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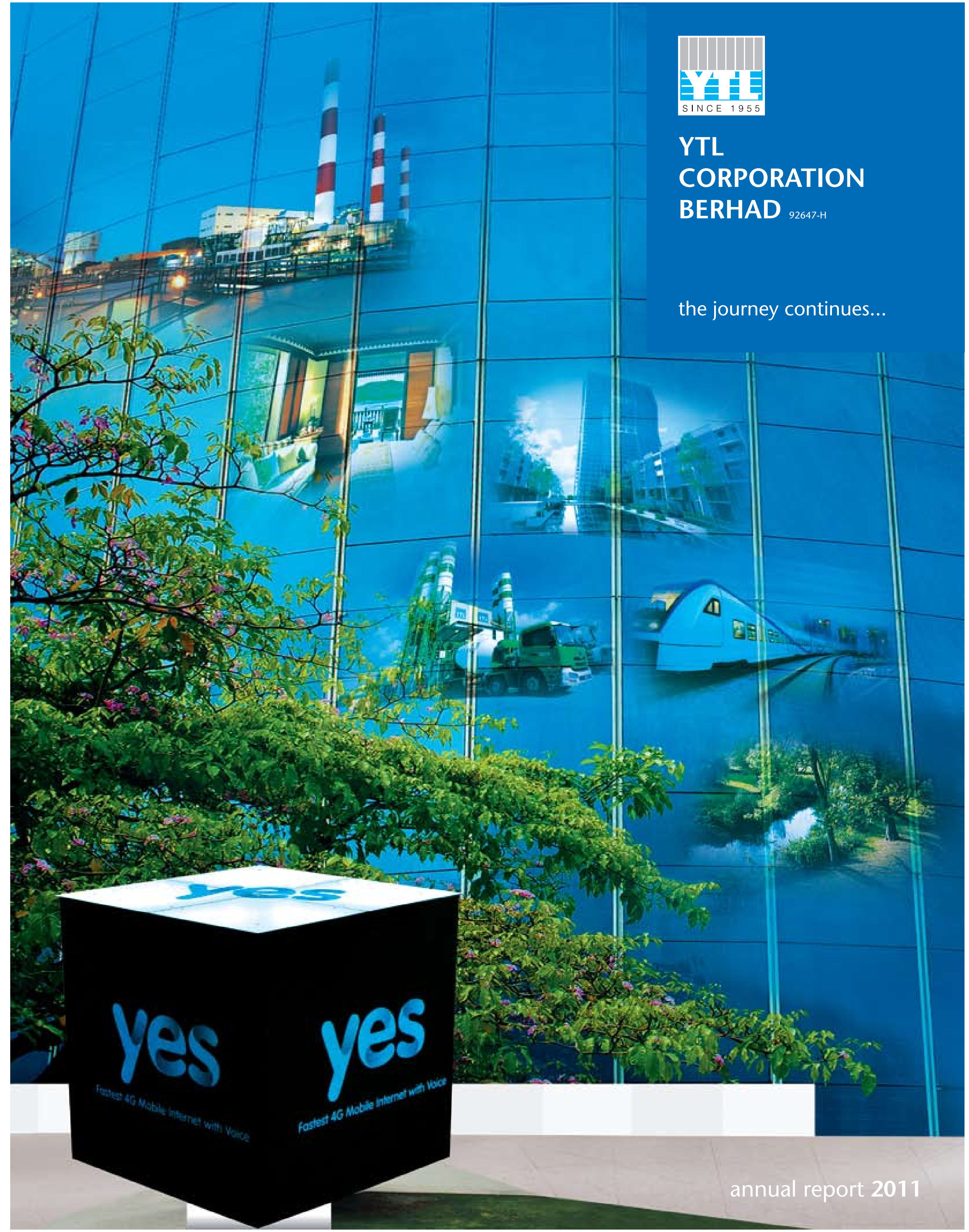
YTL CORPORATION BERHAD 92647-H

annual report 2011

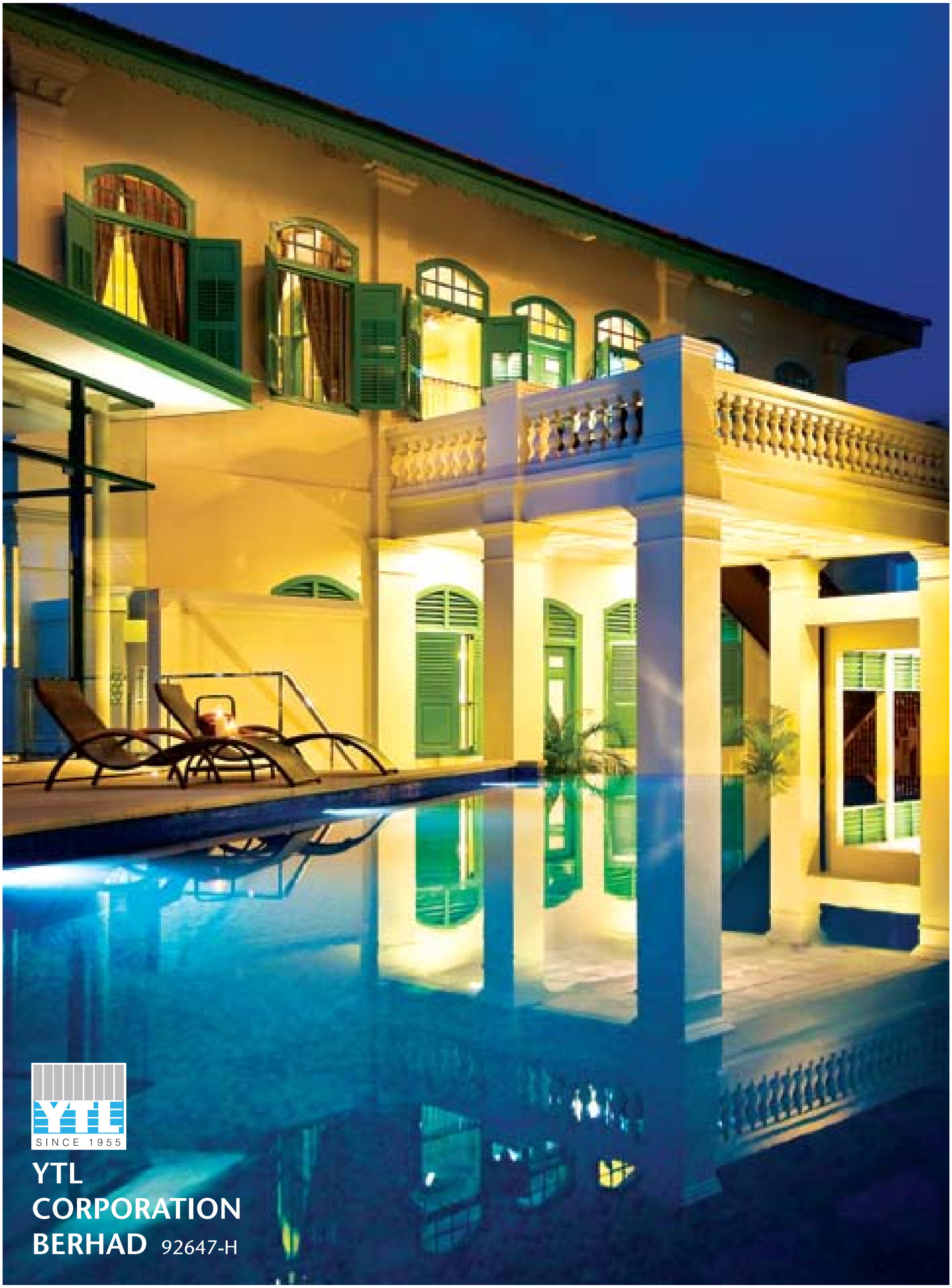


SINCE 1955

YTL CORPORATION BERHAD 92647-H

the journey continues...

annual report 2011


SINCE 1955
YTL
CORPORATION
BERHAD 92647-H

annual report
2011

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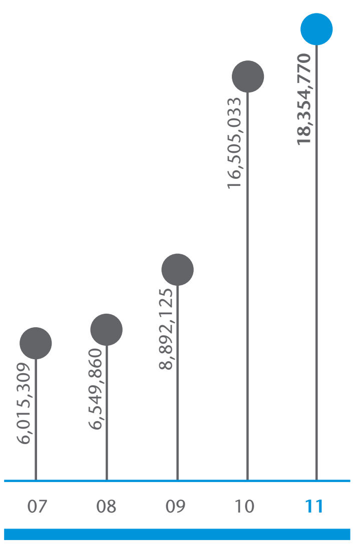
Corporate Review

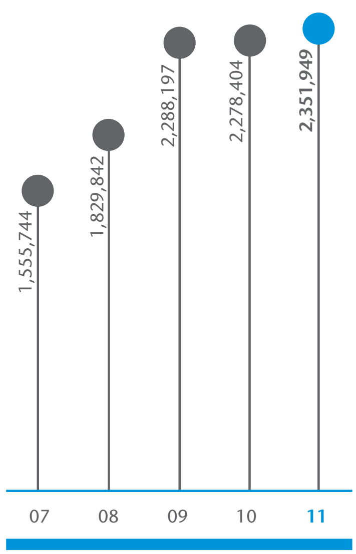
Financial Statements

Financial Highlights

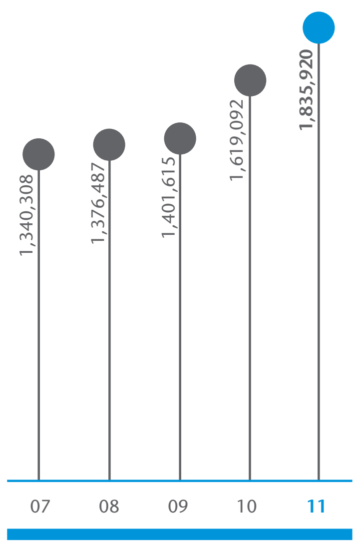
	2011	2010	2009	2008	2007
Revenue (RM'000)	**18,354,770**	16,505,033	8,892,125	6,549,860	6,015,309
Profit Before Taxation (RM'000)	**2,351,949**	2,278,404	2,288,197	1,829,842	1,555,744
Profit After Taxation (RM'000)	**1,835,920**	1,619,092	1,401,615	1,376,487	1,340,308
Profit for the Year Attributable to Owners of the Parent (RM'000)	**1,034,569**	844,165	834,472	769,786	701,371
Total Equity Attributable to Owners of the Parent (RM'000)	**10,365,853**	9,630,115	9,447,165	7,714,420	7,396,831
Earnings per Share (Sen)	**11.53**	9.45	10.82	10.31	9.54
Dividend per Share (Sen)	**2.0**	1.5	0.5	5.0	5.0
Total Assets (RM'000)	**48,266,185**	46,060,048	45,413,832	38,458,561	33,912,520
Net Assets per Share (RM)	**1.15**	1.07	1.07	1.03	0.98



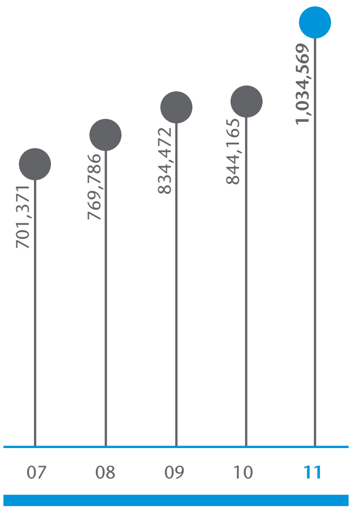
Revenue
(RM'000)



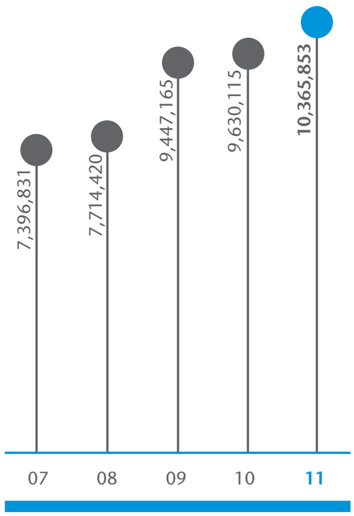
Profit Before Taxation
(RM'000)



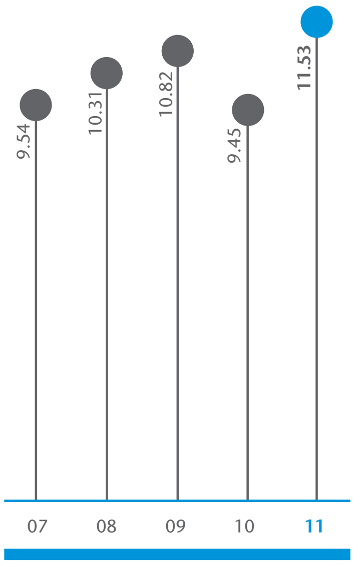
Profit After Taxation
(RM'000)



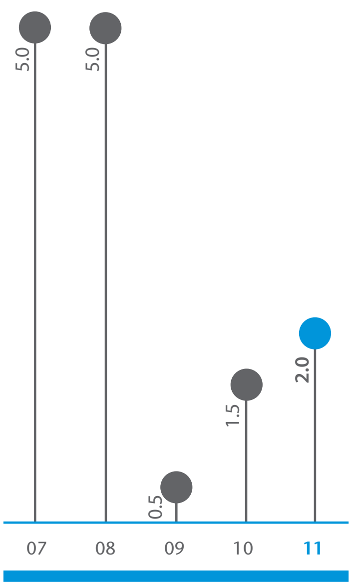
Profit for the Year Attributable to Owners of the Parent
(RM'000)



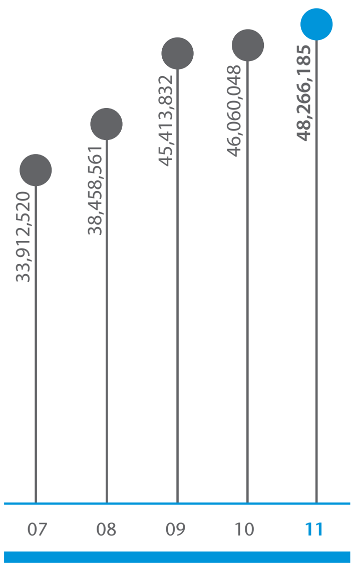
Total Equity Attributable to Owners of the Parent
(RM'000)



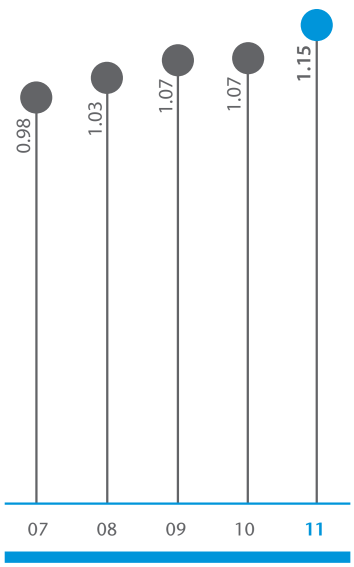
Earnings per Share
(Sen)



Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)

Chairman's Statement

TAN SRI DATO' SERI (DR) YEOH TIONG LAY
Executive Chairman

"On behalf of the Board of Directors of YTL Corporation Berhad ("YTL Corp" or the "Company"), I have the pleasure of presenting to you the Annual Report and the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2011."

OVERVIEW

The Group's improved performance for the financial year ended 30 June 2011 was driven primarily by its power generation, water and cement operations and overseas property development projects. Foreign operations continued to constitute the largest part of the Group's earnings, underpinning the operational strength and geographical diversity of its income streams.

Economic conditions in major markets remained volatile for the year under review. The Malaysian economy continued to recover during the second half of the 2010 calendar year to record gross domestic product (GDP) growth of 7.2% for the full year, whilst the first half of the 2011 calendar year has seen GDP growth of approximately 4.4%. In the other major economies where the Group operates, Singapore recorded growth of approximately 4.9% for the first half of the 2011 calendar year, whilst the United Kingdom ("UK") economy saw growth of about 0.25% to 0.35% over the same period, marginally lower than 0.7% in 2010 *(source: Ministry of Finance quarterly updates; quarterly bulletins published by Bank Negara Malaysia, Monetary Authority of Singapore, Bank of England).*

Utilities

The Group achieved another year of strong performance in its utilities division, which encompasses power generation (in both contracted and merchant markets), power transmission, merchant multi-utility businesses and communications in Malaysia, Singapore, Indonesia and Australia, the provision of water and sewerage services in the UK, as well as power plant operation and maintenance expertise.

In November 2010, the Group's subsidiary, YTL Communications Sdn Bhd successfully launched its 'YES'-branded fourth generation (4G) wireless network and, to date, has introduced an array of devices designed to enhance its customers' wireless high-speed mobile internet experience.

The Group also entered into an agreement with Japan's Marubeni Corporation in July 2011, enabling the latter to co-invest in the holding company of its 35% interest in PT Jawa Power in Indonesia. Marubeni Corporation is a leading utility owner and operator with extensive experience and assets in Japan and around the globe, and this venture forms the basis of a strategic partnership for the development of future opportunities and investments in the global utilities industry.

Despite a competitive operating environment and volatile oil and currency markets over the financial year, PowerSeraya Limited, the Group's subsidiary in Singapore, was able to maintain its leading position, with a generation market share of 28%, the highest amongst Singapore's generation companies, and also commenced operations at its new 800 megawatt (MW) natural gas-fired cogeneration plant.

Meanwhile, Wessex Water Limited continued to maintain its position as one of the most efficient and profitable water and sewerage companies in the UK despite challenging economic conditions during the year under review.

Cement Manufacturing

The Group's cement division registered another strong performance, supported by its strategy of organic and

acquisition-driven growth, coupled with an ongoing drive to improve plant and logistical efficiencies and customer service.

The cement division's operations in Malaysia and overseas, in China and Singapore, continued to perform well across the board during the year under review and, on the expansion front, the Group acquired the remaining 35.16% interest in Perak-Hanjoong Simen Sdn Bhd ("PHS") not already owned by the division in December 2010.

Construction Contracting

The domestic construction sector registered lower growth of 2.1% for the first half of 2011, compared to 5.1% for the 2010 calendar year, with slower growth in the civil engineering sub-sector offset by the resilient residential and commercial sectors *(source: Ministry of Finance economic updates; Bank Negara Malaysia quarterly bulletins and annual reports).*

The Group's construction division performed steadily throughout the year, completing construction on several phases of residential housing projects and continuing works on the base stations for the 4G network being developed by the utilities division.

Operation & Maintenance (O&M) Activities

In February 2011, YTL Power Services (Leb) SARL, a wholly-owned subsidiary of the Group, was registered in Beirut and became the O&M company for the 480 MW Deir Amar and 480 MW Zahrani combined-cycle power stations in Lebanon. The plants make up about 50% of Lebanon's power generation capacity and are owned by Electricité du Liban, which controls 90% of Lebanon's power sector. The five-year O&M contract includes life time extension and upgrading of the gas turbines, and complete refurbishment for the base load plants.

Condition monitoring services are currently being provided for the Group's power plants, cement plants and the Express Rail Link ("ERL"), in addition to external clients in the oil and gas, water, chemical engineering and other sectors. The Group provides expertise by seconding engineers and trainers to various Siemens and other projects in countries in Western Europe, the Middle East and the Pacific Rim.

The KLIA Ekspres and KLIA Transit services continued to perform at satisfactory levels, maintaining ridership levels of around 4 million passengers for the year. YTL Corp holds a 50%-stake in Express Rail Link Sdn Bhd ("ERLSB"), the concession company responsible for constructing and operating the high-speed rail link between Kuala Lumpur Sentral Station and Kuala Lumpur International Airport. ERLSB operates under a 30-year concession from the Malaysian Government (which includes an option to extend for another 30 years) to own and operate the ERL.

