

2016年度第2四半期(2015年10月～2015年12月)決算短信

会 社 名 ワイ・ティー・エル・コーポレーション・バーハッド
 株式銘柄コード (1773)
 本 店 所 在 地 マレーシア 55100 クアラルンプール、ジャラン・ブギット・ビンタン
 55、ヨー・ティオン・レイ・プラザ 11階
 所 属 部 東証1部(外国)
 決 算 期 本決算:年1回(6月) 中間決算:四半期ごと
 問 い 合 せ 先 東京都港区元赤坂一丁目2-7 赤坂Kタワー
 アンダーソン・毛利・友常法律事務所
 弁護士 森下 国彦
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 四半期報告書 2016年3月25日
 提出予定日

1. 本国における決算発表日 2016年2月25日(木曜日)

2. 業績

	第2四半期(10月から12月までの3ヶ月)(連結)		
	当年度(未監査)	前年度(未監査)	増減率
売上高または営業収入	3,938,396千リンギット	4,221,358千リンギット	-6.70%
純利益(税引後)	452,920千リンギット	556,822千リンギット	-18.66%
一株当たり利益	2.25セ	3.10セ	-27.42%

	今期累積額(7月から12月までの6ヶ月)(連結)		
	当年度(未監査)	前年度(未監査)	増減率
売上高または営業収入	8,386,785千リンギット	8,705,638千リンギット	-3.66%
純利益(税引後)	772,231千リンギット	932,050千リンギット	-17.15%
一株当たり利益	4.20セ	5.19セ	-19.08%

配当金の推移			
	当年度	前年度	備考
第1四半期	0セ	0セ	
第2四半期	0セ	0セ	
第3四半期		0セ	
第4四半期		9.5セ	
合計	0セ	9.5セ	

3. 概況・特記事項・その他

- (1) 純利益(税引後)は法人税考慮後・少数株式持分損益考慮前利益に基づき算出されている。
- (2) 上記1株当たり利益は基本的利益である。希薄化後1株当たり利益は、当期が2.25セ、前年同期が3.10セであった。今期累積額については、当期が4.20セ、前年同期が5.19セであった。これらの1株当たり利益は法人税考慮後・少数株主持分考慮後利益に基づき算出している。
- (3) 売上高または営業収入および純利益(税引後)の数値は百の位を四捨五入している。

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

Interim Financial Report
31 December 2015

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

Interim Financial Report
31 December 2015

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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 December 2015.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	6 MONTHS ENDED	
	YEAR	CORRESPONDING	31.12.2015	31.12.2014
	QUARTER	QUARTER	RM'000	RM'000
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
REVENUE	3,938,396	4,221,358	8,386,785	8,705,638
COST OF SALES	(2,908,906)	(3,021,724)	(6,190,195)	(6,495,367)
GROSS PROFIT	1,029,490	1,199,634	2,196,590	2,210,271
OTHER OPERATING EXPENSES	(468,167)	(425,569)	(969,205)	(830,802)
OTHER OPERATING INCOME	273,527	156,042	324,067	255,769
PROFIT FROM OPERATIONS	834,850	930,107	1,551,452	1,635,238
FINANCE COSTS	(343,593)	(284,065)	(683,839)	(555,274)
SHARE OF RESULTS OF ASSOCIATED COMPANIES AND JOINT VENTURES	103,594	73,456	202,087	144,711
PROFIT BEFORE TAXATION	594,851	719,498	1,069,700	1,224,675
TAXATION	(141,931)	(162,676)	(297,469)	(292,625)
PROFIT FOR THE PERIOD	452,920	556,822	772,231	932,050
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	234,922	321,507	437,537	537,635
NON-CONTROLLING INTERESTS	217,998	235,315	334,694	394,415
PROFIT FOR THE PERIOD	452,920	556,822	772,231	932,050
EARNINGS PER 10 SEN SHARE				
Basic (Sen)	2.25	3.10	4.20	5.19
Diluted (Sen)	2.25	3.10	4.20	5.19

