

2020年度第1四半期（2019年7月～2019年9月）決算短信

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 株式銘柄コード (1773)
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 ビンタン 55、ヨー・ティオン・レイ・プラザ 11階
 所 属 部 東証1部（外国）
 決 算 期 本決算：年1回（6月） 中間決算：四半期ごと
 問 い 合 せ 先 東京都千代田区大手町1-1-1
 大手町パークビルディング
 アンダーソン・毛利・友常法律事務所
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 四半期報告書 2019年12月26日
 提出予定日

1. 本国における決算発表日 2019年11月26日（火曜日）

2. 業績

	第1四半期（2019年7月から9月までの3ヶ月）（連結）		
	当期（未監査）	前期（未監査）	増減率
売上高または営業収入	5,284,664千リングgit	4,088,523千リングgit	29.26%
純利益（税引後）	100,293千リングgit	264,435千リングgit	-62.07%
一 株 当 り 利 益	0.14 セン	1.19 セン	-88.24%

配当金の推移			
	当 期	前 期	備 考
第1四半期	0 セン	0 セン	
第2四半期		0 セン	
第3四半期		0 セン	
第4四半期		4.0 セン	
合 計	0 セン	4.0 セン	

3. 概況・特記事項・その他

- (1) 純利益（税引後）は法人税考慮後・少数株式持分損益考慮前利益に基づき算出されている。
- (2) 上記1株当たり利益は基本的利益である。希薄化後1株当たり利益は、当期が0.14セン、前期が1.19センであった。これらの1株当たり利益は法人税考慮後・少数株主持分考慮後利益に基づき算出している。
- (3) 売上高または営業収入および純利益（税引後）の数値は百の位を四捨五入している。

YTL CORPORATION BERHAD
Company No. 198201012898 (92647-H)
Incorporated in Malaysia

Interim Financial Report
30 September 2019

YTL CORPORATION BERHAD
Company No. 198201012898 (92647-H)
Incorporated in Malaysia

Interim Financial Report
30 September 2019

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 30 September 2019.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	3 Months Ended	
			30.09.2019 RM'000	30.09.2018 RM'000
Revenue	5,284,664	4,088,523	5,284,664	4,088,523
Cost of sales	<u>(4,238,524)</u>	<u>(3,054,168)</u>	<u>(4,238,524)</u>	<u>(3,054,168)</u>
Gross profit	1,046,140	1,034,355	1,046,140	1,034,355
Other operating income	149,132	61,887	149,132	61,887
Other operating expenses	<u>(611,987)</u>	<u>(417,329)</u>	<u>(611,987)</u>	<u>(417,329)</u>
Profit from operations	583,285	678,913	583,285	678,913
Finance costs	<u>(491,479)</u>	<u>(428,732)</u>	<u>(491,479)</u>	<u>(428,732)</u>
Share of results of associated companies and joint ventures	<u>92,292</u>	<u>91,764</u>	<u>92,292</u>	<u>91,764</u>
Profit before taxation	184,098	341,945	184,098	341,945
Taxation	<u>(83,805)</u>	<u>(77,510)</u>	<u>(83,805)</u>	<u>(77,510)</u>
Profit for the period	<u>100,293</u>	<u>264,435</u>	<u>100,293</u>	<u>264,435</u>
Attributable to:-				
Owners of the parent	15,307	125,790	15,307	125,790
Non-controlling interests	<u>84,986</u>	<u>138,645</u>	<u>84,986</u>	<u>138,645</u>
Profit for the period	<u>100,293</u>	<u>264,435</u>	<u>100,293</u>	<u>264,435</u>
Earnings per share				
Basic (Sen)	<u>0.14</u>	<u>1.19</u>	<u>0.14</u>	<u>1.19</u>
Diluted (Sen)	<u>0.14</u>	<u>1.19</u>	<u>0.14</u>	<u>1.19</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	3 Months Ended	
			30.09.2019 RM'000	30.09.2018 RM'000
Profit for the period	100,293	264,435	100,293	264,435
Other comprehensive (loss)/income :-				
<i>Items that may be reclassified subsequently to income statement:-</i>				
Financial assets at fair value through other comprehensive loss	(1,232)	(749)	(1,232)	(749)
Cash flow hedges	(332,860)	30,642	(332,860)	30,642
Foreign currency translation	(284,425)	435,744	(284,425)	435,744
Other comprehensive (loss)/income for the period, net of tax	(618,517)	465,637	(618,517)	465,637
Total comprehensive (loss)/income for the period	(518,224)	730,072	(518,224)	730,072
Attributable to :-				
Owner of the parent	(319,263)	366,807	(319,263)	366,807
Non-controlling interests	(198,961)	363,265	(198,961)	363,265
Total comprehensive (loss)/income for the period	(518,224)	730,072	(518,224)	730,072

