

2016年度（2015年7月～2016年6月）年次決算短信

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・ビントアン 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
 弁護士 戸塚 悠里
 電話 (03)6888-1000

1. 本国における決算発表日 2016年8月25日（木曜日）

2. 業績

	決算期（連結）		
	当期（未監査）	前期（監査済）	増減率
売上高または営業収入	15,370,015 千リンギット	16,754,726 千リンギット	-8.26%
純利益（税引後）	1,889,269 千リンギット	1,721,032 千リンギット	9.78%
一株当たり利益	8.91 セン	9.80 セン	-9.08%

配当金の推移			
	当 期	前 期	備 考
第1四半期	0 セン	0 セン	
第2四半期	0 セン	0 セン	
第3四半期	0 セン	0 セン	
第4四半期	9.5 セン	9.5 セン	
合 計	9.5 セン	9.5 セン	

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8.91 セン、前期が9.80 センであった。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。
- (4) 前期の数値は修正再表示されている。

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

Interim Financial Report
30 June 2016

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

Interim Financial Report
30 June 2016

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 9
Notes to the Interim Financial Report	10 - 34

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 2016.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2015 RM'000	12 MONTHS ENDED 30.06.2016 30.06.2015 RM'000 RM'000	
Revenue	3,365,485	4,048,903	15,370,015	16,754,726
Cost of sales	<u>(2,301,782)</u>	<u>(2,935,544)</u>	<u>(10,904,153)</u>	<u>(12,186,243)</u>
Gross profit	1,063,703	1,113,359	4,465,862	4,568,483
Other operating income	339,361	86,800	721,944	452,119
Other operating expenses	<u>(729,422)</u>	<u>(471,924)</u>	<u>(2,248,273)</u>	<u>(1,829,250)</u>
Profit from operations	673,642	728,235	2,939,533	3,191,352
Finance costs	(309,188)	(321,244)	(1,315,231)	(1,165,265)
Share of results of associated companies and joint ventures	<u>345,503</u>	<u>70,547</u>	<u>644,707</u>	<u>297,250</u>
Profit before taxation	709,957	477,538	2,269,009	2,323,337
Taxation	<u>8,606</u>	<u>(83,087)</u>	<u>(379,740)</u>	<u>(602,305)</u>
Profit for the period/year	<u>718,563</u>	<u>394,451</u>	<u>1,889,269</u>	<u>1,721,032</u>
Attributable to:				
Owners of the parent	260,520	246,838	927,935	1,017,645
Non-controlling interests	<u>458,043</u>	<u>147,613</u>	<u>961,334</u>	<u>703,387</u>
Profit for the period/year	<u>718,563</u>	<u>394,451</u>	<u>1,889,269</u>	<u>1,721,032</u>
Earnings per 10 sen share				
Basic (sen)	<u>2.50</u>	<u>2.37</u>	<u>8.91</u>	<u>9.80</u>
Diluted (sen)	<u>2.50</u>	<u>2.37</u>	<u>8.91</u>	<u>9.80</u>

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2015 RM'000	12 MONTHS ENDED	
			30.06.2016 RM'000	30.06.2015 RM'000
Profit for the period/year	<u>718,563</u>	<u>394,451</u>	<u>1,889,269</u>	<u>1,721,032</u>
Other comprehensive (loss)/income :-				
<i>Items that will not be reclassified subsequently to income statement :-</i>				
Re-measurement of post- employment benefit obligations	(76,417)	115,391	(189,702)	(103,885)
<i>Items that may be reclassified subsequently to income statement :-</i>				
Available-for-sale financial assets	(1,599)	112	(4,074)	(313)
Cash flow hedges	315,965	148,063	33,296	(344,103)
Foreign currency translation	<u>335,417</u>	<u>922,478</u>	<u>676,141</u>	<u>1,459,448</u>
Other comprehensive income for the period/year, net of tax	<u>573,366</u>	<u>1,186,044</u>	<u>515,661</u>	<u>1,011,147</u>
Total comprehensive income for the period/year	<u>1,291,929</u>	<u>1,580,495</u>	<u>2,404,930</u>	<u>2,732,179</u>
Attributable to :-				
Owners of the parent	587,133	915,809	1,171,258	1,536,972
Non-controlling interests	<u>704,796</u>	<u>664,686</u>	<u>1,233,672</u>	<u>1,195,207</u>
Total comprehensive income for the period/year	<u>1,291,929</u>	<u>1,580,495</u>	<u>2,404,930</u>	<u>2,732,179</u>

