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

Interim Financial Report
31 March 2019

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

Interim Financial Report
31 March 2019

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial year ended 31 March 2019.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2019 RM'000	Preceding Year Corresponding Quarter 31.03.2018 RM'000 (Restated)	9 Months Ended 31.03.2019 RM'000	9 Months Ended 31.03.2018 RM'000 (Restated)
Revenue	4,312,728	3,879,087	12,955,866	11,691,504
Cost of sales	(3,284,485)	(2,764,066)	(9,864,908)	(8,414,627)
Gross profit	1,028,243	1,115,021	3,090,958	3,276,877
Other operating income	65,699	45,229	178,800	192,167
Other operating expenses	(498,136)	(487,503)	(1,459,403)	(1,335,137)
Profit from operations	595,806	672,747	1,810,355	2,133,907
Finance costs	(429,603)	(401,836)	(1,289,919)	(1,223,673)
Share of results of associated companies and joint ventures	109,925	106,117	321,871	303,928
Profit before taxation	276,128	377,028	842,307	1,214,162
Taxation	(63,210)	(80,287)	(207,459)	(312,728)
Profit for the period	212,918	296,741	634,848	901,434
Attributable to:-				
Owners of the parent	85,795	135,144	256,405	404,453
Non-controlling interests	127,123	161,597	378,443	496,981
Profit for the period	212,918	296,741	634,848	901,434
Earnings per share				
Basic (Sen)	0.80	1.28	2.43	3.84
Diluted (Sen)	0.80	1.28	2.43	3.84

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	9 Months Ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Profit for the period	212,918	296,741	634,848	901,434
Other comprehensive income/(loss) :-				
Items that will not be reclassified subsequently to income statement:-				
Re-measurement of post-employment benefit obligations	-	188,584	-	188,584
Items that may be reclassified subsequently to income statement:-				
Available-for-sale financial assets	481	1,731	(1,574)	1,639
Cash flow hedges	419,151	(118,997)	(148,569)	69,349
Foreign currency translation	(109,130)	(776,445)	139,304	(1,462,926)
Other comprehensive income/(loss) for the period, net of tax	310,502	(705,127)	(10,839)	(1,203,354)
Total comprehensive income/(loss) for the period	523,420	(408,386)	624,009	(301,920)
Attributable to :-				
Owner of the parent	262,472	(122,631)	257,833	(65,294)
Non-controlling interests	260,948	(285,755)	366,176	(236,626)
Total comprehensive income/(loss) for the period	523,420	(408,386)	624,009	(301,920)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 As at 31.03.2019 RM'000	Restated As at 30.06.2018 RM'000	Restated As at 01.07.2017 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	28,355,770	28,085,524	28,516,788
Investment properties	10,142,433	10,003,889	10,517,010
Investment in associated companies and joint ventures	2,926,285	2,427,240	2,482,655
Investments	451,789	1,136,775	845,165
Development expenditure	1,206,298	1,127,391	1,026,266
Intangible assets	6,101,177	5,975,875	6,353,214
Biological assets	1,798	1,798	1,798
Other receiveables and other non-current assets	883,794	971,377	1,001,470
Derivative financial instruments	18,258	49,860	13,629
	50,087,602	49,779,729	50,757,995
Current Assets			
Inventories	2,772,395	2,842,630	799,825
Property development costs	436,261	367,032	2,519,759
Trade, other receivables and other current assets	4,177,140	3,764,572	3,832,888
Derivative financial instruments	142,270	198,405	52,124
Income tax assets	113,461	128,091	80,116
Investments	2,473,054	2,650,117	3,241,812
Amount due from related parties	24,447	36,254	87,497
Fixed deposits	10,135,595	10,619,683	12,145,557
Cash and bank balances	959,515	1,014,971	1,174,691
	21,234,138	21,621,755	23,934,269
TOTAL ASSETS	71,321,740	71,401,484	74,692,264

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited As at 31.03.2019 RM'000	Restated As at 30.06.2018 RM'000	Restated As at 01.07.2017 RM'000
EQUITY			
Share capital	3,340,111	3,340,111	3,340,111
Other reserves	1,012,833	1,009,646	1,523,559
Retained profits	9,854,003	10,129,163	10,632,314
Less : Treasury shares, at cost	(472,793)	(337,142)	(596,577)
Equity Attributable to Owners of the Parent	13,734,154	14,141,778	14,899,407
Non-Controlling Interests	7,429,487	7,543,735	8,065,233
TOTAL EQUITY	21,163,641	21,685,513	22,964,640
LIABILITIES			
Non-current liabilities			
Long term payables and other non-current liabilities	947,155	908,127	932,394
Bonds & borrowings	36,094,265	35,548,306	34,132,823
Grants and contributions	583,361	548,493	547,775
Deferred tax liabilities	2,076,541	2,073,937	2,079,991
Post-employment benefit obligations	647,584	685,509	1,115,512
Derivative financial instruments	56,339	34,308	44,008
	40,405,245	39,798,680	38,852,503
Current Liabilities			
Trade, other payables and other current liabilities	3,713,308	3,313,078	3,375,880
Derivative financial instruments	40,955	19,817	128,772
Amount due to related parties	13,062	9,105	8,486
Bonds & borrowings	5,690,157	6,238,206	8,996,806
Income tax liabilities	145,445	186,403	210,474
Provision for liabilities and charges	149,927	150,682	154,703
	9,752,854	9,917,291	12,875,121
TOTAL LIABILITIES	50,158,099	49,715,971	51,727,624
TOTAL EQUITY AND LIABILITIES	71,321,740	71,401,484	74,692,264
Net Assets per share (RM)	1.30	1.32	1.41

