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

Interim Financial Report
30 June 2019

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 30 June 2019.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Revenue	5,039,177	4,198,642	17,995,043	15,890,146
Cost of sales	(4,025,605)	(2,988,639)	(13,890,513)	(11,403,266)
Gross profit	1,013,572	1,210,003	4,104,530	4,486,880
Other operating income	179,853	82,495	358,653	274,662
Other operating expenses	(625,671)	(845,048)	(2,085,074)	(2,180,185)
Profit from operations	567,754	447,450	2,378,109	2,581,357
Finance costs	(457,348)	(420,900)	(1,747,267)	(1,644,573)
Share of results of associated companies and joint ventures	76,282	94,946	398,153	398,874
Profit before taxation	186,688	121,496	1,028,995	1,335,658
Taxation	(98,773)	(52,139)	(306,232)	(364,867)
Profit for the period/year	87,915	69,357	722,763	970,791
Attributable to:-				
Owners of the parent	2,441	(63,535)	258,846	340,918
Non-controlling interests	85,474	132,892	463,917	629,873
Profit for the period/year	87,915	69,357	722,763	970,791
Earnings/(loss) per share				
Basic (Sen)	0.02	(0.60)	2.45	3.24
Diluted (Sen)	0.02	(0.60)	2.45	3.24

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Profit for the period/year	87,915	69,357	722,763	970,791
Other comprehensive income/(loss) :-				
Items that will not be reclassified subsequently to income statement:-				
Re-measurement of post-employment benefit obligations	(43,966)	(38,265)	(43,966)	150,319
Items that may be reclassified subsequently to income statement:-				
Financial assets at fair value through other comprehensive income	(20,528)	11,744	(22,102)	13,383
Cash flow hedges	(99,755)	248,315	(248,324)	317,664
Foreign currency translation	170,917	56,755	310,221	(1,406,171)
Other comprehensive income/(loss) for the period/year, net of tax	6,668	278,549	(4,171)	(924,805)
Total comprehensive income for the period/year	94,583	347,906	718,592	45,986
Attributable to :-				
Owner of the parent	(48,866)	(25,481)	208,967	(90,775)
Non-controlling interests	143,449	373,387	509,625	136,761
Total comprehensive income for the period/year	94,583	347,906	718,592	45,986

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 30.06.2019 RM'000	Restated As at 30.06.2018 RM'000	Restated As at 01.07.2017 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	30,733,811	28,076,352	28,507,698
Investment properties	10,226,410	10,003,889	10,517,010
Investment in associated companies and joint ventures	2,944,934	2,423,150	2,478,243
Investments	413,350	1,113,082	845,165
Development expenditure	1,243,884	1,127,391	1,026,267
Intangible assets	8,336,318	5,975,875	6,353,040
Other receiveables and other non-current assets	928,295	973,991	991,119
Derivative financial instruments	18,722	49,860	13,629
	54,845,724	49,743,590	50,732,171
Current Assets			
Inventories	2,779,273	2,808,716	762,446
Property development costs	467,357	367,032	2,522,314
Trade, other receivables and other current assets	4,543,537	3,577,408	3,793,184
Derivative financial instruments	65,022	198,405	52,124
Income tax assets	123,772	128,091	80,116
Investments	2,354,946	2,650,117	3,241,812
Amount due from related parties	47,656	36,254	87,497
Fixed deposits	10,636,297	10,619,683	12,145,557
Cash and bank balances	1,183,287	1,014,971	1,174,691
	22,201,147	21,400,677	23,859,741
TOTAL ASSETS	77,046,871	71,144,267	74,591,912

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited As at 30.06.2019 RM'000	Restated As at 30.06.2018 RM'000	Restated As at 01.07.2017 RM'000
EQUITY			
Share capital	3,340,111	3,340,111	3,340,111
Other reserves	974,474	982,829	1,523,559
Retained profits	9,578,923	9,873,889	10,514,981
Less : Treasury shares, at cost	(472,793)	(337,142)	(596,577)
Equity Attributable to Owners of the Parent	13,420,715	13,859,687	14,782,074
Non-Controlling Interests	7,965,665	7,500,640	8,025,099
TOTAL EQUITY	21,386,380	21,360,327	22,807,173
LIABILITIES			
Non-current liabilities			
Long term payables and other non-current liabilities	1,012,122	908,131	932,394
Bonds & borrowings	37,025,962	35,548,306	34,132,823
Grants and contributions	612,147	548,493	547,775
Deferred tax liabilities	1,998,862	2,143,528	2,150,401
Post-employment benefit obligations	759,638	685,509	1,115,512
Derivative financial instruments	54,117	34,308	44,008
	41,462,848	39,868,275	38,922,913
Current Liabilities			
Trade, other payables and other current liabilities	4,769,192	3,311,452	3,362,585
Derivative financial instruments	63,491	19,817	128,772
Amount due to related parties	16,122	9,105	8,486
Bonds & borrowings	9,064,398	6,238,206	8,996,806
Income tax liabilities	131,953	186,403	210,474
Provision for liabilities and charges	152,487	150,682	154,703
	14,197,643	9,915,665	12,861,826
TOTAL LIABILITIES	55,660,491	49,783,940	51,784,739
TOTAL EQUITY AND LIABILITIES	77,046,871	71,144,267	74,591,912
Net Assets per share (RM)	1.27	1.30	1.40

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 YEAR ENDED 30 JUNE 2019

	Attributable to Owners of the Parent						
Group	**Share capital RM'000**	**Retained profits RM'000**	**Treasury shares RM'000**	**Other reserves RM'000**	**Total RM'000**	**Non-Controlling interests RM'000**	**Total equity RM'000**
At 1 July 2018 (as previously reported)	3,340,111	10,123,292	(337,142)	1,009,646	14,135,907	7,540,331	21,676,238
Effect of first-time MFRS adoption		(249,403)		(26,817)	(276,220)	(39,692)	(315,912)
At 1 July 2018 (restated)	3,340,111	9,873,889	(337,142)	982,829	13,859,687	7,500,639	21,360,326
Profit for the year	-	258,846	-	-	258,846	463,917	722,763
Other comprehensive income/(loss)	-	(24,268)	-	(25,611)	(49,879)	45,708	(4,171)
Total comprehensive income for the year	-	234,578	-	(25,611)	208,967	509,625	718,592
Changes in composition of the Group	-	(109,690)	-	-	(109,690)	450,221	340,531
Dividend paid	-	(422,748)	-	-	(422,748)	(494,820)	(917,568)
Purchase of treasury shares	-	-	(135,651)	-	(135,651)	-	(135,651)
Share option expenses	-	-	-	19,636	19,636	-	19,636
Share option lapsed	-	-	-	(1,748)	(1,748)	-	(1,748)
Share option lapsed by subsidiary	-	2,894	-	(632)	2,262	-	2,262
At 30 June 2019	3,340,111	9,578,923	(472,793)	974,474	13,420,715	7,965,665	21,386,380

