

2018年度（2017年7月～2018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 東京都千代田区大手町1-1-1
 大手町パークビルディング
 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 小滝 博行
 弁護士 日高 英太郎
 電話 (03) 6775-1000

1. 本国における決算発表日 2018年8月29日（水曜日）

2. 業績

	決算期（連結）		
	当期（未監査）	前期（監査済）	増減率
売上高または営業収入	15,859,067 千リンギット	14,728,681 千リンギット	7.67%
純利益（税引後）	1,001,057 千リンギット	1,442,050 千リンギット	-30.58%
一株当たり利益	3.44 セン	7.74 セン	-55.56%

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	4.0 セン	5.0 セン	
合 計	4.0 セン	5.0 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3.43セン、前期が7.74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 2018

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

Interim Financial Report
30 June 2018

	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3 - 4
Condensed Consolidated Statement of Changes in Equity	5 - 6
Condensed Consolidated Statement of Cash Flows	7 - 9
Notes to the Interim Financial Report	10 - 30

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 30 June 2018.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	12 MONTHS ENDED	
	YEAR	CORRESPONDING	30.06.2018	30.06.2017
	QUARTER	QUARTER	RM'000	RM'000
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	4,150,316	3,898,084	15,859,067	14,728,681
Cost of sales	(2,916,000)	(2,739,734)	(11,342,313)	(10,579,754)
Gross profit	1,234,316	1,158,350	4,516,754	4,148,927
Other operating income	86,463	150,773	279,754	422,886
Other operating expenses	(804,759)	(641,064)	(2,146,654)	(1,998,898)
Profit from operations	516,020	668,059	2,649,854	2,572,915
Finance costs	(418,644)	(367,724)	(1,642,317)	(1,317,509)
Share of results of associated companies and joint ventures	110,263	163,567	413,903	470,106
Profit before taxation	207,639	463,902	1,421,440	1,725,512
Taxation	(109,209)	(33,153)	(420,383)	(283,462)
Profit for the period/year	<u>98,430</u>	<u>430,749</u>	<u>1,001,057</u>	<u>1,442,050</u>
Attributable to:-				
Owners of the parent	(43,361)	229,334	361,881	813,308
Non-controlling interests	141,791	201,415	639,176	628,742
Profit for the period/year	<u>98,430</u>	<u>430,749</u>	<u>1,001,057</u>	<u>1,442,050</u>
Earnings per share				
Basic (Sen)	<u>(0.41)</u>	<u>2.20</u>	<u>3.44</u>	<u>7.74</u>
Diluted (Sen)	<u>(0.41)</u>	<u>2.20</u>	<u>3.43</u>	<u>7.74</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 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	12 MONTHS ENDED	
	YEAR	CORRESPONDING	30.06.2018	30.06.2017
	QUARTER	QUARTER	RM'000	RM'000
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	<u>98,430</u>	<u>430,749</u>	<u>1,001,057</u>	<u>1,442,050</u>
Other comprehensive (loss)/income :-				
<i>Items that will not be reclassified subsequently to income statement:-</i>				
Re-measurement of post-employment benefit obligations	(38,265)	39,716	150,319	(162,639)
<i>Items that may be reclassified subsequently to income statement:-</i>				
Available-for-sale financial assets	(2,437)	8,507	(798)	4,346
Cash flow hedges	248,315	(6,300)	317,664	260,355
Foreign currency translation	<u>63,421</u>	<u>(323,631)</u>	<u>(1,399,505)</u>	<u>1,149,586</u>
Other comprehensive (loss)/income for the period/year, net of tax	<u>271,034</u>	<u>(281,708)</u>	<u>(932,320)</u>	<u>1,251,648</u>
Total comprehensive (loss)/income for the period/year	<u><u>369,464</u></u>	<u><u>149,041</u></u>	<u><u>68,737</u></u>	<u><u>2,693,698</u></u>
Attributable to :-				
Owner of the parent	(11,132)	74,542	(75,637)	1,423,216
Non-controlling interests	<u>380,596</u>	<u>74,499</u>	<u>144,374</u>	<u>1,270,482</u>
Total comprehensive (loss)/income for the period/year	<u><u>369,464</u></u>	<u><u>149,041</u></u>	<u><u>68,737</u></u>	<u><u>2,693,698</u></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 2017 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
	30.06.2018	30.06.2017
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	28,100,991	28,516,788
Investment properties	10,004,310	10,517,010
Investment in associated companies and joint ventures	2,448,120	2,480,383
Investments	1,153,874	845,165
Development expenditure	927,062	894,886
Intangible assets	5,945,611	6,386,034
Biological assets	1,798	1,798
Other receivables and other non-current assets	1,161,643	1,155,280
Derivative financial instruments	49,860	13,629
	<u>49,793,269</u>	<u>50,810,973</u>
Current Assets		
Inventories	2,827,807	799,825
Property development costs	367,032	2,475,214
Trade, other receivables and other current assets	3,780,634	3,814,761
Derivative financial instruments	198,404	52,124
Income tax assets	90,175	80,116
Investments	1,883,669	2,503,011
Amount due from related parties	36,253	87,497
Short term investments	762,357	738,801
Fixed deposits	10,620,829	12,145,557
Cash and bank balances	970,538	1,174,691
	<u>21,537,698</u>	<u>23,871,597</u>
TOTAL ASSETS	<u><u>71,330,967</u></u>	<u><u>74,682,570</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 2017 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
	30.06.2018	30.06.2017
	RM'000	RM'000
EQUITY		
Share capital	3,340,111	3,340,111
Other reserves	1,003,822	1,523,559
Retained profits	9,990,388	10,606,817
Less : Treasury shares, at cost	(337,142)	(596,577)
Total Equity Attributable to Owners of the Parent	<u>13,997,179</u>	<u>14,873,910</u>
Non-Controlling Interests	7,697,745	8,051,734
TOTAL EQUITY	<u>21,694,924</u>	<u>22,925,644</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other non-current liabilities	881,390	932,394
Bonds & borrowings	35,486,784	34,132,823
Grants and contributions	554,095	547,775
Deferred tax liabilities	1,977,971	2,068,379
Post-employment benefit obligations	685,509	1,115,512
Provision for liabilities and charges	7,077	7,077
Derivative financial instruments	34,307	44,008
	<u>39,627,133</u>	<u>38,847,968</u>
Current Liabilities		
Trade, other payables and other current liabilities	3,333,416	3,376,463
Derivative financial instruments	19,818	128,772
Amount due to related parties	9,820	8,486
Bonds & borrowings	6,265,137	8,996,806
Income tax liabilities	196,708	210,474
Provision for liabilities and charges	184,011	187,957
	<u>10,008,910</u>	<u>12,908,958</u>
TOTAL LIABILITIES	49,636,043	51,756,926
TOTAL EQUITY AND LIABILITIES	<u>71,330,967</u>	<u>74,682,570</u>
Net Assets per share (RM)	<u>1.31</u>	<u>1.41</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 2017 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 2018**

