

**YTL CORPORATION BERHAD**

Company No. 92647-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 June 2012**

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

**Interim Financial Report**  
**30 June 2012**

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

**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 2012.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2011 RM'000	12 MONTHS ENDED	
			30.06.2012 RM'000	30.06.2011 RM'000
<b>REVENUE</b>	5,330,581	5,208,343	20,438,587	18,354,770
COST OF SALES	(4,358,182)	(4,227,326)	(16,311,319)	(14,263,058)
GROSS PROFIT	972,399	981,017	4,127,268	4,091,712
OTHER OPERATING EXPENSES	(567,715)	(357,384)	(1,466,403)	(1,434,005)
OTHER OPERATING INCOME	225,162	66,706	378,790	341,709
<b>PROFIT FROM OPERATIONS</b>	629,846	690,339	3,039,655	2,999,416
FINANCE COSTS	(250,275)	(283,001)	(1,011,557)	(1,051,513)
SHARE OF PROFITS OF ASSOCIATED COMPANIES	143,602	213,315	329,687	404,046
<b>PROFIT BEFORE TAXATION</b>	523,173	620,653	2,357,785	2,351,949
TAXATION	(37,297)	(68,275)	(509,921)	(516,029)
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>485,876</b>	<b>552,378</b>	<b>1,847,864</b>	<b>1,835,920</b>
<b>ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	281,650	279,426	1,135,689	1,034,569
NON-CONTROLLING INTERESTS	204,226	272,952	712,175	801,351
<b>PROFIT FOR THE PERIOD/YEAR</b>	<b>485,876</b>	<b>552,378</b>	<b>1,847,864</b>	<b>1,835,920</b>
<b>EARNINGS PER 10 SEN SHARE*</b>				
Basic (Sen)	2.92	3.11	11.75	11.53
Diluted (Sen)	2.92	3.09	11.75	11.44

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2011 RM'000	12 MONTHS ENDED	
			30.06.2012 RM'000	30.06.2011 RM'000
<b>PROFIT FOR THE PERIOD/YEAR</b>	485,876	552,378	1,847,864	1,835,920
<b>OTHER COMPREHENSIVE INCOME:</b>				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	(68,817)	(62,747)	(86,206)	23,207
CASHFLOW HEDGES	(241,088)	(95,275)	(244,812)	100,593
SHARE OF OTHER COMPREHENSIVE EXPENSE OF ASSOCIATED COMPANY	(33,518)	(15,020)	(19,434)	(15,020)
CURRENCY TRANSLATION DIFFERENCES	263,100	321,846	266,281	643,853
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX</b>	(80,323)	148,804	(84,171)	752,633
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	405,553	701,182	1,763,693	2,588,553
<b>ATTRIBUTABLE TO:</b>				
OWNERS OF THE PARENT	147,456	369,775	988,254	1,445,154
NON-CONTROLLING INTERESTS	258,097	331,407	775,439	1,143,399
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	405,553	701,182	1,763,693	2,588,553

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.06.2012</b>	<b>30.6.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	21,065,515	19,774,461
Investment properties	112,361	137,484
Investment in associated companies & joint controlled entity	3,546,632	2,854,405
Investments	63,756	696,606
Development expenditure	993,298	960,717
Intangible assets	4,734,170	4,569,986
Biological assets	1,316	1,128
Other receivables & other non-current assets	77,998	73,316
Derivative financial instruments	-	2,611
	<u>30,595,046</u>	<u>29,070,714</u>
<b>Current Assets</b>		
Inventories	924,144	835,802
Property development costs	1,128,743	1,485,700
Trade, other receivables & other current assets	4,620,482	3,911,601
Derivative financial instruments	79,653	95,904
Income tax assets	48,943	50,233
Amount due from related parties	27,539	21,798
Short term investments	572,881	554,925
Fixed deposits	12,556,613	11,478,146
Cash & bank balances	784,866	761,362
	<u>20,743,864</u>	<u>19,195,471</u>
<b>TOTAL ASSETS</b>	<u><u>51,338,910</u></u>	<u><u>48,266,185</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 2011 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.06.2012</b>	<b>30.6.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY</b>		
Share capital	1,054,677	952,802
Share premium	2,566,787	1,317,192
Other reserves	(609,280)	(415,426)
Retained profits	10,326,204	9,233,901
Less : Treasury shares, at cost	(1,253,032)	(722,616)
<b>Total Equity Attributable to Owners of the Parent</b>	<u>12,085,356</u>	<u>10,365,853</u>
<b>Non-Controlling Interest</b>	<u>2,031,888</u>	<u>2,171,082</u>
<b>TOTAL EQUITY</b>	<u>14,117,244</u>	<u>12,536,935</u>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long term payables & other non-current liabilities	131,980	125,540
Bonds & borrowings	17,661,203	17,810,620
Deferred income	429,942	256,834
Deferred tax liabilities	2,707,050	2,785,365
Provision for liabilities & charges	127,898	132,769
Derivative financial instruments	29,908	19,989
	<u>21,087,981</u>	<u>21,131,117</u>
<b>Current Liabilities</b>		
Trade & other payables & other current liabilities	3,634,358	3,518,850
Derivative financial instruments	494,459	248,648
Amount due to related parties	6,561	3,501
Bonds & borrowings	11,539,013	10,440,536
Income tax liabilities	454,517	359,329
Provision for liabilities & charges	4,777	27,269
	<u>16,133,685</u>	<u>14,598,133</u>
<b>TOTAL LIABILITIES</b>	<u>37,221,666</u>	<u>35,729,250</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>51,338,910</u>	<u>48,266,185</u>
Net Assets per 10 sen share (RM)	<u>1.25</u>	<u>1.15</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 2011 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 2012**

Group	Attributable to Owners of the Parent					Total	Non-Controlling interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.07.2011	952,802	1,317,192	9,233,901	(722,616)	(415,426)	10,365,853	2,171,082	12,536,935
Profit for the year	-	-	1,135,689	-	-	1,135,689	712,175	1,847,864
Other Comprehensive Income								
- Available-for-Sale Financial Assets					(96,242)	(96,242)	10,036	(86,206)
- Cash Flow Hedges					(126,624)	(126,624)	(118,188)	(244,812)
- Share of Other Comprehensive expense of associated company					(19,434)	(19,434)	-	(19,434)
- Currency Translation Differences	-	-	-	-	94,865	94,865	171,416	266,281
Total Comprehensive Income for the period	-	-	1,135,689	-	(147,435)	988,254	775,439	1,763,693
Gain recognised on deemed dilution of interest in subsidiaries	-	-	13,214	-	-	13,214	(13,214)	-
Treasury shares	-	-	-	(530,416)	-	(530,416)	-	(530,416)
Issue of share capital	101,875	1,249,595	-	-	-	1,351,470	-	1,351,470
Warrant reserve	-	-	-	-	(918)	(918)	-	(918)
Share options lapsed	-	-	-	-	(20,101)	(20,101)	-	(20,101)
Dividend paid	-	-	(375,857)	-	-	(375,857)	-	(375,857)
Dividend paid to non-controlling interest	-	-	-	-	-	-	(294,998)	(294,998)
Changes in composition of the Group	-	-	319,257	-	(25,400)	293,857	(606,421)	(312,564)
Balance at 30.06.2012	1,054,677	2,566,787	10,326,204	(1,253,032)	(609,280)	12,085,356	2,031,888	14,117,244