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 2018 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 YEAR ENDED 30 JUNE 2018

	← Attributable to Owners of the Parent				→	Non-	
Group	**Share capital RM’000**	**Retained profits RM’000**	**Treasury shares RM’000**	**Other reserves RM’000**	**Total RM’000**	**Controlling interests RM’000**	**Total equity RM’000**
At 1 July 2017 (as previously reported)	3,340,111	10,606,817	(596,577)	1,523,559	14,873,910	8,051,734	22,925,644
Effect of first-time MFRS adoption	-	(228,114)	-	(26,817)	(254,931)	(28,640)	(283,571)
At 1 July 2017 (restated)	3,340,111	10,378,703	(596,577)	1,496,742	14,618,979	8,023,094	22,642,073
Profit for the year	-	340,918	-	-	340,918	629,873	970,791
Other comprehensive income/(loss)	-	81,218	-	(512,911)	(431,693)	(493,112)	(924,805)
Total comprehensive income/(loss) for the year	-	422,136	-	(512,911)	(90,775)	136,761	45,986
Changes in composition of the Group	-	(67,298)	-	(365)	(67,663)	(57,537)	(125,200)
Dividend paid	-	(526,761)	-	.	(526,761)	(601,678)	(1,128,439)
Purchase of treasury shares	-	-	(75,446)	-	(75,446)	-	(75,446)
Share dividend	-	(334,881)	334,881	-	-	-	-
Share option lapsed	-	1,290	-	(1,290)	-	-	-
Share option lapsed by subsidiary	-	700	-	(378)	322	-	322
Share of reserve of a joint venture				(4,885)	(4,885)		(4,885)
At 30 June 2018 (restated)	3,340,111	9,873,889	(337,142)	982,829	13,859,687	7,500,640	21,360,327

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	12 Months Ended	
	30.06.2019	**30.06.2018**
	RM'000	**RM'000**
		(Restated)
Cash flows from operating activities		
Profit before tax	1,028,995	1,335,658
Adjustment for :-		
Adjustment on fair value of investment properties	(13,021)	42,770
Amortisation of contract costs	11,569	21,119
Amortisation of deferred income	(1,078)	(3,968)
Amortisation of grants and contributions	(20,553)	(20,100)
Amortisation of other intangible assets	10,806	9,565
Depreciation	1,484,829	1,537,866
Dividend income	(29,411)	(36,766)
Fair value changes of derivatives	19,982	5,181
Fair value changes of investments	(60,983)	27,382
Gain on disposal of investment properties	(3,709)	(3,484)
Gain on disposal of property, plant and equipment	(4,789)	(20,613)
Impairment losses	159,682	36,949
Interest expense	1,747,267	1,644,573
Interest income	(309,688)	(320,253)
Inventories written off	70,522	117,357
Property, plant and equipment written off	25,757	92,891
Provision for post-employment benefit	64,530	(124,495)
Provision for liabilities and charges	8,219	5,582
Share option expenses	21,526	6,658
Share of results of associated companies and joint ventures	(398,153)	(398,874)
Unrealised gain on foreign exchange	(115,936)	(744)
Other non cash items	6,361	5,206
Operating profit before changes in working capital	3,702,724	3,959,460

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 - continued

	12 Months Ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
		(Restated)
Changes in working capital:-		
Inventories	417,404	(72,857)
Property development costs	(61,035)	(82,591)
Receivables, deposits and prepayments	(808,708)	(106,618)
Payables and accrued expenses	674,143	(239,659)
Related parties balances	4,386	51,863
Cash generated from operations	3,928,914	3,509,598
Dividend received	446,717	446,466
Interest paid	(1,632,836)	(1,488,448)
Interest received	318,206	318,510
Payment to a retirement benefits scheme	(111,064)	(108,103)
Income tax paid	(305,216)	(420,254)
Net cash from operating activities	2,644,721	2,257,769
Cash flows from investing activities		
Acquisition of subsidiaries	(3,207,258)	(118,994)
Acqusition of associated companies	(371,410)	(79,336)
Development expenditure incurred	(94,021)	(163,077)
Grants received in respect of infrastructure assets	86,198	50,593
Maturities of income funds	1,285,382	385,045
Proceeds from disposal of investment properties	13,837	18,849
Proceeds from disposal of property, plant & equipment	324,917	34,685
Proceeds from disposal of investments	-	2,969
Purchase of investment properties	(375,166)	(86,213)
Purchase of property, plant & equipment	(1,719,516)	(2,073,482)
Purchase of intangible assets	(4,215)	(6,618)
Purchase of investments	(137,594)	(101,360)
Shareholder loans	(60,304)	(69,683)
Net cash used in investing activities	(4,259,150)	(2,162,983)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 - continued

	12 Months Ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
		(Restated)
Cash flows from financing activities		
Dividend paid	(422,748)	(526,761)
Dividend paid to non-controlling interests by subsidiaries	(494,820)	(601,678)
Repurchase of own shares by the company (at net)	(135,651)	(75,446)
Repurchase of subsidiaries' shares by subsidiaries	(198,625)	(86,031)
Proceeds from borrowings	5,939,277	9,224,800
Proceeds from issue of shares in subsidiaries to non-controlling interests	-	17,224
Repayment of borrowings	(3,052,870)	(8,966,953)
Repayment of loans owing to former shareholder	-	(192,996)
Net cash used in financing activities	1,634,563	(1,207,841)
Net changes in cash and cash equivalents	20,134	(1,113,055)
Effects of exchange rate changes	177,182	(602,140)
Cash and cash equivalents at beginning of the financial year	11,601,643	13,316,838
Cash and cash equivalents at end of the financial year	11,798,959	11,601,643
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	10,636,297	10,619,683
Cash and bank balances	1,183,287	1,014,971
Bank overdraft	(20,625)	(33,011)
	11,798,959	11,601,643

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 2018.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("MFRS") 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").

