

2017年度第2四半期(2016年10月～2016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

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四半期報告書
提出予定日 2017年3月27日

1. 本国における決算発表日 2017年2月23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	3,622,075 千リンギット	3,938,396 千リンギット	-8.03%
純利益(税引後)	308,962 千リンギット	452,920 千リンギット	-31.78%
一株当たり利益	1.42 セン	2.25 セン	-36.89%

	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	7,114,225 千リンギット	8,386,785 千リンギット	-15.17%
純利益(税引後)	572,111 千リンギット	772,231 千リンギット	-25.91%
一株当たり利益	2.84 セン	4.20 セン	-32.38%

配当金の推移			
	当年度	前年度	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	
第4四半期		9.5 セン	
合計	0 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1.42 セン、前年同期が2.25 センであった。今期累積額については、当期が2.84 セン、前年同期が4.20 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。

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

Interim Financial Report
31 December 2016

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

Interim Financial Report
31 December 2016

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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 2016.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	6 MONTHS ENDED	
	QUARTER 31.12.2016 RM'000	CORRESPONDING QUARTER 31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Revenue	3,622,075	3,938,396	7,114,225	8,386,785
Cost of sales	<u>(2,657,397)</u>	<u>(2,908,906)</u>	<u>(5,164,228)</u>	<u>(6,190,195)</u>
Gross profit	964,678	1,029,490	1,949,997	2,196,590
Other operating income	125,219	273,527	191,046	324,067
Other operating expenses	<u>(476,010)</u>	<u>(468,167)</u>	<u>(958,711)</u>	<u>(969,205)</u>
Profit from operations	613,887	834,850	1,182,332	1,551,452
Finance costs	(315,309)	(343,593)	(621,926)	(683,839)
Share of results of associated companies and joint ventures	<u>103,434</u>	<u>103,594</u>	<u>187,901</u>	<u>202,087</u>
Profit before taxation	402,012	594,851	748,307	1,069,700
Taxation	<u>(93,050)</u>	<u>(141,931)</u>	<u>(176,196)</u>	<u>(297,469)</u>
Profit for the period	<u>308,962</u>	<u>452,920</u>	<u>572,111</u>	<u>772,231</u>
Attributable to:				
Owners of the parent	147,692	234,922	298,022	437,537
Non-controlling interests	<u>161,270</u>	<u>217,998</u>	<u>274,089</u>	<u>334,694</u>
Profit for the period	<u>308,962</u>	<u>452,920</u>	<u>572,111</u>	<u>772,231</u>
Earnings per 10 sen share				
Basic (sen)	<u>1.42</u>	<u>2.25</u>	<u>2.84</u>	<u>4.20</u>
Diluted (sen)	<u>1.42</u>	<u>2.25</u>	<u>2.84</u>	<u>4.20</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 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 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2015 RM'000	6 MONTHS ENDED 31.12.2016 RM'000	
Profit for the period	<u>308,962</u>	<u>452,920</u>	<u>572,111</u>	<u>772,231</u>
Other comprehensive income/(loss) :-				
<i>Items that may be reclassified subsequently to income statement :-</i>				
Available-for-sale financial assets	(2,122)	(1,375)	(1,639)	(1,864)
Cash flow hedges	286,135	(206,545)	393,222	(397,992)
Foreign currency translation	<u>523,597</u>	<u>(708,752)</u>	<u>1,015,802</u>	<u>1,586,447</u>
Other comprehensive income/(loss) for the period, net of tax	<u>807,610</u>	<u>(916,672)</u>	<u>1,407,385</u>	<u>1,186,591</u>
Total comprehensive income/(loss) for the period	<u>1,116,572</u>	<u>(463,752)</u>	<u>1,979,496</u>	<u>1,958,822</u>
Attributable to :-				
Owners of the parent	547,490	(209,926)	1,004,646	1,006,998
Non-controlling interests	<u>569,082</u>	<u>(253,826)</u>	<u>974,850</u>	<u>951,824</u>