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.06.2016	30.06.2015
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	26,638,155	27,569,745
Investment properties	9,623,157	9,014,876
Investment in associated companies and joint ventures	2,220,547	1,896,955
Investments	302,639	262,342
Development expenditure	1,247,951	825,026
Intangible assets	6,002,697	5,560,416
Biological assets	1,798	1,798
Other receivables and other non-current assets	386,797	320,003
Derivative financial instruments	30,855	53,792
	<u>46,454,596</u>	<u>45,504,953</u>
Current Assets		
Inventories	760,585	770,212
Property development costs	2,176,711	1,883,184
Trade, other receivables and other current assets	3,170,142	3,645,305
Derivative financial instruments	64,965	85,243
Income tax assets	34,450	19,168
Amount due from related parties	55,597	42,634
Short term investments	708,127	632,106
Fixed deposits	12,655,827	13,318,448
Cash and bank balances	1,013,922	798,158
	<u>20,640,326</u>	<u>21,194,458</u>
TOTAL ASSETS	<u><u>67,094,922</u></u>	<u><u>66,699,411</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 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 As At 30.06.2016 RM'000	Audited As At 30.06.2015 RM'000
EQUITY		
Share capital	1,079,399	1,079,399
Share premium	2,069,188	2,069,188
Other reserves	833,297	489,086
Retained earnings	11,245,099	11,591,646
Less : Treasury shares, at cost	<u>(596,575)</u>	<u>(596,574)</u>
Total Equity Attributable to Owners of the Parent	14,630,408	14,632,745
Non-Controlling Interests	<u>7,343,774</u>	<u>6,163,877</u>
TOTAL EQUITY	<u>21,974,182</u>	<u>20,796,622</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other non-current liabilities	949,235	913,306
Bonds and borrowings	33,982,278	33,059,646
Grants and contributions	427,848	413,485
Deferred tax liabilities	2,108,406	2,403,899
Post-employment benefit obligations	874,490	743,365
Derivative financial instruments	<u>155,140</u>	<u>136,223</u>
	<u>38,497,397</u>	<u>37,669,924</u>
Current liabilities		
Trade, other payables and other current liabilities	3,019,350	3,180,302
Derivative financial instruments	248,331	304,311
Amount due to related parties	9,209	10,132
Bonds and borrowings	3,016,546	4,422,890
Income tax liabilities	207,093	249,815
Provision for liabilities and charges	<u>122,814</u>	<u>65,415</u>
	<u>6,623,343</u>	<u>8,232,865</u>
TOTAL LIABILITIES	45,120,740	45,902,789
TOTAL EQUITY AND LIABILITIES	<u>67,094,922</u>	<u>66,699,411</u>
Net Assets per share (RM)	<u>1.40</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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

Group	Share capital		Attributable to Owners of the Parent				Non-controlling interests	Total Equity
	RM'000	RM'000	Share premium	Retained earnings	Treasury shares	Other reserves		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2015	1,079,399	2,069,188	2,069,188	11,591,646	(596,574)	489,086	14,632,745	20,796,622
Profit for the year	-	-	-	927,935	-	-	927,935	1,889,269
Other comprehensive (loss)/income	-	-	-	(102,127)	-	345,450	243,323	515,661
Total comprehensive income for the year	-	-	-	825,808	-	345,450	1,171,258	2,404,930
Changes in composition of the Group	-	-	-	(184,173)	-	(850)	(185,023)	561,389
Conversion of ICULS	-	-	-	-	-	(191)	(191)	(191)
Dividend paid	-	-	-	(989,771)	-	-	(989,771)	(1,789,958)
Issuance of bonus issue	-	-	-	(90)	-	66	(24)	(24)
Share option lapsed	-	-	-	1,679	-	(1,467)	212	212
Share option expenses	-	-	-	-	-	659	659	659
Share option exercise	-	-	-	-	-	544	544	544
Share buyback	-	-	-	-	(1)	-	(1)	(1)
At 30 June 2016	1,079,399	2,069,188	2,069,188	11,245,099	(596,575)	833,297	14,630,408	21,974,182