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	← Attributable to Owners of the Parent →					Non-	
Group	**Share capital RM'000**	**Retained profits RM'000**	**Treasury shares RM'000**	**Other reserves RM'000**	**Total RM'000**	**Controlling interests RM'000**	**Total equity RM'000**
At 1 July 2018 (as previously reported)	3,340,111	10,123,292	(337,142)	1,009,646	14,135,907	7,540,331	21,676,238
Effect of first-time MFRS adoption		5,871			5,871	3,404	9,275
At 1 July 2018 (restated)	3,340,111	10,129,163	(337,142)	1,009,646	14,141,778	7,543,735	21,685,513
Profit for the period	-	256,405	-	-	256,405	378,443	634,848
Other comprehensive income/(loss)	-	-	-	1,428	1,428	(12,267)	(10,839)
Total comprehensive income for the period	-	256,405	-	1,428	257,833	366,176	624,009
Changes in composition of the Group	-	(109,164)	-	-	(109,164)	(87,535)	(196,699)
Dividend paid	-	(422,748)	-	-	(422,748)	(392,889)	(815,637)
Purchase of treasury shares	-	-	(135,651)	-	(135,651)	-	(135,651)
Share options exercise	-	-	-	2,226	2,226	-	2,226
Share option lapsed by subsidiary	-	347	-	(467)	(120)	-	(120)
At 31 March 2019	3,340,111	9,854,003	(472,793)	1,012,833	13,734,154	7,429,487	21,163,641

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	← Attributable to Owners of the Parent				→	Non-	
	Share	**Retained**	**Treasury**	**Other**		**Controlling**	**Total**
	capital	**profits**	**shares**	**reserves**	**Total**	**interests**	**equity**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 July 2017 (as previously reported)	3,340,111	10,606,817	(596,577)	1,523,559	14,873,910	8,051,734	22,925,644
Effect of first-time MFRS adoption	-	25,497	-	-	25,497	13,499	38,996
At 1 July 2017 (restated)	3,340,111	10,632,314	(596,577)	1,523,559	14,899,407	8,065,233	22,964,640
Profit for the year	-	404,453	-	-	404,453	496,981	901,434
Other comprehensive loss	-	188,584	-	(658,331)	(469,747)	(733,607)	(1,203,354)
Total comprehensive income/(loss) for the year	-	593,037	-	(658,331)	(65,294)	(236,626)	(301,920)
Changes in composition of the Group	-	(148,136)	-	(1)	(148,137)	140,510	(7,627)
Dividend paid	-	(526,761)	-	.	(526,761)	(506,538)	(1,033,299)
Purchase of treasury shares	-	-	(3)	-	(3)	-	(3)
Share dividend	-	(334,881)	334,881	-	-	-	-
Share option lapsed by subsidiary	-	539	-	(288)	251	-	251
At 31 March 2018 (restated)	3,340,111	10,216,112	(261,699)	864,939	14,159,463	7,462,579	21,622,042

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 2018 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 PERIOD ENDED 31 MARCH 2019

	9 Months Ended	
	31.03.2019	**31.03.2018**
	RM'000	**RM'000**
		(Restated)
Cash flows from operating activities		
Profit before tax	842,307	1,214,162
Adjustment for :-		
Adjustment on fair value of investment properties	(12,035)	-
Amortisation of contract costs	9,092	19,621
Amortisation of deferred income	(1,078)	(6,773)
Amortisation of grants and contributions	(16,377)	(16,001)
Amortisation of other intangible assets	5,465	3,551
Depreciation	1,179,253	1,131,537
Dividend income	(28,384)	(24,439)
Fair value changes of derivatives	10,087	(11,930)
Fair value changes of investments	(43,842)	17,112
Gain on disposal of investment properties	(3,799)	-
Gain on disposal of property, plant and equipment	(2,026)	(20,515)
Impairment losses	118,517	60,455
Interest expense	1,289,919	1,223,673
Interest income	(229,055)	(231,686)
Property, plant and equipment written off	4,391	27,458
Provision for post-employment benefit	38,694	46,110
Provision for liabilities and charges	1,215	1,455
Share of results of associated companies and joint ventures	(321,871)	(303,928)
Unrealised gain on foreign exchange	(36,250)	(94,030)
Other non cash items	6,459	(3,100)
Operating profit before changes in working capital	2,810,682	3,032,732

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 PERIOD ENDED 31 MARCH 2019 - continued

