

2017年度（2016年7月～2017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・ビンタン 55、ヨー・ティオン・レイ・プラザ 11階
 所 属 部 東証1部（外国）
 決 算 期 本決算：年1回（6月） 中間決算：四半期ごと
 問 い 合 せ 先 東京都港区元赤坂一丁目2-7 赤坂Kタワー
 アンダーソン・毛利・友常法律事務所
 弁護士 森下 国彦
 弁護士 戸塚 悠里
 弁護士 小滝 博行 電話 (03)6888-1000

1. 本国における決算発表日 2017年8月29日（火曜日）

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	14,727,738 千リンギット	15,377,505 千リンギット	-4.23%
純利益（税引後）	1,402,765 千リンギット	1,886,958 千リンギット	-25.66%
一株当たり利益	7.57 セン	8.80 セン	-13.98%

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	5.0 セン	9.5 セン	
合 計	5.0 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7.57 セン、前期が8.80 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 2017

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

Interim Financial Report
30 June 2017

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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 30 June 2017.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	12 MONTHS ENDED	
	QUARTER	QUARTER	30.06.2017	30.06.2016
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	3,897,141	3,372,975	14,727,738	15,377,505
Cost of sales	<u>(2,770,063)</u>	<u>(2,323,440)</u>	<u>(10,610,083)</u>	<u>(10,925,811)</u>
Gross profit	1,127,078	1,049,535	4,117,655	4,451,694
Other operating income	107,749	357,751	379,862	740,334
Other operating expenses	<u>(525,389)</u>	<u>(737,831)</u>	<u>(1,883,223)</u>	<u>(2,256,682)</u>
Profit from operations	709,438	669,455	2,614,294	2,935,346
Finance costs	(368,217)	(311,854)	(1,318,002)	(1,317,897)
Share of results of associated companies and joint ventures	<u>74,042</u>	<u>345,878</u>	<u>380,581</u>	<u>645,082</u>
Profit before taxation	415,263	703,479	1,676,873	2,262,531
Taxation	<u>(23,799)</u>	<u>12,773</u>	<u>(274,108)</u>	<u>(375,573)</u>
Profit for the period/year	<u>391,464</u>	<u>716,252</u>	<u>1,402,765</u>	<u>1,886,958</u>
Attributable to:-				
Owners of the parent	212,313	249,016	796,287	916,431
Non-controlling interests	<u>179,151</u>	<u>467,236</u>	<u>606,478</u>	<u>970,527</u>
Profit for the period/year	<u>391,464</u>	<u>716,252</u>	<u>1,402,765</u>	<u>1,886,958</u>
Earnings per share				
Basic (Sen)	<u>2.04</u>	<u>2.39</u>	<u>7.57</u>	<u>8.80</u>
Diluted (Sen)	<u>2.04</u>	<u>2.39</u>	<u>7.57</u>	<u>8.80</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	PRECEDING YEAR		
	YEAR CORRESPONDING		12 MONTHS ENDED	
	QUARTER	QUARTER	30.06.2017	30.06.2016
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	<u>391,464</u>	<u>716,252</u>	<u>1,402,765</u>	<u>1,886,958</u>
Other comprehensive (loss)/income:-				
<i>Items that will not be reclassified subsequently to income statement:-</i>				
Re-measurement of post-employment benefit obligations	48,131	(83,537)	(154,224)	(196,822)
<i>Items that may be reclassified subsequently to income statement:-</i>				
Available-for-sale financial assets	8,507	(1,599)	4,346	(4,074)
Cash flow hedges	(6,300)	315,965	260,355	33,296
Foreign currency translation	<u>(332,340)</u>	<u>318,982</u>	<u>1,140,877</u>	<u>659,706</u>
Other comprehensive (loss)/income for the period/year, net of tax	<u>(282,002)</u>	<u>549,811</u>	<u>1,251,354</u>	<u>492,106</u>
Total comprehensive (loss)/income for the period/year	<u>109,462</u>	<u>1,266,063</u>	<u>2,654,119</u>	<u>2,379,064</u>
Attributable to :-				
Owner of the parent	61,272	566,129	1,409,946	1,150,254
Non-controlling interests	<u>48,190</u>	<u>699,934</u>	<u>1,244,173</u>	<u>1,228,810</u>
Total comprehensive (loss)/income for the period/year	<u>109,462</u>	<u>1,266,063</u>	<u>2,654,119</u>	<u>2,379,064</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
	30.06.2017	30.06.2016