Property Development & Investment

Performance of the residential sector continued to flourish due to a sharp increase in housing starts in the first quarter of 2011, driven by a strong demand for housing in line with improved household income, easy financing and government initiatives to encourage home ownership *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

In March 2011, The Capers, which is the latest phase of the Group's stellar Sentul development, was launched to overwhelming demand that saw all units sold within the first two days of its preview. The demand for this newest phase is a testament of the property development division's long-term development strategy of carefully timing its launches to ensure that the capital value and appeal of existing developments are maintained and enhanced. This approach has ensured that its cornerstone communities, which include Pantai Hillpark, Lake Edge and Sentul, have continued to thrive.

During the year under review, the Group progressed on its ongoing rationalisation exercise which involves housing its property development assets fully within its property development arm, YTL Land & Development Berhad ("YTL L&D").

Reorganisation is also ongoing of the Group's retail and hospitality assets within Starhill Real Estate Investment Trust ("Starhill REIT") in Malaysia (for hospitality assets) and Starhill Global Real Estate Investment Trust ("SG REIT") in Singapore (for retail and office assets). The first stage of this reorganisation exercise, involving the disposal by Starhill REIT of Starhill Gallery and its parcels in Lot 10 Shopping Centre to SG REIT, was completed in June 2010.

These exercises are part of the Group's ongoing strategy to house its assets within its principal divisions operating in those business spheres in order to leverage on both operational and developmental efficiencies and synergies.

Hotel Development & Management

The domestic tourism industry experienced slower growth of approximately 3.9% during the 2010 calendar year compared to 2009, whilst tourist arrivals for 2011 are expected to increase by about 2.8% *(source: Ministry of Finance economic reports; Tourism Malaysia).*

The Group's newly launched resorts in Saint Tropez, France, and Niseko, Japan, are milestones that have set a template for the future. Both resorts received numerous international accolades attesting to the Group's expertise in design, operations and business acumen, and the division was recognised with the award for 'Merger & Acquisition Deal of the Year' at the 21st Hotel Investment Conference Asia-Pacific held in Hong Kong recently. The Group now operates hotels and resorts in Malaysia, Borneo, Bali, Thailand, Japan and France.

Construction is also underway on the first of its two resorts in Borneo, the Gaya Island Resort, eight kilometres offshore from Kota Kinabalu. Also under construction is The Majestic Kuala Lumpur, featuring the original and fully restored five storey Majestic Hotel, and an all-new 15-storey structure with architecture that complements the original.

Information Technology Initiatives

The country's broadband penetration rate, one of the Government's key indicators in its National Broadband Initiative to boost the knowledge economy and narrow the digital divide across the country, surpassed the 2010 target of 50%, exceeding the 55% mark by the end of the calendar year, compared to 31.7% in 2009 *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

The Group's operating segments continued to perform well during the year under review. These comprise fee income from its WiMAX (Worldwide Interoperability for Microwave Access) spectrum and digital media applications.

FINANCIAL PERFORMANCE

The Group achieved an 11.2% growth in revenue to RM18,354.8 million for the financial year ended 30 June 2011, compared to RM16,505.0 million for the previous financial year ended 30 June 2010. Profit for the year grew 13.4% to RM1,835.9 million this year, compared to RM1,619.1 million last year, whilst net profit attributable to shareholders registered a 22.6% increase to RM1,034.6 million over RM844.2 million last year.

The improved performance for the financial year ended 30 June 2011 resulted from better performance of the Group's power generation, water and cement operations and overseas property development projects.

The Group's foreign operations continue to be the largest contributors, with overseas operations accounting for approximately 79.7% of the Group's revenue and 71.2% of non-current assets for the 2011 financial year, compared to 79.8% and 74.0%, respectively, last year.

Dividends

YTL Corp declared a first interim single tier dividend of 2 sen or 20% per ordinary share of 10 sen each for the financial year ended 30 June 2011, the book closure and payment dates for which are 9 November 2011 and 24 November 2011, respectively. Therefore, the Board of Directors of YTL Corp did not recommend a final dividend in respect of the financial year ended 30 June 2011.

This is the 27th consecutive year that YTL Corp has declared dividends to shareholders since its listing on the Main Market of Bursa Malaysia Securities Berhad in 1985.

SIGNIFICANT CORPORATE MATTERS

Corporate Developments

- On 24 September 2010, YTL Cement Berhad ("YTL Cement"), a subsidiary of YTL Corp listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), announced that Gopeng Berhad had accepted its offer to purchase 117,742,000 fully paid up ordinary shares of RM1.00 each ("Sale Shares"), representing the remaining 35.16% interest in PHS not already owned by YTL Cement for a total cash consideration of RM200 million. The Sale Shares were registered in YTL Cement's name on 27 December 2010.

- On 23 November 2010, YTL Corp and YTL L&D, a subsidiary of YTL Corp listed on the Main Market of Bursa Securities, announced various proposals involving the following key elements:-

    - o The proposed acquisition by YTL L&D from YTL Corp of 100% equity interests in Arah Asas Sdn Bhd, Satria Sewira Sdn Bhd, Pinnacle Trend Sdn Bhd, Trend Acres Sdn Bhd and YTL Westwood Properties Pte Ltd and a 70% equity interest in Emerald Hectares Sdn Bhd ("Emerald Asset"), together with the settlement of agreed-upon outstanding inter-company balances;

    - o The proposed acquisition by YTL L&D from YTL Singapore Pte Ltd, a wholly-owned subsidiary of YTL Corp, of 70% equity interests each in Lakefront Pte Ltd and Sandy Island Pte Ltd and the settlement of agreed-upon outstanding inter-company balances (collectively, the "Sentosa Assets");

    - o The proposed acquisition by YTL L&D from Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corp, of a 100% equity interest in Budaya Bersatu Sdn Bhd and the settlement of agreed-upon outstanding inter-company balances; and

    - o The proposed acquisition by YTL L&D from YTL Land Sdn Bhd, a wholly-owned subsidiary of YTL Corp, of 6 parcels of agricultural land in Mukim Bidor, Perak.

The total consideration of RM474.3 million (revised from RM476.1 million, as announced on 6 May 2011, following a reappraisal of some of the assets' market values) for these proposed acquisitions and the settlement of the agreed-upon outstanding inter-company balances is to be satisfied partially by the issuance by YTL L&D of RM253.0 million in 10-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks and the balance RM221.3 million in cash.

Other key proposals include a share premium reduction, which will allow YTL L&D to eliminate is accumulated losses and rationalise its balance sheet via the cancellation of share premium amounts that are unrepresented by available assets, and the provision of financial assistance by YTL L&D in relation to the acquisition of the Emerald Asset and the Sentosa Assets.

Approvals from the shareholders of YTL Corp and YTL L&D were received at extraordinary general meetings on 16 August 2011 and these proposals are currently pending completion upon the receipt of the necessary outstanding consents/approvals.

- On 14 December 2010, YTL Corp announced that its subsidiaries, YTL Land Sdn Bhd, Niseko Village K.K., Business & Budget Hotels (Penang) Sdn Bhd and Prisma Tulin Sdn Bhd ("Vendors"), had entered into separate conditional sale and purchase agreements with Mayban Trustees Berhad (as the trustee of Starhill REIT) ("Trustee") for the disposal of Cameron Highlands Resort, Hilton Niseko, Vistana Penang and Vistana Kuala Lumpur ("Properties") for a total indicative disposal consideration of RM472.0 million ("Disposal Consideration"). The Vendors (save for YTL Land Sdn Bhd) and Cameron Highlands Resort Sdn Bhd which is the current hotel operator for Cameron Highlands Resort also entered into lease agreements with the Trustee on the same date for the lease of the Properties which shall be effective upon the completion of the proposed disposals on the terms and conditions set out therein.

  The Disposal Consideration is to be satisfied by via cash of RM100.0 million and convertible preference units issued by SG REIT of a value equivalent to RM372.0 million. This proposal is currently pending completion upon the receipt of the necessary approvals/consents.

  Starhill REIT is also in the process of obtaining the necessary approvals for its proposed acquisitions of Pangkor Laut Resort, Tanjong Jara Resort, Vistana Kuantan, The Ritz-Carlton, Kuala Lumpur and the remainder of The Residences at The Ritz-Carlton, Kuala Lumpur not already owned by Starhill REIT, from various other parties.

- On 8 February 2011, YTL Power Services Sdn Bhd, a wholly-owned subsidiary of YTL Cayman Limited, incorporated a wholly-owned subsidiary, YTL Power Services (Leb) SARL in Lebanon for the purpose of undertaking the operation and maintenance of the power stations in Lebanon.

- On 29 April 2011, YTL Corp completed the subdivision of every 1 existing ordinary share of RM0.50 each held in the Company into 5 ordinary shares of RM0.10 each.

- On 29 April 2011, YTL Jawa Power Holdings Limited ("YTL Jawa Holdings"), a wholly-owned subsidiary of YTL Power International Berhad ("YTL Power"), a subsidiary of YTL Corp listed on the Main Market of Bursa Securities, completed the acquisition of a 30% stake in Enefit Jordan BV ("Enefit"). Enefit is the holding company of two wholly-owned project companies developing an oil shale mining and shale oil production project and an oil-shale fired power project at Attarat Um Ghudran in Jordan. The two projects are currently at a preliminary development stage, including evaluation of oil shale deposits and project agreement discussions with the relevant authorities.

- On 7 July 2011, YTL Power and YTL Jawa Holdings entered into to a share purchase agreement with Marubeni Corporation and its wholly-owned subsidiary, Aster Power Holding BV, relating to the sale of 7,714 ordinary shares of €1.00 each and certain company interests representing a 15/35 or 42.86% equity interest in YTL Jawa Power Holdings BV. The sale was completed on 15 August 2011. YTL Jawa Power Holdings BV is the holding company for YTL Power's 35% equity interest in PT Jawa Power, the owner of a 1,220 MW power station in Java, Indonesia.

Status of Utilisation of Proceeds from Fund-Raising Exercises

Of the net proceeds received from the issue of the US$300 million Guaranteed Exchangeable Bonds due 2012 ("2012 Bonds"), approximately US$209.0 million was utilised for the payment of the acquisition of SG REIT and YTL Starhill Global Reit Management Holdings Pte Ltd and related expenses, as well as for the purchase of nil-paid rights in the open market and partial subscription of pro-rata rights entitlement pursuant to the rights issue undertaken by SG REIT.

The balance of the proceeds of the 2012 Bonds and part of the net proceeds received from the issue of the US$400 million 1.875% Guaranteed Exchangeable Bonds due 2015 ("2015 Bonds") were utilised to repay a principal amount of US$291.1 million of the 2012 Bonds pursuant to the exercise by bondholders of their right under the trust deed dated 15 May 2007 constituting the 2012 Bonds to require the Company to redeem all or some of the 2012 Bonds on 15 May 2010 at 108.70% of their principal amount, amounting to US$316.4 million. The balance of the proceeds of the 2015 Bonds is currently placed under fixed deposits pending investment.

CORPORATE RESPONSIBILITY & SUSTAINABILITY INITIATIVES

For the fifth consecutive year, YTL Corp has issued its *"Sustainability Report 2011"* as a separate report, to enable shareholders and stakeholders to better assess the Group's sustainability record. Meanwhile, YTL Corp's statements on corporate governance and internal control, which elaborate further its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

YTL Corp remains committed to developing and expanding its core competencies, supported by its technical know-how and O&M expertise, to ensure the Group's ongoing growth and development.

The Malaysian economy is expected to continue to record moderate growth in most sectors and domestic demand is expected to remain resilient, registering GDP growth between 5-5.5% for the full 2011 calendar year. Growth in major international economies is expected to remain positive, although concerns over factors such as fiscal and debt conditions in several advanced economies, high commodity prices and global supply chain disruptions continue to contribute to create uncertainty and impact overall confidence *(source: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

As recent years have demonstrated, the utility-based nature of the Group's operations and the strength of its cement, construction and property divisions, coupled with its operational and financial prudency, have provided a significant buffer against global economic fluctuations. Nevertheless, YTL Corp will remain focused on increasing operational efficiency, further reinforcing its financial strength and enhancing shareholder value.

APPRECIATION

The Board of Directors of YTL Corp wishes to take this opportunity to place on record the Group's deep appreciation for the invaluable guidance of the late Y.Bhg Mej Jen Dato' Haron Bin Mohd Taib (B), who served as an Independent Non-Executive Director on the Board for over twenty years until he passed away on 17 August 2011.

We wish to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff of the Group for their efforts in enabling YTL Corp to deliver another year of strong performance.

TAN SRI DATO' SERI (DR) YEOH TIONG LAY
PSM, SPMS, DPMS, KMN, PPN, PJK

Managing Director's Review

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
Managing Director

The Group achieved net profit of just over RM1.0 billion on the back of a record RM18.4 billion in revenue for the financial year ended 30 June 2011, driven primarily by our power generation, water and cement operations and overseas property development projects.

A key new business came online in our utilities division during the year, with the launch of 'YES', our fully converged 4G high-speed broadband platform, in November 2010. The network currently covers about 65% of Peninsula Malaysia and we are focused on further developing our coverage network and range of devices. The network offers a high-speed mobile internet with voice service and interconnects with all other voice networks (both mobile and fixed line), giving customers mobility, a high-speed broadband network, nationwide coverage and interchangeability of devices. YES also operates on a unique 'pay-as-you-use' structure, which gives our customers the option of using the network without a fixed-term contract.

In addition, the service does not require the standard Subscriber Identity Module (SIM) card and instead uses a user identification protocol and a telephone number that works across all YES-enabled devices. This SIM-less service, together with Yes Life, the system's unified communications application, effectively turns any device that connects to the Internet over any network into a phone. This enables users to connect a number of devices simultaneously to the network, with the option to access the Internet and send and receive telephone calls, emails and text messages on mobile phones, personal or tablet computers or laptops, around the globe.

The creation of this 4G ecosystem is also geared towards generating further innovation and investment in the production of devices, content and software applications as well as nurturing human capital, helping to drive growth in the economy, whilst providing subscribers with affordable mobile communications rates in one simple integrated plan that combines voice, SMS and mobile data.

The Group's key utilities continue to form the cornerstone for the Group's performance. These comprise PowerSeraya, one of the 3 largest electricity companies in Singapore with a licensed generation capacity of 3,100 megawatts, Wessex Water in the United Kingdom which has an operating region of 10,000 square kilometres, and the Paka and Pasir Gudang power stations in Malaysia, which have a combined generation capacity of 1,212 megawatts.

In July this year, we entered into an agreement with Marubeni Corporation of Japan, a key player in the international utilities market, with a view to enabling Marubeni to co-invest with us via the holding company for the Group's 35% equity investment in PT Jawa Power. Jawa Power is the owner of a 1,220-megawatt power station in Java, Indonesia. This venture forms the basis of a strategic partnership for Marubeni and the YTL Group to cooperate on potential investments and the development of future opportunities in the global utilities industry.

Our cement division delivered another excellent year, with strong financial results and expansion in its domestic and export volumes. During the year under review, the division, which previously owned a 64.84% stake in Perak-Hanjoong Simen, acquired the balance 35.16% equity interest, bolstering its organic growth with acquisition-driven expansion.

On other fronts, we are in the process of restructuring the Group's property development and hospitality businesses, which is part of a wider ongoing rationalisation exercise to reorganise our property, retail and hotel assets, and house them within the relevant business divisions. This started last year with the repositioning of Starhill REIT in Malaysia as a global hospitality REIT, involving the disposal of the its retail assets to Starhill Global REIT in Singapore. Starhill REIT will be able to focus fully on hotel and other hospitality-related assets, both in Malaysia and abroad, whilst the concentration of our property development assets under YTL Land & Development Berhad is targeted at transforming the division into an international property developer.

Meanwhile, YTL Corp undertook a 5 for 1 subdivision of its shares in April 2011 in order to increase the affordability, liquidity and attractiveness of the company's shares to potential investors, as well as our existing shareholders.

As most of our shareholders know, one of YTL Corp's founding principles is the provision of world-class products and services at competitive prices and we fully believe that our operations across the Group, from water and sewerage services in the United Kingdom and cement operations in this region, to the homes conceptualised by our property development businesses and our newest business, the provision of high-speed mobile broadband across the country, fully deliver this value to our shareholders, customers, investors and stakeholders in the communities where we operate.

Thank you to all our stakeholders and God bless all of you.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
PSM, FICE, CBE, SIMP, DPMS, DPMP, JMN, JP

Utilities

The Group's utility division achieved another year of strong performances. The Group's utility operations encompass power generation, power transmission, merchant multi-utility businesses and communications in Malaysia, Singapore, Indonesia and Australia, the provision of water and sewerage services in the UK, as well as power plant operation and maintenance ("O&M") expertise.

POWER GENERATION, POWER TRANSMISSION & MERCHANT MULTI-UTILITIES

The Group's power generation (in both contracted and merchant markets), power transmission and merchant multi-utility businesses are carried out by its 100% stakes in YTL Power Generation Sdn Bhd ("YTLPG") in Malaysia and PowerSeraya Limited ("PowerSeraya") in Singapore, as well as an effective equity interest of 20% in PT Jawa Power ("Jawa Power") in Indonesia and an indirect investment of 33.5% in ElectraNet Pty Ltd ("ElectraNet") in Australia.

YTLPG, Malaysia

Located in Paka, Terengganu, and Pasir Gudang, Johor, YTLPG's two combined-cycle, gas-fired power stations have a total generating capacity of 1,212 MW – 808 MW at Paka Power Station and 404 MW at Pasir Gudang Power Station. YTLPG has a 21-year power purchase agreement with Tenaga Nasional Berhad, whilst O&M for the Paka and Pasir Gudang power stations continues to be undertaken by YTL Power Services Sdn Bhd ("YTLPS"), a wholly-owned subsidiary of YTL Power's parent company, YTL Corporation Berhad.

Overall plant availability remained as good during the year under review with 96.43% at Paka Power Station and 93.29% at Pasir Gudang Power Station. During the year, combined power production by both stations was 97.51% of the scheduled quantities.

At Pasir Gudang Power Station, major maintenance was carried out on two turbines – Gas Turbine 12 and Steam Turbine 10 – at the inspection milestone of 100,000 equivalent operating hours. Maintenance on the turbines was performed simultaneously in order to minimise outage during the year. Control panels for the start-up frequency converter and static excitation equipment for the Gas Turbine 11 generator were also upgraded and high voltage bushings for the generator transformer were changed from the obsolete oil-filled porcelain type to the latest environmentally-friendly oil-free silicon model.

Meanwhile, Paka Power Station installed the latest and most efficient HR3 burners for Gas Turbines 11 and 12 during the 133,000-hour inspection milestone. Minor inspections were also done on the other two gas turbines at the station.

During the year, YTLPS achieved the Quality Management Excellence Award 2010 from the Malaysia Productivity Council, the highest recognition for quality excellence in Malaysia. The company is compliant to PAS 99 Integrated Management System, which comprises ISO 9001:2008 (Quality Management System), OHSAS 18001:2007 (Occupational Health and Safety Management System) and ISO 14001:2004 (Environmental Management System).

PowerSeraya, Singapore

Despite a competitive operating environment and volatile oil and currency markets over the financial year, PowerSeraya was able to maintain its leading position, with a generation market share of 28%, the highest amongst Singapore's generation companies. PowerSeraya sold 11,987 gigawatt hours (GWh) of electricity for the year under review, representing an 8.4% increase compared to the 2010 financial year on an annualised basis. With prudent bidding and hedging strategies, the company was able to continue providing cost-competitive products to its customers.