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statement.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
	30.09.2019	30.06.2019
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	30,655,261	30,759,493
Right of use assets	469,769	-
Investment properties	10,121,103	10,217,573
Investment in associated companies and joint ventures	2,365,058	2,845,349
Investments	446,231	409,971
Development expenditure	1,187,467	1,127,238
Intangible assets	8,216,828	8,023,200
Trade, other receivables and contract assets	1,277,891	1,164,736
Derivative financial instruments	40,667	18,722
	<u>54,780,275</u>	<u>54,566,282</u>
Current Assets		
Inventories	2,387,579	2,783,723
Property development costs	584,844	561,937
Trade, other receivables and contract assets	4,521,553	4,438,257
Derivative financial instruments	3,277	65,022
Income tax assets	91,423	121,292
Investments	2,691,020	2,352,947
Amount due from related parties	23,145	31,131
Fixed deposits	10,908,111	10,635,496
Cash and bank balances	1,291,304	1,171,006
	<u>22,502,256</u>	<u>22,160,811</u>
TOTAL ASSETS	<u><u>77,282,531</u></u>	<u><u>76,727,093</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

	Unaudited	Audited
	As at	As at
	30.09.2019	30.06.2019
	RM'000	RM'000
EQUITY		
Share capital	3,436,782	3,340,111
Other reserves	573,198	907,066
Retained profits	9,558,380	9,488,302
Less : Treasury shares, at cost	(472,793)	(472,793)
Equity Attributable to Owners of the Parent	<u>13,095,567</u>	<u>13,262,686</u>
Non-Controlling Interests	7,335,490	7,631,855
TOTAL EQUITY	<u>20,431,057</u>	<u>20,894,541</u>
LIABILITIES		
Non-current liabilities		
Long term payables and other contract liabilities	1,306,162	1,257,683
Bonds & borrowings	37,866,989	30,722,521
Lease liabilities	316,147	-
Grants and contributions	552,539	560,828
Deferred tax liabilities	2,032,453	2,073,144
Post-employment benefit obligations	756,456	759,646
Derivative financial instruments	38,066	54,116
	<u>42,868,812</u>	<u>35,427,938</u>
Current Liabilities		
Trade, other payables and other contract liabilities	4,390,605	4,681,472
Derivative financial instruments	325,440	63,491
Amount due to related parties	18,460	16,006
Bonds & borrowings	8,774,222	15,357,267
Lease liabilities	176,323	-
Income tax liabilities	142,588	133,891
Provision for liabilities and charges	155,024	152,487
	<u>13,982,662</u>	<u>20,404,614</u>
TOTAL LIABILITIES	56,851,474	55,832,552
TOTAL EQUITY AND LIABILITIES	<u>77,282,531</u>	<u>76,727,093</u>
Net Assets per share (RM)	<u>1.23</u>	<u>1.25</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

Group	← Share capital		Attributable to Owners of the Parent			→ Non-Controlling interests		Total equity RM'000
	RM'000	RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000	Controlling interests RM'000	
At 1 July 2019, as previously reported	3,340,111	-	9,488,302	(472,793)	907,066	13,262,686	7,631,855	20,894,541
Effects of adopting of MFRS 16	-	(2,532)	-	-	-	(2,532)	(7,276)	(9,808)
At 1 July 2019, as restated	3,340,111	-	9,485,770	(472,793)	907,066	13,260,154	7,624,579	20,884,733
Profit for the period	-	-	15,307	-	-	15,307	84,986	100,293
Other comprehensive loss	-	-	-	-	(334,570)	(334,570)	(283,947)	(618,517)
Total comprehensive loss for the period	-	-	15,307	-	(334,570)	(319,263)	(198,961)	(518,224)
Changes in composition of the Group	-	-	57,240	-	-	57,240	(29,757)	27,483
Dividend paid	-	-	-	-	-	-	(60,371)	(60,371)
Issue of share capital	96,671	-	-	-	-	96,671	-	96,671
Share option expenses	-	-	-	-	737	737	-	737
Share option lapsed by subsidiary	-	-	63	-	(35)	28	-	28
At 30 September 2019	3,436,782	-	9,558,380	(472,793)	573,198	13,095,567	7,335,490	20,431,057

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

Group	← Share capital		Attributable to Owners of the Parent				→ Non-controlling interests		Total equity RM'000
	RM'000	RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000	Controlling interests RM'000		
At 30 June 2018, as previously reported	3,340,111	-	10,123,292	(337,142)	1,009,646	14,135,907	7,540,331	21,676,238	
Effects of adopting of MFRS 15	-	1,187	-	-	-	1,187	(58)	1,129	
At 1 July 2018, as restated	3,340,111	-	10,124,479	(337,142)	1,009,646	14,137,094	7,540,273	21,677,367	
Profit for the period	-	-	125,790	-	-	125,790	138,645	264,435	
Other comprehensive income	-	-	-	-	241,017	241,017	224,620	465,637	
Total comprehensive income for the period	-	-	125,790	-	241,017	366,807	363,265	730,072	
Changes in composition of the Group	-	-	(109,677)	-	-	(109,677)	(88,378)	(198,055)	
Dividend paid	-	-	-	-	-	-	(97,194)	(97,194)	
Purchase of treasury shares	-	-	-	(135,650)	-	(135,650)	-	(135,650)	
Share option expenses	-	-	-	-	761	761	-	761	
Share option lapsed by subsidiary	-	-	174	-	(96)	78	-	78	
At 30 September 2018	3,340,111	-	10,140,766	(472,792)	1,251,328	14,259,413	7,717,966	21,977,379	

