of YTL Power and the Company.

FrogEd MY was incorporated on 18 December 2015 with an authorized share capital of RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. FrogEd MY will be principally involved in the business of providing internet services, including the development and provision of education learning platforms.

- On 13 January 2016, the Company acquired 3 ordinary shares of RM1.00 each in Titiwangsa Development Sdn Bhd (“TDSB”), representing the entire issued and paid-up share capital of TDSB for a cash consideration of RM3.00. As a result, TDSB became a wholly-owned subsidiary of the Company. TDSB’s principal activities will be that of an investment holding.
- On 21 January 2016, YTL Cayman Limited, a wholly-owned subsidiary of the Company, disposed 1 ordinary share with nominal value of USD1.00 in YTL Construction International (Cayman) Limited (“YTLCI”), representing the entire issued and paid-up share capital of YTLCI at par value to SPYTL. As a result, YTLCI became a wholly-owned subsidiary of SPYTL and remain an indirect subsidiary of the Company. YTLCI will be principally involved in investment holdings in construction related activities.
- On 21 January 2016, the Company transferred its 245,000 ordinary shares of RM1.00 each, representing 49% of the issued and paid up share capital in its wholly-owned subsidiary, Arah Asas Sdn Bhd (“AASB”) to TDSB, at par value per share or a total consideration of RM245,000.00 (“Share Transfer”). As a result of the Share Transfer, AASB has become a 51% owned subsidiary of the Company and 49% owned subsidiary of TDSB.
- SPTYL had on 3 February 2016, transferred its 300,000 ordinary shares with nominal value of SGD1.00 each in YTL Construction (S) Pte Ltd (“YTLCS”), representing the entire issued and paid-up share capital of YTLCS to YTLCI for a consideration of SGD300,000.00. As a result, YTLCS became a direct wholly-owned subsidiary of YTLCI and indirect subsidiary of SPYTL. It remains an indirect subsidiary of the Company. YTLCS is principally involved in construction activities and real estate developer.
- On 19 February 2016, YTLUK acquired 1 ordinary share of GBP1, representing the entire issued and paid-up of YTL Land and Property (UK) Ltd (“YTL Land & Property”) for GBP1.

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In turn, YTL Land & Property had on 20 February 2016, acquired 1 ordinary share of GBP1, representing the entire issued and paid-up of YTL Homes Ltd (“YTL Homes”) for GBP1.

As a result of the acquisitions, YTL Land & Property and YTL Homes became indirect wholly-owned subsidiaries of YTL Power and the Company.

YTL Land & Property and YTL Homes were incorporated on 19 February 2016 and 20 February 2016, respectively in England & Wales. Both YTL Land & Property and YTL Homes are intended to be principally involved in investment holding and property development.

- I Education Limited (“I-Ed”), an indirect subsidiary of YTL Power and the Company, had on 22 March 2016 been dissolved following its deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom. Accordingly, I-Ed has ceased to be a subsidiary of YTL Power and the Company.
- On 25 March 2016, Dynamic Project Development Sdn Bhd, a wholly-owned subsidiary of the Company, which is dormant, has been placed under member’s voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.
- On 29 March 2016, the Company transferred its 2 ordinary shares of RM1.00 each, representing the entire issued and paid up share capital in YTL Eco Solutions Sdn Bhd (“YESSB”) to YTL Cement at par value per share. As a result, YESSB has become a wholly-owned subsidiary of YTL Cement and indirect subsidiary of the Company. YESSB is principally involved in consultancy services in relation to the promotion of the gasification of municipal solid waste for disposal in cement plant kilns.

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 2015.

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 1 April 2016, YTL Power acquired 2 ordinary shares of RM1.00 each in YTL Jordan Services Sdn Bhd (“YTL JS”), representing the entire issued and paid-up share capital of YTL JS at par value per share. As a result, YTL JS became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company. YTL JS will be principally involved in the provision of technical services for oil shale mining and power plant operation & maintenance.