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	28,463,727	26,637,266
Investment properties	10,517,010	9,637,514
Investment in associated companies and joint ventures	2,439,774	2,220,915
Investments	845,165	302,389
Development expenditure	892,380	771,733
Intangible assets	6,427,054	6,064,975
Biological assets	1,798	1,798
Other receivables and other non-current assets	1,199,359	394,661
Derivative financial instruments	13,630	30,855
	<u>50,799,897</u>	<u>46,062,106</u>
Current Assets		
Inventories	799,622	759,889
Property development costs	2,475,214	2,650,186
Trade, other receivables and other current assets	3,822,935	3,168,641
Derivative financial instruments	52,123	64,965
Income tax assets	93,217	44,813
Investments	2,503,011	-
Amount due from related parties	87,497	62,255
Short term investments	738,801	708,127
Fixed deposits	12,141,815	12,664,529
Cash and bank balances	1,174,825	1,081,308
	<u>23,889,060</u>	<u>21,204,713</u>
TOTAL ASSETS	<u><u>74,688,957</u></u>	<u><u>67,266,819</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 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	AUDITED
	AS AT	AS AT
	30.06.2017	30.06.2016
	RM'000	RM'000
EQUITY		
Share capital	3,340,111	1,079,399
Share premium	-	2,069,188
Other reserves	1,522,804	827,630
Retained profits	10,568,220	11,223,837
Less : Treasury shares, at cost	(596,577)	(596,575)
Total Equity Attributable to Owners of the Parent	<u>14,834,558</u>	<u>14,603,479</u>
Non-Controlling Interests	8,051,507	7,408,598
TOTAL EQUITY	<u>22,886,065</u>	<u>22,012,077</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other non-current liabilities	932,490	1,005,556
Bonds & borrowings	34,146,740	33,971,610
Grants and contributions	547,774	427,843
Deferred tax liabilities	2,063,068	2,118,308
Post-employment benefit obligations	1,115,512	874,272
Provision for liabilities and charges	7,077	40,331
Derivative financial instruments	44,007	155,141
	<u>38,856,668</u>	<u>38,593,061</u>
Current Liabilities		
Trade, other payables and other current liabilities	3,443,266	2,989,798
Derivative financial instruments	128,772	248,330
Amount due to related parties	8,486	9,203
Bonds & borrowings	8,980,435	3,090,582
Income tax liabilities	208,935	190,092
Provision for liabilities and charges	176,330	133,676
	<u>12,946,224</u>	<u>6,661,681</u>
TOTAL LIABILITIES	51,802,892	45,254,742
TOTAL EQUITY AND LIABILITIES	<u>74,688,957</u>	<u>67,266,819</u>
Net Assets per share (RM)	<u>1.41</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 YEAR ENDED 30 JUNE 2017**

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 profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total 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 year	-	-	796,287	-	-	796,287	606,478	1,402,765
Other comprehensive income/(loss)	-	-	(82,586)	-	696,245	613,659	637,695	1,251,354
Total comprehensive income for the year	-	-	713,701	-	696,245	1,409,946	1,244,173	2,654,119
Changes in composition of the Group	-	-	(370,506)	-	-	(370,506)	173,406	(197,100)
Dividend paid	-	-	(1,000,031)	-	-	(1,000,031)	(774,670)	(1,774,701)
Issue of share capital	11,657	179,867	-	-	-	191,524	-	191,524
Purchase of treasury shares	-	-	-	(2)	-	(2)	-	(2)
Share option lapsed	-	-	900	-	(900)	-	-	-
Share option lapsed by subsidiary	-	-	319	-	(171)	148	-	148
Transition to no par value regime*	2,249,055	(2,249,055)	-	-	-	-	-	-
At 30 June 2017	3,340,111	-	10,568,220	(596,577)	1,522,804	14,834,558	8,051,507	22,886,065

* Effective from 31 January 2017, the new Companies Act 2016 ("Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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.