Since the previous annual audited financial statements as at 30 June 2018 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB"). This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. The effects on the adoption of MFRS framework are described as below.

The interim financial report of the Group for the current financial year ended 30 June 2019 is the fourth interim financial report prepared in accordance with MFRS Framework, including MFRS 1 "First-time Adoption of MFRS". Subject to certain transition elections and effects of adoption of MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from contracts with customers" as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

The effects on the adoption of MFRS framework are as follows:

<u>MFRS 9 : Financial Instruments ("MFRS 9")</u>

MFRS 9 replaces MFRS 139 "Financial Instruments: Recognition and Measurement". The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than in the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

On the date of initial application, the Group has confirmed that its current hedge relationships will qualify as continuing hedges upon the adoption of MFRS 9. Certain financial assets that do not meet the criteria for classification at amortised cost have been classified as financial assets at FVTPL. While, available-for-sale financial assets were classified to financial assets at FVOCI.

<u>MFRS 15 : Revenue from Contracts with Customers ("MFRS 15")</u>

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersede the revenue recognition guidance including MFRS 118 : Revenue, MFRS 111 : Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

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The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follow:

(a) Utilities segment

(i) Accounting for sale of device as part of bundled telecommunication service package

MFRS 15 requires devices which the Group promises to transfer as part of a bundled package with mobile telecommunication services to be considered distinct and thus accounted for as a separate performance obligation.

As a result, total consideration received from such a package are allocated to the service and device based on relative stand-alone selling prices. This results in an allocation and early recognition of a portion of telecommunication service revenue as device revenue, an earlier recognition of device subsidy expenses which was capitalised as intangible asset previously and subsequently, a reduction in service revenue throughout the contract period. The recognition of higher device revenue upfront also resulted in recognition of what is known as a contract asset (a receivable arising from the customer contract that has not yet legally come into existence) in the statement of financial position.

(ii) Incremental costs of obtaining a contract

Under MFRS 15, the Group capitalises sales commissions and device costs (for those devices which is bundled with fixed line telecommunication services and not distinct performance obligation) as costs of obtaining a contract with a customer when they are incremental and expected to be recovered. These costs will then be amortised consistently with the transfer of the good or service to the customer.

(b) Property segment

(i) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Currently, the Group account for the bundled sales as one deliverable and recognises revenue over time. Under MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost-plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

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(ii) Cost incurred in fulfilling a contract

Under the current standards, the Group expensed off sales commissions and legal fees of sales and purchase agreement ("SPA") as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and legal fees of SPA relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under MFRS 15, these costs will be eligible for capitalisation and recognised as property development costs and contract sales respectively.

(iii) Recognition of provision for foreseeable losses for low cost housing

Under the current standards, the Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above is in accordance to FRSIC Consensus 17 : Development of Affordable Housing ("FRSIC 17") issued by Malaysia Institute of Accountants ("MIA").

MFRS 15 requires the accounting to be done on a contract basis. On 7 March 2018, MIA has withdrawn FRSIC 17 and stated that FRSIC 17 is no longer relevant for the adoption of MFRS framework. This has resulted in the retrospective reversal of the provision for affordable housing previously provided for in the financial statements of the Group.

Acquisition accounting restatement in relation to Wessex Water

During the year, noted that RM335.4 million of infrastructure assets had been under depreciated by RM10.4mn and no provision was made on deferred tax liability of RM51.0mn. This relates to the initial adoption of MFRS on 1 July 2011. Also, there were non-recognition of deferred tax liability of RM21.0mn in respect of non-qualifying assets recognised on the 2002 historical business combination in the consolidation.

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

Notes: - continued

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS are disclosed in the following tables:

(i) Condensed Consolidated Income Statement

	Individual Quarter 30.06.2018			Cumulative Quarter 30.06.2018		
	As previously reported RM'000	**Adoption of MFRS RM'000**	**Restated RM'000**	**As previously reported RM'000**	**Adoption of MFRS RM'000**	**Restated RM'000**
Revenue	4,195,980	2,662	4,198,642	15,904,731	(14,585)	15,890,146
Cost of sales	(2,948,194)	(40,445)	(2,988,639)	(11,374,507)	(28,759)	(11,403,266)
Gross profit	1,247,786	(37,783)	1,210,003	4,530,224	(43,344)	4,486,880
Other operating income	82,581	(86)	82,495	275,872	(1,210)	274,662
Other operating expenses	(845,207)	159	(845,048)	(2,187,102)	6,917	(2,180,185)
Profit from operations	485,160	(37,710)	447,450	2,618,994	(37,637)	2,581,357
Finance costs	(416,332)	(4,568)	(420,900)	(1,640,005)	(4,568)	(1,644,573)
Share of results of associated companies and joint ventures	97,105	(2,159)	94,946	400,745	(1,871)	398,874
Profit before taxation	165,933	(44,437)	121,496	1,379,734	(44,076)	1,335,658
Taxation	(65,419)	13,280	(52,139)	(376,593)	11,726	(364,867)
Profit for the period/year	100,514	(31,157)	69,357	1,003,141	(32,350)	970,791
Attributable to:-						
Owners of the parent	(43,025)	(20,510)	(63,535)	362,217	(21,299)	340,918
Non-controlling interests	143,539	(10,647)	132,892	640,924	(11,051)	629,873
Profit for the period/year	100,514	(31,157)	69,357	1,003,141	(32,350)	970,791
Earnings/(loss) per share						
Basic (Sen)	(0.41)	(0.20)	(0.60)	3.44	(0.20)	3.24
Diluted (Sen)	(0.41)	(0.20)	(0.60)	3.44	(0.20)	3.24

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Notes: - continued

(ii) Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter 30.06.2018			Cumulative Quarter 30.06.2018		
	As previously reported RM'000	**Adoption of MFRS RM'000**	**Restated RM'000**	**As previously reported RM'000**	**Adoption of MFRS RM'000**	**Restated RM'000**
Profit for the period/year	100,514	(31,157)	69,357	1,003,141	(32,350)	970,791
Other comprehensive income/(loss) :-						
Items that will not be reclassified subsequently to income statement:-						
Re-measurement of post-employment benefit obligations	(38,265)	-	(38,265)	150,319	-	150,319
Items that may be reclassified subsequently to income statement:-						
Financial assets at fair value through other comprehensive income	11,744	-	11,744	13,383	-	13,383
Cash flow hedges	248,315	-	248,315	317,664	-	317,664
Foreign currency translation	56,755	-	56,755	(1,406,171)	-	(1,406,171)
Other comprehensive income/(loss) for the period/year, net of tax	278,549	-	278,549	(924,805)	-	(924,805)
Total comprehensive income/ (loss) for the period/year	379,063	(31,157)	347,906	78,336	(32,350)	45,986
Attributable to :-						
Owner of the parent	(4,971)	(20,510)	(25,481)	(69,476)	(21,299)	(90,775)
Non-controlling interests	384,034	(10,647)	373,387	147,812	(11,051)	136,761
Total comprehensive income/ (loss) for the period/year	379,063	(31,157)	347,906	78,336	(32,350)	45,986