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 YEAR ENDED 30 JUNE 2015**

Group	Attributable to Owners of the Parent							Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Share Retained earnings RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000	Non- controlling interests RM'000	
At 1 July 2014	1,073,893	1,987,700	12,033,219	(596,570)	(111,478)	14,386,764	5,392,919	19,779,683
Profit for the year	-	-	1,017,645	-	-	1,017,645	703,387	1,721,032
Other comprehensive (loss)/income	-	-	(58,961)	-	578,288	519,327	491,820	1,011,147
Total comprehensive income for the year	-	-	958,684	-	578,288	1,536,972	1,195,207	2,732,179
Changes on composition of the Group	-	-	(415,738)	-	-	(415,738)	273,405	(142,333)
Conversion of ICULS	-	-	-	-	(29)	(29)	-	(29)
Dividend paid	-	-	(984,541)	-	-	(984,541)	(697,654)	(1,682,195)
Issue of share capital	5,506	81,488	-	-	-	86,994	-	86,994
Share option lapsed	-	-	22	-	(22)	-	-	-
Share buyback	-	-	-	(4)	-	(4)	-	(4)
Share option expenses by subsidiary	-	-	-	-	7,074	7,074	-	7,074
Share option expenses	-	-	-	-	15,253	15,253	-	15,253
At 30 June 2015	1,079,399	2,069,188	11,591,646	(596,574)	489,086	14,632,745	6,163,877	20,796,622

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 CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	12 MONTHS ENDED	
	30.06.2016	30.06.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	2,269,009	2,323,337
Adjustments for :-		
Adjustment on fair value of investment properties	(234,153)	(38,414)
Allowance for impairment of inventories	1,065	4,724
Amortisation of deferred income	-	(4,142)
Amortisation of grants and contributions	(21,282)	(10,042)
Amortisation of other intangible assets	97,672	72,448
Depreciation	1,629,353	1,709,180
Dividend income	(5,835)	(1,488)
Fair value changes of derivatives	17,850	(71,122)
Gain on disposal of investment	(1,200)	(383)
Loss/(gain) on disposal of investment properties	208	(164)
Gain on disposal of property, plant and equipment	(8,337)	(29,798)
Impairment losses	40,741	61,513
Interest expense	1,315,231	1,165,265
Interest income	(339,698)	(258,889)
Provision for post-employment benefit	72,462	66,780
Provision for liabilities and charges	67,443	31,113
Share of results of associated companies and joint ventures	(644,707)	(297,250)
Unrealised loss on foreign exchange	27,363	10,489
Other non-cash items	26,443	29,861
Operating profit before changes in working capital	4,309,628	4,763,018

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - continued**

	12 MONTHS ENDED	
	30.06.2016	30.06.2015
	RM'000	RM'000
Changes in working capital :-		
Inventories	15,074	54,446
Property development costs	(154,853)	(218,229)
Receivables, deposits and prepayments	536,864	258,127
Payables and accrued expenses	(280,229)	(256,696)
Related parties balances	(13,886)	(3,112)
Cash generated from operations	<u>4,412,598</u>	<u>4,597,554</u>
Dividend received	414,273	291,958
Interest paid	(1,246,605)	(1,141,606)
Interest received	346,094	219,361
Payment to a retirement benefits scheme	(107,060)	(99,251)
Income tax paid	(574,254)	(747,883)
Net cash from operating activities	<u>3,245,046</u>	<u>3,120,133</u>
Cash flows from investing activities		
Acquisition of additional shares in existing subsidiaries	(183,036)	(159,993)
Acquisition of new subsidiaries (net of cash acquired)	-	(119,102)
Additional investment in associated companies	(3,097)	(15,261)
Development expenditure incurred	(693,869)	(78,415)
Grants received in respect of infrastructure assets	69,591	41,900
Proceeds from disposal of investment properties	86,407	742
Proceeds from disposal of property, plant and equipment	261,603	89,995
Proceeds from disposal of investments	2,640	1,046
Purchase of investment properties	(7,070)	(908,996)
Purchase of property, plant and equipment	(1,869,279)	(2,122,794)
Purchase of intangible assets	(72,145)	(126,945)
Purchase of investments	(121,737)	(79,245)
Other investing activities	598	-
Net cash used in investing activities	<u>(2,529,394)</u>	<u>(3,477,068)</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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - continued**