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	RM'000	Share premium RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000	Controlling interests RM'000		
At 1 July 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 year	-	-	-	916,431	-	-	916,431	970,527	1,886,958	
Other comprehensive income/(loss)	-	-	-	(105,960)	-	339,783	233,823	258,283	492,106	
Total comprehensive income for the year	-	-	-	810,471	-	339,783	1,150,254	1,228,810	2,379,064	
Changes in composition of the Group	-	-	-	(177,931)	-	(850)	(178,781)	827,556	648,775	
Conversion of ICULS	-	-	-	-	-	(191)	(191)	-	(191)	
Dividend paid	-	-	-	(989,771)	-	-	(989,771)	(800,187)	(1,789,958)	
Issue of ICULS/bonus issue	-	-	-	(90)	-	66	(24)	-	(24)	
Purchase of treasury shares	-	-	-	-	(1)	-	(1)	-	(1)	
Share option lapsed	-	-	-	1,679	-	(1,467)	212	-	212	
Share option expenses	-	-	-	-	-	660	660	-	660	
Subsidiary's share option exercise	-	-	-	-	-	543	543	-	543	
At 30 June 2016	1,079,399	-	2,069,188	11,223,837	(596,575)	827,630	14,603,479	7,408,598	22,012,077	

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 CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	12 MONTHS ENDED	
	30.06.2017	30.06.2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,676,873	2,262,531
Adjustment for :-		
Adjustments on fair value of investment properties	30,891	(233,795)
Amortisation of deferred income	(3,136)	(4,277)
Amortisation of grants and contributions	(14,774)	(17,005)
Amortisation of other intangible assets	86,628	101,065
Depreciation	1,454,596	1,593,533
Dividend income	(47,320)	(6,035)
Fair value changes of derivatives	(4,391)	17,852
Gain on disposal of investments	(33,404)	(1,200)
Gain on disposal of investment properties	(2,373)	208
Gain on disposal of property, plant and equipment	(25,318)	(23,919)
Impairment losses	216,394	34,711
Interest expense	1,318,002	1,317,897
Interest income	(262,684)	(339,422)
Property, plant and equipment written off	41,767	18,948
Provision for post-employment benefit	71,091	73,125
Provision for liabilities and charges	-	71,761
Share of results of associated companies and joint ventures	(380,581)	(645,082)
Unrealised loss on foreign exchange	29,106	35,387
Other non cash items	10,300	17,690
Operating profit before changes in working capital	4,161,667	4,273,973

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 - continued

	12 MONTHS ENDED	
	30.06.2017	30.06.2016
	RM'000	RM'000
Changes in working capital:-		
Inventories	(25,809)	17,211
Property development costs	(275,920)	(558,517)
Receivables, deposits and prepayments	(1,394,968)	482,575
Payables and accrued expenses	348,543	(72,134)
Related parties balances	(25,958)	(20,550)
Cash generated from operations	2,787,555	4,122,558
Dividend received	448,323	414,473
Interest paid	(1,217,473)	(1,319,195)
Interest received	261,414	336,898
Payment to a retirement benefits scheme	(89,207)	(107,792)
Income tax paid	(417,336)	(580,227)
Net cash from operating activities	1,773,276	2,866,715
Cash flows from investing activities		
Acquisition of additional shares in existing subsidiaries	(393,602)	(181,570)
Acquisition of new subsidiaries (net of cash acquired)	(9,126)	(40)
Acquisition of associated companies	(11,002)	(3,097)
Development expenditure incurred	(226,898)	(55,721)
Grants received in respect of infrastructure assets	57,386	59,578
Proceeds from disposal of investments properties	15,451	86,408
Proceeds from disposal of property, plant & equipment	42,795	275,784
Proceeds from disposal of investments	47,526	-
Purchase of investment properties	(123,463)	(19,761)
Purchase of property, plant & equipment	(2,482,056)	(1,836,213)
Purchase of intangible assets	(52,666)	(90,837)
Purchase of investments	(3,050,280)	(115,249)
Other investing activities	-	598
Net cash used in investing activities	(6,185,935)	(1,880,120)