Total comprehensive income/(loss) for the period	<u>1,116,572</u>	<u>(463,752)</u>	<u>1,979,496</u>	<u>1,958,822</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 2016 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
	31.12.2016	30.06.2016
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	27,425,160	26,637,266
Investment properties	9,990,075	9,637,514
Investment in associated companies and joint ventures	2,491,086	2,220,915
Investments	544,709	302,389
Development expenditure	764,480	771,733
Intangible assets	6,375,790	6,064,975
Biological assets	1,798	1,798
Trade, other receivables and other non-current assets	472,284	394,661
Derivative financial instruments	43,647	30,855
	<u>48,109,029</u>	<u>46,062,106</u>
Current Assets		
Inventories	709,924	759,889
Property development costs	2,877,247	2,650,186
Trade, other receivables and other current assets	3,477,312	3,168,641
Derivative financial instruments	181,768	64,965
Income tax assets	59,915	44,813
Amounts due from related parties	71,467	62,255
Short term investments	726,555	708,127
Fixed deposits	12,614,638	12,664,529
Cash and bank balances	1,049,393	1,081,308
	<u>21,768,219</u>	<u>21,204,713</u>
TOTAL ASSETS	<u>69,877,248</u>	<u>67,266,819</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 2016 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 31.12.2016 RM'000	Audited As At 30.06.2016 RM'000
EQUITY		
Share capital	1,091,056	1,079,399
Share premium	2,249,055	2,069,188
Other reserves	1,534,177	827,630
Retained earnings	10,353,060	11,223,837
Less : Treasury shares, at cost	(596,575)	(596,575)
Total Equity Attributable to Owners of the Parent	<u>14,630,773</u>	<u>14,603,479</u>
Non-Controlling Interests	8,049,418	7,408,598
TOTAL EQUITY	<u>22,680,191</u>	<u>22,012,077</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other non-current liabilities	1,013,590	1,005,556
Bonds and borrowings	32,174,684	33,971,610
Grants and contributions	510,277	427,843
Deferred tax liabilities	2,139,412	2,118,308
Post-employment benefit obligations	907,677	874,272
Provision for liabilities and charges	40,331	40,331
Derivative financial instruments	75,433	155,141
	<u>36,861,404</u>	<u>38,593,061</u>
Current liabilities		
Trade, other payables and other current liabilities	2,852,471	2,989,798
Derivative financial instruments	95,916	248,330
Amounts due to related parties	7,498	9,203
Bonds and borrowings	7,053,700	3,090,582
Income tax liabilities	186,876	190,092
Provision for liabilities and charges	139,192	133,676
	<u>10,335,653</u>	<u>6,661,681</u>
TOTAL LIABILITIES	47,197,057	45,254,742
TOTAL EQUITY AND LIABILITIES	<u>69,877,248</u>	<u>67,266,819</u>
Net Assets per share (RM)	<u>1.39</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 2016 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 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	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 July 2016	1,079,399	2,069,188	11,223,837	(596,575)	827,630	14,603,479	7,408,598	22,012,077	
Profit for the period	-	-	298,022	-	-	298,022	274,089	572,111	
Other comprehensive income	-	-	-	-	706,624	706,624	700,761	1,407,385	
Total comprehensive income for the period	-	-	298,022	-	706,624	1,004,646	974,850	1,979,496	
Changes in composition of the Group	-	-	(168,911)	-	-	(168,911)	225,049	56,138	
Dividend paid	-	-	(1,000,031)	-	-	(1,000,031)	(559,079)	(1,559,110)	
Issuance of share capital	11,657	179,867	-	-	-	191,524	-	191,524	
Share option lapsed	-	-	143	-	(77)	66	-	66	
At 31 December 2016	1,091,056	2,249,055	10,353,060	(596,575)	1,534,177	14,630,773	8,049,418	22,680,191	