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	3 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	184,098	341,945
Adjustment for :-		
Adjustment on fair value of investment properties	-	(12,035)
Amortisation of contract costs	2,485	3,996
Amortisation of deferred income	-	(359)
Amortisation of grants and contributions	(4,734)	(5,415)
Amortisation of other intangible assets	2,293	1,817
Depreciation of property, plant and equipment	421,114	390,970
Depreciation of right of use assets	38,700	-
Dividend income	(877)	(14,114)
Fair value changes of derivatives	(290)	(4,821)
Fair value changes of investments	(40,850)	(26,135)
Gain on disposal of property, plant and equipment	(4,012)	(3,661)
Impairment losses	17,352	13,443
Interest expense	491,479	428,732
Interest income	(80,795)	(74,799)
Property, plant and equipment written off	3,548	2,838
Provision for post-employment benefit	22,023	11,642
Provision for liabilities and charges	978	144
Share option expenses	1,334	1,378
Share of results of associated companies and joint ventures	(92,292)	(91,764)
Unrealised loss/(gain) on foreign exchange	8,903	(36,840)
Other non cash items	(9,564)	1,751
Operating profit before changes in working capital	960,893	928,713

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 - continued

	3 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
Changes in working capital:-		
Inventories	426,272	6,141
Property development costs	(26,791)	(24,048)
Receivables, deposits and prepayments	(107,418)	(8,073)
Payables and accrued expenses	(476,737)	(216,212)
Related parties balances	(22,463)	16,194
Cash generated from operations	753,756	702,715
Dividend received	93,503	114,366
Interest paid	(446,739)	(421,462)
Interest received	85,104	76,523
Payment to a retirement benefits scheme	(11,908)	(12,643)
Income tax paid	(55,657)	(66,408)
Net cash from operating activities	418,059	393,091
Cash flows from investing activities		
Acquisition of subsidiaries	(98,308)	-
Development expenditure incurred	(48,257)	(20,928)
Grants received in respect of infrastructure assets	6,827	12,441
Maturities of income funds	-	1,125,382
Proceeds from disposal of property, plant & equipment	9,379	4,196
Purchase of investment properties	(12,979)	(10,402)
Purchase of property, plant & equipment	(274,190)	(361,857)
Purchase of intangible assets	(10,050)	(489)
Purchase of investments	(196,685)	(44,053)
Shareholder loans	(26,279)	(18,386)
Net cash flow (used in)/from investing activities	(650,542)	685,904

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
(Incorporated in Malaysia)**

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 - continued**

	3 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid to non-controlling interests		
by subsidiaries	(60,371)	(97,194)
Repurchase of own shares by the company (at net)	-	(135,650)
Repurchase of subsidiaries' shares by subsidiaries	(1)	(198,625)
Proceeds from borrowings	1,730,358	1,580,153
Proceeds from issue of shares	96,671	-
Repayment of bonds	(10,000)	-
Repayment of borrowings	(831,910)	(2,416,648)
Repayment of lease liabilities	(208,511)	-
	<u>716,236</u>	<u>(1,267,964)</u>
Net cash from/(used in) financing activities		
Net changes in cash and cash equivalents	483,753	(188,969)
Effects of exchange rate changes	(71,299)	183,261
Cash and cash equivalents		
at beginning of the financial year	<u>11,763,827</u>	<u>11,601,643</u>
Cash and cash equivalents at end of the financial period	<u><u>12,176,281</u></u>	<u><u>11,595,935</u></u>
Cash and cash equivalent comprise :-		
Fixed deposit with licensed bank	10,908,111	10,249,875
Cash and bank balances	1,291,304	1,354,389
Bank overdraft	(23,134)	(8,329)
	<u><u>12,176,281</u></u>	<u><u>11,595,935</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2019 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 2019.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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 2019.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2019, except for changes arising from the adoption of MFRS 16 “Leases” as described below:

MFRS 16 “Leases” (“MFRS 16”)

MFRS 16 supersedes MFRS 117 “Leases” (“MFRS 117”) and the related interpretations. Under MFRS 16, a lease is a contract (or part of contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires lessee to recognise “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 ‘Property, Plant and Equipment’ and the lease liability is accreted over time with interest expense recognised in the Income Statement.

The Group applies MFRS 16 using the modified retrospective approach, therefore the comparative information was not restated and continues to be reported under MFRS 117 and IC Interpretation 4 “Determining Whether an Arrangement Contain a Lease” (“IC 4”). The retrospective impact of applying MFRS 16 for the leasing contracts assessed to be relevant to MFRS 16 as at 1 July 2019 is adjusted to the Group’s retained earnings as at 1 July 2019.