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 - continued

	12 MONTHS ENDED	
	30.06.2017	30.06.2016
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(1,000,031)	(989,771)
Dividend paid to non-controlling interests by subsidiaries	(774,670)	(800,187)
Repurchase of own shares by the company (at net)	(2)	(1)
Repurchase of subsidiaries' shares by subsidiaries	(2)	(3)
Proceeds from borrowings	5,889,621	3,121,936
Proceeds from issue of shares	191,524	-
Proceeds from issue of shares in subsidiaries to non-controlling interests	257,201	769,079
Proceeds from exercise of subsidiary's ESOS		7,507
Repayment of borrowings	(1,010,936)	(3,638,811)
Net cash from/(used in) financing activities	<u>3,552,705</u>	<u>(1,530,251)</u>
Net changes in cash and cash equivalents	(859,954)	(543,656)
Effects of exchange rate changes	493,754	191,674
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 year	<u>13,313,230</u>	<u>13,679,430</u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	12,141,815	12,664,529
Cash and bank balances	1,174,825	1,081,308
Bank overdraft	(3,410)	(66,407)
	<u>13,313,230</u>	<u>13,679,430</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

During the current financial year to date, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

- (i) 107,995,592 ordinary shares were issued in exchange for 323,990,952 ordinary shares in YTL e-Solutions Berhad at an issue price of RM1.65 per share pursuant to the conditional share exchange offer by the Company.
- (ii) 8,572,575 ordinary shares were issued pursuant to the compulsory acquisition of 24,242,748 ordinary shares in YTL e-Solutions Berhad at an issue price of RM1.555 per share.
- (iii) 1,000 ordinary shares were repurchased from the open market at RM1.55 per share. The total consideration paid for the share buy-back, including transaction costs amounted to RM1,595 and was financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2017, the number of treasury shares held was 375,348,139 ordinary shares.

A6. Dividend paid

The following dividend payment was made during the financial year ended 30 June 2017:

	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 paid on 15 November 2016	<u>1,000,031</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 year ended 30 June 2017 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	144,608	3,204	2,425,543	1,228,037	407,327	966,383	9,552,636	-	14,727,738
Inter-segment revenue	407,446	81,390	16,801	210,261	349,133	13,231	15,322	(1,093,584)	-
Total revenue	552,054	84,594	2,442,344	1,438,298	756,460	979,614	9,567,958	(1,093,584)	14,727,738
Segment results									
Profit from operations	57,239	925	268,357	602,652	502,981	105,932	1,076,208	-	2,614,294
Finance costs									(1,318,002)
Share of profit of associated companies & joint ventures									1,296,292
Profit before taxation									380,581
									1,676,873

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 year ended 30 June 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	112,411	3,471	2,788,264	1,009,200	575,353	873,200	10,015,606	-	15,377,505
Inter-segment revenue	312,065	81,395	32,135	196,896	320,984	16,089	14,214	(973,778)	-
Total revenue	424,476	84,866	2,820,399	1,206,096	896,337	889,289	10,029,820	(973,778)	15,377,505
Segment results									
Profit from operations	17,000	1,573	591,389	630,827	619,954	24,432	1,050,171	-	2,935,346
Finance costs									(1,317,897)
Share of profit of associated companies & joint ventures									1,617,449
Profit before taxation									645,082
									<u>2,262,531</u>

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 2017, 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.