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 2016 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 2015**

Group	Attributable to Owners of the Parent						Non-controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000		
At 1 July 2015 (as previously stated)	1,079,399	2,069,188	11,591,646	(596,574)	489,086	14,632,745	6,163,877	20,796,622
Prior year adjustments	-	-	(12,167)	-	-	(12,167)	(11,458)	(23,625)
At 1 July 2015 (as restated)	1,079,399	2,069,188	11,579,479	(596,574)	489,086	14,620,578	6,152,419	20,772,997
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	-	-	(249,769)	-	-	(249,769)	825,510	575,741
Issue of bonus issue	-	-	(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	10,777,575	(596,574)	1,057,687	14,387,275	7,337,615	21,724,890

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 2016 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 2016**

	6 MONTHS ENDED	
	31.12.2016	31.12.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	748,307	1,069,700
Adjustments for :-		
Adjustment on fair value of investment properties	39,173	-
Allowance for impairment of inventories	693	1,000
Amortisation of grants and contributions	(10,189)	(10,306)
Amortisation of other intangible assets	39,908	46,308
Depreciation	723,380	871,801
Dividend income	(3,086)	(884)
Fair value changes of derivatives	(9,502)	(6,027)
Gain on disposal of investments	(31,627)	-
Gain on disposal of property, plant and equipment	(6,838)	(6,911)
Impairment losses/(reversal of impairment) on receivables	60,538	(105,915)
Interest expense	621,926	683,839
Interest income	(110,996)	(193,619)
Property, plant and equipment written off	28,170	90
Provision for post-employment benefit	25,790	32,452
Provision for liabilities and charges	-	23,329
Share of results of associated companies and joint ventures	(187,901)	(202,087)
Unrealised loss on foreign exchange	41,698	41,006
Other non-cash items	(3,330)	5,196
Operating profit before changes in working capital	1,966,114	2,248,972

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 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 2016 - continued

	6 MONTHS ENDED	
	31.12.2016 RM'000	31.12.2015 RM'000
Changes in working capital :-		
Inventories	651	17,446
Property development costs	(48,264)	(62,110)
Receivables, deposits and prepayments	(367,253)	564,915
Payables and accrued expenses	(423,481)	(81,532)
Related parties balances	(10,917)	(6,078)
Cash generated from operations	1,116,850	2,681,613
Dividend received	181,338	222,187
Interest paid	(621,051)	(702,811)
Interest received	86,674	131,207
Income tax paid	(229,345)	(231,238)
Payment to a retirement benefits scheme	(28,960)	(31,967)
Net cash from operating activities	505,506	2,068,991
Cash flows from investing activities		
Acquisition of additional shares in existing subsidiaries	(394,144)	(183,012)
Acquisition of new subsidiaries (net of cash acquired)	(12)	(8,324)
Acquisition of associated companies	(11,002)	-
Additional investment in existing associated companies	(6,168)	-
Development expenditure incurred	(54,657)	(534,957)
Grants received in respect of infrastructure assets	23,221	22,231
Net (purchase)/proceeds from disposal of investments	(207,590)	5,696
Purchase of investment properties	(5,555)	(3,645)
Purchase of intangible assets	(21,699)	(40,661)
Purchase of property, plant and equipment	(509,910)	(808,825)
Net cash used in investing activities	(1,187,516)	(1,551,497)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2016 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 2016 - continued**