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 2011 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 2011**

Group	Attributable to Owners of the Parent					Total	Non-Controlling interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.07.2010								
As previously reported	950,109	1,292,354	8,814,835	(687,121)	(646,255)	9,723,922	1,701,456	11,425,378
Effects of adoption of FRSs	-	-	(515,396)	-	(181,380)	(696,776)	(39,195)	(735,971)
At 1.07.2010, as restated	950,109	1,292,354	8,299,439	(687,121)	(827,635)	9,027,146	1,662,261	10,689,407
Profit for the year	-	-	1,034,569	-	-	1,034,569	801,351	1,835,920
Other Comprehensive Income	-	-	-	-	410,585	410,585	342,048	752,633
Total Comprehensive Income for the period	-	-	1,034,569	-	410,585	1,445,154	1,143,399	2,588,553
Conversion of ICULS	-	-	-	-	(826)	(826)	-	(826)
Treasury shares	-	-	-	(35,495)	-	(35,495)	-	(35,495)
Dividend paid	-	-	(134,525)	-	-	(134,525)	-	(134,525)
Issue of share capital	2,693	24,838	-	-	(1,601)	25,930	-	25,930
Share options granted	-	-	-	-	4,116	4,116	-	4,116
Dividend paid to non-controlling interest	-	-	-	-	-	-	(447,670)	(447,670)
Changes in composition of the Group	-	-	34,418	-	(65)	34,353	(186,908)	(152,555)
Balance at 30.06.2011	952,802	1,317,192	9,233,901	(722,616)	(415,426)	10,365,853	2,171,082	12,536,935

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 2011 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 2012**

	<b>FOR THE 12 MONTHS ENDED</b>	
	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	2,357,785	2,351,949
Bad debts written off	20,198	5,863
Defined benefit plan	79,202	29,413
Depreciation	1,341,719	1,154,646
Dividend income	(40,417)	(41,236)
Fair value gain of investment properties	(5,000)	(6,343)
Fair value changes of derivatives	30,052	5,239
Loss/(gain) on disposal of investments/subsidiary	103,880	(5,587)
Gain on disposal of investment properties	(5,198)	(31)
Gain on disposal of property, plant & equipment	(3,072)	(13,636)
Impairment losses	3,381	48,762
Ineffective portion of cash flow hedge	-	4,385
Interest expenses	1,011,557	1,051,513
Interest income	(170,033)	(195,059)
Property, plant & equipment written off	-	19,574
Under/(over) provision for liabilities and charges	2,323	7,122
Share of profits of associated companies & jointly controlled entities	(329,687)	(404,046)
Unrealised loss/(gain) on foreign exchange- net	58,724	(109,401)
Others non-cash item	624	4,469
	4,456,038	3,907,596
<b>Changes in working capital</b>		
Inventories	(91,951)	(9,873)
Property development costs	405,728	(31,566)
Receivables, deposits and prepayments	(645,141)	153,118
Payable and accrued expenses	246,306	326,927
Net changes in inter-co balances	47,800	70,338
<b>Cash generated from operation</b>	4,418,780	4,416,540

**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 2012 – continued**

	<b>FOR THE 12 MONTHS ENDED</b>	
	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Dividend received	273,451	292,152
Interest paid	(827,276)	(846,034)
Interest received	143,653	200,451
Income tax refund	7,569	59,328
Income tax paid	(637,666)	(459,811)
Payment of retirement benefit	(92,496)	(95,534)
<b>Net Cash flow from operating activities</b>	<u>3,286,015</u>	<u>3,567,092</u>
 <b>Cash flows from investing activities</b>		
Acquisition of additional shares/warrants in existing subsidiaries	(418,074)	(211,068)
Acquisition of associated companies	(15,751)	(40,664)
Development expenditures incurred	(76,897)	(94,056)
Grant received in respect of infrastructure assets	26,709	25,650
Proceeds from disposal of investment	43,675	65,644
Proceeds from disposal of investment properties	26,761	1,512
Proceeds from disposal of property, plant & equipment	24,920	30,951
Proceeds from disposal shares in existing subsidiaries	545,167	5,888
Purchase of investment	(180,202)	(74,254)
Purchase of investment properties	(553,383)	(7,589)
Purchase of property, plant and equipment	(1,520,841)	(1,497,558)
Purchase of short term investment	(17,956)	(14,905)
Other investing activities	11,080	(104)
<b>Net cash from investing activities</b>	<u>(2,104,792)</u>	<u>(1,810,553)</u>

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012 - continued**

	<b>FOR THE 12 MONTHS ENDED</b>	
	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(375,856)	(134,525)
Dividend paid to non-controlling interests by subsidiaries	(294,998)	(447,670)
Proceeds from issue of bonds	247,527	-
Proceeds from borrowings	13,102,596	4,010,530
Proceeds from issue of shares	372,484	25,930
Proceeds from issue of shares in subsidiaries to non-controlling interests	-	48,816
Redemption of bond	(2,227,430)	-
Repayment from bonds & borrowings	(10,454,176)	(4,301,093)
Repayment of Bankers Acceptance	(58,634)	-
Repurchase of own shares by the Company (net)	(530,416)	(35,495)
Others financial activities	(5,999)	(368)
<b>Net cash from financing activities</b>	<u>(224,902)</u>	<u>(833,875)</u>
Net changes in cash & cash equivalents	956,321	922,664
Effects of exchange rate changes	120,015	221,151
Cash and cash equivalents brought forward	12,189,844	11,046,029
	<u>13,266,180</u>	<u>12,189,844</u>
<b>Cash and cash equivalent comprise :</b>		
Fixed Deposit with licensed bank	12,556,613	11,478,146
Cash and bank balances	784,866	761,362
Bank Overdraft	(75,299)	(49,664)
	<u>13,266,180</u>	<u>12,189,844</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 2011 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT**

**Notes:-**

**Disclosure requirements pursuant to FRS 134 – paragraph 16**

The Condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2011.