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.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2014 RM'000	6 MONTHS ENDED 31.12.2015 RM'000	31.12.2014 RM'000
PROFIT FOR THE PERIOD	452,920	556,822	772,231	932,050
OTHER COMPREHENSIVE INCOME/(LOSS):				
<i>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT:-</i>				
REMEASUREMENT LOSS	-	(83,344)	-	(83,344)
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO INCOME STATEMENT :-</i>				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	(1,375)	48	(1,864)	(969)
CASH FLOW HEDGES	(206,545)	(601,963)	(397,992)	(686,835)
FOREIGN CURRENCY TRANSLATION	(708,752)	483,379	1,586,447	241,741
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(916,672)	(201,880)	1,186,591	(529,407)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(463,752)	354,942	1,958,822	402,643
ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(209,926)	175,172	1,006,998	202,274
NON-CONTROLLING INTERESTS	(253,826)	179,770	951,824	200,369
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(463,752)	354,942	1,958,822	402,643

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2015	30.06.2015
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	29,021,658	27,569,745
Investment properties	9,561,802	9,014,876
Investment in associated companies and joint ventures	2,090,404	1,896,955
Investments	255,141	262,342
Development expenditure	1,339,120	825,026
Intangible assets	6,189,249	5,560,416
Biological assets	1,798	1,798
Other receivables and other non-current assets	298,161	320,003
Derivative financial instruments	71,086	53,792
	<u>48,828,419</u>	<u>45,504,953</u>
Current Assets		
Current assets held for sale	86,949	-
Inventories	780,213	770,212
Property development costs	2,106,342	1,883,184
Trade, other receivables and other current assets	3,364,189	3,645,305
Derivative financial instruments	125,982	85,243
Income tax assets	20,026	19,168
Amount due from related parties	52,320	42,634
Short term investments	694,831	632,106
Fixed deposits	13,021,739	13,318,448
Cash and bank balances	1,035,752	798,158
	<u>21,288,343</u>	<u>21,194,458</u>
TOTAL ASSETS	<u>70,116,762</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.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2015	30.06.2015
	RM'000	RM'000
EQUITY		
Share capital	1,079,399	1,079,399
Share premium	2,069,188	2,069,188
Other reserves	1,057,687	489,086
Retained profits	10,789,742	11,591,646
Less : Treasury shares, at cost	<u>(596,574)</u>	<u>(596,574)</u>
Total Equity Attributable to Owners of the Parent	14,399,442	14,632,745
Non-Controlling Interests	7,349,073	6,163,877
TOTAL EQUITY	<u>21,748,515</u>	<u>20,796,622</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other non-current liabilities	976,173	913,306
Bonds & borrowings	36,275,180	33,059,646
Grants and contributions	454,894	413,485
Deferred tax liabilities	2,486,943	2,403,899
Post-employment benefit obligations	809,254	743,365
Derivative financial instruments	<u>227,119</u>	<u>136,223</u>
	41,229,563	37,669,924
Current Liabilities		
Trade, other payables and other current liabilities	3,062,858	3,180,302
Derivative financial instruments	655,186	304,311
Amount due to related parties	13,740	10,132
Bonds & borrowings	2,977,467	4,422,890
Income tax liabilities	347,969	249,815
Provision for liabilities and charges	<u>81,464</u>	<u>65,415</u>
	7,138,684	8,232,865
TOTAL LIABILITIES	48,368,247	45,902,789
TOTAL EQUITY AND LIABILITIES	<u>70,116,762</u>	<u>66,699,411</u>
Net Assets per 10 share (RM)	<u>1.38</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.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