	6 MONTHS ENDED	
	31.12.2016	31.12.2015
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(1,000,031)	(989,771)
Dividend paid to non-controlling interests by subsidiaries	(559,079)	(591,530)
Proceeds from borrowings	1,618,053	2,428,584
Proceeds from issue of shares	191,524	-
Proceeds from issue of shares in subsidiaries to non-controlling interests	446,584	776,714
Repayment of borrowings	(515,752)	(2,755,706)
Net cash from/(used in) financing activities	<u>181,299</u>	<u>(1,131,709)</u>
Net changes in cash and cash equivalents	(500,711)	(614,215)
Effect of exchange rate changes	485,187	593,407
Cash and cash equivalents at beginning of the financial year	<u>13,679,430</u>	<u>14,031,412</u>
Cash and cash equivalents at end of the financial period	<u>13,663,906</u>	<u>14,010,604</u>
Cash and cash equivalents comprise :-		
Fixed deposits	12,614,638	13,021,739
Cash and bank balances	1,049,393	1,035,752
Bank overdraft	(125)	(46,887)
	<u>13,663,906</u>	<u>14,010,604</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2016.

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 2016.

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

Malaysia Financial Reporting Standards (“MFRS”) Framework

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

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

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

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INTERIM FINANCIAL REPORT

Notes: - continued

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

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, 107,995,592 and 8,572,575 ordinary shares of 10 sen each were issued in exchange for YTL e-Solutions Berhad's ordinary shares at an issue price of RM1.65 and RM1.555 per share, respectively pursuant to the conditional share exchange offer by the Company.

A6. Dividend paid

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

	RM'000
In respect of the financial year ended 30 June 2016:-	
An interim single tier dividend of 95% or 9.5 sen per ordinary share of 10 sen each paid on 15 November 2016	<u>1,000,031</u>

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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 2016 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	53,583	2,252	1,200,712	536,867	156,083	454,256	4,710,472	-	7,114,225
Inter-segment revenue	221,716	40,704	10,835	99,001	171,944	6,144	8,838	(559,182)	-
Total revenue	275,299	42,956	1,211,547	635,868	328,027	460,400	4,719,310	(559,182)	7,114,225
Segment results									
Profit from operations	20,804	1,301	196,641	220,011	142,193	56,225	545,157	-	1,182,332
Finance costs									(621,926)
Share of profit of associated companies & joint ventures									560,406
Profit before taxation									187,901
									748,307

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 31 December 2015 is as follows:-

	Information							Total RM'000	
	Construction related business RM'000	Information technology & e-commerce RM'000	Cement Manufacturing investment & trading RM'000	Property Management investment & development RM'000	services & others RM'000	Hotels RM'000	Utilities RM'000		Elimination RM'000
External revenue	56,663	2,236	1,434,208	488,648	254,487	432,210	5,718,333	-	8,386,785
Inter-segment revenue	129,024	40,550	16,976	98,680	172,508	10,147	4,722	(472,607)	-
Total revenue	185,687	42,786	1,451,184	587,328	426,995	442,357	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)
									867,613
Share of profit of associated companies & joint ventures									202,087
Profit before taxation									1,069,700

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 period ended 31 December 2016, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 9 September 2016, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, acquired 1 share of GBP1.00, representing the entire issued and paid-up share capital in Glasshouse Hotel (Cayman) Limited (“Glasshouse Cayman”) at par value. As a result, Glasshouse Cayman became a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company. Glasshouse Cayman will be principally engaged in investment holding.
- On 13 September 2016, Glasshouse Cayman incorporated a wholly-owned subsidiary known as Glasshouse Hotel Limited (“Glasshouse Hotel”) in England and Wales with an issued share capital of GBP1.00 comprising 1 ordinary share of the nominal value of GBP1.00. Glasshouse Hotel will be principally engaged in investment holding.
- On 27 September 2016, Glasshouse Hotel acquired the entire issued and paid-up share capital of the following corporations:-
 1. RW Gower Street Limited (“Gower Street”) comprising 2,949,664 ordinary shares of GBP1.00 each; and
 2. RW Greenside Place Limited (“Greenside Place”) comprising 2,948,368 ordinary shares of GBP1.00 each,

for a cash consideration of GBP6,868,081 and GBP200,000, respectively, as adjusted pursuant to an agreement dated 27 September 2016 (“the Acquisition”). Gower Street and Greenside Place were both incorporated in the England and Wales and are principally engaged in hotel operations.