(iii) Condensed Consolidated Statement of Financial Position

	Previously reported 30.06.2018 RM'000	Effects of MFRS RM'000	Restated 30.06.2018 RM'000	Previously reported 01.07.2017 RM'000	Effects of MFRS RM'000	Restated 01.07.2017 RM'000
Non-current Assets						
Property, plant and equipment	28,085,524	(9,172)	28,076,352	28,516,788	(9,090)	28,507,698
Investment in associated companies and joint ventures	2,427,161	(4,011)	2,423,150	2,480,383	(2,140)	2,478,243
Investments	1,136,775	(23,693)	1,113,082	845,165	-	845,165
Development expenditure	1,161,417	(34,026)	1,127,391	1,060,293	(34,026)	1,026,267
Intangible assets	5,986,886	(11,011)	5,975,875	6,386,034	(32,994)	6,353,040
Biological assets	1,798	(1,798)	-	1,798	(1,798)	-
Other receiveables and other non-current assets	967,866	6,125	973,991	988,439	2,680	991,119
Current Assets						
Inventories	2,838,059	(29,343)	2,808,716	799,825	(37,379)	762,446
Property development costs	367,032	-	367,032	2,475,214	47,100	2,522,314
Trade, other receivables and other current assets	3,756,329	(178,922)	3,577,407	3,816,195	(23,011)	3,793,184
Equity						
Other reserves	1,009,646	(26,817)	982,829	1,523,559	-	1,523,559
Retained profits	10,123,292	(249,403)	9,873,889	10,606,817	(91,836)	10,514,981
Non-Controlling Interests	7,540,331	(39,691)	7,500,640	8,051,734	(26,635)	8,025,099
Non-current liabilities						
Long term payables and other non-current liabilities	908,127	4	908,131	932,394	-	932,394
Deferred tax liabilities	2,073,201	70,326	2,143,527	2,068,379	82,022	2,150,401
Provision for liabilities and charges	7,077	(7,077)	-	7,077	(7,077)	-
Current Liabilities						
Trade, other payables and other current liabilities	3,311,391	61	3,311,452	3,376,463	(13,878)	3,362,585
Provision for liabilities and charges	183,936	(33,254)	150,682	187,957	(33,254)	154,703

A2. Seasonality or Cyclicality of Operations

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

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	12 Months Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Sale of electricity	1,800,598	1,572,168	6,705,222	5,789,116
Sale of clean water, treatment and disposal of waste water	839,345	844,827	3,376,655	3,356,699
Sale of goods	782,073	646,422	2,859,922	2,848,705
Hotel operations	265,357	221,753	1,190,632	1,120,354
Broadband and telecommunications revenue	234,855	199,714	863,289	763,532
Rental income	179,607	156,707	689,865	647,030
Rendering of services	39,848	87,204	187,976	189,687
Property development projects	280,120	13,654	427,673	87,725
Sale of land held for property development	-	96,510	9,050	230,385
Sale of steam	51,134	51,444	211,048	190,120
Construction contracts revenue	509,403	232,678	1,219,499	386,466
Interest income	55,810	63,910	224,804	244,238
Dividend income	1,027	11,651	29,408	36,089
	5,039,177	4,198,642	17,995,043	15,890,146

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A4. 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.

A5. Changes in estimates of amounts reported

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

A6. 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 period to date, the Company repurchased 109,030,600 ordinary shares of its issued share capital from the open market, at an average of RM1.24 per share. The total consideration paid for the share buy-back, including transaction costs amounted to RM135,651,392 and was financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 30 June 2019, the number of treasury shares held was 341,862,418 ordinary shares.

A7. Dividend paid

The following dividend payment was made during the financial period ended 30 June 2019:

	RM'000
In respect of the financial year ended 30 June 2018:-	
An interim single tier dividend of 4 sen per ordinary share paid on 13 November 2018	422,748

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A8. Segment Information

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

The Group's segmental result for the financial year ended 30 June 2019 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	1,219,499	3,822	2,674,264	1,103,296	451,797	1,227,070	11,315,295	-	17,995,043
Inter-segment revenue	141,377	80,553	7,303	239,913	281,426	16,415	15,192	(782,179)	-
Total revenue	1,360,876	84,375	2,681,567	1,343,209	733,223	1,243,485	11,330,487	(782,179)	17,995,043
Segment results									
Profit from operations	80,276	2,560	203,399	368,541	730,659	117,314	875,360	-	2,378,109
Finance costs									(1,747,267)
									630,842
Share of profit of associated companies & joint ventures									398,153
Profit before taxation									1,028,995

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Notes: - continued

A8. Segment Information - continued

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

The Group's segmental result for the financial year ended 30 June 2018 (Restated) 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	386,466	4,461	2,618,698	992,148	501,622	1,097,292	10,289,459	-	15,890,146
Inter-segment revenue	227,004	80,021	9,641	236,720	277,636	13,562	16,004	(860,588)	-
Total revenue	613,470	84,482	2,628,339	1,228,868	779,258	1,110,854	10,305,463	(860,588)	15,890,146
Segment results									
Profit from operations	40,308	2,292	224,730	617,664	373,425	21,490	1,301,448	-	2,581,357
Finance costs									(1,644,573)
									936,784
Share of profit of associated companies & joint ventures									398,874
Profit before taxation									1,335,658

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 30 June 2019, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following-

- On 6 July 2018, the Company announced that Linan Lu Hong Transport Co., Ltd ("Linan Lu Hong"), an indirect subsidiary of YTL Cement Berhad ("YTL Cement"), which in turn is a subsidiary of the Company, has been placed under member's voluntary winding-up pursuant to Article 180(2) of the Company Law of the People's Republic of China. Linan Lu Hong has ceased its business operations since May 2016. The member's voluntary winding-up was completed and the Administration for Industries and Commerce of the People's Republic of China has on 13 November 2018 issued its approval for deregistration of Linan Lu Hong. Linan Lu Hong has ceased to be an indirect subsidiary of the Company.