Group	Share capital		Attributable to Owners of the Parent					Non-Controlling interests		Total equity RM'000
	RM'000	RM'000	Share premium RM'000	Share	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000	Controlling interests 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	-	-	-	437,537	-	-	437,537	334,694	772,231	
Other comprehensive income	-	-	-	-	-	569,461	569,461	617,130	1,186,591	
Total comprehensive income for the period	-	-	-	437,537	-	569,461	1,006,998	951,824	1,958,822	
Changes in composition of the Group Capitalised of bonus shares	-	-	-	(249,769)	-	-	(249,769)	825,510	575,741	
issue in subsidiary	-	-	-	(90)	-	67	(23)	23	-	
Conversion of ICULS	-	-	-	-	-	(191)	(191)	-	(191)	
Dividend paid	-	-	-	(989,771)	-	-	(989,771)	(591,530)	(1,581,301)	
Share option lapsed	-	-	-	189	-	(102)	87	(87)	-	
Share option expenses by subsidiary	-	-	-	-	-	(634)	(634)	(544)	(1,178)	
At 31 December 2015	1,079,399	2,069,188	-	10,789,742	(596,574)	1,057,687	14,399,442	7,349,073	21,748,515	

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

Group	Share capital		Attributable to Owners of the Parent					Non-Controlling interests		Total equity RM'000
	RM'000	RM'000	Share premium RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000	Controlling interests RM'000		
At 1 July 2014	1,073,893	1,987,700	1,987,700	12,033,219	(596,570)	(111,478)	14,386,764	5,392,919	19,779,683	
Profit for the year	-	-	-	537,635	-	-	537,635	394,415	932,050	
Other comprehensive loss	-	-	-	(47,325)	-	(288,036)	(335,361)	(194,046)	(529,407)	
Total comprehensive income/(loss) for the period	-	-	-	490,310	-	(288,036)	202,274	200,369	402,643	
Changes in composition of the Group	-	-	-	56,589	-	-	56,589	47,256	103,845	
Conversion of ICULS	-	-	-	-	-	(35)	(35)	-	(35)	
Dividend paid	-	-	-	(984,541)	-	-	(984,541)	(485,801)	(1,470,342)	
Issue of share capital	-	-	-	-	(2)	-	(2)	-	(2)	
Share option expenses by subsidiary	-	-	-	-	-	3,832	3,832	-	3,832	
At 31 December 2014	1,073,893	1,987,700	1,987,700	11,595,577	(596,572)	(395,717)	13,664,881	5,154,743	18,819,624	

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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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	6 MONTHS ENDED	
	31.12.2015	31.12.2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,069,700	1,224,675
Adjustment for :-		
Adjustments on fair value of investment properties	-	(87,585)
Allowance for impairment of inventories	1,000	760
Amortisation of deferred income	-	(2,132)
Amortisation of grants and contributions	(10,306)	(4,837)
Amortisation of other intangible assets	46,308	33,125
Depreciation	871,801	772,682
Dividend income	(884)	(772)
Fair value changes of derivatives	(6,027)	(46,557)
Gain on disposal of property, plant and equipment	(6,911)	(1,869)
(Write back)/allowance for impairment of receivables - net	(105,915)	38,208
Interest expense	683,839	555,274
Interest income	(193,619)	(120,601)
Provision for post-employment benefit	32,452	29,145
Provision for liabilities and charges	23,329	5,920
Share of results of associated companies and joint ventures	(202,087)	(144,711)
Unrealised loss on foreign exchange	41,006	66,132
Other non cash items	5,286	(6,754)
Operating profit before changes in working capital	2,248,972	2,310,103

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.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015 - continued**