- 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 are 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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Notes: - continued

- On 24 February 2017, Boom Time Strategies Sdn Bhd (“BTS”), an indirect wholly-owned subsidiary of YTL L&D, had on 24 February 2017, been struck-off from the register of the Companies Commission of Malaysia. Accordingly, BTS has ceased to be an indirect subsidiary of YTL L&D and the Company.
- On 5 April 2017, YTL Land Sdn Bhd, a wholly-owned subsidiary of the Company, disposed of all its shares held in YTL Majestic Hotel Sdn Bhd (“YTL Majestic”), comprising of 1,000,000 ordinary shares and representing the entire issued and paid-up share capital in YTL Majestic to YTLHP for a consideration of RM1,000,000.00. As a result, YTL Majestic became a wholly-owned subsidiary of YTLHP and remains an indirect subsidiary of the Company.
- On 20 June 2017, Wessex Concierge Services Limited (“Wessex Concierge Services”) and Wessex Concierge Limited (“Wessex Concierge”) were incorporated in England and Wales, each having an issued share capital of GBP1 comprising 1 ordinary share of the nominal value of GBP1 and held by Wessex Concierge and Wessex Water Limited (an indirect wholly-owned subsidiary of the Company), respectively. As a result, Wessex Concierge Services and Wessex Concierge became indirect wholly-owned subsidiaries of YTL Power and the Company.
- Wessex Concierge is principally involved in investment holding while Wessex Concierge Services is mainly involved in the business of the provision of energy switching and price monitoring services.

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.

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 31 July 2017, Ideal Worlds Pte Ltd, a subsidiary of the Company, disposed of all its shares held in Prestige Lifestyles & Living Sdn Bhd (“PLL”), comprising of 2 ordinary shares and representing the entire issued and paid-up share capital in PLL to Starhill Living.Com Sdn Bhd (“SHLC”) for a consideration of RM2.00. As a result, PLL became a wholly-owned subsidiary of SHLC and remains an indirect subsidiary of the Company.

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

B1. Review of Performance

	Individual Quarter		Cumulative Quarter	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue				
Construction	50,985	24,955	144,608	112,411
Information technology & e-commerce related business	391	520	3,204	3,471
Cement Manufacturing & trading	658,169	654,803	2,425,543	2,788,264
Property investment & development	338,943	267,648	1,228,037	1,009,200
Management services & others	129,559	140,072	407,327	575,353
Hotels	223,557	171,802	966,383	873,200
Utilities	2,495,537	2,113,175	9,552,636	10,015,606
	<u>3,897,141</u>	<u>3,372,975</u>	<u>14,727,738</u>	<u>15,377,505</u>
Profit before taxation				
Construction	25,618	5,718	57,228	16,989
Information technology & e-commerce related business	(509)	(88)	925	1,572
Cement Manufacturing & trading	18,912	111,579	219,153	544,806
Property investment & development	198,900	212,516	394,347	433,079
Management services & others	(29,985)	250,411	32,711	225,995
Hotels	(11,412)	(50,802)	87,767	9,199
Utilities	213,739	174,145	884,742	1,030,891
	<u>415,263</u>	<u>703,479</u>	<u>1,676,873</u>	<u>2,262,531</u>

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Notes – continued

For the current quarter under review, the Group recorded revenue of RM3,897.1 million as compared to RM3,373.0 million recorded in the preceding year corresponding quarter. The Group profit before taxation for the current financial quarter was RM415.3 million, a decrease of RM28.1 million or 6.3% as compared to a profit of RM443.4 million (after adjusting for the one-off deferred tax credit of RM260.1 million by an associate on the revaluation of Power Plant assets for tax purposes) recorded in the preceding year corresponding quarter.

For the current financial year under review, the Group recorded revenue of RM14,727.7 million as compared to RM15,377.5 million, recorded in the preceding financial year ended 30 June 2016. The Group recorded a profit before taxation of RM1,676.9 million for the current financial year. This represents a decrease of 7.4% over RM1,811.8 million (after adjusting for the one-off gain from an arbitration award on recovery of impairment of receivable before tax of RM152.6 million, interest income of RM38.0 million in the Power generation (Contracted) division and deferred tax credit of RM260.1 million by an associate as mentioned above) recorded in the preceding financial year ended 30 June 2016.