**A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) 134, “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2011.

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 Interpretation Committee (“IC”) Interpretations that are applicable to the Group for financial period beginning 1 July 2011.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations does not have any significant impact to the financial statements of the Group.

**A2. Seasonality or Cyclicity of Operations**

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

**A3. Exceptional or Unusual Items**

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

**A4. Changes in estimates of amounts reported**

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**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:-

- (i) For the current financial year, a total of 182,107,000 ordinary shares of RM0.10 each were issued pursuant to the exercise of employees' share options granted under the Company's ESOS at a weighted average exercise price of RM0.96 per share.
- (ii) For the current financial quarter and financial year, 96,837,923 and 787,951,284 ordinary shares of RM0.10 each were issued, respectively in exchange of YTL Cement Berhad's ordinary shares and ICULS at an issue price of RM1.42 per share, pursuant to the share exchange offer by YTL Industries Berhad, a wholly-owned subsidiary of the Company.
- (iii) For the current financial quarter and financial year, the Company repurchased 157,031,300 and 319,275,900 ordinary shares of RM0.10 each of its issued share capital from the open market, at an average cost of RM1.81 and RM1.66 per share, respectively. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year amounted to RM284,279,582 and RM530,416,332, respectively and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. As at 30 June 2012, the total number of treasury shares held was 868,588,445 ordinary shares of RM0.10 each.

**A6. Dividend paid**

An interim single tier dividend of 20% or 2 sen per ordinary share of RM0.10 amounting to RM181,900,441 in respect of financial year ended 30 June 2011 was paid on 24 November 2011.

An interim single tier dividend of 20% or 2 sen per ordinary share of RM0.10 amounting to RM193,956,314 in respect of financial year ended 30 June 2012 was paid on 27 June 2012.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**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 2012 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
<b>External revenue</b>	367,438	5,545	2,422,167	1,141,129	454,816	278,132	15,769,360	-	20,438,587
<b>Inter-segment revenue</b>	136,462	80,558	82,885	41,882	122,895	30,826	-	(495,508)	-
<b>Total revenue</b>	<u>503,900</u>	<u>86,103</u>	<u>2,505,052</u>	<u>1,183,011</u>	<u>577,711</u>	<u>308,958</u>	<u>15,769,360</u>	<u>(495,508)</u>	<u>20,438,587</u>
<b>Segment results</b>									
Profit from operations	99,012	2,015	563,131	232,586	270,337	7,520	1,865,054	-	3,039,655
Finance costs									(1,011,557)
									<u>2,028,098</u>
Share of profit of associated companies									<u>329,687</u>
Profit before taxation									<u><u>2,357,785</u></u>

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A7. Segment Reporting - continued**

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

The Group's segmental result for the financial year ended 30 June 2011 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
<b>External revenue</b>	171,802	8,233	2,195,109	758,969	429,909	257,178	14,533,570	-	18,354,770
<b>Inter-segment revenue</b>	212,613	65,915	86,807	92,517	310,924	8,048	-	(776,824)	-
<b>Total revenue</b>	384,415	74,148	2,281,916	851,486	740,833	265,226	14,533,570	(776,824)	18,354,770
<b>Segment results</b>									
Profit from operations	15,535	1,716	488,362	110,328	620,556	10,350	1,752,569	-	2,999,416
Finance costs									(1,051,513)
									1,947,903
Share of profit of associated companies									404,046
Profit before taxation									2,351,949

**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 financial year ended 30 June 2012, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- On 7 July 2011, YTL Power International Berhad (“YTL Power”) together with YTL Jawa Power Holdings Limited, an indirect wholly-owned subsidiary of the Company, entered into a share purchase agreement (“SPA”) with Marubeni Corporation (“Marubeni”) and Aster Power Holding B.V., a wholly-owned subsidiary of Marubeni, relating to the sale and purchase of 7,714 ordinary shares of EUR1.00 and certain Company Interests (as defined in the SPA) in YTL Jawa Power Holdings BV (“YTLJPH”) representing 15/35 or 42.86% equity interests in YTLJPH. The sale was completed on 15 August 2011.
- On 18 July 2011, YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of YTL Cement Berhad (“YTL Cement”), incorporated a wholly-owned subsidiary known as YTL Cement Terminal Services Pte Ltd (“YTL Cement Terminal Services”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL Cement Terminal Services will be principally involved in the operation of port terminal and specialize in handling of cementitious products.
- On 22 August 2011, YTL Cayman Limited (“YTL Cayman”), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value USD1.00 in YTL Property Investments Limited (“YTLPI”) at par value. As a result, YTLPI became a wholly-owned subsidiary of YTL Cayman and an indirect subsidiary of the Company. YTLPI will be principally involved in investment holding.
- On 29 September 2011, YTL Land & Development Berhad (“YTL Land”), incorporated a wholly-owned subsidiary, YTL Land & Development Management Pte Ltd (“YTL Land Management”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL Land Management will be principally involved in the provision of financial services and management consultancy services.
- On 4 October 2011, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, subscribed for the entire issued and paid-up share capital of EUR18,000.00 comprising 18,000 shares of EUR1.00 each in Bath Hotel & SPA B.V. (“Bath Hotel”). As a result, Bath Hotel has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company. Bath Hotel will be principally involved in investment holding.
- Wimax Capital Management Ltd (“WCM”), a 80% owned subsidiary of YTL e-Solutions Berhad (“YTLE”), had on 18 October 2011, been struck-off from the register of the Companies House of UK. Accordingly, WCM has ceased to be a subsidiary of YTLE and the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- On 10 October 2011, YTL Power acquired 1 ordinary share in YTL Power Trading (Labuan) Ltd (“YTL Power Trading”) at USD1.00. As a result, YTL Power Trading became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company. YTL Power Trading will be principally involved in trading.
- On 27 October 2011, YTL Communications Sdn Bhd (“YTL Communications”), a 60% owned subsidiary of YTL Power, incorporated a wholly-owned subsidiary, YTL Communications Pte Ltd (“YCPL”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. As a result, YCPL became an indirect subsidiary of YTL Power and the Company. YCPL will be principally involved in provision of software integration and technical services (inclusive of hardware, software and system maintenance).
- On 4 November 2011, the disposal of the following companies (“Subject Companies”) to YTL Land pursuant to the rationalization to house the property development assets of the YTL Corp Group under YTL Land, have been completed:-
  - (i) Satria Sewira Sdn Bhd
  - (ii) Emerald Hectares Sdn Bhd
  - (iii) Pinnacle Trend Sdn Bhd
  - (iv) Trend Acres Sdn Bhd
  - (v) Lakefront Pte Ltd (“LFPL”)
  - (vi) Sandy Island Pte Ltd (“SIPL”)
  - (vii) Budaya Bersatu Sdn Bhd
  - (viii) YTL Westwood Properties Pte Ltd

The sale shares of the Subject Companies were registered in the name of YTL Land on 14 November 2011 and 6 December 2011, respectively.