	6 MONTHS ENDED	
	31.12.2015	31.12.2014
	RM'000	RM'000
Changes in working capital:-		
Inventories	17,446	64,039
Property development costs	(62,110)	(101,150)
Receivables, deposits and prepayments	564,915	478,908
Payables and accrued expenses	(81,532)	(363,427)
Related parties balances	(6,078)	1,740
Cash generated from operations	2,681,613	2,390,213
Dividend received	222,187	115,295
Interest paid	(702,811)	(482,513)
Interest received	131,207	28,594
Payment to a retirement benefits scheme	(31,967)	(28,754)
Income tax paid	(231,238)	(296,695)
Net cash from operating activities	2,068,991	1,726,140
Cash flows from investing activities		
Acquisition of additional shares in existing subsidiaries	(183,012)	(159,993)
Acquisition of new subsidiaries (net of cash acquired)	(8,324)	(100,735)
Acquisition of associated companies	-	(1,587)
Development expenditure incurred	(534,957)	(30,655)
Grants received in respect of infrastructure assets	22,231	13,575
Proceeds from disposal of property, plant & equipment	118,892	60,898
Proceeds from disposal of investments	15,737	1,061
Purchase of investment properties	(3,645)	(14,364)
Purchase of property, plant & equipment	(927,717)	(1,164,868)
Purchase of intangible assets	(40,661)	(67,650)
Purchase of investments	(10,041)	(18,947)
Other investing activities	-	(7,305)
Net cash used in investing activities	(1,551,497)	(1,490,570)

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.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015 - continued**

	6 MONTHS ENDED	
	31.12.2015	31.12.2014
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(989,771)	(984,541)
Dividend paid to non-controlling interests by subsidiaries	(591,530)	(485,801)
Repurchase of own shares by the company (at net)	-	(2)
Repurchase of subsidiaries' shares by subsidiaries	-	(3)
Proceeds from borrowings	2,428,584	2,120,697
Proceeds from issue of shares in subsidiaries to non-controlling interests	776,714	275,171
Repayment of borrowings	(2,755,706)	(794,067)
Net cash from/(used in) financing activities	<u>(1,131,709)</u>	<u>131,454</u>
Net changes in cash and cash equivalents	(614,215)	367,024
Effects of exchange rate changes	593,407	165,097
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>14,010,604</u></u>	<u><u>13,681,285</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	13,021,739	12,818,683
Cash and bank balances	1,035,752	901,523
Bank overdraft	(46,887)	(38,921)
	<u>14,010,604</u>	<u>13,681,285</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.

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

Notes: - continued

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

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

A4. Changes in estimates of amounts reported

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

A5. Changes in Debt and Equity Securities

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

During the current financial period to date, the Company repurchased 100 ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM1.95 per share. The total consideration paid for the share buy-back, including transaction costs during the current financial period to date amounted to RM195 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 December 2015, the total number of treasury shares held was 375,346,139 ordinary shares of RM0.10 each.

A6. Dividend paid

An interim single tier dividend of 95% or 9.5 sen per ordinary share of RM0.10 amounting to RM989,771,314 in respect of financial year ended 30 June 2015 was paid on 23 October 2015.

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

Notes: - continued

A7. Segment Information

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

The Group's segmental result for the financial period ended 31 December 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	56,663	2,236	1,434,208	488,754	254,487	432,104	5,718,333	-	8,386,785
Inter-segment revenue	129,024	40,550	16,976	99,988	172,508	8,839	4,722	(472,607)	-
Total revenue	185,687	42,786	1,451,184	588,742	426,995	440,943	5,723,055	(472,607)	8,386,785
Segment results									
Profit from operations	317	1,450	301,510	245,136	170,936	22,629	809,474	-	1,551,452
Finance costs									(683,839)
Share of profit of associated companies									867,613
Profit before taxation									202,087
									<u>1,069,700</u>

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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 December 2014 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	31,252	3,543	1,329,055	444,758	206,496	376,630	6,313,904	-	8,705,638
Inter-segment revenue	108,218	40,824	14,265	98,112	188,249	4,384	3,002	(457,054)	-
Total revenue	139,470	44,367	1,343,320	542,870	394,745	381,014	6,316,906	(457,054)	8,705,638
Segment results									
Profit/(loss) from operations	(1,020)	2,914	280,448	381,382	188,279	22,249	760,986	-	1,635,238
Finance costs									(555,274)
									1,079,964
Share of profit of associated companies									144,711
Profit before taxation									1,224,675

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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 December 2015, 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, 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.