Group	← Attributable to Owners of the Parent		→ Non-				
	Share capital RM'000	Retained profits RM'000	Treasury shares RM'000	Controlling interests RM'000	Total equity RM'000		
At 1 July 2017	3,340,111	10,606,817	(596,577)	1,523,559	14,873,910	8,051,734	22,925,644
Profit for the year	-	361,881	-	-	361,881	639,176	1,001,057
Other comprehensive income/(loss)	-	81,218	-	(518,736)	(437,518)	(494,802)	(932,320)
Total comprehensive income/(loss) for the year	-	443,099	-	(518,736)	(75,637)	144,374	68,737
Changes in composition of the Group	-	(199,876)	-	(363)	(200,239)	103,315	(96,924)
Dividend paid	-	(526,761)	-	-	(526,761)	(601,678)	(1,128,439)
Purchase of treasury shares	-	-	(75,446)	-	(75,446)	-	(75,446)
Share dividend	-	(334,881)	334,881	-	-	-	-
Share option expenses	-	-	-	5,916	5,916	-	5,916
Share option lapsed	-	1,290	-	(1,290)	-	-	-
Share option lapsed by subsidiary	-	700	-	(378)	322	-	322
Share of reserve of investments accounted for using the equity method	-	-	-	(4,886)	(4,886)	-	(4,886)
At 30 June 2018	3,340,111	9,990,388	(337,142)	1,003,822	13,997,179	7,697,745	21,694,924

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 2017 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	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves	Total		
	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	22,012,077	
Profit for the year	-	-	813,308	-	-	813,308	1,442,050	
Other comprehensive income/(loss)	-	-	(87,092)	-	697,000	609,908	1,251,648	
Total comprehensive income for the year	-	-	726,216	-	697,000	1,423,216	2,693,698	
Changes in composition of the Group	-	-	(344,424)	-	-	(344,424)	(197,100)	
Dividend paid	-	-	(1,000,031)	-	-	(1,000,031)	(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	
Transfer to no par value regime *	2,249,055	(2,249,055)	-	-	-	-	-	
At 30 June 2017	3,340,111	-	10,606,817	(596,577)	1,523,559	14,873,910	22,925,644	

* Effective from 31 January 2017, the 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 2017 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 2018