	12 MONTHS ENDED	
	30.06.2016	30.06.2015
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(989,771)	(984,541)
Dividend paid to non-controlling interests by subsidiaries	(800,187)	(697,654)
Repurchase of own shares by the company (at net)	(1)	(4)
Repurchase of subsidiaries' shares by subsidiaries	(3)	(6)
Proceeds from bonds and borrowings	2,728,489	6,590,123
Proceeds from issue of shares in subsidiaries to non-controlling interests	776,587	278,618
Repayment of bonds and borrowings	(2,978,629)	(4,795,908)
Net cash (used in)/from financing activities	<u>(1,263,515)</u>	<u>390,628</u>
Net changes in cash and cash equivalents	(547,863)	33,693
Effect of exchange rate changes	185,024	848,555
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>13,668,573</u>	<u>14,031,412</u>
Cash and cash equivalents comprise :-		
Fixed deposit with licensed bank	12,655,827	13,318,448
Cash and bank balances	1,013,922	798,158
Bank overdraft	(1,176)	(85,194)
	<u>13,668,573</u>	<u>14,031,412</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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

A2. Seasonality or Cyclical of Operations

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

A3. Exceptional or Unusual Items

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

A4. Changes in estimates of amounts reported

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

A5. Changes in Debt and Equity Securities

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

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

As at 30 June 2016, the total number of treasury shares held was 375,347,139 ordinary shares of RM0.10 each.

A6. Dividend paid

The following dividend payment was made during the financial period ended 30 June 2016:-

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

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

INTERIM FINANCIAL REPORT

Notes: - continued

A7. Segment Information

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

The Group's segmental result for the financial period ended 30 June 2016 is as follows:-

	Construction	Information & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	112,428	3,471	2,788,264	1,009,427	572,538	872,973	10,010,914	-	15,370,015
Inter-segment revenue	312,049	81,395	32,135	199,486	320,984	13,500	14,214	(973,763)	-
Total revenue	424,477	84,866	2,820,399	1,208,913	893,522	886,473	10,025,128	(973,763)	15,370,015
Segment results									
Profit from operations	13,355	1,573	591,810	639,062	644,248	18,979	1,030,506	-	2,939,533
Finance costs									(1,315,231)
Share of profit of associated companies									1,624,302
Profit before taxation									644,707
									<u>2,269,009</u>

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

INTERIM FINANCIAL REPORT

Notes: - continued

A7. Segment Information - continued

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

The Group's segmental result for the financial period ended 30 June 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	85,061	6,172	2,857,182	903,463	460,013	760,212	11,682,623	-	16,754,726
Inter-segment revenue	211,095	81,360	31,262	196,809	378,837	9,448	6,772	(915,583)	-
Total revenue	296,156	87,532	2,888,444	1,100,272	838,850	769,660	11,689,395	(915,583)	16,754,726
Segment results									
Profit from operations	1,831	3,009	625,770	627,816	381,958	29,758	1,521,210	-	3,191,352
Finance costs									(1,165,265)
									<u>2,026,087</u>
Share of profit of associated companies									297,250
Profit before taxation									<u><u>2,323,337</u></u>

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

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial year ended 30 June 2016, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

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

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

YTLJSH and YTLJPH will be principally involved in investment holding.

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

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

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

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

INTERIM FINANCIAL REPORT

Notes: - continued

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.

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

INTERIM FINANCIAL REPORT

Notes: - continued

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

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

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

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

INTERIM FINANCIAL REPORT

Notes: - continued

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

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

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

- I Education Limited (“I-Ed”), an indirect subsidiary of YTL Power and the Company, had on 22 March 2016 been dissolved following its deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom. Accordingly, I-Ed has ceased to be a subsidiary of YTL Power and the Company.
- On 25 March 2016, Dynamic Project Development Sdn Bhd, a wholly-owned subsidiary of the Company, which is dormant, has been placed under member’s voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.
- On 29 March 2016, the Company transferred its 2 ordinary shares of RM1.00 each, representing the entire issued and paid up share capital in YTL Eco Solutions Sdn Bhd (“YESSB”) to YTL Cement at par value per share. As a result, YESSB has become a wholly-owned subsidiary of YTL Cement and indirect subsidiary of the Company. YESSB is principally involved in consultancy services in relation to the promotion of the gasification of municipal solid waste for disposal in cement plant kilns.
- On 1 April 2016, YTL Power acquired 2 ordinary shares of RM1.00 each in YTL Jordan Services Sdn Bhd (“YTL JS”), representing the entire issued and paid-up share capital of YTL JS at par value per share. As a result, YTL JS became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company. YTL JS will be principally involved in the provision of technical services for oil shale mining and power plant operation & maintenance.
- On 6 May 2016, YTLJSH entered into a conditional share purchase agreement for the disposal of 30 ordinary shares of USD1.00 each, representing 30% of the issued share capital of Attarat O&M Co, to Yudean International Development Limited (“Yudean”) (or a party nominated by Yudean to be the transferee) for a consideration of USD30.00 subject to the terms and conditions of the agreement (“Disposal”).