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 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.

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- 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.

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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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue				
Construction	26,830	4,773	56,663	31,252
Information technology & e-commerce related business	1,294	2,089	2,236	3,543
Cement Manufacturing & trading	724,863	704,246	1,434,208	1,329,055
Property investment & development	260,571	214,207	488,754	444,758
Management services & others	140,665	101,909	254,487	206,496
Hotels	232,546	205,440	432,104	376,630
Utilities	2,551,627	2,988,694	5,718,333	6,313,904
	<u>3,938,396</u>	<u>4,221,358</u>	<u>8,386,785</u>	<u>8,705,638</u>
Profit before tax				
Construction	(7,218)	(8,168)	311	(1,022)
Information technology & e-commerce related business	884	1,846	1,449	2,910
Cement Manufacturing & trading	165,866	136,506	283,710	264,117
Property investment & development	90,138	207,619	149,400	301,839
Management services & others	(75,273)	20,824	(28,553)	8,245
Hotels	25,406	9,486	13,438	15,167
Utilities	395,048	351,385	649,945	633,419
	<u>594,851</u>	<u>719,498</u>	<u>1,069,700</u>	<u>1,224,675</u>

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For the current quarter under review, the Group recorded a decrease in revenue of 6.7% from RM4,221.4 million to RM3,938.4 million. The Group profit before tax for the current financial quarter was RM594.9 million, a decrease of RM124.6 million or 17.3% as compared to RM719.5 million recorded in the preceding year corresponding quarter.

For the six months under review, the Group revenue and profit before tax decreased to RM8,386.8 million and RM1,069.7 million, representing a decrease of 3.7% and 12.7% when compared to RM8,705.6 million and RM1,224.7 million, respectively recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial period/quarter ended 31 December 2015 as compared to the preceding year corresponding financial period/quarter are analysed as follows:

Construction

Revenue for the current quarter under review increased by 462.1% to RM26.8 million from RM4.8 million whilst loss before tax decreased by 11.6% to RM7.2 million from RM8.2 million when compared to the preceding year corresponding quarter.

For the six months under review, revenue increased to RM56.7 million from RM31.3 million, representing an increase of 81.3% whilst profit before tax has improved to RM0.3 million from loss before tax of RM1.0 million when compared to the preceding year corresponding period.

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

Information technology & e-commerce related business

For the current quarter under review, revenue and profit before tax decreased by 38.1% and 52.1% to RM1.3 million and RM0.8 million from RM2.1 million and RM1.8 million, respectively when compared to the preceding year corresponding quarter.

For the six months under review, revenue and profit before tax decreased to RM2.2 million and RM1.4 million, representing a decrease of 36.9% and 50.2%, when compared to RM3.5 million and RM2.9 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 and profit before tax for the current quarter under review increased to RM724.9 million and RM165.9 million, representing an increase of 2.9% and 21.5% from RM704.2 million and RM136.5 million, respectively recorded in the preceding year corresponding quarter.

For the six months under review, revenue and profit before tax increased to RM1,434.2 million and RM283.7 million, representing an increase of 7.9% and 7.4% from RM1,329.1 million and RM264.1 million, respectively recorded in the preceding year corresponding period.

The increase in revenue and profit before tax were attributable to better performance in concrete and cement businesses.

Property investment & development

For the current quarter under review, revenue increased to RM260.6 million, representing an increase of 21.6% from RM214.2 million whilst profit before tax decreased to RM90.1 million from RM207.6 million, representing a decrease of 56.6% when compared to preceding year corresponding quarter.

For the six months under review, revenue increased by 9.9% to RM488.8 million from RM444.8 million whilst profit before tax decreased by 50.5% to RM149.4 million from RM301.8 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”) whilst decrease in profit before tax were mainly due to absence of net fair value gain on investment properties recorded by SGREIT, coupled with unrealised foreign exchange loss and derivative 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 38.0% to RM140.7 million from RM101.9 million recorded in the preceding year corresponding quarter whilst a loss before tax of RM75.3 million was recorded compared to a profit before tax of RM20.8 million recorded in the preceding year corresponding quarter, representing a decrease of 461.5%.