In May and June 2011, PowerSeraya also supplied electricity to Malaysia's largest electricity group, Tenaga Nasional Berhad, in the first-ever commercial sale of power supply from Singapore to Malaysia.

The completion and official launch of PowerSeraya's 800 MW Co-Generation Combined Cycle Plant ("CCP") in October 2010 marked a significant milestone. Replacing three oil-fired steam units, the CCP produces electricity and steam simultaneously with higher efficiency and reliability, and the availability of steam through the CCP has also enabled PowerSeraya to supply high pressure steam to neighbouring customers on Jurong Island. With one steam customer currently on board – Petrochemical Corporation of Singapore – the company continued to grow its customer base in steam sales and will be supplying steam to its second customer in February 2012.

Meanwhile, in June 2011, PowerSeraya's chemical laboratory was accredited with ISO/IEC17025:2005 SAC-SINGLAS Accreditation, which is a national scheme that evaluates the technical competence of testing and calibration laboratories based on the general requirements of ISO/IEC 17025 and the specific technical requirements of each field. This achievement made PowerSeraya the first power generation company in Singapore to be accredited in fuel oil and water and listed on the SAC-SINGLAS directory. The Singapore Accreditation Council (SAC) is the national agency for accreditation of conformity assessment bodies and operates under the aegis of the Standards, Productivity and Innovation Board, a non-profit statutory board of Singapore's Ministry of Trade and Industry.

In order to improve plant reliability and extend the lifecycle of its plants, PowerSeraya also completed major overhaul projects for two blocks of combined cycle power plants at the 75,000-equivalent operating hour mark during the financial year under review.

On the retail front, PowerSeraya continued to maintain its market leader position with a market share of 28.3% amongst local retailers. With a high demand of electricity over the year, the company captured market opportunities by focusing on offering varied electricity price plans to cater to different business needs. Amongst the initiatives launched during the year was a long-term product plan that facilitates renewals in order to enable better management of portfolios. As a result, overall retail units sold for the financial year stood at 7,714 GWh, a slight increase over the annualised figures of 7,658GWh last year. The retail division also enhanced customer engagement by conducting training sessions on its e-portal, SEnergy, and providing regular email updates on electricity market conditions. Moving forward, the retail arm will look at service differentiation in order to further improve customer experience.

While the market volatility and slow growth in the industry during the year under review contributed to a challenging year, PowerSeraya's trading and fuel management division continued its strong contributions to the company, helped mainly by its physical oil trading and tank leasing business activities. Leveraging on its terminal facilities located at the petrochemical hub of Singapore and cargo handling activities, the division completes PowerSeraya's energy value chain. During the year under review, the division leased out a total storage tank capacity of up to 270,000 metric tonnes. The division also has its own oil blending tanks, which have a capacity of 25,000 cubic meters that complements its existing storage tank capacity of 860,000 cubic meters. In addition, retrofitting works were carried out on the existing oil storage and jetty facilities for greater operational efficiency.

Jawa Power, Indonesia

Jawa Power is the owner of a 1,220 MW coal-fired thermal power station consisting of two electricity generation units with a net installed capacity of 610 MW each. The plant is located at the Paiton Power Generation Complex on Indonesia's most developed and populated island, Java, and supplies power to Indonesia's national utility company, P.T. Perusahaan Listrik Negara (Pesero) ("PLN"), under a 30-year power purchase agreement. O&M for Jawa Power continues to be carried out by P.T. YTL Jawa Timur, a wholly-owned subsidiary of YTL Power, under a 30-year agreement.

For its financial year ended 31 December 2010, Jawa Power posted another year of strong operational performance with average availability of 89.49%, well in excess of the 83% rate contracted under its power purchase agreement. The station generated 8,410 GWh of electricity compared to 9,105 GWh last year for its sole offtaker, PLN. The lower generation was due to Indonesia's shift in demand to hydro power in view of high rainfall in the country. For the six months ended 30 June 2011, the plant posted availability of 89.55%.

ElectraNet, Australia

In Australia, ElectraNet continued to perform well during the year under review. ElectraNet is a regulated transmission network service provider in Australia's National Electricity Market ("NEM") and owns South Australia's high voltage electricity transmission network, which transports electricity from electricity generators to receiving end-users across the state.

ElectraNet's network covers approximately 200,000 square kilometres of South Australia via more than 5,700 circuit kilometres of transmission lines and 76 high voltage substations. The company also provides the important network link from South Australia to the NEM via two regulated interconnectors, one of which is owned by ElectraNet. YTL Power also has a 33.5% investment in ElectraNet Transmission Services Pty Limited, which manages ElectraNet's transmission assets.

ElectraNet is regulated by the Australian Energy Regulator which sets revenue caps based on the company's expected capital expenditure requirements for a five-year regulatory period. The current revenue cap became effective on 1 July 2008 and is valid for a period of five years until 30 June 2013.

WATER & SEWERAGE OPERATIONS

The Group's water and sewerage operations are carried out by Wessex Water Limited ("Wessex Water"), its wholly-owned subsidiary in the UK.

Wessex Water continued to maintain its position as one of the most efficient and profitable water and sewerage companies in the UK despite challenging economic conditions during the year under review. Overall, Wessex Water provided the highest levels of service in the industry, leading Ofwat's new service incentive mechanism (SIM), an independent survey of customer experience. Ofwat is the independent economic regulator for the UK water industry.

The company also retained its UK government standard Customer Service Excellence award for its approach to customer services and continues to have the best overall package of customer guarantees in the industry.

Despite the prolonged sub-zero conditions and snow cover during December 2010 in its operating region, the company reduced leakage from 74 megalitres per day (ML/d) to meet its new target of 71ML/d, despite the end-December thaw which caused an unprecedented overnight increase in leakage with the instantaneous minimum night flow rising by 90ML/d – a doubling of leakage overnight.

Once again, compliance with drinking water standards exceeded 99.9% and compliance with sewage discharge consents continued to be 100%. Wessex Water's compliance with the European Union's mandatory bathing water standards also stood at 100% whilst compliance with the stricter standard that will come into force in 2015 was 87.2%.

Wessex Water's sewage treatment quality and improvement programme saw the completion of schemes to reduce pollution from storm overflows in Weymouth and the installation of equipment at 45 sites to record when storm overflows are operating. In addition, a major pumping station upgrade was completed at Newstead Road in Weymouth to increase capacity and improve the security of supply to Weymouth and Portland, including the site of the 2012 Olympic sailing events.

During the year under review, work began on a regional water grid which will improve the security of supply to customers and meet quality and quantity requirements for water over the next 25 years. This multi-purpose project will be the largest ever carried out by Wessex Water and will include new trunk mains, new service reservoirs and new and improved pumping stations across Dorset, Somerset and Wiltshire. Construction is expected to start in 2013 and continue through to 2018. Once complete the new grid will improve the

security of supply to customers, even in the event of a catastrophic source failure, meet customer demands for water over the next 25 years, meet the reductions in abstraction licences required by the UK Environment Agency to improve flows in some rivers and protect their ecology, and deal with deteriorating raw water quality, particularly increasing concentrations of nitrates at some groundwater sources.

Work has also commenced at Weston-super-Mare sewage treatment works under a £26 million scheme to improve secondary treatment and storm storage to meet the requirements of the revised European Union Bathing Water Directive. The improvement work will be completed two years in advance of the new directive and involves increasing the secondary treatment and ultraviolet disinfection capacity which will improve the quality of discharges from the works.

Wessex Water's regulated asset base increased moderately by 5.9% to £2,396 million (RM11.7 billion, based on an exchange rate of £1.00 : RM4.90) for its regulatory year ended 31 March 2011, compared to £2,262 (RM11.1 billion) for its previous regulatory year.

COMMUNICATIONS

The Group's communications operations in Malaysia are carried out by its subsidiary, YTL Communication Sdn Bhd ("YTL Comms"). Pursuant to the approval from the Malaysian Communications and Multimedia Commission to operate a 2.3 gigahertz (GHz) wireless broadband network in Malaysia, YTL Comms launched and commenced commercial operations of its 'YES'-branded converged nationwide 4G network in November 2010.

The network offers high-speed mobile internet with voice services covering approximately 65% of Peninsular Malaysia and interconnects with all other voice networks (both mobile and fixed line) so YES is able to offer a converged voice and data service to its customers. YTL Comms' partners include some of the most advanced global technology pioneers in their respective fields, including Cisco (for core network services and business and operational support systems), Clearwire (for technology advisory), GCT Semiconductor (for 4G chip solutions), Samsung (for the supply of radio access network, Internet protocol (IP) multimedia systems and 4G-enabled devices) and Telekom Malaysia Berhad (for the provision of backhaul infrastructure).

YTL Comms offers a differentiated service in terms of its 'pay-as-you-use' structure, which provides customers with the option to utilise the network without committing to a fixed-term contract, and a platform which provides customers with mobility, a high-speed broadband network, nationwide coverage and interchangeability of devices. YES does not rely on the standard Subscriber Identity Module ("SIM") card and instead uses a user identification protocol and a telephone number that works across all YES-enabled devices. This SIM-less service, together with Yes Life, the system's unified communications application, effectively turns any device that connects to the Internet (whether through wireless fidelity ("WiFi"), third generation (3G) or the YTL Comms 4G network) into a phone, thereby enabling a number of devices to be simultaneously connected to the network, giving users the option to access the Internet and send and receive telephone calls, emails and short messaging services (SMS) on mobile phones, personal or tablet computers or laptops globally.

YTL Comms has also formed the 4G Innovation Network, in cooperation with its partners. The 4G Innovation Network in Malaysia is linked to Clearwire's Innovation Network in Silicon Valley and is designed to facilitate the free flow of ideas and information and the development of content across borders, expanding the ecosystem to link Malaysian and other Asian developers directly with their counterparts in Silicon Valley.

A comprehensive portfolio of 4G devices has been launched to date, including the YES Go (4G USB dongle), the Huddle (4G mobile router that can connect up to five devices to the YES network simultaneously), the Buzz (mobile cloud phone) and the Zoom (WiFi router designed for home and office use).


KLIA
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Cement Manufacturing

The Group's operations in Malaysia and overseas, in China and Singapore, continued to perform well across the board during the year under review, supported by its strategy of organic and acquisition-driven growth, coupled with an ongoing drive to improve plant and logistical efficiencies and customer service.

Operations in Malaysia

The Group continued to meet its operational targets across all divisions during the year under review, and improved performance by reducing costs and ensuring the comprehensiveness of its logistics network and supply chains to meet customers' requirements. The strategic geographical locations of its plants, coupled with fully-integrated production processes, enabled the division to achieve cost savings and economies of scale derived from the Group's annual production capacity of 6.0 million metric tonnes for clinker and 8.0 million metric tonnes for cement.

The Group's nation-wide distribution network and operations enabled it to maintain market share in its operating areas during the year under review, supported by strong customer loyalty and demand. The division has the proven track record and ability to manufacture and supply bespoke building materials and products of the highest quality to meet increasingly sophisticated customer requirements.

The division's quarry operations, which comprise 11 quarry sites across Peninsula Malaysia, substantially supply aggregates and manufactured sand used in the Group's ready-mixed concrete manufacturing business, thereby facilitating further streamlining of its production processes. During the year, the Group also entered into an agreement to operate and lease new quarry land in Seberang Perai, Penang, and will commence operations upon receipt of approvals from the relevant authorities. The Group's quarry business also provides limestone quarrying services and undertakes the manufacture and distribution of premix products which supplement its operations. These include Asphaltic Concrete Wearing Course, Asphaltic Concrete Binder Course, Dense Bitumen Macadam, Normal Premix Wearing Course and Normal Premix Binder Course, used primarily in the construction of large-scale infrastructure, including roads, highways and airports.

The Group has continued to pursue the use of alternative fuels and energy sources to mitigate the effects of increases in conventional fuel costs and to reduce the Group's overall carbon footprint.

Overseas Operations

The division's plant in China is located in the Linan district of the Zhejiang Province in China and is one of the dominant suppliers in the wider Hangzhou market, with production capacities for 1.55 million tonnes per annum of clinker and 2.00 million tonnes per annum of cement. During the year under review, the Group continued to make good progress in meeting the plant's key operational targets.

In Singapore, the division's operations also performed well during the year under review, supported by ongoing demand for the Group's range of blended cement products. Singapore's construction sector continues to register positive growth levels, moderating to 6.1% for the 2010 calendar year, compared to overall growth of 17.1% in 2009 *(source: Ministry of Trade & Industry Singapore economic updates).*


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STAR
YTL CEMENT

Construction Contracting

During the year under review, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), a wholly-owned subsidiary and the flagship construction company of YTL Corp, completed construction on a number of residential and commercial developments, whilst commencing works on several new projects. Construction is also ongoing on additional base stations, which form part of the infrastructure for the 4G platform that the Group owns and operates across Peninsula Malaysia.

In the Group's portfolio of residential and commercial property construction contracts, progress continued during the year under review on new phases of the Group's Sentul development. These include the first phases of commercial development at Sentul, d6 and d7 at Sentul East, which comprise boutique offices and shop lots. d7 was completed ahead of schedule and handed over in November 2010 whilst d6 was completed in July 2011.

Work has also commenced on The Capers, the latest phase of residential units at Sentul. The Capers is a 2-tower development of 36 storeys each, with 2 low-rise blocks of 5 storeys each on the podium floors of the towers. The distinctive, futuristic design of The Capers' two towers presents a unique standard in construction and architectural design for the Group. To date, the Group has completed construction ahead of schedule on three residential phases of Sentul, namely, The Tamarind and The Saffron at Sentul East, and The Maple at Sentul West.

During the year under review, SPYTL completed construction of the new Sentul-KTM station, which replaces an existing KTM station, as part of upgrading works under the 6th Malaysia Plan that includes electrified double tracks and new stations from Taman Wahyu up to Batu Caves. The station highlights accessibility, with disabled-friendly access, and connectivity, with extensive drop-offs and link-bridges.

The new station consists of two platforms covered by cantilevered roof forms with the station concourse and ticketing areas located in the futuristic curvilinear roof form. The concourse is linked over the railways lines to both Sentul East and Sentul West via connecting bridges. With its dynamic form, the new Sentul station is a marker for the surrounding area and the future of train travel in the city.

Construction of the Sentul station was especially complex as it was required to be built over an operational electrified track. As such, the platforms were constructed in 2 stages and the cantilevered roof form was designed to accommodate this phasing. CNC (Computer Numerically Controlled) technology was used for the structure of the main curvilinear concourse, to control the radius of the curvature. The link-bridge structure used precast M-beams to achieve a longer span to connect Sentul East and West. The construction process was therefore expedited by using pre-cast elements and structural steel, which reduced construction waste.

At SPYTL's Lake Fields and Midfields developments in Sungei Besi, The Trillium, consisting of 64 and 78 units of offices and shop lots in Phases 2A1 and 2A3, respectively, were completed during the year under review. Meanwhile, construction commenced on two new phases – Dale, which comprises 343 units of 3-storey, 5-bedroom houses with a built-up area of 2,600 sq.ft., and Grove, comprising 102 units of 3-storey, 4+1-bedroom lakeside semi-detached houses in two built-up sizes, 4,300 sq.ft. and 5,900 sq.ft. Grove also offers two unique additions, with a choice of a sky garden or lift access with a basement car park. At Midfields, 308 units of medium cost apartments with a built-up area of 1,050 sq.ft. were completed in September 2011, whilst 462 units of similar apartments are under construction, together with 40 units of 3-storey commercial shoplots.

At the Lake Edge development in Puchong, construction was completed on the remaining 20 units of Waterville villas, with the first phase of 30 units being completed and handed over during the 2010 financial year. Development is also well underway on a further 30 units of Pavilion Terraces, which are scheduled to be completed towards the end of 2011.

In Singapore, the Group is undertaking construction of 18 waterfront villas comprising the Sandy Island collection and 13 luxury bespoke villas comprising the Kasara – the Lake collection, both of which are part of Singapore's vast Sentosa Cove development. Construction is well underway and scheduled to be completed in early-2012.

Property Development & Investment

The Group's property development and investment activities encompass residential and commercial developments in Malaysia, residential developments in Singapore and real estate investment trusts in Malaysia and Singapore.

Residential & Commercial Developments in Malaysia

In March 2011, the Group launched the latest residential phase of its development in Sentul, **The Capers at Sentul East**, which achieved a 100% take-up rate within the first two days of its preview. The Capers is the third residential development to be launched in Sentul East, following The Tamarind and The Saffron, whilst one phase, The Maple, has been launched at Sentul West. These earlier phases were all completed and handed over on schedule and have continued to register strong capital appreciation.

At 36 storeys, the distinctive, futuristic design of The Capers' two towers has altered and given new life to Sentul's evolving skyline. The Capers features 485 units housed in the pair of towers and 5-storey low-rise blocks on the podium floors of the towers. Built-up areas for the tower units range from 695 sq.ft. to 1,567 sq.ft. with 2-bedroom and 3+1-bedroom configurations, whilst the low-rise suites feature 4+1+1-bedroom duplexes with a built-up area of 2,524 sq.ft., and 2+1-bedroom, 3-storey single level suites with a built-up area of 999 sq.ft.

Sentul's commercial phases currently comprise boutique offices, **d6** and **d7 at Sentul East**, whilst new developments include the d2 and d5 commercial phases. Sentul's business precinct offers a vibrant new genre of modern offices and has proven highly attractive to buyers drawn to the stylish, cosmopolitan environment.

During the year under review, d7 was handed over ahead of schedule in November 2010. Meanwhile construction works on d6 are well underway and on target for completion in late-2011. Building works on the exterior are essentially complete, whilst architectural works on the building interior and landscaping works on the street front and atrium are progressing on schedule.

Lake Edge, the Group's gated development in Puchong, continues to thrive. Work is well underway on the second phase of **Pavilion Terraces**, which comprises 30 additional units of the highly sought-after 2½ -storey homes launched in November 2009. Pavilion Terraces were first launched in 2004, with 100% of units being sold out within the first few days of the launch. The overwhelming response received for this latest second phase demonstrates the high appreciation of these unconventional offerings, which include a spacious built-up area of 3,186 sq.ft. set within a generous 22 ft. by 100 ft. lot size, and feature a unique water-themed living room housed within a pavilion.

The Group's extensive **Lake Fields** and **Midfields** mixed developments in Sungei Besi have achieved excellent take-up rates for all phases launched to date, including its residential phases, Meadows, Glades and Dale, as well as commercial phases of shop offices, The Trillium and Midfields Square.

The most recently launched residential phase, Grove, was sold out on the first day of its preview in June 2011. The 3-storey, 4+1-bedroom lakeside semi-detached homes of Grove comes in two built-up sizes, 4,300 sq. ft. and 5,900 sq.ft., and offers a choice of a sky garden or lift access with a basement car park for up to six cars in addition to one ground-level car park bay.

The Group was once again recognised for its innovative concepts and designs, winning three awards at the 2011 PAM (Malaysian Institute of Architects) Awards in June 2011. Held since the 1990s, the PAM Awards are the premier awards for architecture in Malaysia, honouring contributions made by architects, clients/owners and builders/contractors for architectural design and building excellence. The Group won Gold awards for Centrio in Pantai Hillpark (Multiple Residential-High-rise) and the YTL Communications Network Operations Centre in Sentul Park (Adaptive Re-use), as well as a Silver award for d7 at Sentul East in the commercial building category. d7 also won the Singapore Institute of Architects (SIA) Architectural Design Award with an honourable mention in the commercial building category in May 2011.

Residential Developments in Singapore

The Group's property portfolio in Singapore currently consists of two waterfront villa collections, **Sandy Island** and **Kasara – The Lake**, in Sentosa Cove and **Westwood Apartments**, on Orchard Boulevard. Sentosa Cove is the only marina community and gated residential precinct in Singapore and is also the only place in Singapore where foreigners can buy landed properties.