	12 MONTHS ENDED	
	30.06.2018	30.06.2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,421,440	1,725,512
Adjustment for :-		
Adjustment on fair value of investment properties	42,771	30,891
Amortisation of deferred income	(9,678)	(8,846)
Amortisation of grants and contributions	(20,100)	(14,774)
Amortisation of other intangible assets	49,936	87,028
Bad debts recovered	(5,244)	(31)
Bad debts written off	3,138	8,205
Depreciation	1,497,001	1,478,819
Dividend income	(33,225)	(47,320)
Fair value changes of derivatives	5,181	(4,394)
Fair value changes of investments	26,596	(264)
Gain on disposal of investments	(584)	(34,429)
Gain on disposal of investment properties	(3,484)	(2,578)
Gain on disposal of property, plant and equipment	(21,362)	(18,338)
Impairment losses	95,774	122,020
Interest expense	1,642,317	1,317,509
Interest income	(317,008)	(263,524)
Inventories write down - net	120,421	3,875
Property, plant and equipment written off	30,298	37,431
Provision for post-employment benefit	(109,734)	71,990
Provision for liabilities and charges	1,981	6,470
Share of results of associated companies and joint ventures	(413,903)	(470,106)
Unrealised (gain)/loss on foreign exchange	(49,023)	17,493
Other non cash items	6,657	(14,425)
Operating profit before changes in working capital	3,960,166	4,028,214

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 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 2018 - continued

	12 MONTHS ENDED	
	30.06.2018	30.06.2017
	RM'000	RM'000
Changes in working capital:-		
Inventories	(2,236,102)	(23,610)
Property development costs	2,083,119	(53,375)
Receivables, deposits and prepayments	(435,736)	(747,966)
Payables and accrued expenses	(16,448)	93,548
Related parties balances	(52,578)	(25,958)
Cash generated from operations	3,302,421	3,270,853
Dividend received	435,644	448,322
Interest paid	(1,509,104)	(1,285,489)
Interest received	321,408	261,850
Payment to a retirement benefits scheme	(108,048)	(89,207)
Income tax paid	(411,747)	(418,571)
Net cash from operating activities	2,030,574	2,187,758
Cash flows from investing activities		
Acquisition of subsidiaries	(302,468)	(185,654)
Acquisition of associated companies	(79,336)	(21,412)
Development expenditure incurred	(39,830)	(183,638)
Grants received in respect of infrastructure assets	44,757	54,570
Maturities/(placements) of income funds	385,045	(3,014,105)
Proceeds from disposal of investment properties	18,848	15,656
Proceeds from disposal of property, plant & equipment	414,496	42,578
Proceeds from disposal of investments	-	44,934
Purchase of investment properties	(81,808)	(90,807)
Purchase of property, plant & equipment	(1,894,795)	(1,976,453)
Purchase of intangible assets	(19,159)	(54,445)
Purchase of investments	(70,524)	(39,379)
Shareholder loans	(69,683)	(686,251)
Net cash used in investing activities	(1,694,457)	(6,094,406)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2017 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 2018 - continued

	12 MONTHS ENDED	
	30.06.2018	30.06.2017
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(526,761)	(1,000,031)
Dividend paid to non-controlling interests by subsidiaries	(601,678)	(774,670)
Repurchase of own shares by the company (at net)	(75,446)	(2)
Repurchase of subsidiaries' shares by subsidiaries	(86,031)	(2)
Proceeds from borrowings	8,290,557	5,656,146
Proceeds from issue of shares in subsidiaries to non-controlling interests	17,224	257,010
Repayment of borrowings	(8,493,447)	(1,082,151)
Upfront fees and discounts on borrowings	-	(31,218)
Net cash (used in)/from financing activities	<u>(1,475,582)</u>	<u>3,025,082</u>
Net changes in cash and cash equivalents	(1,139,465)	(881,566)
Effects of exchange rate changes	(586,181)	518,974
Cash and cash equivalents at beginning of the financial year	<u>13,316,838</u>	<u>13,679,430</u>
Cash and cash equivalents at end of the financial year	<u><u>11,591,192</u></u>	<u><u>13,316,838</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	10,620,829	12,145,557
Cash and bank balances	970,538	1,174,691
Bank overdraft	(175)	(3,410)
	<u><u>11,591,192</u></u>	<u><u>13,316,838</u></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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2017.

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 2017.

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.

A2. Seasonality or Cyclicity of Operations

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

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

Notes: - continued

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 quarter and year to date, the Company repurchased 68,178,400 and 68,180,400 ordinary shares of its issued share capital from the open market, at an average of RM1.11 per share. The total consideration paid for the share buy-back, including transaction costs amounted to RM75,443,372 and RM75,446,291, respectively and were financed by internally generated funds. The shares purchased are held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

During the current financial quarter and year to date, a total of 210,696,721 treasury shares amounting RM334,881,368 were distributed as share dividend on 9 November 2017 to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held as at 26 October 2017.

As at 30 June 2018, the number of treasury shares held was 232,831,818 ordinary shares.