Performance of the respective operating business segments for the financial quarter/year ended 30 June 2017 as compared to the preceding year corresponding financial quarter/year are analysed as follows:

Construction

For the current quarter/financial year under review, the increase in revenue was principally due to better site progress recorded whilst profit before tax was mainly due to a recognition of an arbitration award that gave rise to a gain of RM34.1 million recorded by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”).

Information technology & e-commerce related business

For the current quarter/financial year under review, decrease in revenue and increase in loss before taxation were mainly due to lower income from software sales activities and maintenance services.

Cement Manufacturing & trading

For the current quarter under review, the revenue increased marginally whilst the decrease in profit before taxation was mainly due to competitive pricing and higher cost of production.

For the financial year under review, reduced sales volume resulting from lower demand of cement in the construction industry, competitive pricing and higher cost of production lead to a decrease in revenue and profit before taxation.

Property investment & development

For the current quarter/financial year under review, increase in revenue was mainly attributable to The Dahlia and U-Thant Place projects undertaken by the subsidiaries of YTL Land & Development Berhad and Midfields 2 project undertaken by SPYTL.

The decline in profit before taxation was mainly due to net fair value loss of investment properties recorded by Starhill Global Real Estate Investment Trust which was partially offset by the better site progress from The Fennel, The Dahlia, U-Thant Place and Midfields 2 projects.

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Management services & others

For the current quarter under review, decrease in revenue was mainly due to lower revenue contributed by a subsidiary, YTL Power Services Sdn Bhd whilst loss before taxation was mainly due to higher interest expenses incurred and absence of the one-off deferred tax credit on revaluation of Power Plant assets in Indonesia recorded by YTL Power International Berhad.

For the current financial year under review, decrease in revenue and profit before tax were mainly due to lower revenue, higher interest expenses incurred and one-off deferred tax credit as mentioned above.

Hotels

For the current quarter under review, revenue increase was mainly contributed by The Gainsborough Bath Spa, Hotel Stripes in Kuala Lumpur which opened in February 2017 and the 3 newly acquired Hotels in United Kingdom namely The Academy, The Threadneedles and The Glasshouse, whilst the improved result was mainly attributable to better performance of Thermae Development Company Ltd., Magna Boundary Sdn Bhd and lower development expenditure incurred by Niseko Village K.K.

For the current financial year under review, revenue and profit before tax increase were mainly attributable to better performance of Niseko Village K.K., Thermae Development Company Ltd., Magna Boundary Sdn Bhd and YTL Majestic Hotel Sdn Bhd and lower unrealised foreign exchange loss on intercompany balances following the weakening of Ringgit Malaysia against Japanese Yen.

Utilities

For the current quarter under review, the increase in revenue and profit before taxation were principally attributable to the better performance of the Mobile broadband division, Multi utilities business division and partially offset by lower profit recorded by the Water & sewerage division.

For the current financial year under review, decrease in revenue and profit before taxation were mainly due to the strengthening of Ringgit Malaysia against Great Britain Pound in water & sewerage division and absence of the one-off gain from an arbitration award on recovery of impairment of receivables before tax of RM152.6 million, interest income of RM38.0 million recognised by Power generation (contracted) division.

The utilities segment contributes to 64.9% and 52.8% 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 30.06.2017 RM'000	Preceding Quarter 31.03.2017 RM'000
Revenue	3,897,141	3,716,372
Profit before taxation	415,263	513,303
Profit attributable to owners of the parent	212,313	285,952

The increase in revenue was primarily attributable to higher returns accorded by Water & sewerage division whilst decrease in profit before taxation was mainly due to lower profits contributed by Hotels segment and Management services & others 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 2018 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 2018 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 2018.

Property investment & development

This segment is expected to achieve satisfactory performance for the financial year ending 30 June 2018 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 2018 is expected to remain satisfactory.