As a result of the Acquisition, Gower Street and Greenside Place became wholly-owned subsidiaries of Glasshouse Hotel and indirect subsidiaries of the Company.

- On 24 November 2016, YTL Land and Property (UK) Ltd (“YTL Land & Property”), an indirect wholly-owned subsidiary of YTL Power International Berhad (“YTL Power”), acquired the entire issued share capital comprising 1 ordinary share of GBP1.00 in YTL Developments (UK) Limited (“YTL Developments”) for GBP1.00.

As a result, YTL Developments became an indirect wholly-owned subsidiary of YTL Power and the Company. YTL Developments was incorporated on 24 November 2016 in England & Wales and will be principally involved in construction.

- On 28 November 2016, Glasshouse Cayman incorporated a wholly-owned subsidiary known as Threadneedles Hotel Limited (“Threadneedles”) in England and Wales with an issued share capital of GBP1.00 comprising 1 ordinary share of the nominal value of GBP1.00. Threadneedles will be principally engaged in investment holding.

INTERIM FINANCIAL REPORT

Notes: - continued

- On 29 November 2016, YTL Land & Development Berhad (“YTL L&D”), a subsidiary of the Company announced the proposed acquisition of the remaining 30% equity interest in Sentul Raya Sdn. Bhd. (“SRSB”) from KTMB (Sentul) Sdn Bhd and Keretapi Tanah Melayu Berhad for a total consideration of RM252,424,000 (“the Acquisition”). Bursa Securities had vide its letter dated 6 December 2016 approved YTL L&D’s application for variation in complying with Paragraph 10.07(1)(b) of Bursa Securities Main Market Listing Requirements by way of shareholders’ ratification via an Extraordinary General Meeting to be convened within three months from the completion of the Acquisition.

The Acquisition was completed on 16 January 2017. Consequent thereto, SRSB has become a wholly owned subsidiary of YTL L&D and an indirect subsidiary of the Company.

- On 1 December 2016, Wessex Water Limited (“WWL”), an indirect wholly-owned subsidiary of YTL Power, acquired from Waterlevel Limited (formerly known as Albion Water Group Limited) fifty-one (51) B-ordinary shares of the nominal value of GBP0.01, representing 51% of the issued share capital of Albion Water Limited (“Albion”) for GBP227,505.21 in cash. As a result, Albion became a subsidiary of WWL and an indirect subsidiary of YTL Power and the Company.

Albion was incorporated on 14 September 1995 in England & Wales. It is a licensed water supplier, providing retail water, wastewater, drainage and wider environmental services.

- On 16 December 2016, YTL e-Solutions Berhad (“YTL e-Solutions”) became a wholly-owned subsidiary of the Company following the completion of the compulsory acquisition of the remaining YTL e-Solutions’ shares by the Company in accordance with Section 222(1) of the Capital Markets and Services Act, 2007.
- On 23 December 2016, YTL Land and Property acquired the entire issued share capital comprising 1 ordinary share of GBP1.00 in YTL Places Limited (“YTL Places”) for GBP1.00.

As a result, YTL Places became an indirect wholly-owned subsidiary of YTL Power and the Company. YTL Places was incorporated on 23 December 2016 in England & Wales and will be principally involved in development/construction.

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 2016.

INTERIM FINANCIAL REPORT

Notes: - continued

A10. Subsequent Events

Save for the following, there were no items, transactions or events of a material or unusual in nature during the period from the end of the quarter under review to the date of this report.

- On 2 February 2017, Threadneedles Hotel Limited (“Threadneedles”) acquired the entire issued and paid-up share capital of RW Threadneedles Street Limited (“RW Threadneedles”) comprising 8,354,988 ordinary shares of GBP1.00 each for a cash consideration of GBP9,900,337, as adjusted pursuant to an agreement dated 30 December 2016 (“the Acquisition”). RW Threadneedles was incorporated in the England and Wales and is principally engaged in hotel operations.