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- On 6 May 2016, YTLJSH entered into a conditional share purchase agreement for the disposal of 30 ordinary shares of USD1.00 each, representing 30% of the issued share capital of Attarat O&M Co, to Yudean International Development Limited (“Yudean”) (or a party nominated by Yudean to be the transferee) for a consideration of USD30.00 subject to the terms and conditions of the agreement (“Disposal”).

Upon completion of the Disposal, Attarat O&M Co will cease to be a subsidiary and become an associated company of YTLJSH, YTL Power and the Company.

- On 9 May 2016, YTL Cement acquired 2 ordinary shares of RM1.00 each in Sino Mobile and Heavy Equipment Sdn Bhd (“SMHE”), representing the entire issued and paid-up share capital of SMHE at par value per share. As a result, SMHE became a wholly-owned subsidiary of YTL Cement and indirect subsidiary of the Company. SMHE will be principally involved in the trading and maintenance of commercial vehicles and heavy equipment.
- On 10 May 2016, YTLCI incorporated a 67% owned subsidiary in the Republic of Indonesia, known as PT YTL Construction Makmur (“YTLCM”) with an authorized share capital of US\$1,000,000 divided into 10,000 shares of US\$100.00 each, and issued share capital of US\$250,000 comprising of 2,500 shares of US\$100.00 each. YTLCM will be principally involved in civil engineering works, construction and power plant installation.

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Disclosure requirements per Part A of Appendix 9B of the Bursa Securities Main Market Listing Requirements

B1. Review of Performance

	Individual Quarter		Cumulative Quarter	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Revenue				
Construction	30,793	39,642	87,456	70,894
Information technology & e-commerce related business	715	2,057	2,951	5,600
Cement Manufacturing & trading	699,253	759,844	2,133,461	2,088,899
Property investment & development	252,934	214,620	741,688	659,378
Management services & others	180,794	117,395	435,281	323,891
Hotels	269,158	228,012	701,262	604,642
Utilities	2,184,098	2,638,615	7,902,431	8,952,519
	<u>3,617,745</u>	<u>4,000,185</u>	<u>12,004,530</u>	<u>12,705,823</u>
 Profit before tax				
Construction	10,960	1,759	11,271	737
Information technology & e-commerce related business	211	585	1,660	3,495
Cement Manufacturing & trading	149,517	146,631	433,227	410,748
Property investment & development	76,724	107,449	226,124	409,288
Management services & others	4,137	(1,170)	(24,416)	7,075
Hotels	41,002	25,828	54,440	40,995
Utilities	206,801	340,042	856,746	973,461
	<u>489,352</u>	<u>621,124</u>	<u>1,559,052</u>	<u>1,845,799</u>

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For the current quarter under review, the Group recorded a decrease in revenue of 9.6% from RM4,000.2 million to RM3,617.7 million. The Group profit before tax for the current financial quarter was RM489.4 million, a decrease of RM131.8 million or 21.2% as compared to RM621.1 million recorded in the preceding year corresponding quarter.

For the nine months under review, the Group revenue and profit before tax decreased to RM12,004.5 million and RM1,559.0 million, representing a decrease of 5.5% and 15.5% when compared to RM12,705.8 million and RM1,845.8 million, respectively recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial quarter / period ended 31 March 2016 as compared to the preceding year corresponding financial quarter / period are analysed as follows:

Construction

Revenue for the current quarter under review decreased by 22.3% to RM30.8 million from RM39.6 million whilst profit before tax increased by 523.1% to RM11.0 million from RM1.8 million when compared to the preceding year corresponding quarter. The decrease in revenue was mainly due to lower revenue recognition whilst increase in profit before tax was mainly attributable to better contract margin recorded by construction entities in Malaysia and Singapore.

For the nine months under review, revenue and profit before tax increased to RM87.4 million and RM11.3 million from RM70.9 million and RM0.7 million, representing an increase of 23.4% and 1,429.3%, respectively when compared to the preceding year corresponding period. The increase in revenue and profit before tax was mainly due to higher revenue recognition of construction contracts and better contract margin as mentioned above.