	9 Months Ended	
	31.03.2019	**31.03.2018**
	RM'000	**RM'000**
		(Restated)
Changes in working capital:-		
Inventories	89,755	2,220
Property development costs	(63,764)	(83,658)
Receivables, deposits and prepayments	(571,414)	(298,449)
Payables and accrued expenses	289,294	375,214
Related parties balances	9,653	(13,587)
Cash generated from operations	2,564,206	3,014,472
Dividend received	354,240	324,746
Interest paid	(1,220,764)	(1,131,288)
Interest received	234,300	234,989
Payment to a retirement benefits scheme	(98,092)	(95,731)
Income tax paid	(244,434)	(293,300)
Net cash from operating activities	1,589,456	2,053,888
Cash flows from investing activities		
Acquisition of subsidiaries	(33)	(14,975)
Acqusition of associated companies	(371,410)	(71,921)
Development expenditure incurred	(60,648)	(54,579)
Grants received in respect of infrastructure assets	46,656	39,816
Maturities of income funds	1,175,382	171,492
Proceeds from disposal of investment properties	13,909	-
Proceeds from disposal of property, plant & equipment	212,013	31,963
Purchase of investment properties	(243,304)	(54,709)
Purchase of property, plant & equipment	(1,252,698)	(1,627,764)
Purchase of intangible assets	(1,050)	(94)
Purchase of investments	(193,571)	(70,545)
Shareholder loans	(37,036)	(37,054)
Net cash used in investing activities	(711,790)	(1,688,370)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 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 PERIOD ENDED 31 MARCH 2019 - continued

	9 Months Ended	
	31.03.2019	**31.03.2018**
	RM'000	**RM'000**
		(Restated)
Cash flows from financing activities		
Dividend paid	(422,748)	(526,761)
Dividend paid to non-controlling interests by subsidiaries	(392,889)	(506,538)
Repurchase of own shares by the company (at net)	(135,651)	(3)
Repurchase of subsidiaries' shares by subsidiaries	(198,625)	(3)
Proceeds from borrowings	2,842,219	8,527,487
Proceeds from issue of shares in subsidiaries to non-controlling interests	-	17,149
Repayment of borrowings	(3,241,911)	(8,532,031)
Net cash used in financing activities	(1,549,605)	(1,020,700)
Net changes in cash and cash equivalents	(671,939)	(655,182)
Effects of exchange rate changes	79,830	(671,344)
Cash and cash equivalents at beginning of the financial year	11,601,643	13,316,838
Cash and cash equivalents at end of the financial year	11,009,534	11,990,312
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	10,135,595	11,004,734
Cash and bank balances	959,515	993,730
Bank overdraft	(85,576)	(8,152)
	11,009,534	11,990,312

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 2018.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("MFRS") 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").

Since the previous annual audited financial statements as at 30 June 2018 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB"). This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. The effects on the adoption of MFRS framework are described as below.

The interim financial report of the Group for the current quarter ended 31 December 2018 is the first interim financial report prepared in accordance with MFRS Framework, including MFRS 1 "First-time Adoption of MFRS". Subject to certain transition elections and effects of adoption of MFRS 9 "Financial Instruments" and MFRS 15 "Revenue from contracts with customers" as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

The effects on the adoption of MFRS framework are as follows:

<u>MFRS 9 : Financial Instruments ("MFRS 9")</u>

MFRS 9 replaces MFRS 139 "Financial Instruments: Recognition and Measurement". The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than in the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

<u>MFRS 15 : Revenue from Contracts with Customers ("MFRS 15")</u>

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersede the revenue recognition guidance including MFRS 118 : Revenue, MFRS 111 : Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follow:

(a) Utilities segment

(i) Accounting for sale of device as part of bundled telecommunication service package

MFRS 15 requires devices which the Group promises to transfer as part of a bundled package with mobile telecommunication services to be considered distinct and thus accounted for as a separate performance obligation.

As a result, total consideration received from such a package are allocated to the service and device based on relative stand-alone selling prices. This results in an allocation and early recognition of a portion of telecommunication service revenue as device revenue, an earlier recognition of device subsidy expenses which was capitalised as intangible asset previously and subsequently, a reduction in service revenue throughout the contract period. The recognition of higher device revenue upfront also resulted in recognition of what is known as a contract asset (a receivable arising from the customer contract that has not yet legally come into existence) in the statement of financial position.

(ii) Incremental costs of obtaining a contract

Under MFRS 15, the Group capitalises sales commissions and device costs (for those devices which is bundled with fixed line telecommunication service and not distinct performance obligation) as costs of obtaining a contract with a customer when they are incremental and expected to be recovered. These costs will then be amortised consistently with the transfer of the good or service to the customer.

(b) Property segment

(i) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Currently, the Group account for the bundled sales as one deliverable and recognises revenue over time. Under MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost-plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(ii) Cost incurred in fulfilling a contract

Under the current standards, the Group expensed off sales commissions and legal fees of sales and purchase agreement ("SPA") as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and legal fees of SPA relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under MFRS 15, these costs will be eligible for capitalisation and recognised as property development costs and contract sales respectively.

(iii) Recognition of provision for foreseeable losses for low cost housing

Under the current standards, the Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above is in accordance to FRSIC Consensus 17 : Development of Affordable Housing ("FRSIC 17") issued by Malaysia Institute of Accountants ("MIA").

MFRS 15 requires the accounting to be done on a contract basis. On 7 March 2018, MIA has withdrawn FRSIC 17 and stated that FRSIC 17 is no longer relevant for the adoption of MFRS framework. This has resulted in the retrospective reversal of the provision for affordable housing previously provided for in the financial statements of the Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Notes: - continued

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS are disclosed in the following tables:

(i) Condensed Consolidated Income Statement

	Individual Quarter 31.03.2018			Cumulative Quarter 31.03.2018		
	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000	As previously reported RM'000	Adoption of MFRS RM'000	Restated RM'000
Revenue	3,879,693	(606)	3,879,087	11,708,751	(17,247)	11,691,504
Cost of sales	(2,762,961)	(1,105)	(2,764,066)	(8,426,313)	11,686	(8,414,627)
Gross profit	1,116,732	(1,711)	1,115,021	3,282,438	(5,561)	3,276,877
Other operating income	45,685	(456)	45,229	193,291	(1,124)	192,167
Other operating expenses	(488,470)	967	(487,503)	(1,341,895)	6,758	(1,335,137)
Profit from operations	673,947	(1,200)	672,747	2,133,834	73	2,133,907
Finance costs	(401,836)	-	(401,836)	(1,223,673)	-	(1,223,673)
Share of results of associated companies and joint ventures	105,999	118	106,117	303,640	288	303,928
Profit before taxation	378,110	(1,082)	377,028	1,213,801	361	1,214,162
Taxation	(79,958)	(329)	(80,287)	(311,174)	(1,554)	(312,728)
Profit for the period	298,152	(1,411)	296,741	902,627	(1,193)	901,434
Attributable to:-						
Owners of the parent	136,252	(1,108)	135,144	405,242	(789)	404,453
Non-controlling interests	161,900	(303)	161,597	497,385	(404)	496,981
Profit for the period	298,152	(1,411)	296,741	902,627	(1,193)	901,434
Earnings per share						
Basic (Sen)	1.29	-0.01	1.28	3.85	-0.01	3.84
Diluted (Sen)	1.29	-0.01	1.28	3.85	-0.01	3.84

Notes: - continued

(ii) Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter 31.03.2018			Cumulative Quarter 31.03.2018		
	As previously reported RM'000	**Adoption of MFRS RM'000**	**Restated RM'000**	**As previously reported RM'000**	**Adoption of MFRS RM'000**	**Restated RM'000**
Profit for the period	298,152	(1,411)	296,741	902,627	(1,193)	901,434
Other comprehensive income/(loss) :-						
Items that will not be reclassified subsequently to income statement:-						
Re-measurement of post-employment benefit obligations	188,584	-	188,584	188,584	-	188,584
Items that may be reclassified subsequently to income statement:-						
Available-for-sale financial assets	1,731	-	1,731	1,639	-	1,639
Cash flow hedges	(118,997)	-	(118,997)	69,349	-	69,349
Foreign currency translation	(776,445)	-	(776,445)	(1,462,926)	-	(1,462,926)
Other comprehensive loss for the period, net of tax	(705,127)	-	(705,127)	(1,203,354)	-	(1,203,354)
Total comprehensive loss for the period	(406,975)	(1,411)	(408,386)	(300,727)	(1,193)	(301,920)
Attributable to :-						
Owner of the parent	(121,523)	(1,108)	(122,631)	(64,505)	(789)	(65,294)
Non-controlling interests	(285,452)	(303)	(285,755)	(236,222)	(404)	(236,626)
Total comprehensive loss for the period	(406,975)	(1,411)	(408,386)	(300,727)	(1,193)	(301,920)

Notes: - continued

(iii) Condensed Consolidated Statement of Financial Position

	Audited as at 30.06.2018 RM'000	Adoption of MFRS RM'000	Restated as at 30.06.2018 RM'000	Audited as at 01.07.2017 RM'000	Adoption of MFRS RM'000	Restated as at 01.07.2017 RM'000
Non-current Assets						
Investment in associated companies and joint ventures	2,427,161	79	2,427,240	2,480,383	2,272	2,482,655
Development expenditure	1,161,417	(34,026)	1,127,391	1,060,293	(34,027)	1,026,266
Intangible assets	5,986,886	(11,011)	5,975,875	6,386,034	(32,820)	6,353,214
Other receiveables and other non-current assets	967,866	3,511	971,377	988,439	13,031	1,001,470
Current Assets						
Inventories	2,838,059	4,571	2,842,630	799,825	-	799,825
Property development costs	367,032	-	367,032	2,475,214	44,545	2,519,759
Trade, other receivables and other current assets	3,756,329	8,243	3,764,572	3,816,195	16,693	3,832,888
EQUITY						
Retained profits	10,123,292	5,871	10,129,163	10,606,817	25,497	10,632,314
Non-Controlling Interests	7,540,331	3,404	7,543,735	8,051,734	13,499	8,065,233
Non-current liabilities						
Deferred tax liabilities	2,073,201	736	2,073,937	2,068,379	11,612	2,079,991
Provision for liabilities and charges	7,077	(7,077)	-	7,077	(7,077)	-
Current Liabilities						
Trade, other payables and other current liabilities	3,311,391	1,687	3,313,078	3,376,463	(583)	3,375,880
Provision for liabilities and charges	183,936	(33,254)	150,682	187,957	(33,254)	154,703

A2. Seasonality or Cyclicality of Operations

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

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	9 Months Ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Sale of electricity	1,688,944	1,430,091	4,904,624	4,216,948
Sale of clean water, treatment and disposal of waste water	816,395	795,388	2,537,310	2,511,872
Sale of goods	642,862	705,697	2,077,849	2,202,283
Hotel operations	347,388	334,989	925,275	898,601
Broadband and telecommunications revenue	227,131	185,223	628,434	563,818
Rental income	167,943	158,087	510,258	490,323
Rendering of services	45,690	40,311	148,128	102,483
Property development projects	50,727	5,205	147,553	74,071
Sale of land held for property development	-	-	9,050	133,875
Sale of steam	50,145	45,027	159,914	138,676
Construction contracts revenue	216,163	92,608	710,096	153,788
Interest income	55,077	66,276	168,994	180,328
Dividend income	4,263	20,185	28,381	24,438
	4,312,728	3,879,087	12,955,866	11,691,504

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

A4. 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.