As a result of the Acquisition, RW Threadneedles became a wholly-owned subsidiary of Threadneedles and an indirect subsidiary of the Company.

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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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Revenue				
Construction	31,141	26,830	53,583	56,663
Information technology & e-commerce related business	1,373	1,294	2,252	2,236
Cement Manufacturing & trading	624,938	724,863	1,200,712	1,434,208
Property investment & development	270,010	260,533	536,867	488,648
Management services & others	46,833	140,665	156,083	254,487
Hotels	233,709	232,584	454,256	432,210
Utilities	2,414,071	2,551,627	4,710,472	5,718,333
	3,622,075	3,938,396	7,114,225	8,386,785
Profit before taxation				
Construction	12,013	(7,218)	20,800	311
Information technology & e-commerce related business	1,149	884	1,301	1,449
Cement Manufacturing & trading	96,423	165,866	171,368	283,710
Property investment & development	78,350	96,611	116,731	137,621
Management services & others	(73,774)	(75,273)	(65,239)	(28,553)
Hotels	34,552	18,933	48,241	25,217
Utilities	253,299	395,048	455,105	649,945
	402,012	594,851	748,307	1,069,700

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Notes – continued

For the current quarter under review, the Group recorded revenue and profit before taxation of RM3,622.1 million and RM402.0 million, respectively representing a decrease of 8.0% and 32.4%, respectively when compared to the preceding year corresponding quarter.

For the six months under review, the Group revenue and profit before taxation decreased to RM7,114.2 million and RM748.3 million, respectively representing a decrease of 15.2% and 30.0%, respectively when compared to the preceding year corresponding period.

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

Construction

The improvements in revenue and profit before taxation for the current quarter under review were principally attributable to higher revenue and better contract margin recorded by a construction entity in Malaysia.

For the six months under review, the marginal decrease in revenue was mainly due to lower revenue recognition of construction contracts whilst the higher profit before tax was attributable to better contract margin as mentioned above.

Information technology & e-commerce related business

For the current quarter under review, revenue and profit before taxation increased mainly due to higher production income from content and digital media division, lower administration expenses incurred and higher interest income earned on cash deposit.

For the six months under review, revenue increased mainly attributable to higher production income from content and digital media division, whilst the lower profit before taxation was mainly due to lower income from software sales activities and lower interest income earned on cash deposit.

Cement Manufacturing & trading

For the current quarter under review/period to date, revenue and profit before taxation decreased primarily due to competitive pricing and lower sales volume.

Property investment & development

The higher revenue was mainly attributable to the better site progress from The Fennel project undertaken by Sentul Raya Sdn Bhd. The Dahlia and U-Thant Place projects undertaken by the subsidiaries of YTL Land & Development Berhad continued to make their contribution to the Group revenue during the current financial quarter and period to date.

The lower profit before taxation was mainly due to a fair value loss on investment property which was partially offset with unrealised gains on foreign exchange on intercompany loans and Japanese Yen denominated term loan recorded by Starhill Global Real Estate Investment Trust.

INTERIM FINANCIAL REPORT

Notes – continued

Management services & others

Revenue for current quarter decreased mainly due to lower interest income recorded by YTL Power whilst loss before taxation improved mainly due to lower overhead costs and absence of provision of liquidated ascertained damages recorded by a wholly owned subsidiary, YTL Power Services Sdn Bhd.

For the six months under review, revenue decreased mainly due to the lower interest income as highlighted above, whilst the higher loss before taxation was primarily due to lower share of results of associates of YTL Power and unrealised losses on foreign exchange recorded by an offshore subsidiary.

Hotels

For the current quarter under review/period to date, revenue and profit before taxation increased was mainly attributable to better performance of YTL Majestic Hotel Sdn Bhd and Niseko Village K.K..