- On 10 September 2018, Hangzhou Dama Kai Tong Environmental Technology Co., Ltd ("Hangzhou Dama Kai Tong"), an indirect subsidiary of YTL Cement, has been dissolved following its deregistration under Article 179 of the Company Law of the People's in Republic of China. Accordingly, Hangzhou Dama Kai Tong has ceased to be an indirect subsidiary of the Company.

- On 6 December 2018, YTL Hotels & Properties Sdn Bhd ("YTLHP"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as Starhill Hotel (Perth) Sdn Bhd ("SHP") with an issued share capital of RM1.00 comprising 1 ordinary share. SHP will be principally engaged in investment holding activities.

- On 12 December 2018, SHP incorporated the following wholly-owned subsidiaries in Western Australia, each with issued share capital of AUD$1.00 comprising 1 ordinary share:-

Name of Company	Principal Activities
Starhill Hotel Operator (Perth) Pty Ltd	Hotel operator
Starhill Hotel (Perth) Pty Ltd	Trustee company
Starhill Retail (Perth) Pty Ltd	Trustee company
Starhill Office (Perth) Pty Ltd	Trustee company

- YTL Jawa Power Services B.V. ("YTLJPS"), an indirect wholly-owned subsidiary of YTL Power International Berhad ("YTL Power") was deregistered from the Netherlands Chamber of Commerce Business Register as from 1 February 2019 following its merger with YTL Jawa O & M Holdings B.V., an indirect wholly-owned subsidiary of YTL Power, in accordance with Title 7, Book 2 of the Dutch Civil Code. YTLJPS has then ceased to be an indirect wholly-owned subsidiary of YTL Power and the Company.

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- The following subsidiaries were incorporated, each with the issued share capital on RM1.00 comprising 1 ordinary share:

  (i) YTL Infrastructure Holdings Sdn Bhd ("YTL Infrastructure") as a wholly-owned subsidiary of YTL Power, on 1 March 2019; and

  (ii) Global Infrastructure Assets Sdn Bhd ("Global Infrastructure") as a wholly-owned subsidiary of YTL Infrastructure on 4 March 2019.

  Both YTL Infrastructure and Global Infrastructure will be principally involved in investment holding.

- On 17 May 2019, YTL Cement completed the acquisition of 433,344,693 ordinary shares in Lafarge Malaysia Berhad ("LMB"), representing approximately 51% equity interest in LMB for a total consideration of RM1,625,042,598.75 ("Acquisition"). Accordingly, LMB has become a subsidiary of YTL Cement and an indirect subsidiary of the Company. In conjunction with the Acquisition, YTL Cement undertook a mandatory take-over offer on 2 May 2019 for the remaining shares in LMB not already owned by YTL Cement at an offer price of RM3.75 per LMB share pursuant to the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia. Upon the closing of the mandatory take-over offer on 13 June 2019, YTL Cement held 654,109,328 shares comprising a 76.98% equity interest in LMB.

- On 19 June 2019, YTL Cement Singapore Pte Ltd ("YTL Cement Singapore"), a wholly-owned subsidiary of YTL Cement acquired 40,236,655 shares, representing 90.78% of the total number of issued shares in Holcim (Singapore) Limited ("Holcim") for a total consideration of SGD65,988,114.20. As a result, Holcim became a subsidiary of YTL Cement Singapore and an indirect subsidiary of the Company.

- On 24 June 2019, YTL Construction International (Cayman) Limited, a wholly-owned subsidiary of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd disposed of its 67% equity interest in P.T. YTL Construction Makmur ("PT YTL Construction") to YTL Jawa O & M Holdings B.V ("YTL Jawa O&M")., an indirect wholly-owned subsidiary of YTL Power. YTL Jawa O&M simultaneously acquired an additional 28% equity interest from a third party, resulting in it owning 95% interest in PT YTL Construction.

  Consequent thereto, P.T. YTL Construction Makmur changed its name to P.T. YTL Power Services Indonesia.

A10. 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 2018.

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A11. Subsequent Events

Save for the following, there were no items, transactions or events 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 12 July 2019, YTL Jordan Services Sdn Bhd (now known as YTL Power Resources Sdn Bhd) ("YTLPR") acquired 1 ordinary share, representing the total number of issued shares in Equinox Solar Farm Sdn Bhd ("ESF") for RM1.00. As a result, ESF has become a wholly-owned subsidiary of YTLPR and an indirect owned subsidiary of the Company.

- The following companies, all indirect subsidiaries of YTL Power, have been struck-off from the register of UK Companies House and ceased to be indirect subsidiaries of YTL Power and the Company:

  <u>Struck off on 30 July 2019:</u>

  (a) Wessex Electricity Utilities Limited
  (b) Wessex Promotions Limited
  (c) Wessex Property Services Limited
  (d) Wessex Spring Water Limited
  (e) Wessex Logistics Limited
  (f) Wessex Water Commercial Limited

  <u>Struck off on 6 August 2019:</u>

  (a) Sword Bidco (Holdings) Limited
  (b) Sword Bidco Limited
  (c) Sword Midco Limited

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Notes: - continued

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

B1. Review of Performance

	Individual Quarter 30.06.2019 RM'000	Individual Quarter 30.06.2018 RM'000 (Restated)	Variance % +/-	Cumulative Quarter 30.06.2019 RM'000	Cumulative Quarter 30.06.2018 RM'000 (Restated)	Variance % +/-
Revenue						
Construction	509,403	232,678	119%	1,219,499	386,466	216%
Information technology & e-commerce related business	408	495	-18%	3,822	4,461	-14%
Cement Manufacturing & trading	731,560	607,093	21%	2,674,264	2,618,698	2%
Property investment & development	454,792	282,296	61%	1,103,296	992,148	11%
Management services & others	100,873	161,007	-37%	451,797	501,622	-10%
Hotels	277,792	215,871	29%	1,227,070	1,097,292	12%
Utilities	2,964,349	2,699,202	10%	11,315,295	10,289,459	10%
	5,039,177	4,198,642		17,995,043	15,890,146	
Profit before taxation						
Construction	44,701	27,376	63%	80,260	40,291	99%
Information technology & e-commerce related business	144	(824)	117%	2,560	2,291	12%
Cement Manufacturing & trading	12,697	10,563	20%	143,486	174,151	-18%
Property investment & development	(114,570)	(58,194)	-97%	77,913	341,298	-77%
Management services & others	76,521	(138,460)	155%	77,101	(284,329)	127%
Hotels	47,815	(45,739)	205%	100,967	7,220	1298%
Utilities	119,380	326,774	-63%	546,708	1,054,736	-48%
	186,688	121,496		1,028,995	1,335,658	

For the current financial quarter under review, the Group revenue was RM5,039.2 million as compared to RM4,198.6 million, recorded in the preceding year corresponding quarter. The Group recorded a profit before tax of RM186.7 million for the current financial quarter. This represents an increase of RM26.6 million or 53.7% as compared to a profit of RM121.5 million recorded in the preceding year corresponding quarter.