The purchases and sales of rights to access and rights to use licenses of intellectual property are excluded from the scope of MFRS 16.

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INTERIM FINANCIAL REPORT

Notes: - continued

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method, re-measured when there is a change in the Group's estimates of future lease payments arising from changes in circumstances relating to the contractor if the Group changes its assessment of whether it will exercise a purchase, extension or termination options.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

In such re-measurements, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in Income Statement if the carrying value of the right-of-use asset has been reduced to zero.

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at inception or at initial application of MFRS 16 and low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The adoption of MFRS 16 impacts the Group's performance in the current financial period as below:

- (a) On the Income Statement, expenses which previously included leasing expenses within Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") were replaced by interest expense on lease liabilities and depreciation of the right-of-use assets.
- (b) On the Statements of Cash Flows, operating lease rental outflows previously recorded within "net cash flows from operating activities" were reclassified as "net cash flows used in financing activities" for repayment of principal and interest of lease liabilities.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

Notes: - continued

The table below shows the impact of changes to the condensed consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 as at 1 July 2019:

	As previously reported	Effects of adoption of MFRS 16	As restated
	30.06.2019		01.07.2019
	RM'000	RM'000	RM'000
Non-current assets			
Right-of-use assets	-	439,902	439,902
Trade, other receivables and contract assets	-	15,162	15,162
Current assets			
Trade, other receivables and contract assets	-	6,408	6,408
Equity			
Retained earnings	9,488,302	(2,532)	9,485,770
Non-controlling interests	7,631,855	(7,276)	7,624,579
Non-current liabilities			
Lease liabilities	-	333,322	333,322
Deferred tax	-	(37)	(37)
Current liabilities			
Lease liabilities	-	137,995	137,995

The adoption of MFRSs, amendments to MFRSs and IC interpretation which were effective for financial year beginning on or after 1 July 2019 do not have significant financial impact to the Group other than explained above.

A2. Seasonality or Cyclicity of Operations

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

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YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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INTERIM FINANCIAL REPORT

Notes: - continued

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	3 Months Ended	
			30.09.2019 RM'000	30.09.2018 RM'000
Utilities				
Sale of electricity	1,680,461	1,578,431	1,680,461	1,578,431
Sale of clean water, treatment and disposal of waste water	855,818	847,283	855,818	847,283
Sale of steam	54,509	52,495	54,509	52,495
Broadband and telecommunications revenue	95,318	192,412	95,318	192,412
Others	165,879	47,652	165,879	47,652
	<u>2,851,985</u>	<u>2,718,273</u>	<u>2,851,985</u>	<u>2,718,273</u>
Cement manufacturing & trading				
Sale of cement and related products	1,155,702	656,317	1,155,702	656,317
Others	5,544	5,416	5,544	5,416
	<u>1,161,246</u>	<u>661,733</u>	<u>1,161,246</u>	<u>661,733</u>
Construction				
Construction contracts revenue	440,950	106,601	440,950	106,601
Hotel operations				
Hotel room and food and beverages	315,813	286,918	315,813	286,918
Others	5,034	1,979	5,034	1,979
	<u>320,847</u>	<u>288,897</u>	<u>320,847</u>	<u>288,897</u>
Property				
Property development projects	217,488	25,942	217,488	25,942
Sale of land held for property development	-	8,120	-	8,120
Others	4,857	4,947	4,857	4,947
	<u>222,345</u>	<u>39,009</u>	<u>222,345</u>	<u>39,009</u>
Information technology & e-commerce related business				
Media and advertising services	1,107	1,060	1,107	1,060
Others	32	28	32	28
	<u>1,139</u>	<u>1,088</u>	<u>1,139</u>	<u>1,088</u>
Management services & others				
Operation and maintenance services	61,965	38,277	61,965	38,277
Food and beverages operations	5,592	5,664	5,592	5,664
Others	4,074	-	4,074	-
	<u>71,631</u>	<u>43,941</u>	<u>71,631</u>	<u>43,941</u>

YTL CORPORATION BERHAD (Company No. 198201012898 (92647-H))
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Notes: - continued

A3. Disaggregation of revenue

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	3 Months Ended	
	Quarter	Corresponding Quarter	30.09.2019	30.09.2018
	30.09.2019	30.09.2018	RM'000	RM'000
Other sources				
Rental income	157,028	160,363	157,028	160,363
Interest income	56,447	54,504	56,447	54,504
Dividend income	1,046	14,114	1,046	14,114
	<u>214,521</u>	<u>228,981</u>	<u>214,521</u>	<u>228,981</u>
Total revenue	<u>5,284,664</u>	<u>4,088,523</u>	<u>5,284,664</u>	<u>4,088,523</u>

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 financial period to date, 84,799,254 ordinary shares were issued in exchange for YTL Land & Development Berhad's ordinary shares and ICULS at RM1.14 per share, pursuant to the conditional share exchange offer by the Company.