Utilities

The decline in revenue and profit before taxation was mainly due to the absence of revenue from Power generation (contracted) division as a result of the completion of power purchase agreement on 30 September 2015, lower fuel oil price in the Multi utilities division, and the improved results of the Water & sewerage division following the strengthening of Ringgit Malaysia against Great Britain Pound.

The utilities segment contributes to 66.2% and 60.8% of the Group's revenue and profit before taxation, respectively.

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INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 31.12.2016 RM'000	Preceding Quarter 30.09.2016 RM'000
Revenue	3,622,075	3,492,150
Profit before taxation	402,012	346,295
Profit attributable to owners of the parent	147,692	150,330

The increase in revenue and profit before taxation were primarily attributable to better performance of the Utilities segment.

B3. Audit Report of the preceding financial year ended 30 June 2016

The Auditors' Report on the financial statements of the financial year ended 30 June 2016 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

The outlook for the cement industry remains highly competitive amongst industry players and 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.

Management services & others/Hotels

Considering the current market condition, the performance of these two segments for the financial year ending 30 June 2017 is expected to remain satisfactory.

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Notes – continued

Utilities

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 30% equity interest in Attarat Power Company (APCO) and has entered into agreements to increase its stake to 45%, expected to take place shortly before financial close of the project. APCO 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 a very advanced stage of development with financial close expected within the first quarter of 2017.

The power purchase agreement between YTL Power Generation Sdn. Bhd. (YTLPG) and Tenaga Nasional Berhad (Tenaga) 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 30 December 2018 to YTLPG under the short term capacity bid called by the Energy Commission. The power purchase agreement with Tenaga has yet to be signed as Tenaga 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 Tenaga under the Electricity Supply Act 1990 to remove this condition as the existing land lease for Paka will only expire on 30 December 2018. On 4 July 2016, Tenaga applied to the High Court for leave to commence proceedings for a judicial review to, inter alia, quash the Directive, which has been granted by the High Court. On 26 January 2017, the High Court granted leave to YTLPG to intervene and be added as the 3rd Respondent in the Judicial Review. Tenaga has since appealed against the decision of the High Court granting leave to YTLPG to intervene and the matter is now pending before the Court of Appeal.

The electricity market in Singapore will remain competitive, driven by volatilities across global markets and generation capacity oversupply in the wholesale electricity market. Despite the current challenges, this segment will continue to focus on customer service, diversification beyond the core business into integrated multi-utilities supply and non-regulated ancillary businesses in steam sales, oil storage tank leasing, bunkering services and potable water sales.

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 improving its business processes and will continue to provide customers with first-class affordable service.

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

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B5. Profit Forecast

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

B6. Profit for the period

	Current Quarter 31.12.2016 RM'000	Year To Date 31.12.2016 RM'000
Profit for the period is stated after charging/(crediting):		
Adjustment on fair value of investment properties	39,173	39,173
Allowance for impairment of inventories	353	693
Allowance for impairment of receivables - net of reversal	38,330	60,538
Amortisation of grants and contributions	(5,174)	(10,189)
Amortisation of other intangible assets	18,593	39,908
Depreciation of property, plant and equipment	362,354	723,380
Dividend income	(814)	(814)
Fair value changes of derivatives	(15,895)	(9,502)
(Gain)/loss on foreign exchange	(2,187)	37,706
Gain on disposal of investments	-	(31,627)
Gain on disposal of property, plant and equipment	(3,285)	(6,838)
Interest expense	315,309	621,926
Interest income	<u>(21,557)</u>	<u>(42,430)</u>

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

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Notes – continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.12.2016 RM'000	Year To Date 31.12.2016 RM'000
In respect of current period		
- Income tax	112,401	206,461
- Deferred tax	(19,351)	(30,265)
	<u>93,050</u>	<u>176,196</u>

The lower effective tax rate of the Group as compared to Malaysian statutory income tax rate for the current financial quarter and financial period was mainly due to income subjected to different tax jurisdictions partially offset by non-deductibility of certain expenses for tax purposes.