A6. Dividend paid

The following dividend payment was made during the financial period ended 30 June 2018:

	RM'000
In respect of the financial year ended 30 June 2017:-	
An interim single tier dividend of 5 sen per ordinary share paid on 10 November 2017	<u>526,761</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 2018 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	386,466	4,389	2,618,698	993,471	486,712	1,096,589	10,272,742	-	15,859,067
Inter-segment revenue	227,004	80,093	9,641	236,720	277,636	13,562	16,438	(861,094)	-
Total revenue	613,470	84,482	2,628,339	1,230,191	764,348	1,110,151	10,289,180	(861,094)	15,859,067
Segment results									
Profit from operations	46,841	1,943	219,781	655,682	397,971	29,104	1,298,532	-	2,649,854
Finance costs									(1,642,317)
									1,007,537
Share of profit of associated companies & joint ventures									413,903
Profit before taxation									1,421,440

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 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	144,609	3,204	2,425,543	1,228,179	407,951	967,489	9,551,706	-	14,728,681
Inter-segment revenue	407,446	81,390	16,801	210,118	349,132	13,295	15,322	(1,093,504)	-
Total revenue	552,055	84,594	2,442,344	1,438,297	757,083	980,784	9,567,028	(1,093,504)	14,728,681
Segment results									
Profit from operations	57,208	925	270,211	593,105	407,797	118,260	1,125,409	-	2,572,915
Finance costs									(1,317,509)
Share of profit of associated companies & joint ventures									1,255,406
Profit before taxation									470,106
									1,725,512

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 30 June 2018, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following-

- 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.
- On 27 September 2017, YTL Cement (Hong Kong) Limited (“YTL Cement HK”), a wholly-owned subsidiary YTL Cement Berhad (“YTL Cement”), which in turn is a subsidiary of the Company, acquired 1 share of US\$1.00, representing the entire issued and paid-up share capital in Concrete Star Limited (“CSL”) at par value. As a result, CSL became a wholly-owned subsidiary of YTL Cement HK and an indirect subsidiary of YTL Cement and the Company. CSL will be principally engaged in investment holding.
- On 2 November 2017, Zhejiang Hangzhou Dama Cement Co., Ltd., an indirect wholly-owned subsidiary of YTL Cement, has incorporated a wholly-owned subsidiary in the People’s Republic of China, known as Hangzhou Dama Kai Tong Environmental Technology Co., Ltd. (“Hangzhou Dama Kai Tong”) to undertake the business of treatment and disposal of waste materials. Hangzhou Dama Kai Tong is a limited liability company with a registered capital of Renminbi 1.0 million.
- On 19 January 2018, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as YTL High Speed Rail Sdn Bhd (“YTL HSR”) with an issued share capital of RM1.00 comprising of 1 ordinary share. YTL HSR will be principally to undertake, construct, maintain, improve, develop, implement, control, execute and manage any railway project. On 5 February 2018, YTL HSR changed its name to YTL THP JV Sdn Bhd. It became a 70% owned subsidiary of SPYTL following the subscription of 69 new ordinary shares by SPYTL and 30 new ordinary shares by TH Properties Sdn Bhd on 10 February 2018.
- On 25 January 2018, YTL Cement HK has incorporated a wholly-owned subsidiary in the People’s Republic of China, known as Beijing Dama Sinosource Trading Co., Ltd. (“Beijing Dama Sinosource”) to undertake the business of trading of mechanical, electrical equipment and parts, and technology transfer, development and consultancy. Beijing Dama Sinosource is a limited liability company with a registered capital of Renminbi 1.0 million.
- On 16 March 2018, YTL Jawa Energy B.V. (“YTLJE”), an indirect wholly-owned subsidiary of YTL Power International Berhad (“YTL Power”), entered into an agreement with Bel Air Hotel Holdings S.A.R.L (“SPA”), for the acquisition of 1,768,000 ordinary shares, representing the entire issued and outstanding shares in the share capital of Bel Air Den Haag Beheer B.V. (“Bel Air”), for cash consideration of EUR60,300,000.00, subject to such adjustments as set out in the SPA (“Acquisition”).

INTERIM FINANCIAL REPORT

Notes: - continued

The Acquisition was completed on 28 June 2018. As a result, Bel Air became a subsidiary of YTLJE and an indirect subsidiary of YTL Power and the Company. B.V. Hotel Bel Air Den Haag (“BV Hotel”), a wholly-owned subsidiary of Bel Air, has consequently become an indirect subsidiary of YTLJE, YTL Power and the Company

Bel Air was incorporated in Amsterdam, the Netherlands on 26 May 2011. Bel Air is the legal and beneficial owner of the Marriott The Hague, a 306-guestroom hotel located at Johan de Wittlaan 30, 2517 JR The Hague, Netherlands (“Hotel”). Bel Air and BV Hotel are engaged in the business of operating of the Hotel.