As at 30 September 2019, the number of treasury shares held was 341,862,418 ordinary shares.

A7. Dividend paid

There was no dividend paid during the current financial quarter.

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 30 September 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	440,950	1,139	1,161,446	388,158	120,087	320,899	2,851,985	-	5,284,664
Inter-segment revenue	7,115	19,817	4,293	51,504	50,134	10,648	3,813	(147,324)	-
Total revenue	448,065	20,956	1,165,739	439,662	170,221	331,547	2,855,798	(147,324)	5,284,664
Segment results									
Profit from operations	66,784	1,627	52,253	100,473	153,091	25,659	183,398	-	583,285
Finance costs									(491,479)
Share of profit of associated companies & joint ventures									91,806
Profit before taxation									92,292
									184,098

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Notes: - continued

A8. Segment Information - continued

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

The Group's segmental result for the financial period ended 30 September 2018 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Manufacturing & trading RM'000	Cement investment & development RM'000	Property services & others RM'000	Hotels RM'000	Utilities RM'000	Elimination RM'000	Total RM'000
External revenue	106,601	1,088	661,733	198,173	113,726	288,929	2,718,273	-	4,088,523
Inter-segment revenue	45,491	19,885	695	57,249	48,345	2,530	3,669	(177,864)	-
Total revenue	152,092	20,973	662,428	255,422	162,071	291,459	2,721,942	(177,864)	4,088,523
Segment results									
Profit from operations	606	1,283	54,675	155,618	158,668	12,517	295,546	-	678,913
Finance costs									(428,732)
Share of profit of associated companies & joint ventures									250,181
Profit before taxation									91,764
									341,945

INTERIM FINANCIAL REPORT

Notes: - continued

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 30 September 2019, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following-

- On 12 July 2019, YTL Jordan Services Sdn Bhd (now known as YTL Power Resources Sdn Bhd) (“YTLPR”) acquired 1 ordinary share, representing the total number of issued shares in Equinox Solar Farm Sdn Bhd (“ESF”) for RM1.00. As a result, ESF has become a wholly-owned subsidiary of YTLPR and an indirect owned subsidiary of the Company.
- The following companies, all indirect subsidiaries of YTL Power International Berhad (“YTL Power”), have been struck-off from the register of UK Companies House and ceased to be indirect subsidiaries of YTL Power and the Company:

Struck off on 30 July 2019:

- (a) Wessex Electricity Utilities Limited
- (b) Wessex Promotions Limited
- (c) Wessex Property Services Limited
- (d) Wessex Spring Water Limited
- (e) Wessex Logistics Limited
- (f) Wessex Water Commercial Limited

Struck off on 6 August 2019:

- (a) Sword Bidco (Holdings) Limited
- (b) Sword Bidco Limited
- (c) Sword Midco Limited

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 2019.

A11. Subsequent Events

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

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INTERIM FINANCIAL REPORT

Notes: - continued

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

B1. Review of Performance

	Individual Quarter		Variance	Cumulative Quarter		Variance
	30.09.2019	30.09.2018	%	30.09.2019	30.09.2018	%
	RM'000	RM'000	+/-	RM'000	RM'000	+/-
Revenue						
Construction	440,950	106,601	314%	440,950	106,601	314%
Information technology & e-commerce related business	1,139	1,088	5%	1,139	1,088	5%
Cement Manufacturing & trading	1,161,446	661,733	76%	1,161,446	661,733	76%
Property investment & development	388,158	198,173	96%	388,158	198,173	96%
Management services & others	120,087	113,726	6%	120,087	113,726	6%
Hotels	320,899	288,929	11%	320,899	288,929	11%
Utilities	2,851,985	2,718,273	5%	2,851,985	2,718,273	5%
	<u>5,284,664</u>	<u>4,088,523</u>		<u>5,284,664</u>	<u>4,088,523</u>	
Profit/(loss) before taxation						
Construction	66,782	599	11049%	66,782	599	11049%
Information technology & e-commerce related business	1,627	1,283	27%	1,627	1,283	27%
Cement Manufacturing & trading	(9,520)	43,499	-122%	(9,520)	43,499	-122%
Property investment & development	27,983	85,958	-67%	27,983	85,958	-67%
Management services & others	(9,654)	(5,597)	-72%	(9,654)	(5,597)	-72%
Hotels	19,744	7,082	179%	19,744	7,082	179%
Utilities	87,136	209,121	-58%	87,136	209,121	-58%
	<u>184,098</u>	<u>341,945</u>		<u>184,098</u>	<u>341,945</u>	

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Notes – continued

For the current financial quarter under review, the Group revenue was RM5,284.7 million as compared to RM4,088.5 million, recorded in the preceding year corresponding quarter. The Group recorded a profit before tax of RM184.1 million for the current financial quarter. This represents a decrease of RM157.8 million or 46.2% as compared to a profit of RM341.9 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the financial quarter/period ended 30 September 2019 as compared to the preceding year corresponding quarter/period are analysed as follows:

Construction

The increase in revenue and profit before tax was principally due to the significant increase in construction works.