B8. Corporate Developments

As at the date of this report, being the latest practicable date, there are no corporate proposals announced and pending completion.

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Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 31 December 2016 are as follows:-

	Short term		Long term		Total RM'000
	Bonds RM'000	Borrowings RM'000	Bonds RM'000	Borrowings RM'000	
Secured	-	882,333	-	6,608,518	7,490,851
Unsecured	-	6,171,367	17,236,331	8,329,835	31,737,533
Total	-	7,053,700	17,236,331	14,938,353	39,228,384

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

In Singapore Dollar ('000)	2,212,087
In US Dollar ('000)	665,000
In Sterling Pound ('000)	2,018,070
In Japanese Yen ('000)	11,310,000
In Thai Baht ('000)	1,332,000
In Euro ('000)	19,375

Save for the borrowings of RM262.0 million, US Dollar 265.0 million, Thai Baht 1.3 billion, Yen 11.3 billion and Euro 19.4 million 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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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 31 December 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	1,013,675	1,037,167
- 1 year to 3 years	236,179	193,956
<u>Currency forwards</u>		
- Less than 1 year	1,063,424	1,125,951
- 1 year to 3 years	300,595	327,270
- More than 3 years	678	673
<u>Interest rate swap contracts</u>		
- 1 year to 5 years	851,571	(10,329)

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.

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(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 2016 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gains/(losses)	Fair value gains/(losses)	
			Current quarter 31.12.2016 RM'000	Current year to date 31.12.2016 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	13	16
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	7,491	(3,231)
Total			7,504	(3,215)

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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	Level 2	Total
	RM'000	RM'000	RM'000
31 December 2016			
Assets			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	289	289
Derivative used for hedging	-	225,126	225,126
Available-for-sale financial assets	31,515	-	31,515
Total assets	31,515	225,415	256,930
Liabilities			
Financial liabilities at fair value through profit and loss			
- Trading derivatives	-	5,349	5,349
Derivative used for hedging	-	166,000	166,000
Total liabilities	-	171,349	171,349

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Notes: - continued

(d) Realised and Unrealised Profits or Losses

	As at 31.12.2016 RM'000	As at 30.06.2016 RM'000
Retained earnings/(accumulated losses) of the Company and its subsidiaries		
- Realised	15,902,923	17,206,906
- Unrealised	491,065	(653,771)
	<u>16,393,988</u>	<u>16,553,135</u>
Total share of accumulated profit from associated companies and joint ventures		
- Realised	990,494	1,622,497
- Unrealised	66,049	66,049
	<u>1,056,543</u>	<u>1,688,546</u>
Less: consolidation adjustments	(7,097,471)	(7,017,844)
	<u>10,353,060</u>	<u>11,223,837</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:

During the previous financial year, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The customers have filed their defence and counterclaims, and the matter is now awaiting trial.

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

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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 31.12.2016	Preceding Year Corresponding Quarter 31.12.2015
Profit attributable to owners of the parent (RM'000)	147,692	234,922
<i>Weighted average number of ordinary shares ('000)</i>		
Weighted average number of ordinary shares ('000)	10,803,127	10,793,991
Less: Shares repurchased	(375,347)	(375,346)
	10,427,780	10,418,645
Basic earnings per share (sen)	1.42	2.25

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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 31.12.2016	Preceding Year Corresponding Quarter 31.12.2015
Profit attributable to owners of the parent (RM'000)	147,692	234,922
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,427,780	10,418,645
Effect of unexercised employees share option scheme ("ESOS")	-	-
	<u>10,427,780</u>	<u>10,418,645</u>
Diluted earnings per share (sen)	<u>1.42</u>	<u>2.25</u>

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM229.040 million (2015: RM235.655 million). Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM229.040 million (2015: RM235.655 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: 23 February 2017