Sandy Island and Kasara – The Lake are the first 2 property developments in Singapore by the Group. Located in Sentosa Cove, the prestigious developments featuring waterfront villas are both in their final stages of construction, with the completion of the superstructure and the architectural works currently in progress. The developments are expected to be completed in the first quarter of 2012.

Designed by world-renowned Italian Architect Claudio Silvestrin, famed for designing 26 Giorgio Armani flagship stores around the world, Sandy Island was awarded the CNBC Asia Pacific Residential Award for Best Development in Singapore. Sandy Island is a tropical oasis with a collection of 18 waterfront villas nestled within a lush rainforest setting. Designed to be a masterpiece of art, each villa boasts a double-volume living room, a gourmet kitchen with state of the art appliances, a private berth, a private lift and a car lift for a basement garage.

Launched in January 2010 and fully sold within 3 months of its debut, Kasara – The Lake is a rare collection of 13 luxury villas nestled within a bamboo forest and shimmering lake with incomparable vistas of a private golf course and the city skyline. Surrounded by water features as an extension to the lake, the seemingly floating villas adopt Asian architectural principles with the integration of open courtyards. The villas afford unobstructed views and access to the outdoor cantilevered pool and deck above the lake.

Meanwhile, Westwood Apartments, a prime freehold residential property on Orchard Boulevard acquired by the Group via an en-bloc sale, will be developed into a premium residential development comprising a 25-storey block with 78 condominium flats, 3 basement carparks, a swimming pool and communal facilities. Strategically located within the main Orchard shopping and entertainment belt, it is within easy access to the train stations that offer connectivity within Singapore's efficient Mass Rapid Transit system. The development plans for the proposed development are in progress and the existing old building on site has been demolished. Construction of the new proposed development will commence in 2012.

Real Estate Investment Trusts ("REITs")

During the year under review, the Group continued to progress on the ongoing rationalisation of its hotel and retail assets. Starhill REIT in Malaysia is in the midst of a rebranding exercise to reposition the trust as a pure-play hospitality REIT which will focus solely on hotel and hospitality-related assets, whilst Starhill Global REIT in Singapore continues to focus on retail assets. Starhill Global REIT currently owns stakes in Wisma Atria and Ngee Ann City in Singapore, seven boutique properties in Japan, a prime retail shopping centre in China, the David Jones Building in Perth, Australia and Starhill Gallery and parcels in Lot 10 Shopping Centre in Malaysia.

Hotel Development & Management

The Group now operates hotels and resorts in Malaysia, Borneo, Bali, Thailand, Japan and France, and will continue to expand world-wide in keeping with its long term objective to become a global hotel operator.

The newly launched resorts in Saint Tropez, France, and Niseko, Japan, are milestones that have set a template for the future. Both resorts received numerous international accolades attesting to the Group's expertise in design, operations and business acumen, and the division was recognised with the award for 'Merger & Acquisition Deal of the Year' at the 21st Hotel Investment Conference Asia-Pacific held in Hong Kong recently.

The Group is currently constructing the first of its two resorts in Borneo, the Gaya Island Resort, eight kilometres offshore from Kota Kinabalu. Also under construction is The Majestic Kuala Lumpur, featuring the original and fully restored five-storey Majestic Hotel, and an all-new 15-storey structure with architecture that complements the original.

Niseko Village, Hokkaido, Japan

Since its acquisition last year, Niseko Village, at the base of Mount Niseko An'nupuri in Hokkaido, Japan, has reinforced its reputation as the world's top ski destination by being honoured with multiple international travel and design awards in 2011, including the prestigious accolade of "Best Ski Resort" as voted by CNNGo.com.

After extensive renovations, the Green Leaf Niseko Village reopened in December 2010 and was immediately acknowledged as one of the "Best New Hotels" by Travel + Leisure magazine, and as one of the "41 Places to Go in 2011" by the New York Times. The hotel's spa was named one of the "40 Best New Spas in the World" by Condé Nast Traveler US. This hotel is distinctive as it is designed as a "ski-in-ski-out" hotel, with the finest powder snow in the world at its doorstep. The hotel's inspiring interiors, designed by the acclaimed Champalimaud Design firm, also won the hotel the renowned "Best Hotel Interior Japan" award at the International Hotel Awards 2011 in association with Bloomberg. The design reflects a contemporary style embracing the creative artwork of well known Japanese artist Emi Shiratori.

Hilton Niseko Village was voted as the world's "Best Ski Resort" by CNNGo.com and received leading design accolades for The Lookout Café restaurant located high on Mount An'nupuri. Designed by celebrated interior designer Yukichi Kawai of Design Spirits, The Lookout Café won "Best International Restaurant" at the Restaurant & Bar Design Awards UK event and also placed in the "Best 100" at the JCD Design Awards event in Japan. The UK Telegraph named The Lookout Café one of the "World's Ten Best Mountain Dining Restaurants".

Muse Hôtel De Luxe, St. Tropez, France

Following its successful launch in November 2010, The Muse has been the talk of the Riviera. The hotel quickly acquired numerous distinctions, amongst these, appearing in Condé Nast Traveller UK's "Hot List 2011", which named The World's Best 65 New Hotels. In its Travel Guide 2011, Harper's Bazaar UK, cited Muse as "Best for low key Cote D'Azur" and went on to write, "Muse is an enclave of true exclusivity". The Tatler UK, in its 101 Best Hotels 2011, named Muse as a "Weekend Wonderland" while Frommers.com called Muse, "One of the 8 Best New Hotels in France". The hotel was also named "Best Hotel Interactive Communication In Europe 2010" by the Villegiature awards. Amongst the high-profile visitors throughout the summer were Hugh Jackman, Felipe Massa, Victoria Silverstield and Kenneth Branagh.

Swatch Art Peace Hotel Shanghai, China

The Swatch Art Peace Hotel is a historical building with just 7 guest suites, and 18 artist residences or ateliers. This fully restored landmark at the Bund showcases four flagship watch boutiques, Breguet, Omega, Blancpain and Swatch, as well as an exhibit area for the display of art. Shook! is the featured restaurant with The Gallery, a function suite for events. The Terrace at the roof top of the building is an iconic bar and lounge meeting place with a terrific view of the Bund and river.

The Shook! Grand Opening in June 2011 was the most highly anticipated event on the Bund, with over 400 guests representing Shanghai's business community and society attending the event. Hotel operations are scheduled to commence in November 2011. The 7 guest suites in the Residences of the Hotel are of imaginative and pioneering design, a departure from traditional hotel accommodation. However, the hotel's façade, lobby and reception areas retain the old-world charm for which the original hotel was famous.

Gaya Island Resort, Sabah, Malaysia

Pulau Gaya, the largest island in the Tunku Abdul Rahman Marine Park, a marine conservation area off the coast of Borneo, is the location for the Gaya Island Resort, just 8 kilometres off the coast of Kota Kinabalu. The island is covered in a lush tropical forest, surrounded by coral reefs and features a golden sands beach fronting the resort. Less than 35% of the Resort's 40-acre area is being developed, and its construction uses techniques that preserve the natural environment. The 120 spacious hill villas and 1 suite showcase traditional Sabahan architecture. The resort features 2 restaurants, Feast Village and Fisherman's Cove, a swimming pool and a Spa Village, particularly unique in its mangrove setting. Overall the Resort will be "Distinctively Borneo" and is scheduled to open in May 2012.

The Surin, Phuket, Thailand

Rebranded from The Chedi Phuket and reopening this November, The Surin has been totally renovated, including all 108 guest rooms, public areas, two restaurants, a new beach bar, an enlarged spa and gymnasium, as well as newly enhanced meeting room

facilities. The Resort has been successfully launched with sales figures expected to exceed previous levels.

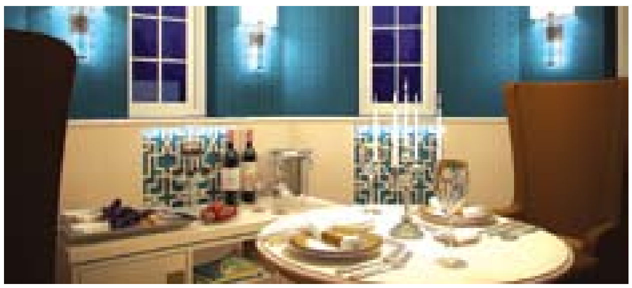
Pangkor Laut Resort

Enhancements to this impressive resort continued through the year. The Sea Villas and walkways were reconditioned, and all guest villas were fitted out with new LCD flat screen televisions. State of the art technology was introduced with the advent of YES 4G mobile internet with voice service on the island. The guest limousine service to Lumut now features 4G wireless access assuring personal smart phones, tablets, laptops and iPads internet connections while en route.

The Resort added the following to its growing collection of awards and distinctions, including Global Winner, "Best Luxury Destination Spa" at the World Luxury Spa Awards 2011, 'Best Spa Resort" by CNNGo!, "Hot 25 Spa Hotels/Resorts in Asia" by Smart Travel Asia, "Top 10 Hotel Spas in Asia" and "Top 15 Resorts in Asia" by Travel + Leisure World's Best Awards, "Best Spa Resort", "Best Beach Resort" and "Best Service Award" by Expatriate Lifestyle in their Best of Malaysia Travel Awards and "Hotel/Resort of the Year" and "Spa of the Year" by Hospitality Asia Platinum Awards.

Tanjong Jara Resort

Tanjong Jara Resort upgraded its Anjung Rooms as well as its Anjung Suite with WIFI access, an i-Pod dock and DVD player. All guest rooms are now equipped with LCD televisions. A Kids Zone has been introduced to the resort featuring popular interactive games, a Sony Play Station, LCD television and DVD player. These enhancements enable Tanjong Jara Resort to maintain its reputation as the premier resort on the east coast.



Recently, Tanjong Jara Resort was featured in Varun Sharma's popular UK travelogue TV series, "Inside Luxury Travel". The Spa Village Tanjong Jara won "Best Spa Experience" in the Malaysia Spa & Wellness Awards 2011. Expatriate Lifestyle's The Best of Malaysia Travel Awards, 2010 presented the Resort with Excellence Awards for "Best Beach Resort" and "Best Spa Resort".

Cameron Highlands Resort

Cameron Highlands Resort continues to build on its reputation as a quality retreat for both leisure and business travellers. The resort remains a firm favourite for conference organisers. Operationally results are ahead of historical levels. The resort received a Certificate of Excellence 2011 from Tripadvisor, the well-known web-based hotel recommendation and review site. Expatriate Lifestyle's The Best of Malaysia Travel Awards named the Resort "Best Non-Beach Resort".

The Majestic Malacca

The Majestic Malacca continues to prove a popular destination with visitors to Malacca, and has made significant progress in establishing a week day business traveller base. Operating results are much ahead of a year ago. The Majestic Malacca is developing a reputation for being the best hotel in Malacca.

Earlier this year the Majestic Malacca hosted the winner of the popular Australian Masterchef competition, Adam Liaw, who led a group of Australian journalists in cooking demonstrations at the hotel. Expatriate Lifestyle's The Best of Malaysia Travel Awards 2010, named the hotel, "Best City Hotel" and "Best Boutique Hotel". Hospitality Asia Platinum Awards 2010 included The Majestic Malacca in the top five of its categories "HAPA Spa of the Year", "HAPA Best Spa Experience" and "HAPA Best Boutique Hotel/Resort".

Spa Village Resort Tembok, Bali

Spa Village Resort Tembok, Bali, has established itself as a high quality spa retreat on the northeast coast of this famous Indonesian island. Customer comments frequently include rave reviews of service and product innovations, and overall the Resort is highly rated by all who stay there. The efforts to continually upgrade, enhance and introduce improvements to guest services are notable, among these the implementation of a monthly International Guest Artist/Therapist Programme. The resort was also named "Best Boutique Spa 2010" at the Spa Asia Crystal Awards.

The Majestic Kuala Lumpur

The Group is building its second Classic Hotel, The Majestic Kuala Lumpur, on a 3.2-acre site opposite the Old Railway Station that includes the original Majestic Hotel building along Jalan Hishamuddin. The Majestic Hotel experienced great popularity and commercial success following its opening in 1932, becoming an icon of Malaya's boom years leading to World War II. Kuala Lumpur society and the business community made full use of the Majestic. It came to be the place for glamorous social events, government receptions and the residence for prominent international visitors. Culturally, the Majestic was the nexus of activity in a vibrant Kuala Lumpur. The Majestic Kuala Lumpur is positioned to share the heritage, popularity and success of its predecessor.

The Majestic Kuala Lumpur will feature two buildings, the original, and fully restored, five-storey Majestic Hotel and an all-new 15-storey block. The hotel will total 300 guest rooms and suites, 2 full-service restaurants, 16 meeting rooms and a pillar-less ballroom seating 1,200. A free standing Spa and a gentlemen's atelier complete the facilities of this luxury hotel opening December 2012.

The Ritz-Carlton, Kuala Lumpur

The Ritz-Carlton, Kuala Lumpur continues to differentiate itself from its competitors through the highly personalised service it provides its guests. The all-butler service remains unique to the city. The hotel has implemented small but significant upgrades in product to enhance its appeal to the modern business traveller. All guest televisions have been upgraded to high-definition LCD sets; external landscaping has been enhanced; and several innovations introduced to meetings operations. These efforts have produced results significantly ahead of last year.

Celebrity arrivals include Michael Bublé, Nigel Barker, Hillary Clinton and Tony Blair. Additionally the strong relationship enjoyed with the Asian Food Channel produced a successful event with Chef Martin Yan. An event featuring Chef Mark McEwan is next and others will follow. In addition, the hotel was recently voted one of Travel + Leisure's "Top 25 City Hotels in Asia 2011".

JW Marriott Kuala Lumpur

JW Marriott Kuala Lumpur has completed renovations to all guest rooms, meeting rooms, the swimming pool and the Starhill Spa. The Marriott Group updated the image of the JW Marriott brand, with new amenities and collateral adding to the refreshed look of the hotel. Guest services are upgraded by the introduction of a single "At Your Service" call option. The former Starhill Lounge has been redesigned and renamed as the very elegant Starhill Tea Salon, with initial sales being a multiple of earlier results. Response from both guests and travel trade has been very positive, and the Hotel continues to be a leader in occupancy levels attained.

YTL Travel Centre

The YTL Travel Centre continues in its role as both a web-based retailer and as a central reservations service for all of the Group's resorts. Organisationally, the Travel Centre has been restructured to accommodate the growth in the number of hotels and introduce improvements to its scope of services. The YTL Travel Centre expanded its operations to include Singapore, opening a full service retail outlet in Wisma Aria, along Orchard Road, in November 2010. Open 7 days a week, it gives the Group's hotels and resorts a physical presence in this key city.

Vistana Group of Hotels

Operationally, each Vistana Hotel posted large increases in revenues and profits this year. In keeping with this business improvement, profit maintenance projects are underway. At the Vistana Kuantan, three additional meeting and function rooms were added. The Vistana Kuala Lumpur is renovating its existing function rooms and adding ten new function rooms to enhance its corporate meetings business base. The Vistana Penang will renovate its 181 apartments. All three Vistana Hotels will upgrade their Coffee Houses.

Eastern & Oriental Express

The past year has seen encouraging growth for the Eastern & Oriental Express. Though some markets have yet to recover, robust regional bookings now make South-East Asia E&O's second largest market. The "Chronicles of South-East Asia" collection was launched in January of this year. The collection introduces new 6-night itineraries offering guests more excursion programmes to a variety of destinations new to E&O. The voyages are limited to just 60 guests and all journeys offer an extensive programme of exciting excursions, overnight off-train experiences, including Cameron Highlands Resort, and guest lecturers on board. A well-orchestrated media campaign produced outstanding results with extensive coverage for the new Chronicles of South-East Asia journeys in magazine, newspaper and television reports in all key markets.

IT & e-Commerce Initiatives

The Group's operating segments continued to perform well during the year under review, driven by fee income from its 2.3 gigahertz ("GHz") Worldwide Interoperability for Microwave Access ("WiMAX") spectrum and digital media applications under YTL Info Screen Sdn Bhd ("YTLIS").

The Group's subsidiary, Y-Max Networks Sdn Bhd ("Y-Max Networks"), is the owner of the 2.5GHz WiMAX spectrum. This spectrum is leased to YTL Comms which successfully rolled out and launched its 'YES'-branded wireless broadband network across Peninsular Malaysia in November 2010.

Through the 'YES' network, Y-Max Networks' spectrum has facilitated the introduction of high speed WiMAX mobility services in Malaysia, providing end-users with a significantly enhanced internet surfing experience and establishing WiMAX as a major platform for next-generation converged communication services that meet the needs of users for fast, ubiquitous and always-connected voice, data and video services in Malaysia.

Meanwhile, YTLIS, the Group's digital media narrowcasting division, continued its steady performance as an innovator in the digital narrowcast media sector in Malaysia during the year under review, achieving growth in revenue mainly from creating content and delivering advertising on digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, including the new iconic digital "cube" outside Lot 10 shopping centre, other digital networks in other shopping centres such as Sungei Wang Plaza in Kuala Lumpur, and on the Kuala Lumpur Express Rail Link (KLIA Ekspres) trains.

Protection of the Environment

In tomorrow's resource-constrained world that seriously addresses the problems of waste, 'business-as-usual' is a dangerous strategy. Corporate and global leaders urgently need to embrace the planet-saving message of our future resource-constrained world. A major industrial revolution is inevitable – a roadmap is needed to cross the chasm to a new economy that relies less on resources and a license to operate that is not based on a mantra of 'take-use-discard'.

– Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE,
Managing Director of YTL Corporation Berhad

20 OCTOBER 2010

LAUNCH OF 800 MW CO-GENERATION COMBINED CYCLE PLANT

PowerSeraya Limited, a subsidiary of the YTL Group, officially launched its newest 800 megawatt (MW) natural gas-fired co-generation combined cycle plant, which is capable of producing electricity and steam at higher rates of efficiency.

(Top) From left to right: John Ng, Chief Executive Officer of PowerSeraya Limited; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; Dr Yaacob Ibrahim, Singapore's Minister for Information, Communications and the Arts; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad.

(Bottom) From left to right: Stuart Glen, President & Chief Operating Officer of Parsons Brinckerhoff; Jung Yeong Joo, Chief Executive Officer of Samsung; John Ng; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay; Dr Yaacob Ibrahim; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; and Dr Ranier Hauenshchild, President of Energy Solutions, Siemens.

20 OCTOBER 2010

2010 OSLO BUSINESS FOR PEACE AWARD

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING NAMED PRIMUS INTER PARES (FIRST AMONG EQUALS) HONOUREE

After being conferred the 2010 Oslo Business for Peace Award – the highest distinction given to a business person for outstanding accomplishments in the area of ethical business – at the fourth annual Oslo Summit on Peace through Trade, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, was also named as Primus Inter Pares (translated as 'First Among Equals') Honouree. This is the first time the honorary title has been given to an Asian businessman, and recognises efforts in promoting peace through business and championing ethical and socially responsible business practices both at home and around the world.

Per L. Saxegaard, Chairman of the Oslo Business for Peace Award Foundation, presents the award to Tan Sri Dato' (Dr) Francis Yeoh Sock Ping.

26 OCTOBER 2010

ECS PARTNERSHIP TO DISTRIBUTE 4G NETWORK

YTL Communications Sdn Bhd, a subsidiary of the YTL Group, formalized an exclusive distributorship deal with a subsidiary of ECS ICT Berhad (ECSB), a leading distribution hub for information and communications technology (ICT), to distribute YTL Communications' 4G devices through ECSB's nationwide ICT channel in Malaysia.