A5. Changes in estimates of amounts reported

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

A6. 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 period to date, the Company repurchased 1,000 and 109,030,600 ordinary shares of its issued share capital from the open market, at an average of RM1.24 per share. The total consideration paid for the share buy-back, including transaction costs amounted to RM1,075 and RM135,651,393, 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.

As at 31 March 2019, the number of treasury shares held was 341,862,418 ordinary shares.

A7. Dividend paid

The following dividend payment was made during the financial period ended 31March 2019:

	RM'000
In respect of the financial year ended 30 June 2018:-	
An interim single tier dividend of 4 sen per ordinary share paid on 13 November 2018	422,748

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Information

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

The Group's segmental result for the financial period ended 31 March 2019 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	710,096	3,414	1,942,704	648,504	350,924	949,278	8,350,946	-	12,955,866
Inter-segment revenue	106,467	60,232	4,098	180,671	192,929	11,510	10,955	(566,862)	-
Total revenue	816,563	63,646	1,946,802	829,175	543,853	960,788	8,361,901	(566,862)	12,955,866
Segment results									
Profit from operations	35,571	2,416	164,088	406,570	485,266	64,290	652,154	-	1,810,355
Finance costs									(1,289,919)
									520,436
Share of profit of associated companies & joint ventures									321,871
Profit before taxation									842,307

A8. Segment Information - continued

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

The Group's segmental result for the financial period ended 31 March 2018 (Restated) 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	153,788	3,966	2,011,605	709,852	340,615	881,421	7,590,257	-	11,691,504
Inter-segment revenue	125,015	59,754	7,824	173,017	220,102	10,319	-	(596,031)	-
Total revenue	278,803	63,720	2,019,429	882,869	560,717	891,740	7,590,257	(596,031)	11,691,504
Segment results									
Profit from operations	12,929	3,115	203,957	599,276	336,299	58,088	920,243	-	2,133,907
Finance costs									(1,223,673)
									910,234
Share of profit of associated companies & joint ventures									303,928
Profit before taxation									1,214,162

A9. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 31 March 2019, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following-

- On 6 July 2018, the Company announced that Linan Lu Hong Transport Co., Ltd ("Linan Lu Hong"), an indirect subsidiary of YTL Cement Berhad ("YTL Cement"), which in turn is a subsidiary of the Company, has been placed under member's voluntary winding-up pursuant to Article 180(2) of the Company Law of the People's Republic of China. Linan Lu Hong has ceased its business operations since May 2016. The member's voluntary winding-up was completed and the Administration for Industries and Commerce of the People's Republic of China has on 13 November 2018 issued its approval for deregistration of Linan Lu Hong. Linan Lu Hong has ceased to be an indirect subsidiary of the Company.

- On 10 September 2018, Hangzhou Dama Kai Tong Environmental Technology Co., Ltd ("Hangzhou Dama Kai Tong"), an indirect subsidiary of YTL Cement, has been dissolved following its deregistration under Article 179 of the Company Law of the People's in Republic of China. Accordingly, Hangzhou Dama Kai Tong has ceased to be an indirect subsidiary of the Company.

- On 6 December 2018, YTL Hotels & Properties Sdn Bhd ("YTLHP"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as Starhill Hotel (Perth) Sdn Bhd ("SHP") with an issued share capital of RM1.00 comprising 1 ordinary share. SHP will be principally engaged in investment holding activities.

- On 12 December 2018, SHP incorporated the following wholly-owned subsidiaries in Western Australia, each with issued share capital of AUD$1.00 comprising of 1 ordinary share:-

Name of Company	Principal Activities
Starhill Hotel Operator (Perth) Pty Ltd	Hotel operator
Starhill Hotel (Perth) Pty Ltd	Trustee company
Starhill Retail (Perth) Pty Ltd	Trustee company
Starhill Office (Perth) Pty Ltd	Trustee company

- YTL Jawa Power Services B.V. ("YTLJPS"), an indirect wholly-owned subsidiary of YTL Power International Berhad ("YTL Power") has been deregistered from the Netherlands Chamber of Commerce Business Register as from 1 February 2019 followings its merger with YTL Jawa O & M Holdings B.V., an indirect wholly-owned subsidiary of YTL Power, in accordance with Title 7, Book 2 of the Dutch Civil Code. YTLJPS has then ceased to be an indirect wholly-owned subsidiary of YTL Power and the Company.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

- The following subsidiaries were incorporated, each with the issued share capital on RM1.00 comprising 1 ordinary share:

  (i) YTL Infrastructure Holdings Sdn Bhd ("YTL Infrastructure") as a wholly-owned subsidiary of YTL Power, on 1 March 2019; and

  (ii) Global Infrastructure Assets Sdn Bhd ("Global Infrastructure") as a wholly-owned subsidiary of YTL Infrastructure on 4 March 2019.

  Both YTL Infrastructure and Global Infrastructure will be principally involved in investment holding.

A10. 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 2018.