For the current financial year under review, the Group revenue increased by 13.2% to RM17,995.0 million from RM15,890.1 million, recorded in the preceding financial year ended 30 June 2018. The Group profit before taxation for the current financial year stood at RM1,029.0 million. This represents a decrease of RM306.7 million or 23.0% as compared to a profit of RM1,335.7 million recorded in the preceding financial year.

Performance of the respective operating business segments for the financial quarter/year ended 30 June 2019 as compared to the preceding year corresponding quarter/year are analysed as follows:

Construction
The increase in revenue and profit before tax was principally due to significant increase in construction works.

Information technology & e-commerce related business
Revenue decreased mainly due to lower revenue recorded by Content and digital media division whilst the improvement in profit before tax was mainly due to higher interest income earned and lower administration expenses incurred.

Cement Manufacturing & trading
For the current financial quarter under review, the increase in revenue was mainly due to the consolidation of LMB partially offset by lower sales volume from all other divisions. However, the increase in profit before tax was mainly due to higher share of profits of an associated company.

For the current financial year under review, revenue increased mainly due to the reasons mentioned above. Despite the improved revenue, the decrease in profit before taxation was mainly due to higher finance cost which was partially offset by higher share of profits of the associated company.

Property investment & development
The increase in revenue was mainly contributed by the sale of completed properties from the 3 Orchard By-The-Park and The Fennel projects undertaken by YTL Westwood Properties Pte Ltd and Sentul Raya Sdn. Bhd., respectively. However, the decline in profit before tax was mainly attributable to the absence of one-off gain from land disposal by Udapakat Bina Sdn. Bhd. a wholly-owned subsidiary of YTL Land & Development Berhad following the acquisition by Pentadbir Tanah Kuala Lumpur for the Mass Rapid Transit project, inventory write down of completed units of the 3 Orchard By-The-Park, fair value loss of investment properties recorded by Starhill Global Real Estate Investment Trust coupled with the lower unrealised foreign exchange gain on borrowings denominated in foreign currencies recorded by YTL Hospitality REIT.

Management services & others

Decrease in revenue was mainly due to lower accrued technical service income, lower interest income and lower distribution income received from investment in a fund by a foreign subsidiary. However, the significant improvements in profit before tax was principally attributable to lower operating costs, fair value gain on investments, derivatives and investment properties, partially offset by lower share of profits of associated companies recorded by YTL Power International Berhad.

Hotels

The increase in revenue and profit before tax was mainly due to consolidation of The Hague Marriott Hotel in Netherlands and the newly acquired The Westin Perth hotel in Australia, better performance of Star Hill Hotel Sdn. Bhd. following the completion of a refurbishment exercise of JW Marriott Hotel Kuala Lumpur and unrealised foreign exchange gain on inter-company balances.

Utilities

The increase in revenue was mainly due to higher volume of electricity sold and increase in project revenue by Multi utilities business (Merchant) division and Mobile broadband network division, respectively. Despite the higher revenue, the lower profit before tax was mainly due to lower retail non-fuel and ancillary margin, lower vesting contract level and margin, higher finance costs and an allowance for impairment of receivable following a court decision on an outstanding litigation recorded by Multi utilities business (Merchant) division and coupled with the absence of a one-off pension credit recognised recorded by Water & sewerage division.

The utilities segment contributes to 62.9% and 53.1% of the Group revenue and profit before taxation, respectively.

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B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2019 RM'000	Preceding Quarter 31.03.2019 RM'000	Variance % +/-
Revenue	5,039,177	4,312,728	17%
Profit before taxation	186,688	276,128	-32%
Profit attributable to owners of the parent	2,441	85,795	-97%

The increase in revenue was mainly due to higher revenue contributed by the Construction and Utilities segment. Despite the higher revenue, the lower profit before taxation was principally attributable to the loss recorded by the Property investment & development segment as disclosed in Note B1.

B3. Audit Report of the preceding financial year ended 30 June 2018

The Auditors' Report on the financial statements of the financial year ended 30 June 2018 did not contain any qualification.

B4. Prospects

The prospects of the respective business segments of the Group for the financial year ending 30 June 2020 are set out below:

<u>Construction</u>
The construction segment is expected to achieve satisfactory performance based on its current outstanding order book.

<u>Information technology & e-commerce related business</u>
The outlook for the segment's performance should be satisfactory, given that a significant portion of its revenue is derived from relatively resilient spectrum sharing fee income.

<u>Cement manufacturing & trading</u>
The outlook for the cement industry remains highly competitive amongst industry players and the segment is expected to achieve satisfactory performance.

<u>Property investment & development</u>
Notwithstanding the challenging property market conditions both in Malaysia and Singapore, the Group will continue to embark on marketing efforts and initiatives to unlock sales as well as undertake project launches.

Management services & others/Hotels

Considering the current market condition, the performance of these two segments is expected to remain satisfactory.

Utilities

The YTL Power Group has an 80% equity interest in PT Tanjung Jati Power Company ("TJPC"), an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 megawatt coal-fired power project in Java, Indonesia. TJPC has a 30-year power purchase agreement with PT PLN (Persero), Indonesia's state-owned electric utility company, amended and restated in December 2015 and March 2018. The project is currently in the development stage and progress is underway towards achieving financial close.

The YTL Power Group also has a 45% equity interest in Attarat Power Company ("APCO"), which is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project's second unit). Construction has commenced on the project, with operations scheduled to commence in mid-2020.

YTL Power Generation Sdn. Bhd. ("YTLPG") commenced its operation on 1 September 2017 for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months, which will be expiring on 30 June 2021. YTLPG is expected to perform satisfactorily as it operates under a regulatory regime.