As a result, all the Subject Companies have become direct subsidiaries of YTL Land and remain indirect subsidiaries of the Company.

YTL Land further acquired 20% equity interests each in LFPL and SIPL from LP Lakefront Pte Ltd on 8 June 2012 and the remaining 10% equity interests each in LFPL and SIPL from DTC Properties Pte Ltd on 15 June 2012, for a total consideration of RM42,593,385. Consequent thereto, LFPL and SIPL have become wholly-owned subsidiaries of YTL Land and indirect subsidiaries of the Company.

- On 8 November 2011, Maybank Trustee Berhad (formerly known as Mayban Trustee Berhad) (“MTB”), as the trustee for Starhill Real Estate Investment Trust (“Starhill REIT”) (“Trustee”) subscribed and held in trust for Starhill REIT, the entire issued and paid-up share capital of JPY1 comprising 1 share in Starhill REIT Niseko G.K (“Starhill REIT Niseko”). As a result, Starhill REIT Niseko has become a wholly-owned subsidiary of Starhill REIT and an indirect subsidiary of the Company. Starhill REIT Niseko will be principally involved in purchase, possession, disposal, lease and management of real properties.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- As part of the rationalization exercise to reposition Starhill REIT as a full-fledged hospitality REIT, the acquisition of all the following hospitality assets by MTB, the trustee of Starhill REIT were completed on 15 November 2011, save for the acquisition of Hilton Niseko, which was completed on 22 December 2011:-
  - (i) Cameron Highlands Resort;
  - (ii) Vistana Penang;
  - (iii) Vistana Kuala Lumpur;
  - (iv) Vistana Kuantan;
  - (v) Residences@Ritz-Carlton;
  - (vi) Ritz Carlton, Kuala Lumpur;
  - (vii) Pangkor Laut Resort; and
  - (viii) Tanjong Jara Resort.

On 15 November 2011, a total of 145,500,000 new units were issued to the respective vendors at an issue price of RM1.00 per unit as part payment of the purchase consideration for the acquisition of the following hospitality related properties:-

- (i) Vistana Kuantan;
- (ii) Residences@Ritz-Carlton;
- (iii) Ritz Carlton, Kuala Lumpur;
- (iv) Pangkor Laut Resort;

and such new units were quoted on Bursa Securities on 15 November 2011.

As a result, the fund size of the Starhill REIT increased from 1,178,888,889 units to 1,324,388,889 units.

- On 19 December 2011, YTL Industries Berhad (“YTL Industries” or “Offeror”), a wholly-owned subsidiary of the Company, undertook a conditional share exchange offer to acquire the following securities of YTL Cement through the issuance of ordinary shares of RM0.10 each in the Company at an issue price of RM1.42 each (“Consideration Shares”):-
  - i. all the remaining voting shares of RM0.50 each (excluding treasury shares) in YTL Cement (“YTL Cement Shares”) and such number of new YTL Cement Shares that may be issued prior to the close of the Offer (as defined below) which are not already held by YTL Industries and the Company, as the “Ultimate Offeror”, (“Offer Shares”) pursuant to the conversion of any outstanding irredeemable convertible unsecured loan stocks issued by YTL Cement (“ICULS”), at an offer price of RM4.50 for each Offer Share, which translates to an exchange ratio of approximately 3.17 Consideration Shares for each Offer Share (“Shares Offer”); and
  - ii. all the remaining ICULS which are not already held by the Offeror and the Ultimate Offeror (“Offer ICULS”), at an offer price of RM2.21 for each Offer ICULS, which translates to an exchange ratio of approximately 1.56 Consideration Shares for each Offer ICULS (“ICULS Offer”),

The Shares Offer and ICULS Offer are collectively referred to as the “Offer”.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

On 9 February 2012, the Company announced that the Offeror had received acceptances in respect of the Offer, resulting in the Offeror and Ultimate Offeror collectively holding more than 75% of YTL Cement Shares. As a result, YTL Cement does not comply with the public shareholding spread requirement as set out under paragraph 8.02(1) of the Main Market Listing Requirements (“Main LR”) of Bursa Securities.

All listed securities of YTL Cement were removed from the Official List of Bursa Securities pursuant to Paragraph 16.07(a) of the Main LR, with effect from 9.00 a.m. on 16 April 2012.

The Offer was completed on 13 June 2012, after the expiry period for the non-accepting shareholders of YTL Cement to exercise their rights to require the Offeror to acquire their voting shares in YTL Cement in accordance with Section 223 of the Capital Markets and Services Act 2007.

The total number of YTL Cement Shares held by the Offeror and the Ultimate Offeror is 469,962,541 YTL Cement Shares, representing 97.49% of the total share capital in YTL Cement.

On 19 June 2012, YTL Industries transferred all its 452,386,912 ordinary shares of RM0.50 each in YTL Cement to the Company pursuant to the Offer (“Shares Transfers”).

As a result of the Shares Transfers, YTL Cement ceased to be a subsidiary of YTL Industries and has become direct subsidiary of the Company.

- On 22 December 2011, YTL Cement and its wholly-owned subsidiaries, Awan Serudung Sdn Bhd and Tugas Sejahtera Sdn Bhd, transferred 10,000,000 ordinary shares of RM1.00 each in Straits Cement Sdn Bhd (“Straits Cement”), representing the entire issued and paid-up share capital of Straits Cement, to Pahang Cement Sdn Bhd (“Pahang Cement”), another wholly-owned subsidiary of YTL Cement, for a total cash consideration of RM1 million. As a result, Straits Cement became a direct subsidiary of Pahang Cement and an indirect subsidiary of YTL Cement. Straits Cement remains as an indirect subsidiary of the Company.
- On 4 January 2012, YTL Power Services Sdn Bhd, a wholly-owned subsidiary of YTL Cayman Limited, which in turn a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary known as YTL Power Services (S) Pte Ltd (“YTLPS Singapore”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTLPS Singapore will be principally involved in operation and maintenance of power stations.
- On 31 January 2012, YTL Communications, acquired two (2) ordinary shares of RM1.00 each in YTL Digital Sdn Bhd (“YTL Digital”), representing the entire issued and paid-up share capital of YTL Digital from YTL Energy Sdn Bhd, a wholly-owned subsidiary of the Company, at par value per share. As a result, YTL Digital became a wholly-owned subsidiary of YTL Communications and an indirect subsidiary of YTL Power. YTL Digital remains as an indirect subsidiary of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- On 21 February 2012, Bath Hotel subscribed for the entire issued and paid-up share capital of £100.00 comprising 100 shares of £1.00 each in Gainsborough Hotel (Bath) Limited (“Gainsborough Hotel”). As a result, Gainsborough Hotel became a wholly-owned subsidiary of Bath Hotel and an indirect subsidiary of YTLHP and the Company. Gainsborough Hotel will be principally engaged in hotel operations.
- On 26 March 2012, the Company acquired 17,498,325 convertible preferred units (“CPUs”) representing the entire CPUs held by MTB, as the trustee of Starhill REIT in Starhill Global Real Estate Investment Trust (“Starhill Global REIT”), for a total purchase consideration of SGD17,498,325 or RM42,674,915 at the rate of SGD1=RM2.4388, based on the closing RM:SGD exchange rate of Bank Negara Malaysia Interbank Foreign Exchange Mid Rate as at 5.00 p.m. on 23 March 2012.