From left to right: Wing K. Lee, Chief Executive Officer of YTL Communications Sdn Bhd; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; Dato' Teo Chiang Quan, Chairman of ECS ICT Berhad; and Foo Sen Chin, Managing Director of ECS ICT Berhad.

15 NOVEMBER 2010

COLLABORATION WITH RTM AND PRIMEWORKS

YTL Communications Sdn Bhd, a subsidiary of the Group, signed agreements with Radio Televisyen Malaysia (RTM) and Primeworks Studios Sdn Bhd to further enhance the local television experience and propel Malaysia into a regional digital broadcast hub. Primeworks Studios is Malaysia's biggest production company and a wholly owned subsidiary of the Media Prima Group, Malaysia's leading integrated media investment group. Under the agreements, YTL Communications will work towards hosting RTM's and Media Prima Group's channels and local content on its next generation television service.

From left to right: Datuk Ibrahim Yahaya, Director General of RTM; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; and Dato Amrin Awaluddin, Director of Primeworks Studios Sdn Bhd and Group Managing Director of Media Prima Group.

19 NOVEMBER 2010

LAUNCH OF YES, WORLD'S FIRST FULLY CONVERGED 4G MOBILE INTERNET SERVICE WITH VOICE

YTL Communications Sdn Bhd, a subsidiary of the YTL Group, launched YES, its 4G wireless network with nationwide coverage across Peninsula Malaysia. YES is the world's first fully converged 4G mobile internet service with voice, offering customers mobility, a high-speed broadband network, nationwide coverage and interchangeability of devices.

From left to right: Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; Tan Sri Dato' Haji Muhyiddin Yassin, Deputy Prime Minister of Malaysia; and Dato' Seri Utama Dr. Rais Yatim, Information, Communications, and Culture Minister of Malaysia.

26 NOVEMBER 2010

CNBC CORPORATE SOCIAL RESPONSIBILITY AWARD 2010

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, won the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards (ABLA) 2010, which honours the top business leaders in the Asian region who have contributed and shaped the Asian economy, making a difference through leadership in their respective industries.

The Corporate Social Responsibility Award recognises outstanding contributions to the arts, education, the environment and community development, and is bestowed on the candidate who has the ability to translate a company's success into benefits for the community.

From left to right: Jaime Augusto Zobel De Ayala, Chairman of Ayala Corp; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; Sir Gordon Wu, Chairman of Hopewell Holding Ltd; and Maria Bartiromo, award-winning anchor and host of the live awards show.

1 DECEMBER 2010

HAPA LIFETIME ACHIEVEMENT AWARD FOR HOSPITALITY DEVELOPER OF THE YEAR

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, was awarded the HAPA Lifetime Achievement Award for Hospitality Developer of the Year at the recent HAPA 2010-2012 Malaysia Series Gala Dinner and Awards Presentation. Several properties and employees of the YTL Group were also recognised for their accomplishments at the Gala Dinner, bringing the Group's awards total to 21 this year.

HAPA Lifetime Achievement Award for Hospitality Developer of the Year awarded to Tan Sri Dato' (Dr) Francis Yeoh Sock Ping.

5 JANUARY 2011

YES TRANSFORMS UNIVERSITI SAINS MALAYSIA INTO FULL 4G CAMPUS

YES successfully activated its campus-wide 4G network in the main campus of University Sains Malaysia (USM) in Penang, making the university one of the first completely 4G-enabled universities in the country and giving over 20,000 students access to seamless 4G broadband.

Under its Education Partner Program (EPP) initiative, the Group aims to bring YES 4G converged mobile data and voice services to more than 400,000 students in all the public universities and selected private institutions of higher learning in Malaysia.

From left to right: Yasmin Mahmood, Executive Director of YTL e-Solutions Berhad and Director of YTL Communications Sdn Bhd; Dato' Sri Michael Yeoh Sock Siong, Executive Director of YTL Corporation Berhad; Professor Tan Sri Dato' Dzulkifli Abdul Razak, Vice-Chancellor of Universiti Sains Malaysia; and Wing K. Lee, Chief Executive Officer of YTL Communications Sdn Bhd, at the signing ceremony.

26 MARCH 2011

EARTH HOUR 2011

In conjunction with Earth Hour 2011, more than 30 of the YTL Group's iconic establishments across Malaysia, Singapore, Indonesia, Thailand, Japan and the United Kingdom observed 90 minutes lights-off from 8.30pm to 10.00pm. To mark this meaningful 1.5 hours of darkness, the YTL Group held a special celebration at Lot 10's "Forest in the City" Rooftop Garden in the heart of Bukit Bintang.

Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad (2nd from left), with guests and celebrities at the Earth Hour Celebration at Wisma Atria shopping centre in Singapore.

Supporting Education & Community Development

"We desperately need good governance, the rule of law and transparent regulatory frameworks in the global economy to rebuild trust and regain moral integrity. We must promote courageous and responsible leaders to high places. Ethical business and commercially profitability do not have to be mutually exclusive. Being a force for good is not a zero-sum game."

– Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE,
Managing Director of YTL Corporation Berhad, Primus Inter Pares (First Among Equals) Honouree at the 2010 Oslo Business for Peace Award, October 2010

28 APRIL 2011

CONTRIBUTION TO ACCCIM SOCIO-ECONOMIC RESEARCH CENTRE

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) launched its Socio-Economic Research Centre (SERC) in April 2011. YTL Corporation Berhad contributed RM1.0 million in support of the SERC Fund. Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, is a President of ACCCIM and member of the Board of Trustees of SERC.

From left to right: Tan Sri William Cheng, President of ACCCIM and Chairman of The Lion Group; YAB Dato' Sri Najib bin Tun Abdul Razak, Prime Minister of Malaysia; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; and Datuk Ter Leong Yap, Treasurer and Chairman of SERC, at the opening ceremony.

29 APRIL 2011

ACQUISITION OF 30% STAKE IN ENEFIT JORDAN BV

YTL Jawa Power Holdings Limited, a subsidiary of the YTL Group, completed its acquisition of a 30% stake in Enefit Jordan BV, which is developing an oil shale mining and shale oil production project and an oil-shale fired power project at Attarat Um Ghudran in Jordan. The two projects are currently at a preliminary development stage, including evaluation of oil shale deposits and project agreement discussions with the relevant authorities.

From left to right: Alo Kelder, Head of Business Development, Eesti Energia AS; Yeoh Keong Hann, Manager, YTL Power International Berhad; Harri Mikk, Member of the Management Board, Mineral, Oils, Biofuels, Eesti Energia AS; Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; Sandor Liive, Chairman of the Management Board and Chief Executive Officer, Eesti Energia AS; and Mohammad Maaitah, Vice President, Near East Engineering Company.

17 JUNE 2011

8TH ANNUAL RAM LEAGUE AWARDS – NEW REAL ESTATE BENCHMARK DEAL

Ara Bintang Berhad won the Award of Distinction 2010 for New Real Estate Benchmark Deal at the 8th Annual RAM League Awards held by RAM Holdings Berhad, Malaysia's first credit rating agency. The Awards pay tribute to issuers and lead arrangers who set benchmarks for the domestic debt capital markets. Ara Bintang Berhad is the special purpose vehicle incorporated to undertake the acquisition of Starhill Gallery and parcels in Lot 10 Shopping Centre by Starhill Global Real Estate Investment Trust in Singapore via an asset-backed securitisation transaction.

From left to right: Tan Sri Dato' Seri Siti Norma Yaakob, Chairman, RAM Holdings Berhad; Tan Sri Zarinah Anwar, Chairman of the Securities Commission; Ho Say Keng, Group Company Secretary/Accountant, YTL Corporation Berhad; and Tan Sri Datuk C. Rajandram, Executive Deputy Chairman/ Group Chief Executive Officer, RAM Holdings Berhad.

7 JULY 2011

STRATEGIC PARTNERSHIP WITH MARUBENI

YTL Power International Berhad, a subsidiary of the Group, and Marubeni Corporation entered into a share purchase agreement enabling Marubeni to co-invest in YTL Jawa Power Holdings BV, the company which holds the Group's 35% equity interest in PT Jawa Power, the owner of a 1,220 megawatt power station in Indonesia. Under the agreement, Marubeni will acquire a 15/35 or 42.86% equity stake and other company interests in YTL Jawa Power Holdings BV.

From left to right: Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; and Masumi Kakinoki, Chief Operating Officer, Power Projects & Infrastructure Division, Marubeni Corporation, at the signing ceremony.

26 JULY 2011

YTL GROUP RECOGNISED FOR ARCHITECTURE EXCELLENCE AT 2011 PAM AWARDS

The YTL Group was once again recognised for its innovative concepts and design with three awards including two Gold wins at the recent 2011 PAM (Malaysian Institute of Architects) Awards, which honours contributions for architectural design excellence and advancement of quality built environment.

The Group won two Gold awards for its projects – Centrio in Pantai Hillpark (Multiple Residential – High-rise) and YTL Communications Centre in Sentul Park (Adaptive Re-use) while d7 at Sentul East clinched a Silver award in the commercial building category.

11 JULY 2011

4G COLLABORATION WITH UQ COMMUNICATIONS

YTL Communications Sdn Bhd, a subsidiary of the YTL Group, signed a Memorandum of Agreement with Japan's leading WiMAX broadband service provider, UQ Communications, to further enhance both entities' leadership positions in the 4G space and to advance the development and adoption of next-generation WiMAX technologies.

Wing K. Lee, Chief Executive Officer of YTL Communications Sdn Bhd (4th from right), with Akio Nozaka, president of UQ Communications (6th from right), witnessed by (from far right) Yeoh Keong Hann, Manager, YTL Power International Berhad; Jacob Yeoh Keong Yeow, Executive Director of YTL e-Solutions Berhad and Director of YTL Communications Sdn Bhd; Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; along with Fumio Watanabe, Chief Technology Officer, UQ Communications (on the right of Mr. Nozaka).

18 AUGUST 2011

YTL COMMUNICATIONS AND SENHENG ENTER PARTNERSHIP

YTL Communications Sdn Bhd, a subsidiary of the Group, and Senheng officially entered a partnership whereby YES products and services will be available at over 100 Senheng and SenQ outlets in Peninsular Malaysia. This partnership is mutually beneficial as YTL Communications is looking to expand its market presence by making their products available at more retailers, while looking at increasing sales of smart products with networking capabilities.

Wing K. Lee, Chief Executive Officer of YTL Communications Sdn Bhd (3rd from left) and Lim Kim Heng, Managing Director of Senheng (4th from left) with senior management from both companies at the signing ceremony.

7 SEPTEMBER 2011

£500,000 DONATION TO KINGSTON UNIVERSITY

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad and alumni of Kingston University in London, presented £500,000 to the institution on behalf of YTL Corporation Berhad to establish a new post of Professor of Enterprise and Technology Management. The contribution reflects the YTL Group's continued support towards the development of technology coupled with business savvy, to drive long-term, sustainable growth.

15 SEPTEMBER 2011

LAUNCH OF PUAN SRI KAI YONG YEOH BOOK PRIZE

In celebration of the illustrious life of Puan Sri Kai Yong Yeoh, wife of the YTL Group's founder Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, and accomplished academician, a Book Prize named in her honour was launched by YTL Corporation Berhad. The book prize is open to the children of YTL Group employees worldwide who demonstrate outstanding abilities both academically and in other areas of excellence, with the purpose of motivating them to achieve their full potential and inspire others around them.

Puan Sri Kai Yong Yeoh with her husband, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, and son, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, at the launch of the book prize.

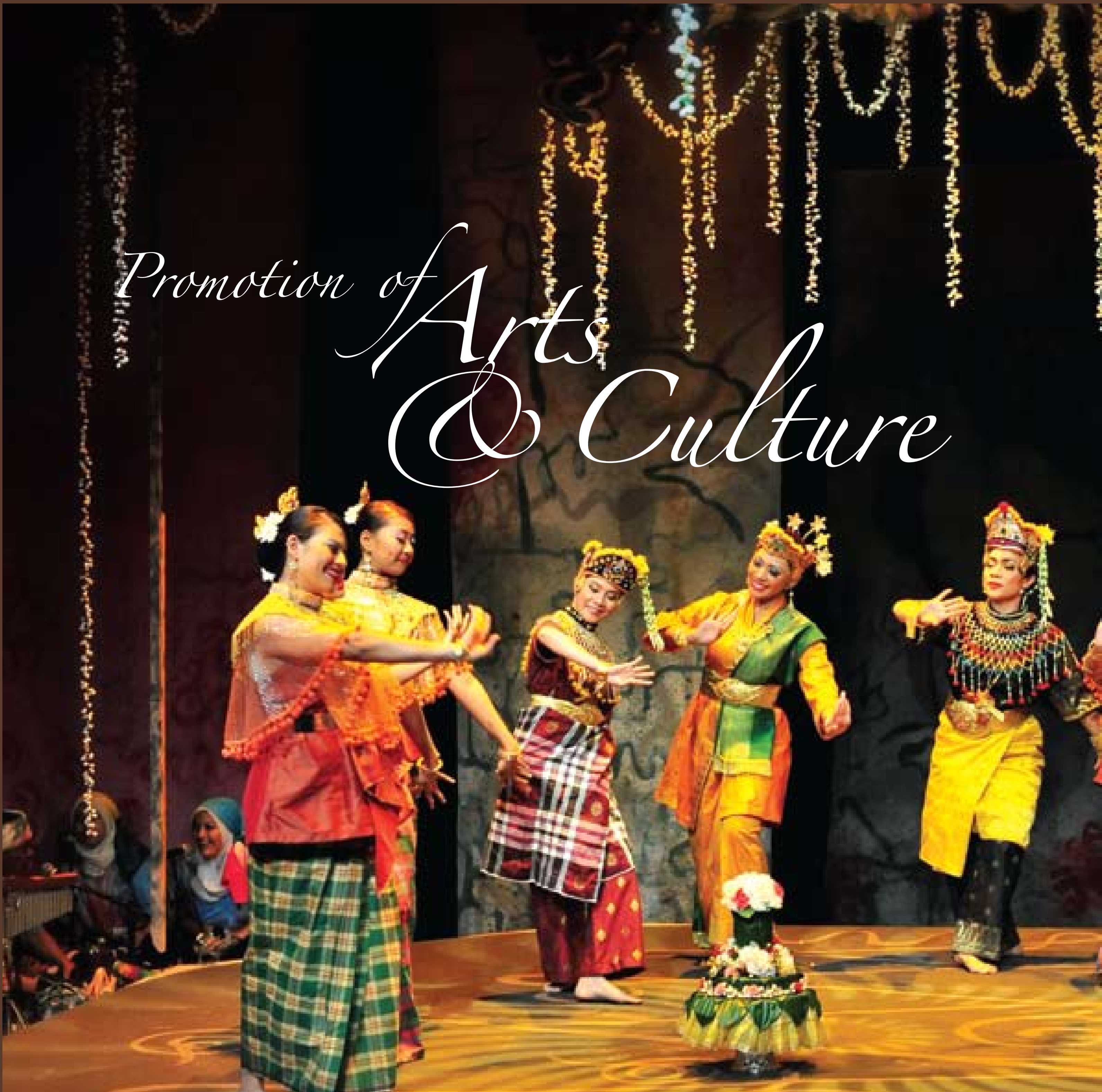
28 SEPTEMBER 2011

BROADBAND INFOVISION AWARDS 2011 – BEST NEW SERVICE AWARD FOR YES 4G NETWORK

YTL Communications Sdn Bhd emerged as the winner in the Best New Service Award category for its YES 4G network at the Broadband InfoVision Awards 2011 held in Paris. The Broadband InfoVision Awards have long been established as the industry's most prestigious recognition of excellence in the broadband marketplace, and YTL Communications was the only Malaysian company to have won an award this year.

Jacob Yeoh Keong Yeow (right), Executive Director of YTL e-Solutions Berhad and Director of YTL Communications Sdn Bhd, accepts the award on behalf of the company.

Promotion of Arts & Culture



All great art is an affirmation of life that brings us closer to the Divine: the wonderful sights, sounds and colours of life you see around you; the myriad artistic expressions which constantly remind us that we are indeed God's supreme creation, gifted with the ability to respond, appreciate and empathize with the emotions of our fellow human beings. If art is an imitation of life, then surely by pondering and appreciating a wondrous work of art, we can catch a glimpse of life and an epiphany of its creation that will surely bring us closer to the Divine.

– Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE,
Managing Director of YTL Corporation Berhad, at the Starhill Arts Festival

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting of YTL Corporation Berhad ("the Company") will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 29th day of November, 2011 at 3.00 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon; **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   i) Dato' Yeoh Soo Min **Resolution 1**
   ii) Dato' Yeoh Seok Hong **Resolution 2**
   iii) Syed Abdullah Bin Syed Abd. Kadir **Resolution 3**

3. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   i) "THAT Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 4**

   ii) "THAT Dato' (Dr) Yahya Bin Ismail, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 5**

   iii) "THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 6**

4. To approve the payment of Directors' fees amounting to RM510,000 for the financial year ended 30 June 2011; **Resolution 7**

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 8**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolutions:-

6. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 9**

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 30 November 2010, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2011, the audited Retained Profits and Share Premium Account of the Company were RM3,989,084,510 and RM1,317,191,714 respectively; and

iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-

    a) the shares so purchased may be cancelled; and/or

    b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or

    c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

AND THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/ regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR of Bursa Securities and all other relevant governmental/regulatory authorities." **Resolution 10**

8. PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 4 November 2011 subject to the following:-

i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholder mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." **Resolution 11**

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
4 November 2011

Notes:

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Note A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Explanatory Notes to Special Business

Resolution pursuant to Section 132D of the Companies Act, 1965

Resolution 9 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Twenty-Seventh Annual General Meeting held on 30 November 2010 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Twenty-Eighth Annual General Meeting to be held on 29 November 2011.