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

- On 9 May 2016, YTL Cement acquired 2 ordinary shares of RM1.00 each in Sino Mobile and Heavy Equipment Sdn Bhd (“SMHE”), representing the entire issued and paid-up share capital of SMHE at par value per share. As a result, SMHE became a wholly-owned subsidiary of YTL Cement and indirect subsidiary of the Company. SMHE will be principally involved in the trading and maintenance of commercial vehicles and heavy equipment.

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

INTERIM FINANCIAL REPORT

Notes: - continued

- On 10 May 2016, YTLCI incorporated a 67% owned subsidiary in the Republic of Indonesia, known as PT YTL Construction Makmur (“YTLCM”) with an authorized share capital of US\$1,000,000 divided into 10,000 shares of US\$100.00 each, and issued share capital of US\$250,000 comprising of 2,500 shares of US\$100.00 each. YTLCM will be principally involved in civil engineering works, construction and power plant installation.
- On 30 June 2016, YTL Land Sdn Bhd (“YTLL”), a wholly-owned subsidiary of the Company acquired 2 ordinary shares of RM1.00 each in Starhill Events Sdn Bhd (“SESB”), representing the entire issued and paid-up share capital of SESB at par value per share. As a result, SESB became a wholly-owned subsidiary of YTLL and indirect subsidiary of the Company. SESB will be principally engaged in food and beverages, and subletting premises.

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

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

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

B1. Review of Performance

	Individual Quarter		Cumulative Quarter	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Revenue				
Construction	24,972	14,167	112,428	85,061
Information technology & e-commerce related business	520	572	3,471	6,172
Cement Manufacturing & trading	654,803	768,283	2,788,264	2,857,182
Property investment & development	267,739	244,085	1,009,427	903,463
Management services & others	137,258	136,122	572,539	460,013
Hotels	171,710	155,570	872,972	760,212
Utilities	2,108,483	2,730,104	10,010,914	11,682,623
	<u>3,365,485</u>	<u>4,048,903</u>	<u>15,370,015</u>	<u>16,754,726</u>
Profit before tax				
Construction	2,073	1,088	13,344	1,825
Information technology & e-commerce related business	(88)	(492)	1,572	3,003
Cement Manufacturing & trading	111,999	193,292	545,226	604,040
Property investment & development	217,374	59,351	443,498	468,639
Management services & others	274,706	(1,077)	250,290	5,998
Hotels	(50,620)	(21,319)	3,820	19,676
Utilities	154,513	246,695	1,011,259	1,220,156
	<u>709,957</u>	<u>477,538</u>	<u>2,269,009</u>	<u>2,323,337</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes – continued

For the current quarter under review, the Group recorded a decrease in revenue of 16.9% from RM4,048.9 million to RM3,365.5 million. The Group profit before tax for the current financial quarter was RM709.9 million, an increase of RM232.4 million or 48.7% as compared to RM477.5 million recorded in the preceding year corresponding quarter.

For the year ended 30 June 2016, the Group revenue and profit before tax decreased to RM15,370.0 million and RM2,269.0 million, representing a decrease of 8.3% and 2.3% when compared to RM16,754.7 million and RM2,323.3 million, respectively recorded in the preceding year.

Performance of the respective operating business segments for the financial quarter/year ended 30 June 2016 as compared to the preceding year are analysed as follows:

Construction

Revenue and profit before tax for the current quarter under review increased by 76.3% and 90.5% when compared to the preceding year corresponding quarter.

For the current financial year, revenue and profit before tax increased by 32.2% and 631.2% respectively, when compared to the preceding year.

The increase in revenue and profit before tax was mainly due to higher revenue recognition of construction contracts and better contract margin recorded by construction entities in Malaysia.

Information technology & e-commerce related business

For the current quarter under review, revenue decreased by 9.1% while loss before tax improved by 82.1% when compared to the preceding year corresponding quarter.

For the current financial year, revenue and profit before tax decreased by 43.8% and 47.7% respectively, as compared to the preceding year.

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.

Cement Manufacturing & trading

The current quarter's revenue and profit before tax declined by 14.8% and 42.1%, respectively when compared to the preceding year corresponding quarter.