Information technology & e-commerce related business

Revenue increased mainly due to higher revenue recorded by Content and digital media division whilst the increase in profit before tax was mainly due to lower administration expenses incurred.

Cement Manufacturing & trading

The increase in revenue was mainly due to the consolidation of Malayan Cement Berhad (formerly known as Lafarge Malaysia Berhad) and higher sales volume from all other divisions. However, the loss before tax was mainly due to higher finance costs.

Property investment & development

The increase in revenue was mainly contributed by sale of completed properties of the 3 Orchard By-The-Park and The Fennel projects undertaken by YTL Westwood Properties Pte Ltd ("YTL Westwood") and Sentul Raya Sdn Bhd ("SRSB"), respectively. However, the decline in profit before tax was mainly attributable to the recognition of losses on sale of completed units and qualifying certificate extension fee incurred by YTL Westwood for 3 Orchard By-The-Park project.

Management services & others

Increase in revenue was mainly due to the recognition of accrued technical service income recorded by YTL Power. However, loss before tax was principally attributable to the unrealised foreign exchange loss recorded by an offshore subsidiary after partially offsetting the fair value gain on investments and accrued technical service income as mentioned above.

Hotels

The increase in revenue and profit before tax was mainly contributed by The Westin Perth hotel in Australia and better performance of Star Hill Hotel Sdn. Bhd..

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Notes – continued

Utilities

The increase in revenue was mainly due to higher sales of fuel oil and higher volume of electricity sold contributed by Multi utilities business (Merchant). Despite the higher revenue, the lower profit before tax was mainly due to significant reduction in vesting contract level, loss on sales of fuel oil and absence of project revenue recorded by Multi utilities business (Merchant) division and Telecommunication business division, respectively.

The utilities segment contributes to 54.0% and 47.3% of the Group revenue and profit before taxation, respectively.

B2. Comparison with Preceding Quarter

	Current Quarter 30.09.2019 RM'000	Preceding Quarter 30.06.2019 RM'000	Variance % +/-
Revenue	5,284,664	5,091,662	4%
Profit before taxation	184,098	194,200	-5%
Profit attributable to owners of the parent	15,307	(13,816)	211%

The increase in revenue was mainly due to higher revenue contributed by the Cement manufacturing & trading segment. Despite the higher revenue, the lower profit before taxation was principally attributable to the absence of project revenue recorded in the Telecommunication business division, one-off depreciation adjustment due to change in useful lives of assets in Multi utilities business division and revaluation gain on investment properties recorded by the Utilities segment.

B3. Audit Report of the preceding financial year ended 30 June 2019

The Auditors' Report on the financial statements of the financial year ended 30 June 2019 did not contain any qualification.

B4. Prospects

The prospects of the respective business segments of the Group for the financial year ending 30 June 2020 are set out below:

Construction

The construction segment is expected to achieve satisfactory performance based on its current outstanding order book.

Information technology & e-commerce related business

The outlook for the segment's performance should be satisfactory, given that a significant portion of its revenue is derived from relatively resilient spectrum sharing fee income.

INTERIM FINANCIAL REPORT

Notes – continued

Cement manufacturing & trading

The outlook for the cement industry remains highly competitive amongst industry players and the segment is expected to achieve satisfactory performance.

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 as well as undertake project launches.

Management services & others/Hotels

Considering the current market condition, the performance of these two segments is expected to remain satisfactory.

Utilities

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

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

YTL Power Generation Sdn. Bhd. (“YTLPG”) 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 Power Purchase Agreement (“PPA”).

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 currently awaits the regulators final determination covering the Price Review 2020-25 which will be published by end of 2019. The Group remains committed to delivering high quality, reliable and resilient services that are affordable to everyone, and is confident it will continue to deliver outperformance of its regulatory targets.

The Telecommunication business segment will continue to expand its telecommunications infrastructure business and is well-positioned to grow its subscriber base with the prospective allocation by the MCMC of the low band 700MHz spectrum, which will further enhance network coverage and reach, enabling customers to enjoy better connectivity.