Information technology & e-commerce related business

For the current quarter under review, revenue and profit before tax decreased by 65.2% and 63.9% to RM0.7 million and RM0.2 million from RM2.1 million and RM0.6 million, respectively when compared to the preceding year corresponding quarter.

For the nine months under review, revenue and profit before tax decreased to RM3.0 million and RM1.7 million, representing a decrease of 47.3% and 52.5%, when compared to RM5.6 million and RM3.5 million, respectively recorded in the preceding year corresponding period.

The decrease in revenue and profit before tax was mainly due to lower revenue recognised from the content and digital media division and lower interest income earned on cash deposit.

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Cement Manufacturing & trading

Revenue for the current quarter under review decreased to RM699.3 million, representing a decrease of 8.0% from RM759.8 million whilst profit before tax increased by 2.0% from RM146.6 million to RM149.5 million when compared to the preceding year corresponding quarter.

For the nine months under review, revenue and profit before tax increased to RM2,133.5 million and RM433.2 million, representing an increase of 2.1% and 5.5% from RM2,088.9 million and RM410.7 million, respectively recorded in the preceding year corresponding period.

The decrease in revenue during the current quarter mainly relates to lower sales volume generated by Cement and Concrete division whilst the increase during the nine months period was mainly attributable to the acquisition of subsidiary in Singapore. The increase in profit before tax during the financial quarter/period was mainly due to the higher other operating income.

Property investment & development

For the current quarter under review, revenue increased to RM252.9 million, representing an increase of 17.9% from RM214.6 million whilst profit before tax decreased to RM76.7 million from RM107.4 million, representing a decrease of 28.6% when compared to preceding year corresponding quarter.

For the nine months under review, revenue increased by 12.5% to RM741.7 million from RM659.4 million whilst profit before tax decreased by 44.8% to RM226.1 million from RM409.3 million when compared to preceding year corresponding period.

The increase in revenue was mainly due to higher contribution by Starhill Global Real Estate Investment Trust (“SGREIT”) and YTL Land & Development Berhad whilst decrease in profit before tax were mainly due to the completion of the Reed project undertaken by Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd., absence of net fair value gain on investment properties recorded by SGREIT, coupled with unrealised foreign exchange loss on the term loan denominated in Australian Dollar recorded by YTL Hospitality REIT.

Management services & others

Revenue for the current quarter under review increased by 54.0% to RM180.8 million from RM117.4 million recorded in the preceding year corresponding quarter whilst a profit before tax of RM4.1 million was recorded compared to a loss before tax of RM1.2 million recorded in the preceding year corresponding quarter, representing an increase of 453.6%.

For the nine months under review, revenue increased to RM435.3 million from RM323.9 million recorded in the preceding year corresponding period, representing an increase of 34.4% whilst loss before tax of RM24.4 million was recorded compared to a profit before tax of RM7.1 million recorded in the preceding year corresponding period, representing a decrease of 445.1%.

The increase in revenue was mainly due to higher interest income recorded whilst the loss before tax was mainly due to higher overhead costs and provision of liquidated ascertained damages by a wholly owned subsidiary, YTL Power Services Sdn. Bhd.

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Hotels

Revenue and profit before tax for the current quarter under review increased to RM269.2 million and RM41.0 million, representing an increase of 18.0% and 58.8% from RM228.0 million and RM25.8 million, respectively recorded in preceding year corresponding quarter.

For the nine months under review, revenue and profit before tax increased to RM701.3 million and RM54.4 million from RM604.6 million and RM41.0 million, representing an increase of 16.0% and 32.8% when compared to preceding year corresponding period.

The increase in revenue and profit before tax was mainly contributed by Niseko Village K.K., YTL Majestic Hotel Sdn. Bhd., Thermae Development Company Ltd., Starhill Hotel Sdn. Bhd. and The Gainsborough Bath Spa in Bath, United Kingdom.