A11. Subsequent Events

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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
	31.03.2019	31.03.2018	%	31.03.2019	31.03.2018	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
		(Restated)			(Restated)	
Revenue						
Construction	216,163	92,608	133%	710,096	153,788	362%
Information technology & e-commerce related business	802	917	-13%	3,414	3,966	-14%
Cement Manufacturing & trading	615,786	641,319	-4%	1,942,704	2,011,605	-3%
Property investment & development	215,242	166,751	29%	648,504	709,852	-9%
Management services & others	110,435	130,905	-16%	350,924	340,615	3%
Hotels	353,206	330,666	7%	949,278	881,421	8%
Utilities	2,801,094	2,515,921	11%	8,350,946	7,590,257	10%
	4,312,728	3,879,087		12,955,866	11,691,504	
Profit before taxation						
Construction	17,213	985	1648%	35,559	12,915	175%
Information technology & e-commerce related business	(446)	640	-170%	2,416	3,115	-22%
Cement Manufacturing & trading	41,101	23,321	76%	130,789	163,588	-20%
Property investment & development	46,205	111,729	-59%	192,483	399,492	-52%
Management services & others	13,201	(63,940)	121%	580	(145,869)	100%
Hotels	44,096	47,767	-8%	53,152	52,959	0%
Utilities	114,758	256,526	-55%	427,328	727,962	-41%
	276,128	377,028		842,307	1,214,162	

Notes – continued

For the current financial quarter under review, the Group revenue was RM4,312.7 million as compared to RM3,879.1 million, recorded in the preceding year corresponding quarter. The Group recorded a profit before tax of RM276.1 million for the current financial quarter. This represents a decrease of RM100.9 million or 26.8% as compared to a profit of RM377.0 million recorded in the preceding year corresponding quarter.

For the nine months under review, the Group revenue increased by 10.8% to RM12,955.9 million from RM11,691.5 million, recorded in the preceding financial period ended 31 March 2018. Group profit before taxation for the current financial period stood at RM842.3 million. This represents a decrease of RM371.9 million or 30.6% as compared to a profit of RM1,214.2 million recorded in the preceding year corresponding period.

Performance of the respective operating business segments for the financial quarter/period ended 31 March 2019 as compared to the preceding year corresponding financial quarter/period are analysed as follows:

Construction
For the current financial quarter/nine months under review, the increase in revenue and profit before tax was principally due to significant increase in progress billings for the electrified double-tracking railway project from Gemas to Johor Bahru.

Information technology & e-commerce related business
For the current financial quarter under review, revenue decreased mainly due to lower revenue recorded by Content and digital media division whilst the loss before tax was mainly due to lower interest income earned and lower shares of results in associated company.

For the nine months under review, the decrease in revenue and profit before tax was mainly due to lower revenue recorded by Content and digital media division.

Cement Manufacturing & trading
For the current financial quarter under review, revenue decreased mainly due to lower sales volume from all divisions whilst increase in profit before taxation was mainly due to higher selling price, lower operating expenses and higher share of profits of the associated company.

For the nine months under review, the decrease in revenue and profit before tax was mainly attributable to lower sales volume from all divisions and absence of gain on disposal of land following the acquisition by Pentadbir Tanah Kuala Lumpur for the Mass Rapid Transit project.

Property investment & development
For the current financial quarter under review, the increase in revenue was mainly contributed by the sale of completed properties from the 3 Orchard By-The-Park project and The Fennel projects undertaken by YTL Westwood Properties Pte Ltd and Sentul Raya Sdn. Bhd., respectively. However, the decrease profit before tax was mainly attributable to the lower unrealised foreign exchange gain on term loan denominated in Australian Dollar recorded by YTL Hospitality REIT.

For the nine months under review, revenue and profit before tax decreased were primarily due to the absence of one-off gain from land disposal by Udapakat Bina Sdn. Bhd. a wholly-owned subsidiary of YTL Land & Development Berhad following the acquisition by Pentadbir Tanah Kuala Lumpur for the Mass Rapid Transit project and lower unrealised foreign exchange gain as mentioned above.

Notes – continued

Management services & others
For the current financial quarter under review, decrease in revenue was mainly due to lower distribution income received from investment in a fund by a foreign subsidiary whilst profit before tax improved mainly due to lower operating costs, fair value changes in investments and derivatives and coupled with accrued technical service income recorded by YTL Power International Berhad.

For the nine months under review, the increase in revenue was mainly due to the accrued technical service income whilst the improvements in profit before tax was principally attributable to lower operating costs, higher share of profits of the associates, fair value changes in investments and derivatives as mentioned above.

Hotels
Increase in revenue for the current financial quarter was mainly contributed by Niseko Village K.K., The Ritz-Carlton Koh Samui, Thailand and The Hague Marriott Hotel, The Netherlands. However, the lower profit before tax was mainly due to higher operating expenses incurred by Niseko Village K.K.

The increase in revenue and profit before tax for the nine months under review was mainly due to the consolidation of The Hague Marriott Hotel, The Netherlands and better performance of Star Hill Hotel Sdn. Bhd. following the completion of a refurbishment exercise of JW Marriott Hotel Kuala Lumpur.

Utilities
For the current financial quarter/nine months under review, the increase in revenue was mainly due to higher fuel oil price whilst the lower profit before tax was mainly due to lower vesting, retail and tank leasing margin, higher operating and finance costs, and coupled with an allowance for impairment of receivable following a court decision on the outstanding litigation recorded by Multi utilities business (Merchant) divisions.