INTERIM FINANCIAL REPORT

Notes – continued

Utilities

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

The YTL Power Group also completed the increase in its equity interest in Attarat Power Company (APCO) to 45% (from 30% previously) upon the project achieving financial close on 16 March 2017. 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 (including construction period of 3&1/2 years) 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 (from COD of Unit 2). The power station is under development and scheduled to commence operation in mid-2020.

On 20 April 2017, pursuant to negotiations with the Government, the Energy Commission (EC) issued a revised Letter of Award to YTL Power Generation Sdn. Bhd. (YTLPG) accepting YTLPG's bid for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months (an additional 12 months from the original award of 2 years 10 months) commencing from the Commercial Operation Date of the project. Pursuant to the Letter of Award, YTLPG and Tenaga Nasional Berhad (Tenaga) entered into a Power Purchase Agreement (PPA) and a Land Lease Agreement both dated 9 May 2017. The Land Lease Agreement supersedes the existing land lease for Paka and is for a term of 5 years 10 months from the Commercial Operation Date which is scheduled to occur on 1 September 2017. On 15 May 2017, Tenaga withdrew its application for judicial review against the EC and the Government. On 22 May 2017, YTLPG and Petronas entered into the Gas Supply Agreement (GSA) for the supply of natural gas to the power station. The PPA and GSA are both subject to certain conditions precedent, the last of which is expected to be fulfilled by 1 September 2017.

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 segment 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/year

	Current Quarter 30.06.2017 RM'000	Year To Date 30.06.2017 RM'000
Profit for the period/year is stated after charging/(crediting):		
Adjustments on fair value of investment properties	(8,734)	30,891
Allowance for impairment of inventories	248	1,653
Allowance for impairment of receivables - net of reversal	(1,895)	85,216
Amortisation of grants and contributions	(131)	(14,774)
Amortisation of other intangible assets	31,052	86,628
Depreciation of property, plant and equipment	358,570	1,454,596
Dividend income	(1,345)	(47,320)
Fair value changes of derivatives	1,269	(4,391)
Gain on disposal of investment	159	(33,404)
Gain on disposal of property, plant and equipment	(11,377)	(25,318)
Loss on foreign exchange	(60,095)	26,115
Interest expense	368,217	1,318,002
Interest income	<u>(99,255)</u>	<u>(262,684)</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 year-to-date.

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INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.06.2017 RM'000	Year To Date 30.06.2017 RM'000
In respect of current period		
- Income tax	91,306	391,212
- Deferred tax	(67,507)	(117,104)
	<u>23,799</u>	<u>274,108</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 recognition of deferred tax credit arising from reduction in UK corporation tax rate of 18% to 17%, effective from 1 April 2020.

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, saved for the following:-

- (i) On 26 May 2017, Pintar Projek Sdn Bhd, as the Manager for YTL Hospitality REIT (“YTL REIT”) announced that Maybank Trustees Berhad, as the trustee for YTL REIT (“Trustee”), entered into a sale and purchase agreement (“SPA”) for the acquisition of The Majestic Hotel Kuala Lumpur (“Property”) from YTL Majestic Hotel Sdn. Bhd (“Vendor”). for a cash consideration of RM380,000,000 (“Proposed Acquisition”).

The Property comprises (i) the hotel buildings and interest in the registered lease over the land on which the said buildings are located and (ii) the fixtures, fittings and other assets as described in the SPA.

The Trustee, upon completion of the Proposed Acquisition will sub-lease the Property to the Vendor under a sub-lease agreement for a lease period of 15 years with an option granted to the Vendor to renew for a further term of 15 years (“Proposed Lease”).

Both the Proposed Acquisition and the Proposed Lease are pending completion.