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Notes – continued

B5. Profit Forecast

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

B6. Profit for the period

	Current Quarter 30.09.2019 RM'000	Period To Date 30.09.2019 RM'000
Profit for the period is stated after charging/(crediting):		
Allowance for impairment of receivables - net of reversal	155,134	155,134
Amortisation of contract costs	2,485	2,485
Amortisation of grants and contributions	(4,734)	(4,734)
Amortisation of other intangible assets	2,293	2,293
Depreciation of property, plant and equipment	421,114	421,114
Depreciation of right of use assets	38,700	38,700
Dividend income	(877)	(877)
Fair value changes of derivatives	(290)	(290)
Fair value changes of investments	(40,850)	(40,850)
Interest expense	491,479	491,479
Interest income	(24,348)	(24,348)
Loss on foreign exchange	10,858	10,858
Gain on disposal of property, plant and equipment	(4,012)	(4,012)
Property, plant and equipment written off	3,548	3,548
Provision for liabilities and charges	978	978

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

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B7. Taxation

Taxation comprise the following:-

	Current Quarter 30.09.2019 RM'000	Period To Date 30.09.2019 RM'000
In respect of current period		
- Income tax	90,279	90,279
- Deferred tax	(6,474)	(6,474)
	<u>83,805</u>	<u>83,805</u>

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

B8. Corporate Developments

Corporate Proposals Announced and Pending Completion

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

- (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.

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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.

Subsequently, the parties agreed to amend the SPA to incorporate the right of either party to terminate the SPA where the conditions to the effectiveness of the SPA as set out in Section 2.1 of Appendix A to the announcement dated 7 December 2018 (“Effectiveness Conditions”) have not been satisfied or waived, as the case may be, in accordance with the SPA on or before the last date of any calendar month by giving written notice to the other party within two business days of such date provided that the SPA will terminate automatically if the Effectiveness Conditions are not satisfied or waived, as the case may be, by 31 December 2019.

- (II) On 13 June 2019, Maybank Investment Bank Berhad announced on behalf of the Company, as the offeror, a conditional share exchange offer in accordance with the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions, to acquire the following securities in YTL Land & Development Berhad (“YTL Land”) to be satisfied through the issuance of new ordinary shares in the Company at an issue price of RM1.14 each:-

- (i) all the remaining ordinary shares (excluding treasury shares) in YTL Land (“YTL Land Shares”) and such number of new YTL Land Shares issued pursuant to the conversion of any outstanding 10-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks 2011/2021 with a nominal value of RM0.50 issued by YTL Land (“YTL Land ICULS”) prior to the close of the Offer (as defined below) not already owned by the Company (collectively, “Offer Shares”) at an offer price of RM0.36 for each Offer Share (“Shares Offer”); and
- (ii) all the outstanding YTL Land ICULS not already owned by the Company (“Offer ICULS”) at an offer price of RM0.32 for each Offer ICULS (“ICULS Offer”).

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

On 4 July 2019, the Offer Document was despatched to the holders of the Offer Securities or their designated agents and the first closing date for the Offer was fixed at 5.00 p.m. on 30 August 2019.

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On 27 August 2019, the closing date for acceptance of the Offer was extended from 30 August 2019 to 20 September 2019. Subsequently, on 17 September 2019, the closing date for acceptance of the Offer was extended to 7 October 2019, being the final closing date for the Offer.

Upon closing of the Offer on 7 October 2019, the Company had received valid acceptances resulting in it holding approximately 90.45% of the total YTL Land Shares in issue (excluding treasury shares) and 91.04% of the total outstanding YTL Land ICULS. In accordance with Paragraph 16.02(3) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Bursa Securities suspended the trading of the securities of YTL Land commencing on 15 October 2019, being the expiry of 5 market days from the final closing date of 7 October 2019.

Pursuant to Paragraph 16.07(a) of the MMLR, all listed securities of YTL Land were removed from the Official List of Bursa Securities with effect from 9.00 a.m. on 21 October 2019.

In accordance with Subsection 223(2) of the Capital Markets and Services Act 2007 (“CMSA”), the Company despatched notices to the holders of the YTL Land ICULS who had not accepted the Offer (“Dissenting ICULS Holders”) on 3 October 2019 and shareholders of YTL Land who had not accepted the Offer (“Dissenting Shareholders”) on 16 October 2019 informing them that they may exercise their rights under Section 223 of the CMSA to require the Company to acquire their YTL Land securities on the terms of the Offer as set out in the Offer Document or such other terms as may be agreed between the Company and the Dissenting ICULS Holders or Dissenting Shareholders (as the case may be) or as the High Court, on application made to it by any such Dissenting ICULS Holder or Dissenting Shareholder or by the Company, thinks fit to order under Subsection 224(3) of the CMSA.

Any Dissenting ICULS Holder or Dissenting Shareholder may give notice to the Company requiring the Company to acquire their YTL Land securities no later than 5.00 p.m. on 7 January 2020.