- On 2 April 2012, PowerSeraya Limited (“PowerSeraya”) transferred all its ordinary shares in the following subsidiaries to YTL PowerSeraya Pte Limited (“YTL PowerSeraya”) the holding company, for the consideration stated herein (“the Shares Transfers”):-

Name of subsidiary	Number of ordinary shares	Transfer consideration (\$)
Seraya Energy Pte Ltd (“SE”)	50,000,002	2
Seraya Energy and Investment Pte Ltd (“SEI”)	5,400,002	5,400,002

Both YTL PowerSeraya and PowerSeraya are indirect wholly-owned subsidiaries of YTL Power and the Company. As a result of the Shares Transfers, SE and SEI have become direct subsidiaries of YTL PowerSeraya and remain indirect subsidiaries of YTL Power and the Company.

PowerSeraya ceased business operations following the completion of the Shares Transfers and commenced member’s voluntary winding up pursuant to Section 290(1)(b) of the Companies Act (Cap 50) of Singapore on 30 June 2012.

- On 5 April 2012, Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly-owned subsidiary of YTL Cement, acquired an aggregate of one million (1,000,000) ordinary shares of RM1.00 each in Permodalan Hitec Sdn Bhd (“Permodalan Hitec”), representing the entire issued and paid-up share capital of Permodalan Hitec from Lee Boon Hong, Lee Boon Chuan, Low Boon Chuen, Yee Phey Fern, Koh Kok Wee, Tang Poey Poey, Tan Hua Ait and Wong Chin Choy, for a cash consideration of RM32,333,622.56 (“Acquisition”). As a result of the Acquisition, Permodalan Hitec has become a wholly-owned subsidiary of BTQ and an indirect subsidiary of YTL Cement and the Company.
- Subsequent to the announcements dated 19 April 2010 and 7 May 2010 made by the Company (“Announcements”) on acquisition of shares in YTL Starhill Global REIT Management Holdings Pte Ltd (“YSGRMH”) (“Acquisition”), the Company had on 19 April 2012 further informed that the Second Tranche Completion on the Acquisition (as defined in the Announcements), involving 750,000 ordinary shares and 1 Class ‘C’ Redeemable Preference Share in the share capital of YSGRMH by Starhill Global REIT Management Limited (“SGRML”), an indirect wholly-owned subsidiary of the Company, was completed on 19 April 2012.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Consequent thereto, YSGRMH has become a wholly-owned subsidiary of SGRML and an indirect subsidiary of the Company.

- On 2 May 2012, Infoscreen Networks Plc (“INP”), a 99.7% owned subsidiary of YTL, announced of its intention to cancel the admission of its ordinary shares of 1 penny each (“Ordinary Shares”) on AIM (“Delisting”) subject to the shareholders’ approval being obtained.

On 23 May 2012, the shareholders of INP had at the general meeting approved the Delisting and consequent thereto, the trading of the Ordinary Shares on AIM ceased at the close of business on 30 May 2012 and the Delisting took place on 31 May 2012.

- On 5 June 2012, YTL Power Australia Limited (“YTL Power Australia”), an indirect wholly-owned subsidiary of YTL Power, exercised its right of converting its entire holdings of 10,925 “A” preference shares of US\$1.00 each into 10,925 ordinary shares of US\$1.00 each representing 58.4% of the issued and paid-up ordinary share capital of YTL Power Investments Limited (“YTL Power Investments”) (“Conversion of Shares”).

On 12 June 2012, YTL Power Australia acquired 7,790 ordinary shares of US\$1.00 each representing the remaining 41.6% of the issued and paid-up ordinary share capital of YTL Power Investments from Newhall Limited for a consideration of AUD7,790 (“Acquisition”).

As a result of the Conversion of Shares and Acquisition, YTL Power Investments has become a wholly-owned subsidiary of YTL Power Australia and an indirect subsidiary of YTL Power and the Company.

- On 7 June 2012, MTB, as the trustee for Starhill REIT acquired and incorporated the following subsidiaries:-

<b>Name of Company</b>	<b>Issued and Paid-up Share Capital</b>	<b>Date of Incorporation</b>	<b>Place of Incorporation</b>	<b>Principal Activities</b>
Versatile Degree Sdn Bhd (“VDSB”)	RM2.00 comprising two (2) ordinary shares of RM1.00 each	9 March 2012	Kuala Lumpur	Investment holding
Marvellous Calibre Sdn Bhd (“MCSB”)	RM2.00 comprising two (2) ordinary shares of RM1.00 each	29 March 2012	Kuala Lumpur	Investment holding
Starhill REIT (Australia) Pty Ltd (“Starhill REIT Australia”)	AUD\$1.00 comprising one (1) ordinary share	7 June 2012	Victoria, Australia	Trustee company

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Starhill Hospitality (Australia) Pty Ltd (“Starhill Hospitality Australia”)	AUD\$1.00 comprising one (1) ordinary share	7 June 2012	Victoria, Australia	Trustee company
---	---	-------------	---------------------	-----------------

On the same day, MCSB incorporated the following three (3) new subsidiaries in Victoria, Australia with the issued and paid-up share capital of AUD1.00 comprising one (1) ordinary share each and will be principally involved as hotel operator :-

- (i) Starhill Hotel (Brisbane) Pty Ltd (“Starhill Hotel Brisbane”)
- (ii) Starhill Hotel (Sydney) Pty Ltd (“Starhill Hotel Sydney”)
- (iii) Starhill Hotel (Melbourne) Pty Ltd (“Starhill Hotel Melbourne”)

(VDSB, MCSB, Starhill REIT Australia, Starhill Hospitality Australia, Starhill Hotel Brisbane, Starhill Hotel Sydney and Starhill Hotel Melbourne are collectively referred to as the “Corporations”)

All shares held by the Trustee, direct or indirect, in the above Corporations are in trust for and on behalf of Starhill REIT. As a result, the Corporations have become the wholly-owned subsidiaries of Starhill REIT and indirect subsidiaries of the Company.