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B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 30 June 2017 are as follows:-

	Short term		Long term		Total RM'000
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	
Secured	-	2,602,296	-	4,752,663	7,354,959
Unsecured	-	6,378,139	19,966,528	9,427,549	35,772,216
Total	-	8,980,435	19,966,528	14,180,212	43,127,175

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

In Singapore Dollar ('000)	2,214,806
In US Dollar ('000)	903,569
In Sterling Pound ('000)	2,048,797
In Japanese Yen ('000)	11,310,000
In Thai Baht ('000)	1,496,000

Save for the borrowings of RM247.4 million, US Dollar 257.5 million, Thai Baht 1.496 billion and Yen 11.3 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

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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 2017, 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	1,037,230	966,570
- 1 year to 3 years	306,580	297,231
<u>Currency forwards</u>		
- Less than 1 year	1,080,649	1,081,188
- 1 year to 3 years	421,345	419,759
- More than 3 years	-	-
<u>Interest rate swap contracts</u>		
- 1 year to 5 years	868,058	(13,873)

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 year ended 30 June 2017 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gains/(losses)	Fair value gains/(losses)	
			Current quarter 30.06.2017 RM'000	Current year to date 30.06.2017 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 unfavourably against the Group	(2,239)	(2,244)
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	(5,929)	(8,766)
Total			(8,168)	(11,010)

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Notes: - continued

(c) Fair Value Hierarchy

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

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

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

	Level 1 RM'000	Level 2 RM'000	Total RM'000
30 June 2017			
Assets			
Financial assets at fair value through profit and loss			
- Trading derivatives	-	1,002	1,002
- Trading securities	3,037,828	-	3,037,828
Derivative used for hedging	-	64,751	64,751
Available-for-sale financial assets	31,918	-	31,918
Total assets	3,069,746	65,753	3,135,499
Liabilities			
Financial liabilities at fair value through profit and loss			
- Trading derivatives	-	11,833	11,833
Derivative used for hedging	-	160,946	160,946
Total liabilities	-	172,779	172,779

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

(d) Realised and Unrealised Profits or Losses

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Retained earnings/(Accumulated losses) of the Company and its subsidiaries		
- Realised	15,017,420	17,206,906
- Unrealised	613,651	(653,771)
	<u>15,631,071</u>	<u>16,553,135</u>
Total share of accumulated profit from associated companies and joint ventures		
- Realised	1,122,629	1,622,497
- Unrealised	43,457	66,049
	<u>1,166,086</u>	<u>1,688,546</u>
Less: consolidation adjustments	(6,228,937)	(7,017,844)
	<u>10,568,220</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.

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

B12. Dividend

The Board of Directors ("Board") is pleased to declare an interim single tier dividend of 5 sen per ordinary share for the financial year ended 30 June 2017.

The book closure and payment dates in respect of the aforesaid dividend are 26 October 2017 and 10 November 2017, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2017 (2016: nil).

B13. Earnings Per Share

i) Basic earnings per share

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

	Current Year Quarter 30.06.2017	Preceding Year Corresponding Quarter 30.06.2016
Profit attributable to owners of the parent (RM'000)	212,313	249,016
<i>Weighted average number of ordinary shares ('000)</i>		
Weighted average number of ordinary shares ('000)	10,793,991	10,793,991
Less: Shares repurchased	(375,347)	(375,346)
	10,418,644	10,418,645
Basic earnings per share (sen)	2.04	2.39

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

Notes: - continued

B13. Earnings Per Share

ii) Diluted earnings per share

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

	Current Year Quarter 30.06.2017	Preceding Year Corresponding Quarter 30.06.2016
Profit attributable to owners of the parent (RM'000)	212,313	249,016
<i>Weighted average number of ordinary shares - diluted ('000)</i>		
Weighted average number of ordinary shares-basic	10,418,644	10,418,645
Effect of unexercised employees share option scheme ("ESOS")	-	-
	<u>10,418,644</u>	<u>10,418,645</u>
Diluted earnings per share (sen)	<u>2.04</u>	<u>2.39</u>

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM227.765 million (2016: RM231.262 million). Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM227.765 million (2016: RM231.262 million) resulting in an increase in NA per share of RM0.02 (2016: RM0.02). In arriving at the diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 29 August 2017