The utilities segment contributes to 64.5% and 50.7% of the Group revenue and profit before taxation, respectively.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2019 RM'000	**Preceding Quarter 31.12.2018 RM'000**	**Variance % +/-**
Revenue	4,312,728	4,554,615	-5%
Profit before taxation	276,128	224,234	23%
Profit attributable to owners of the parent	85,795	44,820	91%

The decrease in revenue was mainly due to lower revenue contributed by the Construction and Cement manufacturing & trading segment. Despite the lower revenue, the higher profit before taxation was primarily attributable to the better performance in Hotels and Management services & others segment.

B3. Audit Report of the preceding financial year ended 30 June 2018

The Auditors' Report on the financial statements of the financial year ended 30 June 2018 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 will continue to embark on marketing efforts and initiatives to unlock sales. The Group is expected to achieve satisfactory performance for the financial year ending 2019 through the Group's unbilled sales and inventories.

<u>Management services & others/Hotels</u>
Considering the current market condition, the performance of these two segments for the financial year ending 30 June 2019 is expected to remain satisfactory.

<u>Utilities</u>
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") 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 and 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 whilst continuing to provide customers with first-class affordable service.

The Group has continued to implement the 1BestariNet project for the Government of Malaysia, providing internet connectivity to more than 10,000 schools across the country and adding new features to the Frog VLE (Virtual Learning Environment), a learning platform that allows schools to simplify and enhance teaching and learning, communication and administration. Plans are also underway to expand the Yes service in Sarawak.

B5. Profit Forecast

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

Notes – continued

B6. Profit for the period

	Current Quarter 31.03.2019 RM'000	Period To Date 31.03.2019 RM'000
Profit for the period is stated after charging/(crediting):		
Adjustments on fair value of investment properties	-	(12,035)
Allowance for impairment of receivables - net of reversal	105,074	118,517
Amortisation of contract costs	5,096	9,092
Amortisation of deferred income	(719)	(1,078)
Amortisation of grants and contributions	(10,962)	(16,377)
Amortisation of other intangible assets	3,648	5,465
Depreciation of property, plant and equipment	788,283	1,179,253
Dividend income	(14,270)	(28,384)
Fair value changes of derivatives	14,908	10,087
Fair value changes of investments	(17,707)	(43,842)
Interest expense	861,187	1,289,919
Interest income	(39,766)	(60,061)
Gain on foreign exchange	(13,263)	(29,001)
Gain on disposal of investment properties	(3,799)	(3,799)
Gain on disposal of property, plant and equipment	1,635	(2,026)
Property, plant and equipment written off	1,553	4,391
Provision for liabilities and charges	1,071	1,215

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

B7. Taxation

Taxation comprise the following:-

	Current Quarter 31.03.2019 RM'000	Period To Date 31.03.2019 RM'000
In respect of current period		
- Income tax	62,704	219,172
- Deferred tax	506	(11,713)
	63,210	207,459

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

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: -

(I) On 6 December 2018, YTL Hotels & Properties Sdn Bhd ("Buyer") entered into a sale and purchase agreement ("SPA") with KKH Property Investors, S.L.U. ("Seller") to acquire:

(i) 548,000 ordinary shares of EUR1.00 nominal each representing the entire share capital of SOL HTL Project, S.L.U. ("SOL HTL"), a company incorporated in Madrid, Spain; and
(ii) Loans owing by SOL HTL to the Seller or its affiliates on completion date.

for an aggregate consideration of EUR220 million (equivalent to RM1,038 million, based on Bank Negara Malaysia's published middle rate of EUR1:RM4.7180 as at close of business on 6 December 2018), which is subject to adjustments ("Proposed Acquisition"). The Company is also a party to the SPA, namely as the guarantor of the Buyer's obligations.

SOL HTL owns a property which will be refurbished and converted into a 200-room hotel to be operated under the EDITION brand of Marriott International, Inc group ("Proposed Hotel"). The property is located at Plaza de Celenque no. 2, 28013 Madrid, Spain, which is registered in the Madrid Property Registry number 4, volume 2879, book 195, folio 1, and with property registration no. 56,167. This property forms part of a building which also houses Fundación Obra Social y Monte de Piedad de Madrid.

The completed Proposed Hotel will comprise:

(i) the registered plot (finca registral) registered with the Land Registry of Madrid no. 4 (Section 2B), no. 56,167 comprising the plot of land located at Plaza de Celenque no. 2, 28013 Madrid, Spain and building ownership rights to the building located at Plaza de Celenque no. 2, 280 Madrid, Spain;
(ii) all easements or other rights appurtenant thereto; and
(iii) all furniture, fixtures and other equipment, fixed assets and inventories as described in the SPA.

Completion of the Proposed Acquisition will take place after satisfaction of certain conditions to completion as set out in the SPA, which includes, among others, the opening of the Proposed Hotel as an EDITION hotel ("Opening Date"). The Opening Date is targeted for before 31 December 2020.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(II) On 2 May 2019, the Company announced that YTL Cement Berhad ("YTL Cement"), a subsidiary of the Company, entered into a sale and purchase of shares agreement ("SPA") with Associated International Cement Limited ("Vendor") for the acquisition of 433,344,693 ordinary shares in Lafarge Malaysia Berhad ("LMB") ("LMB Shares"), representing approximately 51% equity interest in LMB, for a total cash consideration of RM1,625,042,598.75 or RM3.75 per LMB Share, subject to the terms and conditions set out in the SPA ("Acquisition"). The SPA is not subject to any conditions precedent and was unconditional on 2 May 2019

The Acquisition was completed by way of a direct business transaction in accordance with the rules and directives issued Bursa Malaysia Securities Berhad on 17 May 2019 or such other date as may be mutually agreed in writing between the Vendor and YTL Cement.