Utilities

For the current quarter under review, revenue and profit before tax decreased to RM2,184.1 million and RM206.8 million from RM2,638.6 million and RM340.0 million, representing a decrease of 17.2% and 39.2% when compared to preceding year corresponding quarter.

For the nine months under review, revenue and profit before tax decreased to RM7,902.4 million and RM856.7 million, representing a decrease of 11.7% and 15.5% from RM8,952.5 million and RM973.5 million when compared to preceding year corresponding period.

The decrease in revenue and profit before tax was mainly due to absence of revenue from Power generation (Contracted) division as a result of the completion of power purchase agreement on 30 September 2015 coupled with lower vesting and retail margin from Multi utilities business (Merchant) division.

The utilities segment contributes to 65.8% and 55.0% of the Group's revenue and profit before tax, respectively.

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B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2016 RM'000	Preceding Quarter 31.12.2015 RM'000
Revenue	3,617,745	3,938,396
Profit before taxation	489,352	594,851
Profit attributable to owners of the parent	229,878	234,922

For the current financial quarter, the Group revenue and profit before tax decreased to RM3,617.7 million and RM489.4 million from RM3,938.4 million and RM594.9 million, representing a decrease of 8.1% and 17.7% when compared to the preceding quarter ended 31 December 2015.

The decrease in revenue and profit before tax was principally attributable to lower returns registered by Multi utilities business division in the current quarter and a one-off gain on recovery of impairment of receivable from arbitration award in Power generation (Contracted) division in the preceding quarter, in Utilities segment.

B3. Audit Report of the preceding financial year ended 30 June 2015

The Auditors' Report on the financial statements of the financial year ended 30 June 2015 did not contain any qualification.

B4. Prospects

Construction

The construction segment is expected to achieve satisfactory performance for the financial year ending 30 June 2016 as the construction contracts relate mainly to the Group's property development and infrastructure works.

Information technology & e-commerce related business

The outlook for the segment's performance in the financial year ending 30 June 2016 should be satisfactory, given that a significant portion of its revenue is derived from relatively resilient spectrum sharing fee income.

Cement Manufacturing & trading

Considering the Group's current level of operations and continued growth in the construction sector, the segment is expected to achieve satisfactory performance for the financial year ending 30 June 2016.

Property investment & development

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

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Management services & others/Hotels

After considering the current market condition and the level of uncertainty in the global economy, the performance of these two segments for the financial year ending 30 June 2016 is expected to remain satisfactory.

Utilities

The power purchase agreement was successfully completed on 30 September 2015. Negotiations with Tenaga on the signing of a new Power Purchase Agreement for the supply of power from the existing facility in Paka under the short term capacity bid called by the Malaysian Energy Commission is underway.

Despite the current challenges faced in Multi Utilities (Merchant) division, this division will continue to build momentum of growing a diversified portfolio comprising both regulated and non-regulated businesses, enhancing overall business efficiencies and delivering value to customers in an effort to maintain an overall competitive position.

As for Water & Sewerage division, Wessex Water which operates under a strict regulatory regime is confident of delivering its 2015-20 regulatory outperformance target by restructuring its business objectives and will continue to provide customers with first-class affordable service.

The telecommunication division remains committed to offering its customers value-for-money mobile broadband services and will add LTE services to its network in the near future in an effort to continuously grow its subscriber base to generate higher revenue.

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee for the current financial period to date.

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B6. Profit for the period

	Current Quarter 31.03.2016 RM'000	Year To Date 31.03.2016 RM'000
Profit for the period is stated after charging/(crediting):		
Amortisation of grant and contributions	(5,731)	(16,037)
Amortisation of other intangible assets	23,614	69,922
Depreciation of property, plant and equipment	380,142	1,251,943
Fair value changes of derivatives	23,128	17,101
Gain on disposal of property, plant and equipment	621	(6,290)
Loss on foreign exchange	19,206	37,242
Impairment loss on receivables - net of reversal	23,248	(82,667)
Interest income	(26,999)	(111,720)
Interest expense	322,204	1,006,043
Provision for liabilities and charges	(993)	22,336
	<u> </u>	<u> </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 period-to-date.