- On 29 March 2018 and 30 March 2018, SPYTL incorporated the following wholly-owned subsidiaries, each with issued share capital of RM1.00 comprising of 1 ordinary share:-

- (i) Dayang Bay Development Sdn Bhd (“DBD”)
- (ii) Dayang Bunting Resorts Sdn Bhd (“DBR”)
- (iii) Northwestern Development Sdn Bhd (“NDSB”)

DBD, DBR and NDSB will be principally involved in property investment and development.

- On 30 March 2018, Konsortium Jaringan Selangor Sdn Bhd (“KJS”), an indirect subsidiary of YTL Power International Berhad (“YTL Power”), incorporated a wholly-owned subsidiary known as Yakin Telesel Sdn Bhd (“Yakin Telesel”) with an issued share capital of RM1.00 comprising 1 ordinary share. Yakin Telesel will be principally involved in planning, development, implementation and management of telecommunications infrastructure and information communication technologies services.
- On 4 April 2018, YTL Communications Sdn Bhd, a subsidiary of YTL Power, incorporated a wholly-owned subsidiary known as YesLinc Sdn Bhd (“YesLinc”) with an issued share capital of RM1.00 comprising 1 ordinary share. YesLinc will be principally involved in providing solution & services relating to Internet of Things (IoT) initiatives, including managing and protecting any intellectual property and/or rights, as well as such initiatives associated with providing such services.
- On 5 April 2018, Ideal Worlds Pte Ltd (“IWPL”) and Genesis-Alliance Retail Pte Ltd (“GAR”), both subsidiaries of YTL Singapore Pte Ltd (“YTL Singapore”), which in turn is a wholly-owned subsidiary of the Company, have been struck-off from the register of the Accounting and Corporate Regulatory Authority, Singapore, pursuant to Section 344A of the Companies Act, CAP 50. Accordingly, IWPL and GAR ceased to be subsidiaries of YTL Singapore and indirect subsidiaries of the Company.
- On 24 May 2018, KJS incorporated a wholly-owned subsidiary known as KJS Alunan Sdn Bhd (“KJS Alunan”) with an issued share capital of RM1.00 comprising 1 ordinary share. KJS Alunan will be principally involved in investment holding.

INTERIM FINANCIAL REPORT

Notes: - continued

- On 30 May 2018, KJS disposed its entire shareholding in Yakin Telesel, comprising 1 ordinary share and representing the total number of issued shares in the capital of Yakin Telesel to KJS Alunan for RM1.00 (“Re-organisation”). As a result of the Re-organisation, Yakin Telesel has become a direct subsidiary of KJS Alunan and remain an indirect subsidiary of YTL Power and the Company.

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 2017.

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 6 July 2018, the Company announced that Linan Lu Hong Transport Co., Ltd (“Linan Lu Hong”), an indirect subsidiary of Company, has been placed under member’s voluntary winding-up pursuant to Article 180(2) of the Company Law of the People’s in Republic of China. Linan Lu Hong has ceased its business operations since May 2016.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

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

B1. Review of Performance

	Individual Quarter		Variance		Cumulative Quarter		Variance	
	30.06.2018	30.06.2017	%	+/-	30.06.2018	30.06.2017	%	+/-
	RM'000	RM'000			RM'000	RM'000		
Revenue								
Construction	232,678	50,986	356%		386,466	144,609	167%	
Information technology & e-commerce related business	423	391	8%		4,389	3,204	37%	
Cement Manufacturing & trading	607,093	658,169	-8%		2,618,698	2,425,543	8%	
Property investment & development	277,028	339,085	-18%		993,471	1,228,179	-19%	
Management services & others	146,097	130,183	12%		486,712	407,951	19%	
Hotels	215,168	224,663	-4%		1,096,589	967,489	13%	
Utilities	2,671,829	2,494,607	7%		10,272,742	9,551,706	8%	
	<u>4,150,316</u>	<u>3,898,084</u>			<u>15,859,067</u>	<u>14,728,681</u>		
Profit before taxation								
Construction	34,142	25,586	33%		46,824	57,196	-18%	
Information technology & e-commerce related business	(1,172)	(509)	130%		1,943	925	110%	
Cement Manufacturing & trading	5,616	20,675	-73%		169,204	220,916	-23%	
Property investment & development	(14,039)	189,743	-107%		385,366	385,190	0%	
Management services & others	(104,831)	(15,418)	580%		(250,700)	47,278	-630%	
Hotels	(38,209)	1,345	-2941%		14,749	100,524	-85%	
Utilities	326,132	242,480	34%		1,054,054	913,483	15%	
	<u>207,639</u>	<u>463,902</u>			<u>1,421,440</u>	<u>1,725,512</u>		

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

INTERIM FINANCIAL REPORT

Notes – continued

For the current quarter under review, the Group revenue was RM4,150.3 million as compared to RM3,898.1 million recorded in the preceding year corresponding quarter. The Group profit before taxation for the current financial quarter was RM207.6 million, a decrease of RM256.3 million or 55.2% as compared to a profit of RM463.9 million recorded in the preceding year corresponding quarter.