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B9. Group Borrowings and Debt Securities

The Group's borrowings and debts securities as at 30 September 2019 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Bankers' acceptances	-	21,530	21,530
Bank overdrafts	-	1,084	1,084
Finance lease liabilities	2,037	3,979	6,016
ICULS *	-	15,917	15,917
Revolving credit	30,000	3,374,849	3,404,849
Term loans	2,011,762	3,013,064	5,024,826
Bonds	-	300,000	300,000
	<u>2,043,799</u>	<u>6,730,423</u>	<u>8,774,222</u>
Non-current			
Finance lease liabilities	2,255	13,562	15,817
Revolving credit	140,000	299,103	439,103
Term loans	320,922	16,827,317	17,148,239
Bonds	328,195	19,935,635	20,263,830
	<u>791,372</u>	<u>37,075,617</u>	<u>37,866,989</u>
Total borrowings	<u>2,835,171</u>	<u>43,806,040</u>	<u>46,641,211</u>

* Irredeemable Convertible Unsecured Loan Stock ("ICULS")

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

	Foreign Currency '000	RM Equivalents '000
US Dollar	867,872	3,633,780
Singapore Dollar	3,245,143	9,836,353
Sterling Pound	2,455,777	12,633,499
Japanese Yen	19,033,963	738,289
Thai Baht	2,003,317	274,472
Australia Dollar	693,747	1,962,888
		<u><u>29,079,281</u></u>

Save for the borrowings of RM139.6 million, US Dollar 220.0 million, Sterling Pound 90.3 million, Yen 9.3 billion and Thai Baht 2.0 billion by subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

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

(a) Derivatives Financial Instruments

As at 30 September 2019, the Group's outstanding derivatives are as follows:

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	1,279,913	(247,320)
- 1 year to 3 years	331,672	(56,586)
- More than 3 years	-	-
<u>Currency forwards</u>		
- Less than 1 year	1,347,121	23,823
- 1 year to 3 years	484,328	9,336
- More than 3 years	-	-
<u>Currency options contracts</u>		
- Less than 1 year	837,400	-
- 1 year to 3 years	837,400	(408)
- More than 3 years	-	-
<u>Interest rate swap contracts</u>		
- Less than 1 year	913,944	(11,586)

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

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

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

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

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

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(b) Fair Value Changes of Financial Liabilities

The gains arising from fair value changes of financial liabilities for the current financial year ended 30 September 2019 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the gains	Fair value (loss)/gain	
			Current quarter 30.09.2019 RM'000	Current year to date 30.09.2019 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	3,033	3,033
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	5,409	5,409
Currency options contract	Spot rate and interest rate curve, volatility and time to maturity	Change in time value was greater due to shorter remaining tenor and spot rate has moved in favour of the Group	2,950	2,950
Total			11,392	11,392

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(c) Fair Value Hierarchy

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 September 2019				
Assets				
Financial assets at fair value through profit and loss				
- Trading derivatives	-	8,275	-	8,275
- Income/equity funds	-	2,683,112	343,646	3,026,758
- Equity investments	10,503	3,567	-	14,070
- Receivables from a joint venture	-	-	933,703	933,703
Derivative used for hedging	-	35,669	-	35,669
Financial assets at fair value through other comprehensive income	42,553	403	53,467	96,423
Total assets	53,056	2,731,026	1,330,816	4,114,898
Liabilities				
Financial liabilities at fair value through profit and loss				
- Trading derivatives	-	7,487	-	7,487
- Currency options contract	408	-	-	408
Derivative used for hedging	-	355,611	-	355,611
Total liabilities	408	363,098	-	363,506

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Notes: - continued

B11. Material litigation

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

B12. Dividend

No dividend has been declared for 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/period by the weighted average number of ordinary shares in issue during the financial quarter/period as set out below:-

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	3 Months Ended	
	Quarter	Corresponding Quarter	30.09.2019	30.09.2018
	30.09.2019	30.09.2018		
Profit attributable to owners of the parent (RM'000)	15,307	125,790	15,307	125,790
<i>Weighted average number of ordinary shares ('000)</i>				
<i>Weighted average number of ordinary shares ('000)</i>	10,972,109	10,910,559	10,972,109	10,910,559
Less: Shares repurchased	(341,862)	(336,827)	(341,862)	(336,827)
	<u>10,630,247</u>	<u>10,573,732</u>	<u>10,630,247</u>	<u>10,573,732</u>
Basic earnings per share (sen)	<u>0.14</u>	<u>1.19</u>	<u>0.14</u>	<u>1.19</u>

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2019	Preceding Year Corresponding Quarter 30.09.2018	3 Months Ended	
			30.09.2019	30.09.2018
Profit attributable to owners of the parent (RM'000)	15,307	125,790	15,307	125,790
<i>Weighted average number of ordinary shares - diluted ('000)</i>				
Weighted average number of ordinary shares-basic	10,630,247	10,573,733	10,630,247	10,573,733
Effect of unexercised share option scheme	-	-	-	-
	<u>10,630,247</u>	<u>10,573,733</u>	<u>10,630,247</u>	<u>10,573,733</u>
Diluted earnings per share (sen)	<u>0.14</u>	<u>1.19</u>	<u>0.14</u>	<u>1.19</u>

Total cash expected to be received in the event of an exercise of all outstanding ESOS options is RM527.989 million (2019: RM544.818 million). Accordingly, the Net Asset ("NA") on a proforma basis will increase by RM527.989 million (2019: RM544.818 million) resulting in an increase in NA per share of RM0.05 (2019: RM0.05). 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: 26 November 2019