Upon completion of the Acquisition, YTL Cement's shareholding in LMB increased from nil to approximately 51%. Accordingly, pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions ("Rules"), YTL Cement is obliged to extend a mandatory take-over offer for all the remaining LMB Shares not already owned by YTL Cement after the Acquisition for a cash offer price of RM3.75 per LMB Share ("MO").. Maybank Investment Bank Berhad had on 2 May 2019, on behalf of YTL Cement, served a notice of MO on the Board of Directors of LMB, in accordance with Paragraph 9.10(1)(b)(i) of the Rules.

The MO is pending completion as at the date of this report.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 31 March 2019 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Bankers' acceptances	-	39,136	39,136
Bank overdrafts	-	85,576	85,576
Committed bank loans	-	54,272	54,272
Finance lease liabilities	30,382	8,214	38,596
ICULS *	-	23,426	23,426
Revolving credit	-	2,506,701	2,506,701
Term loans	28,500	2,084,684	2,113,184
Bonds	-	829,266	829,266
	58,882	5,631,275	5,690,157
Non-current			
Committed bank loans	-	739,503	739,503
Finance lease liabilities	26,561	159	26,720
Revolving credit	-	458,618	458,618
Term loans	2,254,253	14,248,553	16,502,806
Bonds	328,196	18,038,422	18,366,618
	2,609,010	33,485,255	36,094,265
Total borrowings	**2,667,892**	**39,116,530**	**41,784,422**

* *Irredeemable Convertible Unsecured Loan Stock ("ICULS")*

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

	Foreign Currency '000	RM Equivalents '000
US Dollar	874,968	3,621,055
Singapore Dollar	3,261,101	9,888,310
Sterling Pound	2,231,177	11,720,819
Japanese Yen	17,514,678	656,363
Thai Baht	2,004,317	254,560
Australia Dollar	548,440	1,602,980
		27,744,087

Save for the borrowings of RM149.6 million, US Dollar 227.5 million, Sterling Pound 91.5 million, Yen 7.8 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.

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

(a) Derivatives Financial Instruments

As at 31 March 2019, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
Fuel oil swaps		
- Less than 1 year	1,507,523	115,897
- 1 year to 3 years	468,926	2,731
- More than 3 years	-	-
Currency forwards		
- Less than 1 year	1,565,153	(12,208)
- 1 year to 3 years	618,363	(1,597)
- More than 3 years	200	(200)
Currency options contracts		
- Less than 1 year	-	-
- 1 year to 3 years	1,632,400	(6,554)
- More than 3 years	-	-
Interest rate swap contracts		
- 1 year to 5 years	934,100	(11,944)

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.

(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial period ended 31 March 2019 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gains	Fair value (loss)/gain Current quarter 31.03.2019 RM'000	Fair value (loss)/gain Current year to date 31.03.2019 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	(22)	(1,683)
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	(67)	3,082
Currency options contract	Spot rate and interest rate curve, volatility and time to maturity	Spot rate has moved in favour of the Group	6,254	12,286
		Total	6,165	13,685

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

(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**	**Level 3 RM'000**	**Total RM'000**
31 March 2019				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	3,938	-	3,938
- Income funds	-	1,560,620	-	1,560,620
- Equity investments	-	3,859	-	3,859
Derivative used for hedging	-	156,590	-	156,590
Available-for-sale financial assets	69,523	44	1,290,797	1,360,364
Total assets	69,523	1,725,051	1,290,797	3,085,371
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	9,021	-	9,021
- Currency options contract	6,554	-	-	6,554
Derivative used for hedging	-	81,719	-	81,719
Total liabilities	6,554	90,740	-	97,294

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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 was heard at the end of 2017 followed by a further hearing in November 2018. On 2 January 2019, the High Court ruled in favour of the subsidiary but awarded damages on a different basis from that claimed. This resulted in nominal damages being paid to the subsidiary. The foreign subsidiary's legal counsel has advised that there are real merits to appeal against the High Court's decision on the issue of damages. Accordingly, the subsidiary has filed an appeal against the decision and the appeal hearing is to be fixed by November 2019.

Notwithstanding the outcome of the appeal, the subsidiary has recognised a provision for the sum of RM70.5 million (SGD23.4 million) in the quarter ended 31 December 2018 based on the decision of the court.

B12. Dividend

No dividend has been declared or the current financial quarter.

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 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018 (Restated)
Profit attributable to owners of the parent (RM'000)	85,795	135,144
Weighted average number of ordinary shares ('000)		
Weighted average number of ordinary shares ('000)	10,910,559	10,910,559
Less: Shares repurchased	(232,832)	(375,348)
	10,677,727	10,535,211
Basic earnings per share (sen)	0.80	1.28

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 31.03.2019	**Preceding Year Corresponding Quarter 31.03.2018 (Restated)**
Profit attributable to owners of the parent (RM'000)	85,795	135,144
Weighted average number of ordinary shares - diluted ('000)		
Weighted average number of ordinary shares-basic	10,677,727	10,535,211
Effect of unexercised employees share option scheme ("ESOS")	-	-
	10,677,727	10,535,211
Diluted earnings per share (sen)	0.80	1.28

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM536.451 million (2018: RM220.859 million). Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM536.451 million (2018: RM220.859 million) resulting in an increase in NA per share of RM0.05 (2018: 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: 31 May 2019