- On 15 June 2012, YTL Education (UK) Limited (“YTL Education”), a wholly-owned subsidiary of YTL Power Investments, acquired an additional 52,347 ordinary shares of 10p each in the capital of Frograde Limited (“Frograde”) for a total consideration of £5,549,828.94 in cash (“Acquisition”).

Following the Acquisition, YTL Education holds a total of 80,778 ordinary shares of 10p each in Frograde, representing an equity stake of approximately 57.58% of the capital in Frograde. As a result, Frograde has become a subsidiary of YTL Education and an indirect subsidiary YTL Power and the Company.

- On 29 June 2012, YTL Power transferred all its shares comprising 3 ordinary shares of GBP1.00 each and 45,000 ordinary shares of USD1.00 each in YTL Utilities Limited (“YTL Utilities”), representing the entire issued and paid-up of YTL Utilities to its wholly-owned subsidiary, YTL Power Generation Sdn Bhd (“YTLPG”) for RM3,000,000,000 being the book value of the shares by way of issuance of 3,000,000,000 ordinary shares of RM0.20 each in YTLPG to YTL Power at RM1.00 per shares (“Shares Transfers”).

As a result of the Shares Transfers, YTL Utilities became a direct subsidiary of YTLPG and indirect subsidiary of YTL Power and the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- On 29 June 2012, YTL Education transferred its shares in the following subsidiaries to YTL Power Investments, at the cost as indicated below (“Shares Transfer”):-

<u>Corporation</u>	<u>Number of shares transferred</u>	<u>% of issued &amp; paid-up share capital of Corporation</u>	<u>Cost</u>
FrogAsia Sdn Bhd (“FrogAsia”)	2 ordinary shares of RM1.00 each	100	RM2.00
Frogtrade	80,778 ordinary shares of 10p each	57.58	£7,549,828.94

As a result of the Shares Transfer, FrogAsia and Frogtrade have become direct subsidiaries of YTL Power Investments and remain indirect subsidiaries of YTL Power and the Company.

**A9. Changes in Contingent Liabilities**

There was no significant change in the contingent liabilities of the Group since the last financial year ended 30 June 2011.

**A10. Subsequent Events**

Save for the following, there was no item, transaction or event of a material or unusual in nature during the period from the end of the quarter under review to the date of this report:-

- On 2 July 2012, the Company completed the distribution of one (1) treasury share for every fifteen (15) existing ordinary shares of RM0.10 each held in the Company (“Share Dividend”), announced on 29 May 2012.

A total of 647,539,006 treasury shares have been distributed to the entitled shareholders pursuant to Share Dividend.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

Notes: - continued

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

**B1. Review of Performance**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Construction	139,432	51,290	367,438	171,802
Information technology & e-commerce related business	1,473	1,667	5,545	8,233
Cement Manufacturing & trading	630,842	646,211	2,422,167	2,195,109
Property investment & development	280,962	74,579	1,141,129	758,969
Management services & others	102,111	173,572	454,816	429,909
Hotels	42,791	47,536	278,132	257,178
Utilities	4,132,970	4,213,488	15,769,360	14,533,570
	<b>5,330,581</b>	<b>5,208,343</b>	<b>20,438,587</b>	<b>18,354,770</b>
<b>Profit before tax</b>				
Construction	19,820	(23,695)	96,631	15,406
Information technology & e-commerce related business	(834)	929	2,015	1,712
Cement Manufacturing & trading	123,447	121,405	499,916	456,154
Property investment & development	50,257	20,689	217,961	187,343
Management services & others	144,767	36,059	207,857	101,749
Hotels	(9,921)	(5,035)	1,760	6,716
Utilities	195,637	470,301	1,331,645	1,582,869
	<b>523,173</b>	<b>620,653</b>	<b>2,357,785</b>	<b>2,351,949</b>

**INTERIM FINANCIAL REPORT**

**Notes – continued**

For the current quarter under review, the Group's revenue increased to RM5,330.6 million, representing an increase of 2.3% whilst profit before tax decreased to RM523.2 million, representing a decrease of 15.7% when compared to RM5,208.3 million and RM620.7 million, respectively recorded the preceding year corresponding quarter ended 30 June 2011.

For the twelve months under review, Group revenue and profit after tax increased to RM20,438.6 million and RM2,357.8 million, respectively representing an increase of 11.4% and 0.3%, respectively, when compared to RM18,354.8 million and RM2,351.9 million, respectively recorded in the preceding year ended 30 June 2011.

Performance of the respective operating business segments for the period ended 30 June 2012 as compared to the preceding year are analysed as follows:

Construction

Revenue and profit before tax for the current quarter under review increased to RM139.4 million and RM19.8 million, representing an increase of 171.7% and 183.6% from RM51.3 million and loss before tax of RM23.7 million, respectively recorded in the preceding year.

Revenue and profit before tax for the twelve months under review increased to RM367.4 million and RM96.6 million, representing an increase of 113.9% and 527.3% from RM171.8 million and RM15.4 million, respectively recorded in the preceding year.

The increase in revenue and profit before tax were principally due to recognition of higher percentage of work done.

Information technology & e-commerce related business

Revenue for the current quarter under review decreased to RM1.5 million from RM1.7 million recorded in the preceding year corresponding quarter ended 30 June 2011 whilst the division recorded a loss before tax of RM0.8 million instead of a profit before tax of RM0.9 million recorded in the preceding year corresponding quarter ended 30 June 2011, representing a decrease of 11.8% and 188.9% respectively, mainly due to absence of revenue contributed by Extiva Communications Sdn Bhd ("Extiva") in the current quarter as Extiva is now a member of the Utilities division.

Decrease in revenue for the twelve months under review to RM5.5 million, representing a decrease of 32.9% from RM8.2 million recorded in the preceding year was mainly due to absence of revenue contributed by Extiva in the current year, whilst profit before tax for the twelve months under review increased to RM2.0 million, representing an increase of 17.6% from RM1.7 million recorded in the preceding year was mainly attributable to the lower operating expenses incurred.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Cement Manufacturing & trading

Revenue for the current quarter under review decreased to RM630.8 million from RM646.2 million recorded in the preceding year corresponding quarter ended 30 June 2011 representing a decrease of 2.4% whilst profit before tax increased to RM123.4 million from RM121.4 million recorded in the preceding year corresponding quarter ended 30 June 2011, representing an increase of 1.6%. The decrease in revenue was mainly due to lower demand in the China market whilst increase in profit before tax was mainly due to higher demand for cement by the domestic construction industry.