Resolution 9, if passed, will enable the Directors to allot and issue ordinary shares at any time from unissued share capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's issued share capital for the time being without convening a general meeting which will be both time and cost consuming. The S132D Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Resolution pertaining to the Renewal of Authority To Buy-Back Shares of the Company

For Resolution 10, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 11, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 4 November 2011 which is despatched together with the Company's Annual Report 2011.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Twenty-Eighth Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
PSM, SPMS, DPMS, KMN, PPN, PJK
Hon DEng (Heriot-Watt), DBA (Hon) (UMS), Chartered Builder
FCIOB, FAIB, FFB, FBIM, FSIET, FBGAM, FMID

Managing Director
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon DEng (Kingston), BSc (Hons) Civil Engineering, FFB, F Inst D, MBIM, RIM

Deputy Managing Director
Dato' Yeoh Seok Kian
DSSA
BSc (Hons) Bldg, MCIOB, FFB

Directors
Dato' (Dr) Yahya Bin Ismail
DPMJ, DPCM, DPMP, KMN, PPT
Bachelor of Veterinary Science

Mej Jen Dato' Haron Bin Mohd Taib (B)
PSAT, DPMJ, DPMT, DPMK, JMN, PMK, SMT, PIS, PJK, PKB, psc
(Demised on 17.08.2011)

Dato' Cheong Keap Tai

Dato' Yeoh Soo Min
DSPN, DPMP, DIMP
BA (Hons) Accounting

Dato' Yeoh Seok Hong
DSPN, JP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Sri Michael Yeoh Sock Siong
DIMP, SSAP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Yeoh Soo Keng
DIMP
BSc (Hons) Civil Engineering

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

Syed Abdullah Bin Syed Abd. Kadir
BSc (Engineering Production), BCom (Economics)

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

BUSINESS OFFICE

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

REGISTRAR

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

SOLICITORS

Dorairaj, Low & Teh
Lee, Perara & Tan
Shook Lin & Bok
Slaughter & May

AUDIT COMMITTEE

Eu Peng Meng @ Leslie Eu
(Chairman and Independent Non-Executive Director)

Dato' (Dr) Yahya Bin Ismail
(Independent Non-Executive Director)

Mej Jen Dato' Haron Bin Mohd Taib (B)
(Independent Non-Executive Director)
(Demised on 17.08.2011)

Dato' Cheong Keap Tai
(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants
(A member of HLB International)

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
AmBank (M) Berhad
Bank Islam Malaysia Berhad
Bank of America N.A.
Bank of China Limited
Barclays Bank Plc
BNP Paribas
CIMB Bank Berhad
Citibank Berhad
Commerzbank
Credit Agricole Corporate and Investment Bank
DBS Bank Ltd
DBS Bank (China) Limited
Deutsche Bank (Malaysia) Berhad
European Investment Bank
Great Eastern Life Assurance (Malaysia) Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
KfW Bankengruppe
Malayan Banking Berhad
Mizuho Corporate Bank Ltd
National Australia Bank Limited
Natixis
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank Malaysia Berhad
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Royal Bank of Scotland plc
United Overseas Bank Limited
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (3.4.1985)

Tokyo Stock Exchange
Foreign Section (29.2.1996)

TAN SRI DATO' SERI (DR) YEOH TIONG LAY

Malaysian, aged 81, was appointed to the Board on 24 June 1984 and has been the Executive Chairman since 24 January 1985. His contributions are well recognised with the conferment of the title of Doctor of Engineering by Heriot-Watt University, Edinburgh and his appointment as Honorary Life President of the Master Builders Association of Malaysia in 1988. He is the co-founder and the first Chairman of the ASEAN Constructors' Federation. On 26 October 2002, Tan Sri Yeoh Tiong Lay was conferred the Honorary Doctorate in Philosophy (Business Administration) by Universiti Malaysia Sabah. He was installed as Pro-Chancellor for Universiti Malaysia Sabah on 1 July 2005. He is the past President and Lifetime member of the International Federation of Asian and Western Pacific Contractors Association. On 19 January 2008, Tan Sri Yeoh Tiong Lay was conferred the prestigious Order of the Rising Sun, Gold Rays with Neck Ribbon by the Emperor of Japan in recognition of his outstanding contribution towards the economic co-operation and friendship between Japan and Malaysia, including his efforts as an executive member and Vice President of the Malaysia-Japan Economic Association. On 20 August 2009, Tan Sri Yeoh Tiong Lay was accorded a Lifetime Achievement Award at the Asia Pacific Entrepreneurship Awards 2009 (APEA 2009) in recognition of his outstanding entrepreneurial achievements and contribution towards the development of the nation. He is also the Honorary Chairman of Tung Shin Hospital and is on the board of Governors for several schools. Tan Sri Yeoh Tiong Lay is also the Executive Chairman of YTL Power International Berhad and YTL Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and a board member of other public companies such as YTL Industries Berhad, YTL Foundation, and Wessex Water Limited (a private utilities company in UK).

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 57, was appointed to the Board on 6 April 1984 as an Executive Director and has been the Managing Director of the Company since April 1988. Tan Sri Francis studied at Kingston University, UK, where he obtained a Bachelor of Science (Hons) in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. He became the Managing Director of YTL Corporation Berhad Group in 1988 which under his stewardship, has grown from a single listed entity into a force comprising six listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust. He is presently Managing Director of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman and Managing Director of YTL e-Solutions Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad, and YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Besides the listed entities in YTL Group, Tan Sri Francis also sits on the board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council. He is also a member of The Nature Conservancy Asia Pacific Council, the Asia Business Council and Trustee of the Asia Society. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD.

He was ranked by both Fortune Magazine and Business Week Magazine as Asia's 25 Most Powerful and Influential Business Personalities. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and CNBC Asia Pacific named him Malaysia CEO of the Year in 2005.

He was appointed as a member of Barclays Asia-Pacific Advisory Committee in 2005. In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II. In 2008, he was appointed Chairman for South East Asia of the International Friends of Louvre and he also received a pretigious professional accolade when made a fellow of the Institute of Civil Engineers in London. He was named one of Asia's Top Executives in 2008 by Asiamoney.

He is the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010.

DATO' YEOH SEOK KIAN

Malaysian, aged 54, was appointed to the Board on 24 June 1984 as an Executive Director. He is currently the Deputy Managing Director of the Company. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He is also the Deputy Managing Director of YTL Power International Berhad and the Executive Director of YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the board of several other public companies such as YTL Industries Berhad, The Kuala Lumpur Performing Arts Centre and private utilities company, Wessex Water Limited, as well as YTL Starhill Global REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' (DR) YAHYA BIN ISMAIL

Malaysian, aged 83, was appointed to the Board on 6 April 1984 as an Independent Non-Executive Director. He is also a member of the Audit Committee. He was formerly with the Government and his last appointment was as Director General of the National Livestock Authority Malaysia. He was also with the Totalisator Board Malaysia from 1982 to 1990 and served as its Chairman from 1986. Dato' Yahya is a Director of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the board of Metroplex Berhad and Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' CHEONG KEAP TAI

Malaysian, aged 63, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a member of the Malaysian Institute of Certified Public Accountants, member of Malaysian Institute of Taxation and Licensed Tax Agent and a member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director and Partner of PricewaterhouseCoopers until his retirement in December 2003. He is currently also a director of YTL Land & Development Berhad, YTL e-Solutions Berhad, Gromutual Berhad and several private limited companies.

DATO' YEOH SOO MIN

Malaysian, aged 55, was appointed to the Board on 24 June 1984 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting. She did her Articleship at Leigh Carr and Partners, London and has gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a member of the Malaysian Institute of Management. She was the past President of the Women in Travel Industry. She is currently a Fellow of the Governors of International Students House, London and is a Trustee of Yayasan Tuanku Fauziah. She also holds directorships in YTL Power International Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad.

DATO' YEOH SEOK HONG

Malaysian, aged 52, was appointed to the Board on 19 June 1985 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and is currently overseeing the building of the fourth generation (4G) Worldwide Interoperability for Microwave Access (WiMAX) network by YTL Communications Sdn Bhd. He is a director of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of YTL Industries Berhad and YTL Foundation, and utilities companies, Wessex Water Limited, Wessex Water Services Limited and PowerSeraya Limited.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 51, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from Bradford University, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He is also a director of YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the board of other public companies such as YTL Industries Berhad, Sentul Raya Golf Club Berhad and private utilities company, Wessex Water Limited.

DATO' YEOH SOO KENG

Malaysian, aged 48, was appointed to the Board on 16 May 1996 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She was the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. Dato' Yeoh Soo Keng is the purchasing director responsible for bulk purchases of building materials and related items for the construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad, Pahang Cement Marketing Sdn Bhd and Perak-Hanjoong Simen Sdn Bhd. She is also a director of YTL Power International Berhad and YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 46, was appointed to the Board on 22 June 1995. He graduated from King's College, University of London with a LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves on the Board of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of the Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited, as well as PowerSeraya Limited.

EU PENG MENG @ LESLIE EU

Malaysian, aged 76, was appointed to the Board on 31 March 2003 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee. Mr Leslie Eu graduated with a Bachelor of Commerce degree from the Republic of Ireland. He is a Fellow of the Chartered Institute of Logistics and Transport and was one of the founding directors of Global Maritime Ventures Berhad. He has been in the shipping business for more than 40 years. He was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a board member of Lembaga Pelabuhan Kelang from 1970 to 1999 and Lloyd's Register of Shipping (Malaysia) Bhd from 1983 to 2009. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the board of several public companies such as YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, aged 57, was appointed to the Board on 20 October 1999 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad, a public listed company with subsidiaries involved in, inter alia, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the Board of YTL Power International Berhad, YTL e-Solutions Berhad, Iris Corporation Berhad, and Versatile Creative Berhad.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 5 Board meetings were held and the details of attendance are as follows:-

	Attendance
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Dato' Yeoh Seok Kian	3
Dato' (Dr) Yahya Bin Ismail	5
Mej Jen Dato' Haron Bin Mohd Taib (B) *(Demised on 17 August 2011)*	4
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	5
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Yeoh Soo Keng	4
Dato' Mark Yeoh Seok Kah	4
Eu Peng Meng @ Leslie Eu	5
Syed Abdullah Bin Syed Abd. Kadir	5

Notes:-

1. **Family Relationship with Director and/or Major Shareholder**
   Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay who is a deemed major shareholder of the Company, is the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. **Conflict of Interest**
   None of the Directors has any conflict of interest with the Company.

3. **Conviction of Offences**
   None of the Directors has been convicted of any offences in the past ten (10) years.

Statement of Directors' Responsibilities

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2011, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1965 and Financial Reporting Standards in Malaysia.

MEMBERS

Eu Peng Meng @ Leslie Eu
(Chairman/Independent Non-Executive Director)

Dato' (Dr) Yahya Bin Ismail
(Member/Independent Non-Executive Director)

Mej Jen Dato' Haron Bin Mohd Taib (B)
(Member/Independent Non-Executive Director)
(Demised on 17.08.2011)

Dato' Cheong Keap Tai
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

Primary Purposes

The Committee shall:

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for YTL Corporation Berhad and its subsidiaries ("Group").

2. Assist to improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and the audit function to strengthen the confidence of the public in the Group's reported results.

3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

4. Enhance the independence of both the external and internal auditors' function through active participation in the audit process.

5. Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.

6. Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.

7. Review existing practices and recommend to Management to formalise an ethics code for all executives and members of the staff of the Group.

8. Create a climate of discipline and control to reduce incidence of fraud.

Membership

1. The Committee shall be appointed by the Board from amongst their number and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.

2. At least one member of the Audit Committee:-

   (a) must be a member of the Malaysian Institute of Accountants; or

   (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

      (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

      (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967 or

   (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

Authority

The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:-

1. have authority to investigate any matter within its terms of reference;

2. have the resources which are required to perform its duties;

3. have full and unrestricted access to any information pertaining to the Company;

4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and

6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

The Committee shall, amongst others, discharge the following functions:-

1. Review the following and report the same to the Board of the Company:-

    (a) the audit plan with the external auditors;

    (b) the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operational risks;

    (c) the audit report with the external auditors;

    (d) the assistance given by the employees of the Company to the external auditors;

    (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

    (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

    (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focussing particularly on:-

    - changes in or implementation of major accounting policy changes

    - significant and unusual events

    - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group

    - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;

    (h) any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

    (i) any letter of resignation from the external auditors of the Company;

    (j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and

    (k) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external and internal auditors.

2. Recommend the nomination of a person or persons as external auditors and the external audit fee.

3. Promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of Bursa Securities Main Market Listing Requirements ("Main LR").

4. Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Meetings

1. To form a quorum in respect of a meeting of the Committee, the majority of members present must be Independent Directors.

2. The Committee shall meet at least five (5) times a year, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda shall be sent to all members of the Committee and any other persons who may be required/invited to attend. All meetings to review the quarterly results and annual financial statements, shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.

3. Notwithstanding item 2 above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter which should be brought to the attention of the Directors or shareholders.

4. The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

5. The Committee may invite any Board member or any member of the Management within the Company who the Committee thinks fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.

6. The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.

7. The Committee may establish any regulations from time to time to govern its administration.

Retirement And Resignation

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Main LR, the Company must fill the vacancy within 3 months.

Minutes

1. The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

2. Minutes of each meeting shall also be distributed to the members of the Committee prior to each meeting.

3. Detailed minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.

4. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee and of the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2011 in discharging its functions:-

1. Review of the external auditors' scope of work and their audit plan.

2. Reviewing with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. Review of audit reports presented by internal auditors on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.

4. Review of the quarterly results and annual financial statements to ensure compliance with the Main LR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.

5. Review of the related party transactions entered into by the Group.

6. Review of the adequacy and competency of the internal audit function and the profiles of the internal auditors.

7. Review of the Audit Committee Report and Statement on Internal Control and recommend to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT ACTIVITIES

The activities of the internal audit function during the year under review include:-

1. Developing the annual internal audit plan and proposing this plan to the Audit Committee.

2. Conducting scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary.

3. Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.

4. Presenting audit findings to the Audit Committee for consideration.

5. Conducting recurrent related party transactions reviews to assess accuracy and completeness of reporting.

Costs amounting to approximately RM1,730,536 were incurred in relation to the internal audit function for the financial year ended 30 June 2011.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of 7 Audit Committee Meetings were held and the details of attendance are as follows:-

	Attendance
Eu Peng Meng @ Leslie Eu	7
Dato' (Dr) Yahya Bin Ismail	6
Mej Jen Dato' Haron Bin Mohd Taib (B) *(Demised on 17.08.2011)*	6
Dato' Cheong Keap Tai	7

The Board of Directors ("Board") of YTL Corporation Berhad ("YTL Corp" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL Corp Group"). In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the measures and best practices recommended in the Malaysian Code on Corporate Governance ("Code").

The YTL Corp Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL Corp Group's achievements and strong financial profile to date. The YTL Corp Group's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL Corp Group, whilst taking into account the interests of all stakeholders.

This section of the Annual Report details the measures implemented by the YTL Corp Group to strengthen its compliance with the Principles and Best Practices of Corporate Governance as set out in Parts 1 and 2 of the Code, respectively.

BOARD STRUCTURE

YTL Corp is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL Corp Group's operations. This broad spectrum of skills and experience ensures the YTL Corp Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the YTL Corp Group and have adopted the six primary responsibilities as listed in the Code, which facilitate the discharge of the Board's stewardship responsibilities.

The Board currently has 12 Directors, comprising 9 executive members and 3 non-executive members, all 3 of whom are independent. This provides an effective check and balance in the functioning of the Board. Following the demise of Mej. Jen. Dato' Haron bin Mohd. Taib (B) on 17 August 2011, the Company is not currently in compliance with the provisions of the Listing Requirements requiring one-third of the Board to be independent. However, the Company will ensure that it has filled the vacancy on the Board and complied with this provision within 3 months as prescribed under paragraph 15.02(3) of the Listing Requirements.

The positions and responsibilities of the Executive Chairman and the Managing Director are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and effectiveness of the Board, whilst the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL Corp Group, consistent with the primary aim of enhancing long-term shareholder value.

The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the Company. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board.

The Executive Directors are collectively accountable for the running and management of the YTL Corp Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL Corp Group conducts its business.

Together, the Directors believe that the structure of the Board satisfactorily reflects the interests of its shareholders and is able to provide clear effective leadership to the YTL Corp Group. The composition of the Board reflects the wide range of business, commercial and financial experience essential in the management and direction of a corporation with global presence. A brief description of the background of each Director is presented in the Profile of the Board of Directors in this Annual Report.

To date, the Board has not found it necessary to designate a senior independent non-executive to whom concerns may be conveyed, mainly because full deliberation of issues affecting the YTL Corp Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the YTL Corp Group operates, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. All Directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Throughout the financial year under review, the Directors attended various briefings, conferences, seminar programmes and speaking engagements covering areas that included corporate governance, leadership, relevant industry updates and global business developments which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Corp Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2011. Details of each Director's attendance of the Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the YTL Corp Group's business and affairs to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the YTL Corp Group rests firmly with the Board.

Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting, prepared by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of YTL Corp Group.

Board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the YTL Corp Group's operations and detailed information on corporate proposals, major fund-raising exercises and significant acquisitions and disposals. Where necessary or prudent, professional advisers may be on hand to provide further information and respond directly to Directors' queries. In order to maintain confidentiality, Board papers on issues that are deemed to be price-sensitive may be handed out to Directors during the Board meeting.

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations.

APPOINTMENT & RE-ELECTION OF DIRECTORS

The appointment of Directors is undertaken by the Board as a whole. The Managing Director recommends candidates suitable for appointment to the Board, and the final endorsement lies with the entire Board to ensure that the required mix of skills, experience and expertise of members of the Board is sufficient to address the issues affecting the YTL Corp Group. In its deliberations, the Board is required to take into account the integrity, professionalism, skill, knowledge, expertise and experience of the proposed candidate. In accordance with the Board's procedures, deliberations and conclusions in this process reached are recorded by the Company Secretary. During the financial year under review, there were no new appointments to the Board.

In accordance with the Company's Articles of Association, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments. Directors who are over seventy years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129 of the Companies Act 1965. The names and details of Directors seeking re-election at the forthcoming AGM are disclosed in the Notice of AGM and the Profile of the Board of Directors, respectively, in this Annual Report.

In accordance with the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL Corp Group thereby enabling them to discharge their duties effectively.

DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre needed to lead the YTL Corp Group successfully. In general, the remuneration of the directors is reviewed against the performance of the individual and the YTL Corp Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 6 to the Financial Statements in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL Corp Group's standards of corporate governance.

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL Corp Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders value and recognises the importance of timely dissemination of information to shareholders. Accordingly, the Board ensures that shareholders are kept well-informed of any major developments of the YTL Corp Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Corp Group's financial results but to provide updates on strategies and new developments to ensure mutual understanding of the YTL Corp Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Corp Group's performance and major development programs. Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Corp Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL Corp Group, the resolutions being proposed and the business of the YTL Corp Group in general at every AGM and extraordinary general meeting of the Company. The notice of the AGM and a circular to shareholders in relation to the renewal of the Company's share buy-back and recurrent related party transactions mandates are sent to shareholders at least 21 days prior to the AGM in accordance with the Listing Requirements and the Companies Act 1965 in order to enable shareholders to review the YTL Corp Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed.

The Managing Director and Executive Directors take the opportunity to present a comprehensive review of the progress and performance of the YTL Corp Group, and provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL Corp Group's business operations, strategy and goals. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

During the course of each financial year, the Company ensures prompt and timely release and dissemination of quarterly results, announcements, circulars and notices to enable shareholders to keep abreast of the YTL Corp Group's financial and operational performance and to make informed decisions with regards to significant corporate developments.

THE AUDIT COMMITTEE

The Company has in place an Audit Committee which comprises 4 Non-Executive Directors in compliance with the Code and the Listing Requirements which require all the members of the Audit Committee to be Non-Executive Directors.

The Audit Committee holds quarterly meetings to review matters including the YTL Corp Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 7 times during the financial year ended 30 June 2011. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

FINANCIAL REPORTING

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965 and Financial Reporting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates to present a true and fair assessment of the Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities and the Securities Commission.

The Statement by Directors made pursuant to Section 169 of the Companies Act 1965 is set out in this Annual Report.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard the investment of its shareholders and the YTL Corp Group's assets. Details of the YTL Corp Group's system of internal control and its internal audit functions are contained in the Statement on Internal Control and the Audit Committee Report in this Annual Report.

RELATIONSHIP WITH THE AUDITORS

The Board has established formal and professional arrangements for maintaining an appropriate relationship with the Company's external auditors, Messrs HLB Ler Lum. The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders.

ADDITIONAL DISCLOSURE

- **Employee Retention Policies:** YTL Corp's employees' share option schemes ("ESOS") were approved by shareholders at extraordinary general meetings in October 2001 and November 2010. Details of the number of ESOS options granted during the year under review can be found in the Directors' Report in the Financial Statements in this Annual Report.

  The Board believes that maintaining the calibre of its employees is vital to ensure the continued success of the YTL Corp Group and the consequent increase in returns to shareholders. To these ends, the YTL Corp Group has implemented various staff retention and assessment practices in addition to the ESOS, including a Thirteenth Month wage supplement, annual bonuses and biannual reviews of staff performance.

- **Share Buy-Back Programme:** Details of the Company's share buy-back exercises for the year under review have also been included in this Annual Report.

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2011.

This statement was approved by the Board of Directors on 25 August 2011.