This segment also recorded a lower revenue and profit before tax of 2.4% and 9.7% respectively, during the financial year as compared to the previous year.

Lower revenue and profit before tax were primarily attributable to competitive pricing, lower sales volume and higher finance cost.

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

INTERIM FINANCIAL REPORT

Notes – continued

Property investment & development

Revenue for the current quarter under review increased by 9.7% relates mainly to the acquisition of Myer Centre Adelaide (“Myer”) by Starhill Global REIT (“SGREIT”) and better site progress from Fennel project undertaken by Sentul Raya Sdn Bhd, a subsidiary of YTL Land & Development Berhad. Higher profit before tax of RM217.4 million (preceding quarter : RM59.4 million) was mainly contributed by net fair value gain of investment property by SGREIT.

For the current financial year, the acquisition of Myer and better site progress of Fennel project as mentioned above has also contributed to the higher revenue of RM1,009.4 million as compared to that recorded in the preceding year of RM903.5 million. However, profit before tax was lower by 5.4% compared to preceding year was mainly due to the absence of profits from Reed project undertaken by Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd. following its completion in the preceding financial year, coupled with unrealised foreign exchange loss on the term loan denominated in Australian Dollar recorded by YTL Hospitality REIT.

Management services & others

Revenue for the current quarter under review was consistent as compared to the preceding year corresponding quarter. The significant improvement in profit before tax of RM274.7 million (preceding quarter : loss before tax of RM1.1 million) was mainly attributable to the higher share of results of associate arising from increase in deferred tax credit.

For the current financial year, the increase in revenue and profit before tax was principally due to increase in share of profits of associate and higher interest income as compared to the preceding year.

Hotels

The current quarter’s revenue increased by 10.4% whilst profit before tax declined by 137.4% when compared to the preceding year corresponding quarter.

For the current financial year, this segment also recorded a higher revenue by 14.8% but lower profit before tax by 80.6% as compared to the preceding year.

The increase in revenue was mainly contributed by Niseko Village K.K., Thermae Development Company Ltd. and The Gainsborough Bath Spa in Bath, United Kingdom whilst the decrease in profit before tax relates mainly to the unrealised foreign exchange loss on inter-company balances due to weakening of Ringgit Malaysia.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK].

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

INTERIM FINANCIAL REPORT

Notes – continued

Utilities

For the current quarter under review, revenue and profit before tax decreased by 22.8% and 37.4% respectively, when compared to preceding year corresponding quarter.

For the current financial year, revenue and profit before tax decreased by 14.3% and 17.1%, respectively when compared to preceding year.

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

The utilities segment contributes to 62.7% and 21.8% of the Group's revenue and profit before tax, respectively.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2016 RM'000	Preceding Quarter 31.03.2016 RM'000
Revenue	3,365,485	3,617,745
Profit before taxation	709,957	489,352
Profit attributable to owners of the parent	260,520	229,878

For the current financial quarter, the Group revenue decreased to RM3,365.5 million from RM3,617.7 million, representing a decrease of 7.0% whilst profit before tax increased to RM709.9 million from RM489.3 million, representing an increase of 45.1% when compared to the preceding quarter ended 31 March 2016.

The decrease in revenue was mainly due to lower sales recorded in the multi utilities division whilst higher profit before tax was primarily attributable to higher share of results of associates under 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 2017 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 2017 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 2017.

Property investment & development

This segment is expected to achieve satisfactory performance for the financial year ending 30 June 2017 through the property development activities undertaken by its subsidiaries and joint venture.

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

INTERIM FINANCIAL REPORT

Notes – continued

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 2017 is expected to remain satisfactory.

Utilities

The power purchase agreement expired on 30 September 2015. On 5 August 2015, the Malaysian Energy Commission (Energy Commission) awarded the project for the supply of 585MW of capacity from the existing facility in Paka for the period 1 March 2016 to 31 December 2018 to a subsidiary under the short term capacity bid called by the Energy Commission. The Power Purchase Agreement with Tenaga Nasional Berhad (TNB) has yet to be signed as TNB included a condition for a new land lease to be entered into for the term of the new Power Purchase Agreement. The Energy Commission subsequently issued a directive (Directive) to TNB under the Electricity Supply Act 1990 to remove this condition as the existing land lease for Paka will only expire at the end of the term of the Power Purchase Agreement. On 4 July 2016, TNB applied to the High Court for leave to commence proceedings for a judicial review to, inter alia, quash the Directive. The proceedings are pending before the High Court.