Cement division contributed substantially to the Group's revenue and profit before tax. Revenue and profit before tax was at RM2,422.2 million and RM499.9 million as compared to RM2,195.1 million and RM456.2 million, respectively recorded in the preceding year. Higher demand for cement by the domestic construction industry contributed to the increase in revenue and profit before tax.

Property investment & development

Revenue and profit before tax for the current quarter under review increased to RM281.0 million and RM50.3 million, representing an increase of 276.7% and 143.0% from RM74.6 million and RM20.7 million, respectively recorded in the preceding year.

Revenue and profit before tax for the twelve months under review increased by 50.3% and 16.4% to RM1,141.1 million and RM218.0 million from RM759.0 million and RM187.3 million, respectively.

The increase in revenue and profit before tax were substantially contributed by increase in property development works completed for the Capers under the Sentul Raya project and Lakefields project undertaken by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd.

Management services & others

Revenue for the current quarter under review decreased to RM102.1 million from RM173.6 million recorded in the preceding year corresponding quarter ended 30 June 2011 representing a decrease of 41.2% whilst profit before tax increased to RM144.8 million from RM36.1 million recorded in the preceding year corresponding quarter ended 30 June 2011, representing an increase of 301.1%. The decrease in revenue was mainly due to lower interest income recorded by an investment holding subsidiary whilst the increase in profit before tax was mainly due to increase in share of profit of an associated company acquired during the year.

For the twelve months under review, revenue and profit before tax increased by 7.5% and 104.4% to RM454.8 million and RM207.9 million from RM423.0 million and RM101.7 million, respectively. The increase in revenue and profit before tax for the twelve months under review were mainly attributable to the operations and maintenance contract of power plants in Lebanon undertaken by a branch of YTL Power Services Sdn Bhd, a wholly-owned subsidiary of the Company and increase in share of profit of an associated company acquired during the year.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

Hotels

Revenue for the current quarter under review decreased to RM42.8 million from RM47.5 million recorded in the preceding year corresponding quarter ended 30 June 2011 representing a decrease of 9.9% whilst loss before tax increased to RM9.9 million from RM5.0 million recorded in the preceding year corresponding quarter ended 30 June 2011, representing an increase of 98.0%. The decrease in revenue and increase in loss before tax were mainly due to attributable to unrealised forex losses recorded by an offshore subsidiary.

For the twelve months period under review, the Group's revenue increased to RM278.1 million, representing an increase of 8.1% whilst profit before tax decreased to RM1.8 million, representing a decrease of 73.1% when compared to RM257.2 million and RM6.7 million, respectively recorded in the preceding year ended 30 June 2011. The increase in revenue was mainly contributed by the overall higher occupancy and average room rate whilst the decrease in profit before tax was mainly attributable to lease rental payments of RM20.7 million incurred following the lease arrangements of the hotel properties that were disposed to Starhill Real Estate Investments Trust in the current financial year.

Utilities

Revenue and profit before tax for the current quarter under review decreased to RM4,133.0 million and RM195.6 million, representing a decrease of 1.9% and 58.4% from RM4,213.5 million and RM470.3 million, respectively recorded in the preceding year. The decrease in revenue and profit before tax were mainly due to lower sales recorded in the multi utilities division and higher finance cost in the water & sewerage division.

This division contributes to 77.2% and 56.5% of the Group's revenue and profit before tax, respectively. Revenue increased by 8.5% to RM15,769.4 million from RM14,533.6 million recorded in the preceding year. The increase in revenue for the twelve months under review was principally due to higher generation of electricity sales. However, profit before tax dropped from RM1,582.9 million recorded in the preceding year to RM1,331.7 million, representing a decrease of 15.9%. The decrease was due to higher depreciation charges, fuel cost and mobile broadband networks' start-up and fixed operating cost incurred during the period.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Preceding Quarter 31.03.2012 RM'000</b>
Revenue	5,330,581	5,239,763
Profit before taxation	523,173	694,366
Profit attributable to owners of the parent	281,650	364,824

For the current financial quarter, the Group's revenue increased to RM5,330.6 million, representing an increase of 1.7% whilst profit before tax decreased to RM523.2 million, representing a decrease of 24.7% when compared to RM5,239.8 million and RM694.4 million, respectively recorded in the preceding quarter ended 31 March 2012.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

The decrease in profit before tax was mainly attributed to lower profit recorded by the Utilities segment and, unrealised forex losses and fair value loss on derivatives recorded by offshore subsidiaries.

**B3. Audit Report of the preceding financial year ended 30 June 2011**

The Auditors' Report on the financial statements of the financial year ended 30 June 2011 did not contain any qualification.

**B4. Prospects**

Construction

The construction segment is expected to achieve satisfactory performance for the financial year ending 30 June 2013 as the construction contracts relate mainly to the Group's property development and infrastructure works.

Information technology & e-commerce related business

Despite the uncertain global economic environment, the segment's performance in the financial year ending 30 June 2013 is expected to remain stable, given that a significant portion of its revenue is derived from relatively resilient spectrum sharing fee income.

Cement Manufacturing & trading

Considering the Group's current level of operations and continued growth in the construction sector, the segment is expected to achieve satisfactory performance for the financial year ending 30 June 2013.

Property investment & development

This segment is expected to achieve satisfactory performance for the financial year ending 30 June 2013 through the property development activities undertaken by its subsidiaries.

Management services & others/Hotels

After considering the current market condition and the level of uncertainty in the global economy, the performance of these two segments for the financial year ending 30 June 2013 will remain satisfactory.

Utilities

For the financial year ending 30 June 2013, the utilities business segment continues to strive for long-term sustainable growth despite the competitive environment with focus on customer service and value-added solutions. Despite the challenging market in the telecommunications industry, this business segment is expected to continuously grow its subscriber base to generate higher revenue.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B5. Profit Forecast**

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

**B6. Profit for the period**

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Year To Date 30.06.2012 RM'000</b>
Profit for the period is stated after charging/ (crediting):		
Depreciation of property, plant and equipment	406,351	1,341,719
Dividends income	(12,565)	(40,417)
Interest income	(24,099)	(170,033)
Loss on disposal of investment	109,517	103,880
Interest expense	250,275	1,011,557
Loss on foreign exchange	20,517	58,724

There was no exceptional item charged/(credited) for the period.