For the six months under review, revenue increased to RM254.5 million from RM206.5 million recorded in the preceding year corresponding period, representing an increase of 23.2% whilst a loss before tax of RM28.6 million was recorded compared to a profit before tax of RM8.2 million recorded in the preceding year corresponding period, representing a decrease of 446.3%.

The increase in revenue was mainly due to higher interest income recorded in the current quarter 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, coupled with the absence of foreign exchange gain on a derivative on exchangeable bonds issued by an offshore subsidiary.

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Hotels

Revenue and profit before tax for the current quarter under review increased to RM232.5 million and RM25.4 million, representing an increase of 13.2% and 167.8% from RM205.4 million and RM9.5 million, respectively recorded in preceding year corresponding quarter. The increase in revenue and profit before tax were mainly contributed by Niseko Village K.K., Starhill Hotel Sdn. Bhd., The Gainsborough Bath Spa in Bath, United Kingdom and unrealised foreign exchange gain on inter-company balances.

For the six months under review, revenue increased to RM432.1 million from RM376.6 million, representing an increase of 14.7% whilst profit before tax decreased to RM13.4 million from RM15.2 million, representing a decrease of 11.4% when compared to preceding year corresponding period. Higher revenue was mainly contributed by companies as mentioned above whilst lower profit before tax mainly relates to the unrealised foreign exchange loss on inter-company balances due to the weakening of Malaysian Ringgit against Japanese Yen.

Utilities

For the current quarter under review, revenue decreased to RM2,551.6 million from RM2,988.7 million, representing a decrease of 14.6% whilst profit before tax increased to RM395.0 million from RM351.4 million, representing an increase of 12.4% when compared to preceding year corresponding quarter.

For the six months under review, revenue decreased to RM5,718.3 million, representing a decrease of 9.4% from RM6,313.9 million whilst profit before tax increased to RM649.9 million from RM633.4 million, representing an increase of 2.6% when compared to preceding year corresponding period.

The decrease in revenue 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 volume from Multi Utilities business (Merchant) division whilst the increase in profit before tax was principally attributable to the recovery of impairment of receivable and interest income arising from the arbitration award recorded by the power generation division.

The utilities segment contributes to 68.2% and 60.8% of the Group's revenue and profit before tax, respectively.

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B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2015 RM'000	Preceding Quarter 30.09.2015 RM'000
Revenue	3,938,396	4,448,389
Profit before taxation	594,851	474,849
Profit attributable to owners of the parent	234,922	202,615

For the current financial quarter, the Group revenue decreased to RM3,938.4 million from RM4,448.4 million, representing a decrease of 11.5% whilst profit before tax increased by 25.3% from RM474.8 million to RM594.9 million when compared to the preceding quarter ended 30 September 2015.

The decrease in revenue was principally attributable to lower sales recorded in the utilities segment whilst the increase in profit before tax was mainly due to better performance in cement manufacturing & trading segment and recovery of impairment of receivable and interest income arising from arbitration award recorded in the 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 period from 1 March 2016 to 31 December 2018 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 during the current financial quarter.

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B6. Profit for the period

	Current Quarter 31.12.2015 RM'000	Year To Date 31.12.2015 RM'000
Profit for the period is stated after charging/(crediting):		
Amortisation of grant and contributions	(5,208)	(10,306)
Amortisation of other intangible assets	22,719	46,308
Depreciation of property, plant and equipment	394,343	871,801
Fair value changes of derivatives	3,207	(6,027)
Gain on disposal of property, plant and equipment	(3,439)	(6,911)
(Gain)/Loss on foreign exchange	(33,837)	18,036
Impairment loss on receivables - net of reversal	(128,617)	(105,915)
Interest income	(62,819)	(84,721)
Interest expense	343,593	683,839
Provision for liabilities and charges	<u>22,900</u>	<u>23,329</u>

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

B7. Taxation

Taxation comprises the following:-

	Current Quarter 31.12.2015 RM'000	Year To Date 31.12.2015 RM'000
In respect of current period		
- Income tax	182,639	320,097
- Deferred tax	(40,708)	(22,628)
	<u>141,931</u>	<u>297,469</u>

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

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B8. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

As at 20 May 2015, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:-

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

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

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

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

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

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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.