The YTL Power Group has an 80% equity interest in P.T. 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 (Pesero), Indonesia's state-owned electric utility company, entered into in December 2015. 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 with the National Electric Power Company (NEPCO), the Jordan 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. The project is currently in the development stage and progress is underway towards achieving financial close.

Despite the current challenges in Singapore's market, this segment will continue to focus on customer service, diversification beyond the core business into integrated multi-utilities supply and non-regulated ancillary businesses in steam sales, oil storage tank leasing and bunkering services.

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 has successfully launched its Yes 4G LTE services for mobile devices and becoming Malaysia's first voice over LTE (VoLTE) service provider. This business division will continuously coming up with more competitive products to increase the subscriber base to generate higher revenue.

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

INTERIM FINANCIAL REPORT

Notes – continued

B5. Profit Forecast

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

B6. Profit for the period/year

	Current Quarter 30.06.2016 RM'000	Year To Date 30.06.2016 RM'000
Profit for the period/year is stated after charging/(crediting):		
Amortisation of grants and contributions	(5,245)	(21,282)
Amortisation of other intangible assets	27,750	97,672
Depreciation of property, plant and equipment	377,410	1,629,353
Fair value changes of derivatives	749	17,850
Gain on disposal of property, plant and equipment	(2,047)	(8,337)
(Gain)/loss on foreign exchange	(8,229)	29,013
Allowance for/(write back of) impairment of receivables - net of reversal	26,873	(55,794)
Interest income	(24,639)	(136,359)
Interest expense	309,188	1,315,231
Provision for liabilities and charges	<u>45,107</u>	<u>67,443</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 30.06.2016 RM'000	Year To Date 30.06.2016 RM'000
In respect of current period/year		
- Income tax	68,688	525,984
- Deferred tax	(77,294)	(146,244)
	<u>(8,606)</u>	<u>379,740</u>

The lower effective tax rate of the Group as compared to Malaysian statutory income tax rate for the current financial quarter/year mainly due to recognition of deferred tax credit arising from reduction in UK corporation tax rate of 20% to 19%, effective from 1 April 2017, and to 18% effective from 1 April 2020.

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

INTERIM FINANCIAL REPORT

Notes – continued

B8. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

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

- (i) On 14 June 2013, Pintar Projek Sdn Bhd, as the Manager for 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”); and
 - (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”).

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

Unitholders of YTL Hospitality REIT approved, among others, the Placement including the portion to be issued to the Company pursuant to the Subscription and the Increase in Fund Size at the meeting of unitholders held on 11 February 2014.

As there were time limits for the implementation of the Placement and the Increase in Fund Size under the approvals granted by the Securities Commission Malaysia (“SC”) and Bursa Malaysia Securities Berhad (“Bursa Securities”), successive applications for extensions of time for implementation were submitted to and approved by the SC and Bursa Securities. The final extension of time for implementation until 29 December 2016 was approved by the SC on 5 July 2016 and Bursa Securities on 21 July 2016.

- (ii) On 25 July 2016, the Company announced a proposed conditional share exchange offer in accordance with the Malaysian Code on Take-Overs and Mergers, 2010 (“Code”) to acquire the remaining ordinary shares of RM0.10 each (excluding treasury shares) in YTL e-Solutions Berhad (“YTL e-Solutions”) not already held by the Company (“Offer Shares”), at an offer price of RM0.55 for each Offer Share, which shall be satisfied through the issuance of new ordinary shares of RM0.10 each in the Company at an issue price of RM1.65 (“Consideration Shares”) based on exchange ratio of approximately 0.333 Consideration Share for each Offer Share tendered (“Offer”).

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

INTERIM FINANCIAL REPORT

Notes – continued

B8. Corporate Developments - continued

On 29 July 2016, the following applications in relation to the Offer have been made to the SC and Bursa Securities by the Company:

- (a) Application to the SC for its consent to the offer document setting out the details of the Offer together with the form of acceptance and transfer (“Offer Document”) in accordance with the provisions of the Code;
- (b) Application to Bursa Securities for the listing of and quotation for the new ordinary shares of RM0.10 in the Company to be issued as consideration for the Offer; and
- (c) Application to Bursa Securities for a waiver of compliance with Paragraph 6.04(c), 6.05 and 6.06(1) of the Bursa Securities Main Market Listing Requirements in respect of the requirement for the Company to seek shareholders’ approval for the issuance of Consideration Shares to its Directors and major shareholders and persons connected to them, who are also the holders under the Offer (“Waiver”).