**B7. Taxation**

Taxation comprises the following:-

	<b>Current Quarter 30.06.2012 RM'000</b>	<b>Year To Date 30.06.2012 RM'000</b>
Taxation based on profit for the period	150,018	686,077
Deferred taxation	(112,721)	(176,156)
	<u>37,297</u>	<u>509,921</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate lower than the Statutory Income Tax Rate mainly due to income subjected to different tax jurisdictions and substantial tax credit recorded by the Wessex Water Group in the current quarter following a change in rate of tax recognized.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B8. Corporate Developments**

**(a) Corporate Proposals Announced and Pending Completion**

As at 15 August 2012, being the latest practicable date, there are no corporate proposals announced and pending completion, save for the following:

- (i) On 29 May 2012, the Company announced the proposal to undertake a renounceable offer for sale (“Proposed ROS”) of its holdings of warrants 2008/2018 in YTL Power (“YTL Power Warrants”) to the entitled shareholders of the Company at an offer price RM0.20 per YTL Power Warrant on the basis of 1 YTL Power Warrant for every 15 ordinary shares of RM0.10 each in the Company held by the shareholders on an entitlement date to be determined by the Board of Directors of the Company at a later date.

The Proposed ROS is pending approval from the relevant authorities.

- (ii) On 13 June 2012, Pintar Projek Sdn Bhd, a 70% subsidiary of the Company and the Manager for Starhill REIT announced that the following wholly-owned subsidiaries and trusts of Starhill REIT:-

- (a) Starhill Hospitality Australia as the Trustee for Starhill Hospitality REIT (Sydney) Trust, Starhill Hospitality REIT (Brisbane) Trust and Starhill Hospitality REIT (Melbourne) Trust, the Hotel Property Buyers
- (b) Starhill Hotel Sydney, Starhill Hotel Brisbane and Starhill Hotel Melbourne, the Hotel Business Buyers

had entered into three (3) separate Hotel Business and Property Sale Agreements (“SPAs”) with the respective sellers, namely Commonwealth Managed Investments Limited, 30 Pitt Street Pty Limited, 515 Queen Street Pty Limited and Lonex Pty Limited to acquire the following hotel properties for a total cash consideration of AUD415,000,000 (equivalent to RM1,310,570,000<sup>1</sup>), subject to the terms and conditions as set out in the SPAs:-

- (i) Sydney Harbour Marriott Hotel  
(ii) Melbourne Marriott Hotel; and  
(iii) Brisbane Marriott Hotel

(hereinafter referred to as the “Proposed Acquisition”)

<sup>1</sup> Based on the RM:AUD exchange rate of RM3.158:AUD1.00

The Proposed Acquisition is expected to be funded through a combination of bank borrowings and existing cash of Starhill REIT.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

The Foreign Investment Review Board of Australia had vide its letter dated 31 July 2012 granted its statement of no objections to the Proposed Acquisition.

The Proposed Acquisition is now pending completion.

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 30 June 2012 are as follows:-

	Short term		Long term		Total
	Bonds	Borrowings	Bonds	Borrowings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured	-	1,692,245	-	1,755,738	3,447,983
Unsecured	-	9,846,768	8,131,022	7,774,443	25,752,233
	-----	-----	-----	-----	-----
Total	-	11,539,013	8,131,022	9,530,181	29,200,216
	=====	=====	=====	=====	=====

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

In Singapore Dollar ('000)	2,700,823
	=====
In US Dollar ('000)	993,516
	=====
In Sterling Pound ('000)	1,936,535
	=====
In Japanese Yen ('000)	7,900,000
	=====
In Euro ('000)	2,305
	=====

Save for the borrowings of RM45.004 million, EUR2.305 million and Yen 7.9 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**B10. Derivatives Financial Instruments**

As at 30 June 2012, the Group's outstanding derivatives are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value RM'000</b>
<b><u>Fuel oil swaps</u></b>		
- Less than 1 year	2,537,778	2,581,970
- 1 year to 3 years	216,043	201,381
<b><u>Currency forwards</u></b>		
- Less than 1 year	2,142,755	2,152,336
- 1 year to 3 years	242,073	242,778
<b><u>Interest rate swaps</u></b>		
- 1 year to 3 years	508,686	466,141

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.

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance the construction of property, plant and equipment.

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**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 ended 30 June 2012 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gain/(loss)	Fair value gain/(loss)	
			Current year quarter 3 months to 30.6.2012	Current year to date 12 months to 30.6.2012
			RM'000	RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved in favour of the Group	5,990	22,389
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 (unfavourably against)/in favour of the Group	(33,286)	24,807
Exchangeable bonds	Quoted market price	The quoted market price has increased from the last measurement date	(39,899)	(30,052)
Total			(67,195)	17,144

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(c) Retained Earnings

	<b>As at 30.06.2012 RM'000</b>	<b>As at 30.06.2011 RM'000</b>
Retained earnings of the Company and its subsidiaries		
- Realised	17,457,024	13,341,038
- Unrealised	(1,691,691)	(1,239,198)
	<u>15,765,333</u>	<u>12,101,840</u>
Total share of accumulated profit from associated companies and jointly controlled entity		
- Realised	999,855	1,320,940
- Unrealised	(92,719)	(132,633)
	<u>907,136</u>	<u>1,188,307</u>
Less: consolidated adjustments	(6,346,265)	(4,056,246)
	<u><u>10,326,204</u></u>	<u><u>9,233,901</u></u>

**B11. Material litigation**

There was no material litigation pending as at the date of this report.

**B12. Dividend**

The Board does not recommend any interim dividend for the current financial quarter and final dividend for the year ended 30 June 2012.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B13. Earnings Per Share**

**i) Basic earnings per 10 sen share**

The basic earnings per share of the Group is computed by dividing the net profit for the financial quarter as set out below:-

	<b>Current Year Quarter 30.06.2012</b>	<b>Preceding Year Corresponding Quarter 30.06.2011</b>
Profit attributable to owners of the parent (RM'000)	281,650	279,426
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	10,450,825	9,516,610
Shares repurchased	(809,594)	(545,890)
	<u>9,641,231</u>	<u>8,970,720</u>
Basic earnings per share (sen)	<u>2.92</u>	<u>3.11</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B13. Earnings Per Share - continued**

**ii) Diluted earnings per 10 sen share**

The diluted earnings per share of the Group is computed by dividing the net profit for the current financial quarter as set out below:-

	<b>Current Year Quarter 30.06.2012</b>	<b>Preceding Year Corresponding Quarter 30.06.2011</b>
Profit attributable to owners of the parent (RM'000)	281,650	279,426
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	9,641,231	8,970,720
Effect of unexercised employees share option scheme	-	70,051
	9,641,231	9,040,771
Diluted earnings per share (sen)	2.92	3.09

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 16 August 2012