For the current financial year under review, the Group revenue was RM15,859.1 million as compared to RM14,728.7 million, recorded in the preceding financial year ended 30 June 2017. The Group profit before tax for the current financial year was RM1,421.4 million, a decrease of RM304.1 million or 17.6% as compared to a profit of RM1,725.5 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial quarter/year ended 30 June 2018 as compared to the preceding year corresponding financial quarter/year are analysed as follows:

Construction

For the current financial quarter under review, the increase in revenue was principally due to significant increase in construction work. The increase in profit was mainly due to liquidated damages recognised by a Singapore subsidiary.

For the current financial year under review, the decrease in profit before tax was mainly due to the absence of a one-off gain from an arbitration award recorded in the preceding financial year.

Information technology & e-commerce related business

For the current financial quarter under review, the increase in revenue was mainly due to higher digital media advertising recorded from content and digital media division whilst loss before tax was mainly due to impairment loss on investment.

For the current financial year under review, the increase in revenue and profit before taxation was mainly due to higher digital media advertising as mentioned above and higher interest income earned on cash deposits.

Cement Manufacturing & trading

For the current financial quarter under review, the decrease in revenue and profit before tax was mainly due to lower sales demand in all the divisions.

For the current financial year under review, the increase in revenue was mainly attributable to higher sales volume from all division. Despite the improved revenue, the decrease in profit before taxation was mainly due to increase in selling and distribution cost, finance costs and competitive pricing in the domestic market.

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

INTERIM FINANCIAL REPORT

Notes – continued

Property investment & development

For the current financial quarter/year under review, the decrease in revenue was mainly attributable to completion of Midfields 2 project undertaken by SPYTL and lower progress billings from The Fennel, Dahlia and U-Thant projects undertaken by Sentul Raya Sdn. Bhd., PYP Sendirian Berhad and Budaya Bersatu Sdn. Bhd., respectively as these projects are at its completion. However, loss before tax was mainly due to lower net realizable value of inventories held under the 3 Orchard By-The Park project developed by YTL Westwood Pte. Ltd. and change in fair value of investment properties recorded by Starhill Global Real Estate Investment Trust.

Management services & others

For the current financial quarter/year under review, increase in revenue was mainly contributed by higher interest income whilst loss before taxation was primarily due to absence of the one-off adjustments arising from accounting treatment in relation to a loan restructuring exercise undertaken by an associated company and higher finance costs coupled with fair value changes in investments and derivatives incurred by YTL Power International Berhad.

Hotels

For the current financial quarter under review, decrease in revenue and loss before tax was mainly due to lower revenue contributed by The Academy Hotel, United Kingdom resultant from the refurbishment work undertaken, YTL Majestic Kuala Lumpur due to the lower sales recorded, pre-opening and training expenses incurred by The Ritz-Carlton, Koh Samui, Thailand which was commenced business in the quarter under review and unrealised foreign exchange loss on inter-company balances.

For the current financial year under review, The Hotel Stripes, Kuala Lumpur, Niseko Village K.K., Sydney Harbour Marriott Hotel and 3 newly acquired Hotels in United Kingdom namely The Academy Hotel, The Threadneedles and The Glasshouse contributed mainly to the revenue increase. However, the decrease in profit before taxation was mainly due to the higher unrealised foreign exchange loss on inter-company balances and pre-opening and training expenses as mentioned above.

Utilities

For the current financial quarter/year under review, the increase in revenue and profit before taxation was substantially contributed by Power generation (Contracted) division's commencement of its short-term capacity generation on 1 September 2017 and the reduction in operating costs registered by Water & sewerage division offset by lower revenue and profit before tax recorded by Multi utilities business (Merchant) and losses recorded by Mobile broadband network divisions.

The utilities segment contributes to 64.8% and 74.2% of the Group revenue and profit before taxation, respectively.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes – continued

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2018 RM'000	Preceding Quarter 31.03.2018 RM'000	Variance % +/-
Revenue	4,150,316	3,879,693	7%
Profit before taxation	207,639	378,111	-45%
Profit attributable to owners of the parent	(43,361)	136,252	-132%

The increase in revenue was primarily attributable to higher fuel oil price accorded by Multi utilities business division whilst decrease in profit before taxation was mainly due to lower net realizable value of inventories recorded by the Property investment & development segment.

B3. Audit Report of the preceding financial year ended 30 June 2017

The Auditors' Report on the financial statements of the financial year ended 30 June 2017 did not contain any qualification.

B4. Prospects

Construction

The construction segment is expected to achieve satisfactory performance for the financial year ending 30 June 2019 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 2019 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 2019.

Property investment & development

Notwithstanding the challenging property market conditions both in Malaysia and Singapore, the Group remains optimistic that properties in strategic locations across these jurisdictions will continue to draw prospective buyers. The Group will continue to embark on marketing efforts and initiatives to unlock sales including positioning itself to launch the sale of its residential project in Singapore. The Group is expected to achieve satisfactory performance for the financial year ending 2019 through the Group's unbilled sales and inventories.