The electricity market in Singapore will remain competitive, driven by volatilities across global markets and generation capacity oversupply in the wholesale electricity market. Despite the current challenges, this segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

As for Water & Sewerage division, Wessex Water is currently in discussion with its regulator over the Price Review 2020-25, which was published as a draft determination on 18 July 2019. The Group remains committed to delivering high quality, reliable and resilient services that are affordable to everyone and is confident it wil continue to deliver outperformance of its regulatory targets.

Despite the challenging market in the telecommunications industry, this business segment is expected to continuously grow its subscriber base to generate higher revenue by introducing improved and innovative services to the market. This segnment will also be expanding its telecommunication infrastructure business.

B5. Profit Forecast

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

B6. Profit for the period/year

	Current Quarter 30.06.2019 RM'000	Year To Date 30.06.2019 RM'000
Profit for the period is stated after charging/(crediting):		
Adjustments on fair value of investment properties	(986)	(13,021)
Allowance for impairment of receivables - net of reversal	36,762	155,279
Amortisation of contract costs	2,477	11,569
Amortisation of deferred income	-	(1,078)
Amortisation of grants and contributions	(4,176)	(20,553)
Amortisation of other intangible assets	5,341	10,806
Depreciation of property, plant and equipment	305,576	1,484,829
Dividend income	(1,027)	(29,411)
Fair value changes of derivatives	9,895	19,982
Fair value changes of investments	(17,141)	(60,983)
Interest expense	457,348	1,747,267
Interest income	(24,823)	(84,884)
Gain on foreign exchange	(54,245)	(83,246)
Gain on disposal of investment properties	90	(3,709)
Gain on disposal of property, plant and equipment	(2,763)	(4,789)
Property, plant and equipment written off	21,366	25,757
Provision for liabilities and charges	7,004	8,219

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

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.06.2019 RM'000	Year To Date 30.06.2019 RM'000
In respect of current period/year		
- Income tax	80,991	300,163
- Deferred tax	17,782	6,069
	98,773	306,232

The higher effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year to date was mainly due to losses from certain subsidiary companies, non-deductibility of certain expenses for tax purposes and partially offset by income subjected to different tax jurisdictions.

B8. Corporate Developments

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 6 December 2018, YTL Hotels & Properties Sdn Bhd ("Buyer") entered into a sale and purchase agreement ("SPA") with KKH Property Investors, S.L.U. ("Seller") to acquire:

(i) 548,000 ordinary shares of EUR1.00 nominal each representing the entire share capital of SOL HTL Project, S.L.U. ("SOL HTL"), a company incorporated in Madrid, Spain; and
(ii) Loans owing by SOL HTL to the Seller or its affiliates on completion date.

for an aggregate consideration of EUR220 million (equivalent to RM1,038 million, based on Bank Negara Malaysia's published middle rate of EUR1:RM4.7180 as at close of business on 6 December 2018), which is subject to adjustments ("Proposed Acquisition"). The Company is also a party to the SPA, namely as the guarantor of the Buyer's obligations.

SOL HTL owns a property which will be refurbished and converted into a 200-room hotel to be operated under the EDITION brand of Marriott International, Inc group ("Proposed Hotel"). The property is located at Plaza de Celenque no. 2, 28013 Madrid, Spain, which is registered in the Madrid Property Registry number 4, volume 2879, book 195, folio 1, and with property registration no. 56,167. This property forms part of a building which also houses Fundación Obra Social y Monte de Piedad de Madrid.

The completed Proposed Hotel will comprise:

(i) the registered plot (finca registral) registered with the Land Registry of Madrid no. 4 (Section 2B), no. 56,167 comprising the plot of land located at Plaza de Celenque no. 2, 28013 Madrid, Spain and building ownership rights to the building located at Plaza de Celenque no. 2, 280 Madrid, Spain;
(ii) all easements or other rights appurtenant thereto; and
(iii) all furniture, fixtures and other equipment, fixed assets and inventories as described in the SPA.

Completion of the Proposed Acquisition will take place after satisfaction of certain conditions to completion as set out in the SPA, which includes, among others, the opening of the Proposed Hotel as an EDITION hotel ("Opening Date"). The Opening Date is targeted for before 31 December 2020.

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(II) On 13 June 2019, Maybank Investment Bank Berhad ("Maybank IB") announced on behalf of the Company, as the offeror, a conditional share exchange offer in accordance with the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions, to acquire the following securities in YTL Land & Development Berhad ("YTL Land") to be satisfied through the issuance of new ordinary shares in the Company ("YTL Corp Shares") at an issue price of RM1.14 each ("Consideration Shares"):-

(i) all the remaining ordinary shares (excluding treasury shares) in YTL Land ("YTL Land Shares") and such number of new YTL Land Shares that may be issued pursuant to the conversion of any outstanding 10-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks 2011/2021 with a nominal value of RM0.50 issued by YTL Land ("YTL Land ICULS") prior to the close of the Offer (as defined below) which are not already owned by the Company (collectively, "Offer Shares") at an offer price of RM0.36 for each Offer Share, which translates to an exchange ratio of approximately 0.32 Consideration Share for each Offer Share ("Shares Offer"); and

(ii) all the outstanding YTL Land ICULS which are not already owned by the Company ("Offer ICULS") at an offer price of RM0.32 for each Offer ICULS, which translates to an exchange ratio of approximately 0.28 Consideration Share for each Offer ICULS ("ICULS Offer").

(The Offer Shares and Offer ICULS are collectively referred to as "Offer Securities" and the Shares Offer and ICULS Offer are collectively referred to as the "Offer").

On 20 June 2019 and 24 June 2019, the following approvals were obtained from Bursa Securities:

(i) Waiver from having to comply with Paragraphs 6.04(c)(i) and 6.06(1) of the Main Market Listing Requirements of Bursa Securities in respect of the requirement for the Company to seek shareholders' approval for the allotment and issuance of the Consideration Shares to certain Directors and major shareholders of the Company and persons connected with them; and

(ii) Additional listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities.

On 24 June 2019, the Offer became unconditional upon all the conditions of the Offer having been fulfilled.

On 4 July 2019, the Offer Document was despatched to the holders of the Offer Securities or their designated agents and the first closing date for the Offer was fixed at 5.00 p.m. on 30 August 2019.