B7. Taxation

Taxation comprises the following:-

	Current Quarter 31.03.2016 RM'000	Year To Date 31.03.2016 RM'000
In respect of current period		
- Income tax	137,199	457,296
- Deferred tax	(46,322)	(68,950)
	<u> </u>	<u> </u>
	<u>90,877</u>	<u>388,346</u>

The lower effective tax rate of the Group as compared to Malaysian statutory income tax rate for the current financial quarter is mainly attributable to tax credit recorded following a change in rate of tax recognized by Wessex Water Group and income subjected to different tax jurisdictions.

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B8. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

As at the date of this report, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:-

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

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

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

On 14 May 2014 and 28 May 2014, an application was submitted by the Manager of YTL Hospitality REIT to the Securities Commission Malaysia (“SC”) and Bursa Malaysia Securities Berhad (“Bursa Securities”) respectively, to seek an extension of time of six (6) months from 30 June 2014 until 29 December 2014 to complete the Placement and Increase in Fund Size (“Extension of Time”). SC and Bursa Securities had vide their letter dated 23 May 2014 and 12 June 2014 approved the Extension of Time.

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

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Notes – continued

B8. Corporate Developments - continued

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

Further applications were submitted to the SC and Bursa Securities on 20 November 2015 to seek an extension of time of six (6) months from 30 December 2015 to 29 June 2016 to complete the Proposed Placement and Proposed Increase in Fund Size (“Fourth Extension of Time”). SC and Bursa Securities had via their letter dated 9 December 2015 and 11 December 2015 approved the Fourth Extension of Time.

Further applications were submitted to the SC and Bursa Securities on 20 May 2016 to seek an extension of time of six (6) months from 30 June 2016 to 29 December 2016 to complete the Proposed Placement and Proposed Increase in Fund Size (“Fifth Extension of Time”). The Fifth Extension of Time is pending approvals.

B9. Group Borrowings and Debt Securities

Particulars of the Group’s borrowings and debts securities as at 31 March 2016 are as follows:-

	Short term		Long term		Total RM'000
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	
Secured	-	1,047,671	-	6,217,012	7,264,683
Unsecured	27,728	2,015,307	16,072,643	11,741,408	29,857,086
Total	27,728	3,062,978	16,072,643	17,958,420	37,121,769

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

In Singapore Dollar ('000)	2,277,328
In US Dollar ('000)	652,344
In Sterling Pound ('000)	1,953,072
In Japanese Yen ('000)	10,310,000
In Thai Baht ('000)	622,000

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Save for the borrowings of RM213.8 million, Thai Baht 622.0 million and Yen 10.3 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

B10. Derivatives Financial Instruments, Fair Value Changes of Financial Liabilities, Fair Value hierarchy and Realised and Unrealised Profits or Losses

(a) Derivatives Financial Instruments

As at 31 March 2016, 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	1,130,673	715,030
- 1 year to 3 years	399,255	237,778
- More than 3 years	1,662	1,621
<u>Currency forwards</u>		
- Less than 1 year	1,180,412	1,187,573
- 1 year to 3 years	491,629	501,669
- More than 3 years	2,977	2,768
<u>Interest rate swap contracts</u>		
- 1 year to 5 years	787,853	(13,867)

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.

The Group entered into interest rate swap contracts to manage its interest rate risk arising primarily from interest-bearing borrowings. Borrowings at floating rate expose the Group to fair value interest rates and the derivative financial instruments minimise the fluctuation of cash flow due to changes in the market interest rates.