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

INTERIM FINANCIAL REPORT

Notes – continued

Management services & others/Hotels

Considering the current market condition, the performance of these two segments for the financial year ending 30 June 2019 is expected to remain satisfactory.

Utilities

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

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

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

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

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 rollout of the new 800MHz spectrum will further enhance network coverage and reach and customers will be able to enjoy better connectivity. This coupled with availability of devices for this spectrum will facilitate the marketing of more competitive and affordable products and services to customers. Going forward, this business segment is confident of increasing subscriber base. In its drive to champion the use of Internet technology to empower Malaysian students and equip them with a culture of lifelong learning and technology know-how to succeed in the global knowledge economy, the Group continued to make good progress in its implementation of the 1BestariNet project, a project undertaken for the Government of Malaysia that aims to leverage information technology to scale up the quality of learning across the country. A key feature of the project is the provision of the Frog VLE (Virtual Learning Environment) to more than 10,000 state schools, a learning platform that allows schools to simplify and enhance teaching and learning, communication and administration. Plans are also underway to expand the Yes platform in Sarawak.

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

INTERIM FINANCIAL REPORT

Notes – continued

B5. Profit Forecast

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

B6. Profit for the period/year

	Current Quarter 30.06.2018 RM'000	Year To Date 30.06.2018 RM'000
Profit for the period/year is stated after charging/(crediting):		
Adjustments on fair value of investment properties	42,771	42,771
Allowance for impairment of associate	(4)	428
Allowance for impairment of goodwill	12,226	12,226
Allowance for impairment of inventories	987	1,942
Allowance for impairment of property, plant and equipment	5,582	5,582
Allowance for impairment of receivables - net of reversal	7,468	67,441
Amortisation of deferred income	(2,905)	(9,678)
Amortisation of grants and contributions	(4,099)	(20,100)
Amortisation of other intangible assets	12,449	49,936
Depreciation of property, plant and equipment	365,464	1,497,001
Dividend income	(7,958)	(7,959)
Fair value changes of derivatives	17,111	5,181
Fair value changes of investments	9,484	26,596
Interest expense	418,644	1,642,317
Interest income	(25,503)	(76,861)
Inventories write down - net	120,421	120,421
Gain on foreign exchange	51,800	(55,265)
Net gain on disposal of property, plant and equipment	(847)	(21,362)
Property, plant and equipment written off	2,840	30,298
Provision for liabilities and charges	526	1,981

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes – continued

B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.06.2018 RM'000	Year To Date 30.06.2018 RM'000
In respect of current period/year		
- Income tax	102,521	400,150
- Deferred tax	6,688	20,233
	<u>109,209</u>	<u>420,383</u>

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

B8. Corporate Developments

Corporate Proposals Announced and Pending Completion

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

On 14 August 2018, Pintar Projek Sdn Bhd (a subsidiary of the Company), as the Manager for YTL Hospitality REIT (“YTL REIT”), announced that Starhill REIT Niseko G.K. (“Starhill Niseko”), a wholly-owned subsidiary of YTL REIT of which the Company is a major unitholder, had entered into a conditional sale and purchase agreement (“SPA”) with Niseko Village K.K. (“Vendor”), an indirect subsidiary of the Company, for the acquisition of The Green Leaf Niseko Village (“Property”) for a cash consideration of JPY6.0 billion (“Proposed Acquisition”).

The Property comprises the freehold lands in Aza-higashiyama, Niseko-cho, Abuta-gun, Hokkaido, Japan measuring approximately 10,728 square metres and the hotel buildings thereon known as “The Green Leaf Niseko Village” together with the structures, facilities or improvements and the operating assets as described in the SPA.

Upon completion of the Proposed Acquisition, Starhill Niseko will lease the Property to the Vendor under a lease agreement for a lease period of 30 years with an option granted to the Vendor to renew for a further term of 30 years.

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

INTERIM FINANCIAL REPORT

Notes – continued

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 30 June 2018 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Bankers' acceptances	-	3,855	3,855
Bank overdrafts	-	175	175
Finance lease liabilities	70,043	8,180	78,223
ICULS *	-	19,826	19,826
Revolving credit	-	2,280,989	2,280,989
Term loans	23,750	1,149,618	1,173,368
Bonds	-	2,708,701	2,708,701
	<u>93,793</u>	<u>6,171,344</u>	<u>6,265,137</u>
Non-current			
Committed bank loans	-	52,431	52,431
Finance lease liabilities	44,187	654	44,841
ICULS *	-	4,969	4,969
Term loans	3,304,140	14,567,457	17,871,597
Bonds	328,196	17,184,750	17,512,946
	<u>3,676,523</u>	<u>31,810,261</u>	<u>35,486,784</u>
Total borrowings	<u>3,770,316</u>	<u>37,981,605</u>	<u>41,751,921</u>