On 27 August 2019, Maybank IB announced on behalf of the Company that the closing date and time for acceptance of the Offer have been extended from 5:00 p.m. on 30 August 2019 to 5:00 p.m. on 20 September 2019.

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 30 June 2019 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bankers' acceptances	-	24,347	24,347
Bank overdrafts	-	42,675	42,675
Commercial papers	-	10,000	10,000
Finance lease liabilities	30,068	555	30,623
ICULS *	-	21,592	21,592
Revolving credit	20,000	3,446,369	3,466,369
Term loans	2,144,954	2,813,814	4,958,768
Bonds	330,024	180,000	510,024
	2,525,046	6,539,352	9,064,398
Non-current			
Finance lease liabilities	16,965	116	17,081
Revolving credit	160,000	298,858	458,858
Term loans	1,291,351	16,297,006	17,588,357
Bonds	328,196	18,633,470	18,961,666
	1,796,512	35,229,450	37,025,962
Total borrowings	**4,321,558**	**41,768,802**	**46,090,360**

** Irredeemable Convertible Unsecured Loan Stock ("ICULS")*

Foreign currency borrowings included in the above are as follows :-

	Foreign Currency '000	RM Equivalents '000
US Dollar	920,168	3,811,336
Singapore Dollar	3,281,658	10,043,186
Sterling Pound	2,242,784	11,772,149
Japanese Yen	17,531,421	674,697
Thai Baht	2,003,888	269,791
Australia Dollar	693,582	2,013,399
Euro	21,000	98,860
		28,683,418

Save for the borrowings of RM128.4 million, US Dollar 227.5 million, Sterling Pound 91.5 million, Yen 7.8 billion and Thai Baht 2.0 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.

B10. Derivatives Financial Instruments, Fair Value Changes of Financial Liabilities and Fair Value hierarchy

(a) Derivatives Financial Instruments

As at 30 June 2019, the Group's outstanding derivatives are as follows:

Type of Derivatives	**Contract/Notional Value RM'000**	**Fair Value RM'000**
Fuel oil swaps		
- Less than 1 year	1,474,455	20,716
- 1 year to 3 years	456,283	1,729
- More than 3 years	-	-
Currency forwards		
- Less than 1 year	1,433,251	(5,566)
- 1 year to 3 years	611,097	527
- More than 3 years	-	-
Currency options contracts		
- Less than 1 year	816,200	(668)
- 1 year to 3 years	816,200	(2,665)
- More than 3 years	-	-
Interest rate swap contracts		
- 1 year to 5 years	937,686	(14,548)

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.

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 arising from fair value changes of financial liabilities for the current financial year ended 30 June 2019 are as follows:

Type of financial liabilities	**Basis of fair value measurement**	**Reason for the gains**	**Fair value (loss)/gain**	
			Current quarter 30.06.2019 RM'000	**Current year to date 30.06.2019 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 the Group	(1,071)	(2,754)
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	(9,653)	(6,571)
Currency options contract	Spot rate and interest rate curve, volatility and time to maturity	Spot rate has moved in favour of the Group	3,304	15,590
		Total	(7,420)	6,265

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(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 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
30 June 2019				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	946	-	946
- Income funds	-	1,490,865	-	1,490,865
- Equity investments	-	3,640	-	3,640
Derivative used for hedging	-	82,798	-	82,798
Financial assets at fair value through other comprehensive income	52,003	45	1,221,743	1,273,791
Total assets	52,003	1,578,294	1,221,743	2,852,040
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	6,449	-	6,449
- Currency options contract	3,333	-	-	3,333
Derivative used for hedging	-	107,826	-	107,826
Total liabilities	3,333	114,275	-	117,608

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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:

In 2015, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The trial was heard at the end of 2017 followed by a further hearing in November 2018. On 2 January 2019, the High Court ruled in favour of the subsidiary but awarded damages on a different basis from that claimed. This resulted in nominal damages being paid to the subsidiary. The foreign subsidiary's legal counsel has advised that there are real merits to appeal against the High Court's decision on the issue of damages. Accordingly, the subsidiary has filed an appeal against the decision and the appeal hearing is to be fixed by November 2019.

Notwithstanding the outcome of the appeal, the subsidiary has recognised a provision for the sum of RM70.5 million (SGD23.4 million) in the quarter ended 31 December 2018 based on the decision of the court.

B12. Dividend

The Board of Directors ("Board") is pleased to declare an interim single tier dividend of 4 sen per ordinary share for the financial year ended 30 June 2019.

The book closure and payment dates in respect of the aforesaid dividend are 29 October 2019 and 13 November 2019, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2019 (2018: nil).

B13. Earnings Per Share

i) Basic earnings per 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/year by the weighted average number of ordinary shares in issue during the financial quarter/year as set out below:-

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	Individual Quarter		**Cumulative Quarter**	
	Current Year Quarter	**Preceding Year Corresponding Quarter**	**12 Months Ended**	
	30.06.2019	**30.06.2018 (Restated)**	**30.06.2019**	**30.06.2018 (Restated)**
Profit attributable to owners of the parent (RM'000)	2,441	(63,535)	258,846	340,918
Weighted average number of ordinary shares ('000)				
Weighted average number of ordinary shares ('000)	10,910,559	10,910,559	10,910,559	10,910,559
Less: Shares repurchased	(232,832)	(375,348)	(340,603)	(381,031)
	10,677,727	10,535,211	10,569,956	10,529,528
Basic earnings/(loss) per share (sen)	0.02	(0.60)	2.45	3.24

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B13. Earnings Per Share

ii) Diluted earnings per 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/year by the weighted average number of ordinary shares in issue during the financial quarter/year as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2019	Preceding Year Corresponding Quarter 30.06.2018 (Restated)	12 Months Ended 30.06.2019	12 Months Ended 30.06.2018 (Restated)
Profit attributable to owners of the parent (RM'000)	2,441	(63,535)	258,846	340,918
Weighted average number of ordinary shares - diluted ('000)				
Weighted average number of ordinary shares-basic	10,677,728	10,535,211	10,569,956	10,529,529
Effect of unexercised share option scheme	-	-	-	-
	10,677,728	10,535,211	10,569,956	10,529,529
Diluted earnings/(loss) per share (sen)	0.02	(0.60)	2.45	3.24

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM529.465 million (2018: RM547.265 million). Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM529.465 million (2018: RM547.265 million) resulting in an increase in NA per share of RM0.05 (2018: 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: 29 August 2019