The derivative financial instruments are stated at fair value based on banks' quotes. The fair value changes on the effective portion of the derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

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Notes – continued

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

(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 March 2016 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current quarter 3 months to 31.03.2016	Current year to date 9 months to 31.03.2016
			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 (unfavourably against)/ in favour of the Group	(4,133)	(338)
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of/(unfavourably against) the Group	13,273	7,175
Total			9,140	6,837

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Notes: - continued

(c) Fair Value hierarchy

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

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

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

	Level 1	Level 2	Total
	RM'000	RM'000	RM'000
31 March 2016			
Assets			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	9,396	9,396
Derivative used for hedging	-	60,921	60,921
Available-for-sale financial assets	37,486	-	37,486
Total assets	37,486	70,317	107,803
Liabilities			
Financial liabilities at fair value through profit and loss			
- Trading derivatives	-	23,840	23,840
Derivative used for hedging	-	623,962	623,962
Total liabilities	-	647,802	647,802

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Notes: - continued

(d) Realised and Unrealised Profits or Losses

	As at 31.03.2016 RM'000	As at 30.06.2015 RM'000
Retained earnings of the Company and its subsidiaries		
- Realised	17,112,600	16,973,824
- Unrealised	(851,767)	(740,211)
	<u>16,260,833</u>	<u>16,233,613</u>
Total share of accumulated profit from associated companies and joint ventures		
- Realised	1,680,227	1,695,101
- Unrealised	(238,559)	(238,502)
	<u>1,441,668</u>	<u>1,456,599</u>
Less: consolidated adjustments	(6,743,184)	(6,098,566)
	<u>10,959,317</u>	<u>11,591,646</u>

B11. Material litigation

Save for the following, there were no changes to the material litigations since the date of the last audited financial statements of financial position:-

- (a) A Notice of Arbitration was issued on 31 March 2014 by a subsidiary of the Group against a gas supplier for recovery of sums over-invoiced by the gas supplier under the Agreement for the Sale and Purchase of Dry Gas dated 15 March 1993.

On 16 July 2015, an award was issued in favour of the subsidiary for recovery of the amount in dispute. On 29 July 2015, the gas supplier filed an Originating Summons to set aside or to vary the award under the relevant provisions of the Arbitration Act, 2005. On 21 August 2015, the subsidiary filed a Notice of Application to the High Court to strike out or dismiss the Originating Summons as the Board has been advised that the application to set aside or vary the award has no merit.

The parties then entered into discussions to settle the matter which lead to a discontinuance of the High Court proceedings in November 2015 and the recovery of the aforesaid amount from the gas supplier.

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Notes: - continued

- (b) A foreign subsidiary of the Group has commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following their termination of the electricity retail contracts. The customers have filed their defence and counterclaim, and the matter is now awaiting trial.

Based on the legal advice sought by the board, the subsidiary has strong prospects of succeeding in their claim and the customers are highly unlikely to succeed in their counter claim. Thus, no provision has been made for potential losses that may arise from the counterclaims.

B12. Dividend

No dividend has been declared for the current financial quarter and financial period to date.

B13. Earnings Per Share

i) Basic 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 31.03.2016	Preceding Year Corresponding Quarter 31.03.2015
Profit attributable to owners of the parent (RM'000)	229,878	233,172
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,793,991	10,793,991
Shares repurchased	(375,347)	(375,346)
	10,418,644	10,418,645
Basic earnings per share (sen)	2.21	2.24

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Notes: - continued

B13. Earnings Per Share

ii) Diluted earnings per 10 sen share

The diluted earnings per share of the Group has been computed by dividing the net profit attributable to owners of the parent for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter as set out below:-

	Current Year Quarter 31.03.2016	Preceding Year Corresponding Quarter 31.03.2015
Profit attributable to owners of the parent (RM'000)	229,878	233,172
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,418,644	10,418,645
Effect of unexercised employees share option scheme	-	-
	<u>10,418,644</u>	<u>10,418,645</u>
Diluted earnings per share (sen)	<u>2.21</u>	<u>2.24</u>

Total cash expected to be received in the event of an exercise of all ESOS options is RM234.063 million (2015: RM239.067 million). Accordingly, the Net Asset (NA) on a proforma basis will increase by RM234.063 million (2015: RM239.067 million) resulting in an increase in NA per share of RM0.02 (2015: 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: 26 May 2016