* Irredeemable Convertible Unsecured Loan Stock ("ICULS")

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

	Foreign Currency '000	RM Equivalents '000
US Dollar	889,361	3,591,684
Singapore Dollar	3,277,319	9,697,259
Sterling Pound	2,160,052	11,439,851
Japanese Yen	16,015,798	584,352
Thai Baht	2,006,166	244,327
Australia Dollar	531,101	1,583,212
		<u>27,140,685</u>

Save for the borrowings of RM160.4 million, US Dollar 242.5 million, Sterling Pound 88.3 million, Yen 11.3 billion and Thai Baht 2.0 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

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

INTERIM FINANCIAL REPORT

Notes – continued

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

(a) Derivatives Financial Instruments

As at 30 June 2018, 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	1,465,262	168,276
- 1 year to 3 years	152,672	40,424
- More than 3 years	1,170	283
<u>Currency forwards</u>		
- Less than 1 year	939,265	10,176
- 1 year to 3 years	213,752	794
- More than 3 years	1,339	50
<u>Currency options</u>		
- Less than 1 year	-	-
- 1 year to 3 years	1,615,400	(18,579)
- More than 3 years	-	-
<u>Interest rate swap contracts</u>		
- 1 year to 5 years	962,913	(9,555)

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

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

The Group entered into interest rate swap contracts to manage its interest rate risk arising primarily from interest-bearing borrowings. Borrowings at floating rate expose the Group to fair value interest rates and the derivative financial instruments minimise the fluctuation of cash flow due to changes in the market interest rates.

The derivative financial instruments are stated at fair value based on banks' quotes. The fair value changes on the effective portion of the derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

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

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

INTERIM FINANCIAL REPORT

Notes – continued

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period/year ended 30 June 2018 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gains	Fair value (loss)/gain	
			Current quarter 30.06.2018 RM'000	Current year to date 30.06.2018 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	4,322	3,886
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved in favour of the Group	(2,447)	9,976
Currency options contract	Spot rate and interest rate curve, volatility and time to maturity	Wider bid-ask spread due to market illiquidity and time value factor	(18,579)	(18,579)
Total			(16,704)	(4,717)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

(c) Fair Value Hierarchy

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

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

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

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2018				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	1,802	-	1,802
- Income funds	-	2,669,903	-	2,669,903
- Equity investments	-	3,833	-	3,833
Derivative used for hedging	-	246,462	-	246,462
Available-for-sale financial assets	72,891	44	290,872	363,807
Total assets	72,891	2,922,044	290,872	3,285,807
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	3,536	-	3,536
- Currency options contract	18,579	-	-	18,579
Derivative used for hedging	-	32,010	-	32,010
Total liabilities	18,579	35,546	-	54,125

INTERIM FINANCIAL REPORT

Notes: - continued

B11. Material litigation

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

In 2015, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The trial took place in November 2017, and parties are currently in the process of filing closing submissions. It is anticipated that the court will deliver its decision sometime in the third quarter of 2018.

Based on 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.

B12. Dividend

The Board of Directors (“Board”) is pleased to declare an interim single tier dividend of 4 sen per ordinary share for the financial year ended 30 June 2018.

The book closure and payment dates in respect of the aforesaid dividend are 29 October 2018 and 13 November 2018, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2018 (2017: nil).

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

B13. Earnings Per Share

i) Basic earnings per share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2018	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2017	12 MONTHS ENDED	
			30.06.2018	30.06.2017
Profit attributable to owners of the parent (RM'000)	(43,361)	229,334	361,881	813,308
<i>Weighted average number of ordinary shares ('000)</i>				
Weighted average number of ordinary shares ('000)	10,910,559	10,793,991	10,910,559	10,888,465
Less: Shares repurchased	(398,074)	(375,348)	(381,031)	(375,348)
	10,512,485	10,418,643	10,529,529	10,513,117
Earnings per share				
Basic (sen)	(0.41)	2.20	3.44	7.74

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR		
	YEAR	CORRESPONDING		
	QUARTER	QUARTER	12 MONTHS ENDED	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Profit attributable to owners of the parent (RM'000)	(43,361)	229,334	361,881	813,308
<i>Weighted average number of ordinary shares - diluted ('000)</i>				
Weighted average number of ordinary shares-basic	10,543,186	10,418,643	10,543,186	10,513,117
Effect of unexercised share option scheme	-	-	-	-
	10,543,186	10,418,643	10,543,186	10,513,117
Earnings per share				
Diluted (sen)	(0.41)	2.20	3.43	7.74

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM547.265 million (2017: RM226.765 million). Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM547.265 million (2017: RM226.765 million) resulting in an increase in NA per share of RM0.05 (2017: 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 2018