During the financial year under review, YTL Corporation Berhad ("YTL Corp" or "Company") and its subsidiaries ("YTL Corp Group") continued to enhance the YTL Corp Group's system of internal control and risk management, to comply with the applicable provisions of the Malaysian Code on Corporate Governance ("Code") and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board of Directors ("Board") acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard the investment of its shareholders and the assets of the YTL Corp Group, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL Corp Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management. However, the Board recognises that reviewing the YTL Corp Group's system of internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

The Board believes that the YTL Corp Group's system of internal control, financial or otherwise in place for the financial year under review, should provide reasonable assurance regarding the achievement of the objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

PRINCIPAL FEATURES OF THE YTL CORP GROUP'S SYSTEM OF INTERNAL CONTROL

The Board is committed to maintaining a sound internal control structure that includes processes for continuous monitoring and review of effectiveness of control activities, and to govern the manner in which the YTL Corp Group and its staff conduct themselves. The principal features which formed part of the YTL Corp Group's system of internal control can be summarised as follows:-

- **Authorisation Procedures:** The YTL Corp Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL Corp Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interest of shareholders.

- **Authority Levels:** The YTL Corp Group has delegated authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

  The authority of the Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, foreign currency and interest rate risk management, investments, insurance and designation of authorised signatories.

- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL Corp Group's state of affairs are disclosed to shareholders after review and audit by the external auditors.

- **Internal Compliance:** The YTL Corp Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies, as well as changes to legal and regulatory compliance requirements relevant to the YTL Corp Group. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

KEY PROCESSES OF THE YTL CORP GROUP'S SYSTEM OF INTERNAL CONTROL

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:-

- **Internal Audit Function:** The YTL Corp Group's internal audit function is co-sourced by its Internal Audit department ("YTLIA") and IBDC (Malaysia) Sdn Bhd ("IBDC"). Both YTLIA and IBDC provide independent assurance on the efficiency and effectiveness of the internal control systems implemented by Management, and report directly to the Audit Committee. A description of the activities of the internal audit function can be found in the Audit Committee Report included in this Annual Report.

  YTLIA provides periodic reports to the Audit Committee, reporting on the outcome of the audits conducted which highlight the effectiveness of the system of internal control and significant risks. The Audit Committee reviews and evaluates the key concerns and issues raised by YTLIA and ensures that appropriate and prompt remedial action is taken by Management.

  None of the weaknesses or issues identified during the review for the financial year has resulted in non-compliance with any relevant policies or procedures, listing requirements or recommended industry practices that would require disclosure in the Company's Annual Report.

  The companies of the Wessex Water Limited group ("Wessex Water") based in the United Kingdom ("UK") were not covered by the internal audit process discussed above. Wessex Water's operations are subject to stringent financial and operational controls imposed by its regulator, the UK Water Services Regulation Authority (known as Ofwat), a government body, and by its regulatory licence. Wessex Water Services Limited ("WWSL") possesses its own internal audit department. The internal audit department reports to WWSL's audit committee, which has the responsibility to ensure the preservation of good financial practices and monitor the controls that are in place to ensure the integrity of those practices. It reviews the annual financial statements and provides a line of communication between the board of directors and the external auditors. It has formal terms of reference which deal with its authorities and duties, and its findings are presented to the Audit Committee.

  Similarly, the companies of the PowerSeraya Limited group ("PowerSeraya") based in Singapore were also not covered by YTLIA. PowerSeraya's operations are subject to stringent financial and operational controls imposed by its regulator, the Energy Market Authority ("EMA"), a statutory board under the Minister of Trade and Industry of Singapore. PowerSeraya possesses its own internal audit department which reports to its audit committee. Its findings are also presented to YTL Power's Audit Committee. PowerSeraya's internal audit department has the responsibility to ensure that the internal controls and systems in place are maintained to provide reasonable assurance as to the integrity and reliability of its financial statements.

  The system of internal control will continue to be reviewed, enhanced and updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by YTLIA and IBDC. The Board is of the view that the current system of internal control in place throughout the YTL Corp Group is effective to safeguard its interests.

- **Senior Management Meetings:** The YTL Corp Group conducts weekly meetings of the senior management which comprises Executive Directors and divisional heads. The purpose of these meetings is to deliberate and decide upon urgent company matters. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the management is able to identify significant operational and financial risks of the business units concerned.

- **Treasury Meetings:** Management meetings are convened to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL Corp Group. These meetings are conducted on a weekly basis to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL Corp Group Managing Director, Executive Directors and senior managers.

- **Site Visits:** The Executive Directors undertake site visits to production and operating units and communicate with various levels of staff to gauge first-hand the effectiveness of strategies discussed and implemented. This is to ensure that Management and the Executive Directors maintain a transparent and open channel of communication for effective operation.

RISK MANAGEMENT

The YTL Corp Group's strong financial profile is the result of a system of internal control and risk management designed to mitigate risks which arise in the course of business. This is exemplified by the YTL Corp Group's strategy of acquiring regulated assets and financing acquisitions on a non-recourse basis. These include YTL Power International Berhad's wholly-owned subsidiaries, YTL Power Generation Sdn Bhd, Wessex Water Limited and PowerSeraya Limited, as well as its indirect investment of 33.5% in ElectraNet Pty Ltd and minority interest in P.T. Jawa Power. These assets share common characteristics of highly predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

The Board acknowledges that all areas of the YTL Corp Group's business activities involve some degree of risk. The YTL Corp Group is committed to ensuring that there is an effective risk management framework which allows management to manage risks within defined parameters and standards, and promotes profitability of the YTL Corp Group's operations in order to enhance shareholder value.

Identifying, evaluating and managing the significant risks faced by the YTL Corp Group is an ongoing process which is undertaken at each level of operations. During the financial year under review, this function was exercised through participation of Executive Directors in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

Management is responsible for creating a risk-aware culture within the YTL Corp Group and for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements. Significant changes in the business and the external environment which affect significant risks will be reported by management to the Board in developing a risk mitigation action plan. Where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and the internal auditors.

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the YTL Corp Group is able to respond effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and shareholder value.

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs HLB Ler Lum, have reviewed this Statement on Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2011, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the system of internal controls being instituted throughout the YTL Corp Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL Corp Group's operations and that risks are at an acceptable level throughout the YTL Corp Group's businesses. Nevertheless, reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard shareholders' investments and the YTL Corp Group's assets.

This Statement was approved by the Board of Directors on 4 October 2011.

Analysis of Shareholdings as at 30 September 2011

Class of shares : Ordinary Shares of RM0.10 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	1,382	6.09	30,624	0.00
100 – 1,000	3,282	14.45	1,869,012	0.02
1,001 – 10,000	11,735	51.70	59,940,302	0.67
10,001 – 100,000	5,389	23.74	160,095,239	1.78
100,001 to less than 5% of issued shares	907	4.00	2,846,763,588	31.75
5% and above of issued shares	4	0.02	5,898,131,380	65.78
Total	**22,699**	**100.00**	**8,966,830,145**	**100.00**

THIRTY LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

	Name	No. of Shares	%#
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,727,471,790	41.57
2	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	767,579,830	8.56
3	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	740,079,760	8.25
4	Malaysia Nominees (Tempatan) Sendirian Berhad – Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (88-00006-000)	663,000,000	7.39
5	Mayban Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011602000)	255,000,000	2.84
6	AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera	226,393,730	2.52
7	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	146,699,990	1.64
8	Valuecap Sdn Bhd	125,483,200	1.40
9	Cartaban Nominees (Asing) Sdn Bhd – BBH and Co Boston for Fidelity Contrafund	124,728,150	1.39
10	AmanahRaya Trustees Berhad – Amanah Saham Wawasan 2020	98,844,040	1.10
11	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (West CLT OD67)	87,496,515	0.98
12	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	83,227,530	0.93
13	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	79,337,655	0.88
14	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	77,692,990	0.87

THIRTY LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person) (continued)

	Name	No. of Shares	%#
15	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	53,906,340	0.60
16	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	47,523,040	0.53
17	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	45,082,790	0.50
18	AmanahRaya Trustees Berhad – Amanah Saham Malaysia	44,100,000	0.49
19	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	42,209,465	0.47
20	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	41,517,630	0.46
21	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	40,700,965	0.45
22	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.A.E.)	37,892,815	0.42
23	CIMB Group Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Bara Aktif Sdn Bhd (50150 CBD)	36,933,565	0.41
24	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	35,450,710	0.40
25	Cartaban Nominees (Asing) Sdn Bhd – RBC Dexia Investor Services Bank for Robeco Emerging Marketsequities (EUR-RCGF)	34,000,375	0.38
26	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for Prudential Fund Management Berhad	33,997,845	0.38
27	Dato' Yeoh Soo Min	32,495,020	0.36
28	HSBC Nominees (Asing) Sdn Bhd – TNTC for Saudi Arabian Monetary Agency	32,000,000	0.36
29	Dato' Yeoh Seok Kian	30,483,085	0.34
30	Dato' Yeoh Soo Keng	29,084,105	0.32
	Total	**7,820,412,930**	**87.19**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%#	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	4,727,541,425	52.72	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	47,523,040	0.53	4,727,541,425*	52.72
Employees Provident Fund Board	758,464,260	8.46	–	–

* *Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

Based on the issued and paid-up share capital of the Company of RM953,986,849.00 comprising 9,539,868,490 ordinary shares net of 573,038,345 treasury shares retained by the Company as per Record of Depositors.

THE COMPANY
YTL CORPORATION BERHAD

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	47,523,040	0.53	4,753,641,470(1)(2)	53.01
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	0.94	–	–
Dato' Yeoh Seok Kian	30,483,085	0.34	2,109,980(2)	0.02
Dato' (Dr) Yahya Bin Ismail	510,000	0.01	501,330(2)	0.01
Dato' Yeoh Soo Min	32,495,020	0.36	991,800(2)(8)	0.01
Dato' Yeoh Seok Hong	25,686,095	0.29	19,864,810(2)	0.22
Dato' Sri Michael Yeoh Sock Siong	26,153,345	0.29	12,885,305(2)	0.14
Dato' Yeoh Soo Keng	29,084,105	0.32	424,820(2)	*
Dato' Mark Yeoh Seok Kah	17,942,040	0.20	3,116,775(2)	0.03
Syed Abdullah Bin Syed Abd Kadir	9,191,375	0.10	18,415(2)	*

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	25,000,000	15,000,000(2)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	2,000,000(7)
Dato' Yeoh Seok Kian	17,500,000	–
Dato' Yeoh Soo Min	15,000,000	–
Dato' Yeoh Seok Hong	15,000,000	2,000,000(2)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Yeoh Soo Keng	15,000,000	–
Dato' Mark Yeoh Seok Kah	15,000,000	–

HOLDING COMPANY
YEOH TIONG LAY & SONS HOLDINGS SDN BHD

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	20.19	5,000,004(2)	12.28
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	12.28	–	–
Dato' Yeoh Seok Kian	5,000,000	12.28	–	–
Dato' Yeoh Soo Min	1,250,000	3.07	–	–
Dato' Yeoh Seok Hong	5,000,000	12.28	–	–
Dato' Sri Michael Yeoh Sock Siong	5,000,000	12.28	–	–
Dato' Yeoh Soo Keng	1,250,000	3.07	–	–
Dato' Mark Yeoh Seok Kah	5,000,000	12.28	–	–

SUBSIDIARY COMPANIES
YTL CEMENT BERHAD

	No. of Shares Held				No. of Share Options
Name	Direct	%	Indirect	%	Direct
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.36	238,607,356(2)(3)	50.45	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.43	–	–	1,400,000
Dato' Yeoh Seok Kian	618,754	0.13	83,200(2)	0.02	350,000
Dato' Yeoh Soo Min	225,634	0.05	138,357(8)	0.03	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123(2)	0.01	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388(2)	0.24	1,000,000
Dato' Yeoh Soo Keng	938,251	0.20	90,251(2)	0.02	700,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(2)	0.03	–

Name	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	454,310,350(2)(3)	94.84
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36	–	–
Dato' Yeoh Seok Kian	618,754	0.13	100,000(2)	0.02
Dato' Yeoh Soo Min	225,634	0.05	–	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123(2)	0.01
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.26	1,109,388(2)	0.23
Dato' Yeoh Soo Keng	818,251	0.17	–	–
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(2)	0.03

YTL E-SOLUTIONS BERHAD

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	999,172,000(4)	74.27
Dato' Yeoh Soo Min	–	–	1,053,800(8)	0.08
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(2)	0.14
Dato' Yeoh Soo Keng	500,000	0.04	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

YTL LAND & DEVELOPMENT BERHAD

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	497,846,293(4)	60.06
Dato' Yeoh Seok Kian	61,538	0.01	–	–
Dato' Yeoh Soo Min	–	–	625,582(8)	0.08
Dato' Yeoh Soo Keng	100,000	0.01	–	–

YTL POWER INTERNATIONAL BERHAD

Name	No. of Shares Held Direct	%	Indirect	%	No. of Share Options Direct
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	13,380,250	0.18	4,013,923,231(2)(5)	54.79	14,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.20	–	–	14,000,000
Dato' Yeoh Seok Kian	5,021,360	0.07	1,545,941(2)	0.02	6,000,000
Dato' (Dr) Yahya Bin Ismail	343,000	*	38,610(2)	*	–
Dato' Yeoh Soo Min	12,769,934	0.17	3,283,424(2)(8)	0.04	–
Dato' Yeoh Seok Hong	22,510,268	0.31	3,281,179(2)	0.04	5,000,000
Dato' Sri Michael Yeoh Sock Siong	4,601,744	0.06	1,019,291(2)	0.01	6,000,000
Dato' Yeoh Soo Keng	5,081,777	0.07	133,500(2)	*	6,000,000
Dato' Mark Yeoh Seok Kah	7,665,920	0.10	1,093,601(2)	0.01	6,000,000
Syed Abdullah Bin Syed Abd Kadir	2,268,203	0.03	524(2)	*	6,000,000

Name	No. of Warrants 2008/2018 Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	1,100,821,922(4)	92.92
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.41	–	–
Dato' Yeoh Seok Kian	1,632,962	0.14	450,000(2)	0.04
Dato' Yeoh Soo Min	–	–	207,000(8)	0.02
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.13	298,956(2)	0.03
Dato' Yeoh Soo Keng	1,585,944	0.13	36,507(2)	*

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD

Name	No. of Shares Held Direct	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	*
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

INFOSCREEN NETWORKS PLC

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	*

YTL CORPORATION (UK) PLC

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

YTL CONSTRUCTION (THAILAND) LIMITED

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	0.01
Dato' Yeoh Seok Kian	1	0.01
Dato' Yeoh Seok Hong	1	0.01
Dato' Sri Michael Yeoh Sock Siong	1	0.01
Dato' Mark Yeoh Seok Kah	1	0.01

SAMUI HOTEL 2 CO. LTD

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*
Dato' Mark Yeoh Seok Kah	1	*

* *Negligible*

(1) *Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*
(2) *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.*
(3) *Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power International Berhad and YTL Industries Berhad pursuant to Section 6A of the Companies Act, 1965.*
(4) *Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.*
(5) *Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*
(6) *Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.*
(7) *Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.*
(8) *Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

By virtue of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay's deemed interests in the shares of the Company under Section 6A of the Companies Act, 1965 he is deemed to have interests in the shares of the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors held any interest in shares of the company or its related corporations.

Schedule of Share Buy-Back for the financial year ended 30 June 2011

Save as disclosed below, there are no purchase for other months during the financial year:-

Monthly Breakdown	*No. of Shares of RM0.10 each Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
July 2010	1,051,000	1.46	1.51	1.49602	1,572,313.73
August 2010	1,608,000	1.46	1.50	1.50207	2,415,321.49
September 2010	1,630,000	1.49	1.57	1.53495	2,501,965.63
October 2010	3,698,000	1.50	1.61	1.56550	5,789,221.50
November 2010	4,806,000	1.57	1.72	1.62987	7,833,131.26
December 2010	660,500	1.67	1.68	1.68827	1,115,099.15
January 2011	125,000	1.62	1.70	1.68268	210,334.54
February 2011	30,000	1.54	1.56	1.56204	46,861.08
March 2011	1,025,000	1.40	1.47	1.44940	1,485,638.81
May 2011	5,369,000	1.56	1.64	1.60029	8,591,934.29
June 2011	2,450,000	1.60	1.60	1.60544	3,933,336.00
TOTAL	**22,452,500**	**1.40**	**1.72**	**1.57915**	**35,495,157.48**

* *Adjusted pursuant to the subdivision of 1 ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each on 29 April 2011*

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2011, the number of treasury shares held was 549,312,545. None of the treasury shares were resold or cancelled during the financial year.

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2011 RM'000	Date of Acquisition
50 residential units and the common property in strata title plan No. 247 comprised in Lot 1070N of Town Subdivision 24 and known as Westwood Apartments	Freehold	5776.6 sq.m.	Future Development Land	–	31	–	1,137,211	22.11.2007
#HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	–	–	Year 2087		30.7.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	–	–	Year 2087		30.7.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	–	–	Year 2096		29.12.1997
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	–	–	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	–	–	Year 2095	518,464	17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	–	–	Year 2095		29.5.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	–	–	Year 2095		27.6.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	–	–	Year 2097		15.9.1998
HS (D) 4171 PT 1420#	Leasehold	3.54 acres	Cement plant	–	–	Year 2097		15.9.1998
HS (D) 8804 PT 1421#	Leasehold	13.38 acres	Cement plant	–	–	Year 2102		1.10.2003
PN 00108181, Lot 2764#	Leasehold	49.57 acres	Cement plant	–	–	Year 2886		1.11.1996
Avonmouth STW, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	385,876	21.5.2002

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2011 RM'000	Date of Acquisition
Grant No. 28678 for Lot No. 1267 Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur @	Freehold	12,338 sq.m.	5 star hotel with 561 rooms located on part of a 8-level podium block and the entire 24-level tower block of a shopping centre	45,834 sq.m.	13	–	349,700	16.12.2005
Poole STW, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800 sq.m.	Sewerage treatment works	–	–	–	233,588	21.5.2002
Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	65.346 acres	Mixed residential and commercial development	–	–	–	206,222	1995
Lot No PT2467, HS (D) 340, Mukim of Kuala Paka, Terengganu	Leasehold	16.187 hectare	Power plant	–	16	Year 2018	183,736	3.12.1995
Maudown Water Treatment Works, Maudown, Wiveliscombe, Tauton, TA4, 2UN	Freehold	68,500 sq.m.	Water treatment works	–	–	–	171,397	21.5.2002
Geran 47693, Lot No. 1308 Seksyen 67, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur *	Freehold	2,810 sq.m.	60 units of serviced apartments, 4 levels of commercial podium, 1 level of facilities deck and 2 levels of basement car park	29,599 sq.m.	5	–	145,000	16.05.2007
Castel Laudon, Route des Marres 83350 Ramatuelle, France	Freehold	13,695 sq.m.	15 units Hotel Suite known as Muse-Hotel De Luxe	–	–	–	137,010	14.10.2007

Mukim Kampung Buaya, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan
@ *Revalued on 1 March 2011*
* *Revalued on 12 June 2009*

Directors' Report

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of an investment holding and management company.

The principal activities of the subsidiaries are set out in Note 14 to the Financial Statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,835,920	456,914
Attributable to:-		
Owners of the Parent	1,034,569	456,914
Non-controlling interests	801,351	–
	1,835,920	456,914

DIVIDENDS

The amount of dividend paid since the end of the last financial year was as follows:-

	RM'000
In respect of the financial year ended 30 June 2010:-	
First and final dividend of 20% or 10 sen per ordinary share of 50 sen each gross less 25% tax, paid on 23 December 2010	134,525

An interim single tier dividend of 20% or 2 sen per ordinary share of 10 sen each for the financial year ended 30 June 2011 has been declared for payment on 24 November 2011.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2011.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

SHARE CAPITAL

(i) Subdivision of shares

On 29 April 2011, the Company had completed the subdivision of every 1 existing ordinary share of RM0.50 each held into 5 ordinary shares of RM0.10 each.