B9. Group Borrowings and Debt Securities

Particulars of the Group’s borrowings and debts securities as at 31 December 2015 are as follows:-

	Short term		Long term		Total
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured	-	1,022,247	-	6,399,520	7,421,767
Unsecured	44,233	1,910,987	17,246,632	12,629,028	31,830,880
Total	44,233	2,933,234	17,246,632	19,028,548	39,252,647

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

In Singapore Dollar ('000)	2,305,436
In US Dollar ('000)	652,344
In Sterling Pound ('000)	1,958,266
In Japanese Yen ('000)	10,310,000
In Thai Baht ('000)	492,000

Save for the borrowings of RM214.6 million, Thai Baht 492.0 million and Yen 10.3 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

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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 December 2015, 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	1,491,350	862,492
- 1 year to 3 years	502,744	284,778
<u>Currency forwards</u>		
- Less than 1 year	1,476,467	1,571,206
- 1 year to 3 years	604,445	652,924
- More than 3 years	2,190	2,304

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

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

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

(b) Fair Value Changes of Financial Liabilities

The gains/(losses) arising from fair value changes of financial liabilities for the current financial period ended 31 December 2015 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current year quarter 3 months to 31.12.2015	Current year to date 6 months to 31.12.2015
			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	(6,318)	3,795
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	20,024	(6,098)
Total			13,706	(2,303)

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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	Total RM'000
31 December 2015			
Assets			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	27,800	27,800
Derivative used for hedging	-	169,268	169,268
Available-for-sale financial assets	37,239	-	37,239
Total assets	<u>37,239</u>	<u>197,068</u>	<u>234,307</u>
Liabilities			
Financial liabilities at fair value through profit and loss			
- Trading derivatives	-	45,834	45,834
Derivative used for hedging	-	836,471	836,471
Total liabilities	<u>-</u>	<u>882,305</u>	<u>882,305</u>

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(d) Realised and Unrealised Profits or Losses

	As at 31.12.2015 RM'000	As at 30.06.2015 RM'000
Retained earnings of the Company and its subsidiaries		
- Realised	16,658,973	16,973,824
- Unrealised	(789,608)	(740,211)
	<u>15,869,365</u>	<u>16,233,613</u>
Total share of accumulated profit from associated companies and joint ventures		
- Realised	1,679,552	1,695,101
- Unrealised	(238,530)	(238,502)
	<u>1,441,022</u>	<u>1,456,599</u>
Less: consolidated adjustments	(6,520,645)	(6,098,566)
	<u><u>10,789,742</u></u>	<u><u>11,591,646</u></u>

B11. Material litigation

- (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.

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 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014
Profit attributable to owners of the parent (RM'000)	234,922	321,507
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,793,991	10,738,931
Shares repurchased	(375,346)	(375,345)
	10,418,645	10,363,586
Basic earnings per share (sen)	2.25	3.10

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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 31.12.2015	Preceding Year Corresponding Quarter 31.12.2014
Profit attributable to owners of the parent (RM'000)	234,922	321,507
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,418,645	10,363,586
Effect of unexercised employees share option scheme	-	-
	<u>10,418,645</u>	<u>10,363,586</u>
Diluted earnings per share (sen)	<u>2.25</u>	<u>3.10</u>

Total cash expected to be received in the event of an exercise of all ESOS options is RM235.655 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM235.655 million resulting in an increase in NA per share of RM0.02. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 25 February 2016