On 15 August 2016, Offer Document was despatched to the shareholders of YTL e-Solutions or their designated agents.

The first closing date for the Offer has been fixed at 5.00 p.m. on 15 September 2016.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes – continued

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 30 June 2016 are as follows:-

	Short term		Long term		Total RM'000
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	
Secured	-	811,315	-	6,480,149	7,291,464
Unsecured	31,002	2,174,229	15,745,189	11,756,940	29,707,360
Total	31,002	2,985,544	15,745,189	18,237,089	36,998,824

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

In Singapore Dollar ('000)	2,259,183
In US Dollar ('000)	652,344
In Sterling Pound ('000)	2,000,418
In Japanese Yen ('000)	10,310,000
In Thai Baht ('000)	917,000

Save for the borrowings of RM222.8 million, Thai Baht 917.0 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – continued

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 30 June 2016, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	1,086,962	900,359
- 1 year to 3 years	393,245	298,293
- More than 3 years	1,708	1,859
<u>Currency forwards</u>		
- Less than 1 year	1,140,465	1,143,349
- 1 year to 3 years	495,351	502,926
- More than 3 years	2,185	2,011
<u>Interest rate swap contracts</u>		
- 1 year to 5 years	784,965	(23,724)

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.

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

INTERIM FINANCIAL REPORT

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 30 June 2016 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current quarter 3 months to 30.06.2016	Current year to date 12 months to 30.06.2016
			RM'000	RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of the Group	1,847	1,509
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	7,505	14,680
Total			9,352	16,189

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

(c) 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
30 June 2016			
Assets			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	12,527	12,527
Derivative used for hedging	-	83,293	83,293
Available-for-sale financial assets	34,877	-	34,877
Total assets	34,877	95,820	130,697
Liabilities			
Financial liabilities at fair value through profit and loss			
- Trading derivatives	-	14,119	14,119
Derivative used for hedging	-	389,352	389,352
Total liabilities	-	403,471	403,471

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

(d) Realised and Unrealised Profits or Losses

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
Retained earnings of the Company and its subsidiaries		
- Realised	17,186,870	16,973,824
- Unrealised	(591,569)	(740,211)
	<u>16,595,301</u>	<u>16,233,613</u>
Total share of accumulated profit from associated companies and joint ventures		
- Realised	1,625,364	1,695,101
- Unrealised	62,813	(238,502)
	<u>1,688,177</u>	<u>1,456,599</u>
Less: consolidated adjustments	(7,038,379)	(6,098,566)
	<u>11,245,099</u>	<u>11,591,646</u>

B11. Material litigation

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

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

On 16 July 2015, an award was issued in favour of the subsidiary for recovery of the amount in dispute. The matter has been fully settled.

- (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.

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

INTERIM FINANCIAL REPORT

Notes: - continued

B12. Dividend

The Board of Directors (“Board”) is pleased to declare an interim single tier dividend of 95% or 9.5 sen per ordinary share of 10 sen each for the financial year ended 30 June 2016.

The book closure and payment dates in respect of the aforesaid dividend are 31 October 2016 and 15 November 2016, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2016 (2015 : nil).

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 30.06.2016	Preceding Year Corresponding Quarter 30.06.2015
Profit attributable to owners of the parent (RM'000)	260,520	246,838
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,793,991	10,793,991
Shares repurchased	(375,346)	(375,346)
	10,418,645	10,418,645
Basic earnings per share (sen)	2.50	2.37

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

INTERIM FINANCIAL REPORT

Notes: - continued

B13. Earnings Per Share

ii) Diluted earnings per 10 sen share

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

	Current Year Quarter 30.06.2016	Preceding Year Corresponding Quarter 30.06.2015
Profit attributable to owners of the parent (RM'000)	260,520	246,838
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,418,645	10,418,645
Effect of unexercised employees share option scheme	-	-
	<u>10,418,645</u>	<u>10,418,645</u>
Diluted earnings per share (sen)	<u>2.50</u>	<u>2.37</u>

Total cash expected to be received in the event of an exercise of all ESOS options is RM231.262 million (2015: RM237.361 million). Accordingly, the Net Asset (NA) on a proforma basis will increase by RM231.262 million (2015: RM237.361 million) resulting in an increase in NA per share of RM0.02 (2015: RM0.02). In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 25 August 2016