A total of 1,902,112,238 ordinary shares of RM0.50 each were subdivided into 9,510,561,190 ordinary shares of RM0.10 each and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 April 2011.

(ii) Issue of shares

During the financial year, the following shares were issued by the Company:-

Class of shares	Number of shares*	Term of issue	Issue price* RM	Purpose of issue
Ordinary	10,000	Cash	0.55	Exercise of ESOS 2001
Ordinary	420,000	Cash	0.88	Exercise of ESOS 2001
Ordinary	26,276,000	Cash	0.96	Exercise of ESOS 2001
Ordinary	225,000	Cash	1.38	Exercise of ESOS 2001

The new ordinary shares rank pari passu in all respects with the existing ordinary shares.

* Adjusted pursuant to the subdivision of shares on 29 April 2011

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 30 November 2010. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 22,452,500 ordinary shares of RM0.10 each of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.58 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 30 June 2011, the Company held as treasury shares a total of 549,312,545 of its 9,528,017,190 issued ordinary shares of RM0.10 each. Such treasury shares are held at a carrying amount of RM722,615,821.

EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 16 October 2001, the Company's shareholders approved the establishment of an employees' share option scheme ("ESOS 2001") for eligible employees and executive directors of the Group.

At an Extraordinary General Meeting held on 30 November 2010, the Company's shareholders approved the establishment of a new employees' share option scheme ("ESOS 2011") for eligible employees and directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation, in place of ESOS 2001 which will be expiring on 29 November 2011.

As at the date of this report, no options have been granted under ESOS 2011.

The details of ESOS 2001 and ESOS 2011 are disclosed in Note 29(b) to the Financial Statements.

DIRECTORS

The Directors who served on the Board of the Company since the date of the last Report are:-

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Dato' Yeoh Seok Kian
Dato' (Dr) Yahya Bin Ismail
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)
(Demised on 17 August 2011)
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Soo Keng
Dato' Mark Yeoh Seok Kah
Eu Peng Meng @ Leslie Eu
Syed Abdullah Bin Syed Abd. Kadir

DIRECTORS' INTERESTS

The following Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act 1965, interests in the shares of the Company and related companies as follows:-

The Company

	<------- Number of ordinary shares of RM0.10 each -------->			
	Balance at 1.7.2010#	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	47,523,040	–	–	47,523,040
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	84,094,530	–	–	84,094,530
Dato' Yeoh Seok Kian	30,483,085	–	–	30,483,085
Dato' (Dr) Yahya Bin Ismail	807,855	–	(297,855)	510,000
Dato' Yeoh Soo Min	32,495,020	–	–	32,495,020
Dato' Yeoh Seok Hong	25,686,095	–	–	25,686,095
Dato' Sri Michael Yeoh Sock Siong	26,153,345	–	–	26,153,345
Dato' Yeoh Soo Keng	29,084,105	–	–	29,084,105
Dato' Mark Yeoh Seok Kah	17,942,040	–	–	17,942,040
Syed Abdullah Bin Syed Abd. Kadir	3,841,375	15,000,000	(3,200,000)	15,641,375

DIRECTORS' INTERESTS (continued)

The Company

	<-------- Number of ordinary shares of RM0.10 each ------->			
	Balance at 1.7.2010#	Acquired	Disposed	Balance at 30.6.2011
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,753,641,470(1)(2)	–	–	4,753,641,470(1)(2)
Dato' Yeoh Seok Kian	1,609,980(2)	500,000	–	2,109,980(2)
Dato' (Dr) Yahya Bin Ismail	496,330(2)	–	–	496,330(2)
Dato' Yeoh Soo Min	991,800(2)(8)	–	–	991,800(2)(8)
Dato' Yeoh Seok Hong	19,864,810(2)	250,000	(250,000)	19,864,810(2)
Dato' Sri Michael Yeoh Sock Siong	12,885,305(2)	–	–	12,885,305(2)
Dato' Yeoh Soo Keng	424,820(2)	–	–	424,820(2)
Dato' Mark Yeoh Seok Kah	3,116,775(2)	–	–	3,116,775(2)
Syed Abdullah Bin Syed Abd. Kadir	18,415(2)	–	–	18,415(2)

	Number of share options <--------- over ordinary shares of RM0.10 each ---------->			
	Balance at 1.7.2010#	Granted	Exercised	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	25,000,000	–	–	25,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	25,000,000	–	–	25,000,000
Dato' Yeoh Seok Kian	17,500,000	–	–	17,500,000
Dato' Yeoh Soo Min	15,000,000	–	–	15,000,000
Dato' Yeoh Seok Hong	15,000,000	–	–	15,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–	–	15,000,000
Dato' Yeoh Soo Keng	15,000,000	–	–	15,000,000
Dato' Mark Yeoh Seok Kah	15,000,000	–	–	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	15,000,000	–	(15,000,000)	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	15,000,000(2)	–	–	15,000,000(2)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000(6)	–	–	2,000,000(6)
Dato' Yeoh Seok Hong	2,000,000(2)	–	–	2,000,000(2)

opening balance adjusted pursuant to the subdivision of 1 ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each on 29 April 2011.

DIRECTORS' INTERESTS (continued)

Holding company
– Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	<------ Number of ordinary shares of RM1.00 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	–	–	8,220,004
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Min	1,250,000	–	–	1,250,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	1,250,000	–	–	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,004[(2)]	–	–	5,000,004[(2)]

Subsidiaries
– YTL Cement Berhad

	<----- Number of ordinary shares of RM0.50 each ------->			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Soo Min	225,634	–	–	225,634
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Yeoh Soo Keng	938,251	–	–	938,251
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200

DIRECTORS' INTERESTS (continued)

Subsidiaries

– YTL Cement Berhad (continued)

	<------ Number of ordinary shares of RM0.50 each ----->			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	238,607,356(2)(3)	–	–	238,607,356(2)(3)
Dato' Yeoh Seok Kian	83,200(2)	–	–	83,200(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	44,428(2)	–	–	44,428(2)
Dato' Yeoh Soo Min	138,357(8)	–	–	138,357(2)
Dato' Yeoh Seok Hong	45,123(2)	–	–	45,123(2)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(2)	–	–	1,109,388(2)
Dato' Yeoh Soo Keng	90,251(2)	–	–	90,251(2)
Dato' Mark Yeoh Seok Kah	135,200(2)	–	–	135,200(2)

	Number of Irredeemable Convertible <----------- Unsecured Loan Stocks 2005/2015 ----------->			
	Balance at 1.7.2010	Acquired	Converted/ Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Soo Min	225,634	–	–	225,634
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Yeoh Soo Keng	818,251	–	–	818,251
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	454,310,350(2)(3)	–	–	454,310,350(2)(3)
Dato' Yeoh Seok Kian	100,000(2)	–	–	100,000(2)
Dato' Yeoh Seok Hong	45,123(2)	–	–	45,123(2)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(2)	–	–	1,109,388(2)
Dato' Mark Yeoh Seok Kah	135,200(2)	–	–	135,200(2)

DIRECTORS' INTERESTS (continued)

Subsidiaries

– YTL Cement Berhad (continued)

	Number of share options <--------- over ordinary shares of RM0.50 each ---------->			
	Balance at 1.7.2010	Granted	Exercised	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,400,000	–	–	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' Sri Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000
Dato' Yeoh Soo Keng	700,000	–	–	700,000

– YTL Power International Berhad

	<----- Number of ordinary shares of RM0.50 each ----->			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	13,380,250	–	–	13,380,250
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	–	–	14,945,040
Dato' Yeoh Seok Kian	5,021,360	–	–	5,021,360
Dato' (Dr) Yahya Bin Ismail	490,154	–	(147,154)	343,000
Dato' Yeoh Soo Min	5,108,601	7,661,333	–	12,769,934
Dato' Yeoh Seok Hong	22,510,268	–	–	22,510,268
Dato' Sri Michael Yeoh Sock Siong	4,601,744	–	–	4,601,744
Dato' Yeoh Soo Keng	5,081,777	–	–	5,081,777
Dato' Mark Yeoh Seok Kah	6,665,920	1,000,000	–	7,665,920
Syed Abdullah Bin Syed Abd. Kadir	2,268,203	–	–	2,268,203
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,013,961,231(2)(4)	–	(38,000)	4,013,923,231(2)(4)
Dato' Yeoh Seok Kian	1,445,941(2)	–	–	1,445,941(2)
Dato' (Dr) Yahya Bin Ismail	38,610(2)	–	–	38,610(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	112,898(2)	–	–	112,898(2)
Dato' Yeoh Soo Min	2,123,424(2)(8)	1,160,000	–	3,283,424(2)(8)
Dato' Yeoh Seok Hong	3,281,179(2)	–	–	3,281,179(2)
Dato' Sri Michael Yeoh Sock Siong	1,019,291(2)	–	–	1,019,291(2)
Dato' Yeoh Soo Keng	133,500(2)	–	–	133,500(2)
Dato' Mark Yeoh Seok Kah	1,093,601(2)	–	–	1,093,601(2)
Syed Abdullah Bin Syed Abd. Kadir	524(2)	–	–	524(2)

DIRECTORS' INTERESTS (continued)

Subsidiaries
– YTL Power International Berhad (continued)

	<---------------- Number of Warrants 2008/2018 ------------>			
	Balance at 1.7.2010	Acquired	Exercised/ Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	–	–	4,860,175
Dato' Yeoh Seok Kian	1,632,962	–	–	1,632,962
Dato' (Dr) Yahya Bin Ismail	201,026	–	(201,026)	–
Dato' Yeoh Soo Min	1,661,333	–	(1,661,333)	–
Dato' Sri Michael Yeoh Sock Siong	1,496,502	–	–	1,496,502
Dato' Yeoh Soo Keng	1,585,944	–	–	1,585,944
Dato' Mark Yeoh Seok Kah	1,000,000	–	(1,000,000)	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,100,821,922(5)	–	–	1,100,821,922(5)
Dato' Yeoh Seok Kian	450,000(2)	–	–	450,000(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	26,715(2)	–	–	26,715(2)
Dato' Yeoh Soo Min	–	207,000	–	207,000(8)
Dato' Sri Michael Yeoh Sock Siong	298,956(2)	–	–	298,956(2)
Dato' Yeoh Soo Keng	36,507(2)	–	–	36,507(2)

	<--------- Number of share options over ordinary shares of RM0.50 each --------->			
	Balance at 1.7.2010	Granted	Exercised	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	14,000,000	–	–	14,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,000,000	–	–	14,000,000
Dato' Yeoh Seok Kian	6,000,000	–	–	6,000,000
Dato' Yeoh Soo Min	6,000,000	–	(6,000,000)	–
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	6,000,000	–	–	6,000,000
Dato' Yeoh Soo Keng	6,000,000	–	–	6,000,000
Dato' Mark Yeoh Seok Kah	6,000,000	–	–	6,000,000
Syed Abdullah Bin Syed Abd. Kadir	6,000,000	–	–	6,000,000

DIRECTORS' INTERESTS (continued)

Subsidiaries

– YTL Land & Development Berhad

	<------ Number of ordinary shares of RM0.50 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Dato' Yeoh Seok Kian	–	61,538	–	61,538
Dato' Yeoh Soo Keng	100,000	–	–	100,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	496,307,832(5)	1,538,461	–	497,846,293(5)
Dato' Yeoh Soo Min	574,300(8)	51,282	–	625,582(8)

	Number of Irredeemable Convertible <-- Preference Shares 2001/2011 of RM0.50 each ++-->			
	Balance at 1.7.2010	Acquired	Converted/ Disposed	Balance at 30.6.2011
Direct interests				
Dato' Yeoh Seok Kian	240,000	–	(240,000)	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	6,000,000	(6,000,000)	–
Dato' Yeoh Soo Min	200,000(8)	–	(200,000)	–

++ *Shares expired on 24 April 2011 and removed from the Official List of Bursa Securities on 25 April 2011.*

– YTL e-Solutions Berhad

	<------ Number of ordinary shares of RM0.10 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Dato' Yeoh Soo Keng	500,000	–	–	500,000
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	300,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,002,227,600(5)	1,944,400	(5,000,000)	999,172,000(5)
Dato' Yeoh Soo Min	1,053,800(8)	–	–	1,053,800(8)
Dato' Sri Michael Yeoh Sock Siong	1,905,500(2)	–	–	1,905,500(2)

DIRECTORS' INTERESTS (continued)

Subsidiaries

– Infoscreen Networks PLC*

	<-------- Number of ordinary shares of £0.01 each ------->			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100

– YTL Corporation (UK) PLC*

	<------- Number of ordinary shares of £0.25 each -------->			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* *Incorporated in England & Wales*

– Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

	<------ Number of ordinary shares of RM1.00 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	1
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

– YTL Construction (Thailand) Limited +

	<----- Number of ordinary shares of THB100 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

+ *Incorporated in Thailand*

DIRECTORS' INTERESTS (continued)

Subsidiaries

– Samui Hotel 2 Co., Ltd +

	<----- Number of ordinary shares of THB10 each ------>			
	Balance at 1.7.2010	Acquired	Disposed	Balance at 30.6.2011
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	1	–	1
Dato' Mark Yeoh Seok Kah	–	1	–	1

\+ *Incorporated in Thailand*

(1) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

(2) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act 1965.

(3) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., YTL Corporation Berhad, YTL Industries Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act 1965.

(4) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., YTL Corporation Berhad, YTL Power Services Sdn. Bhd. and Cornerstone Crest Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

(5) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. and YTL Corporation Berhad pursuant to Section 6A of the Companies Act 1965.

(6) Deemed interests by virtue of interests held in the name of deceased spouse in which the Director, who is the legal representative, is entitled to exercise under the terms of the ESOS 2001.

(7) Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act 1965.

(8) Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

By virtue of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay's deemed interests in the shares of the Company under Section 6A of the Companies Act 1965, Tan Sri Dato' Seri is deemed to have interests in the shares of the subsidiaries of the Company to the extent that the Company has an interest.

Other than as disclosed above, Directors who held office at the end of the financial year did not have interests in the shares of the Company or related companies during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the ESOS 2001 and ESOS 2011.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest except as disclosed in the Notes to the Financial Statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:-

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report, there does not exist:-

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

At the date of this Report, they are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In their opinion,

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

HOLDING COMPANY

The Directors regard Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia as its holding company.

AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Dated: 4 October 2011
Kuala Lumpur

Statement by Directors

We, TAN SRI DATO' SERI (DR) YEOH TIONG LAY and TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being two of the Directors of YTL CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Companies Act 1965 and Financial Reporting Standards ("FRS") so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011 and of the results of the operations and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out in the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysia Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors, dated 4 October 2011.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Statutory Declaration

I, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being the Director primarily responsible for the financial management of YTL CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Subscribed and solemnly declared by the abovenamed
TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE
at Kuala Lumpur on 4 October 2011

Before me :

Tan Seok Kett
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL CORPORATION BERHAD, which comprise the Statements of Financial Position as at 30 June 2011 of the Group and of the Company, and the Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other information notes, as set out on pages 117 to 263.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the Financial Statements.

Report on Other Legal and Regulatory Requirements (continued)

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set on page 264 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM
AF 0276
Chartered Accountants

LER CHENG CHYE
871/3/13(J/PH)
Chartered Accountant

Dated: 4 October 2011
Kuala Lumpur

Income Statements for the Financial Year Ended 30 June 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	3	**18,354,770**	16,505,033	**623,825**	667,191
Cost of sales	4	**(14,263,058)**	(12,743,598)	–	–
Gross profit		**4,091,712**	3,761,435	**623,825**	667,191
Other operating income		**341,709**	358,037	**6,441**	286,417
Selling & distribution costs		**(280,296)**	(254,763)	–	–
Administration expenses		**(947,576)**	(720,668)	**(47,586)**	(41,089)
Other operating expenses		**(206,133)**	(166,994)	–	–
Finance costs	5	**(1,051,513)**	(1,001,461)	**(81,545)**	(68,376)
Share of profits of associated companies & jointly controlled entities, net of tax		**404,046**	302,818	–	–
Profit before tax	6	**2,351,949**	2,278,404	**501,135**	844,143
Income tax expenses	7	**(516,029)**	(659,312)	**(44,221)**	(57,279)
Profit for the year		**1,835,920**	1,619,092	**456,914**	786,864
Profit attributable to:-					
Owners of the Parent		**1,034,569**	844,165	**456,914**	786,864
Non-controlling interests		**801,351**	774,927	–	–
		1,835,920	1,619,092	**456,914**	786,864

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2011	2010
Earnings per share (sen)			
Basic	8	**11.53**	9.45*
Diluted	8	**11.44**	9.37*
Dividend per ordinary shares (sen) – RM0.10 each	9	**2.00**	1.50*

* The earnings per share and dividend per ordinary shares have been restated after taking into consideration the adjustment for share subdivision into five (5) ordinary shares of RM0.10 each for every one (1) ordinary share of RM0.50 in the Company, which was effected on 29 April 2011.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income for the Financial Year Ended 30 June 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit for the year		**1,835,920**	1,619,092	**456,914**	786,864
Other Comprehensive Income:					
Fair value of available-for-sale financial assets		**23,207**	–	**1,149**	–
Hedging reserve		**100,593**	–	–	–
Share of other comprehensive expense of associated companies		**(15,020)**	(1,303)	–	–
Foreign currency translation differences for foreign operations		**643,853**	(1,068,065)	–	–
Other comprehensive income/(expense) for the year, net of tax		**752,633**	(1,069,368)	**1,149**	–
Total comprehensive income for the year		**2,588,553**	549,724	**458,063**	786,864
Total comprehensive income attributable to:-					
Owners of the parent		**1,445,154**	241,337	**458,063**	786,864
Non-controlling interests		**1,143,399**	308,387	–	–
		2,588,553	549,724	**458,063**	786,864

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	10	**19,774,461**	19,027,087	**2,790**	2,836
Prepaid lease payments	11	**–**	135,696	**–**	–
Investment properties	12	**137,484**	1,333,720	**–**	–
Development expenditures	13	**960,717**	769,315	**–**	–
Investment in subsidiaries	14	**–**	–	**4,221,732**	4,264,450
Investment in associated companies	15	**2,831,508**	2,647,423	**210,641**	210,641
Investment in jointly controlled entity	16	**22,897**	22,899	**–**	–
Investments	17	**696,606**	666,670	**38,709**	33,195
Intangible assets	19	**4,569,986**	4,347,670	**–**	–
Biological assets	20	**1,128**	1,024	**–**	–
Other receivables	21	**31,949**	5,228	**–**	–
Other non-current assets	24	**41,367**	59,253	**–**	–
Derivative financial instruments	25	**2,611**	–	**–**	–
		29,070,714	29,015,985	**4,473,872**	4,511,122
Current assets					
Inventories	22	**835,802**	810,748	**–**	–
Property development costs	23	**1,485,700**	479,482	**–**	–
Trade & other receivables	21	**3,656,630**	3,780,692	**74,058**	134,720
Other current assets	24	**254,971**	221,331	**1,608**	1,799
Derivative financial instruments	25	**95,904**	1,949	**–**	–
Income tax assets		**50,233**	18,284	**13,037**	57,127
Amount due from related parties	27	**21,798**	51,924	**1,625,579**	1,508,000
Short term investments	28	**554,925**	588,413	**554,925**	540,019
Fixed deposits	18	**11,478,146**	10,506,720	**1,589,660**	1,382,869
Cash & bank balances	18	**761,362**	584,520	**8,489**	1,944
		19,195,471	17,044,063	**3,867,356**	3,626,478
Assets held for sale	41	**–**	–	**36,595**	–
TOTAL ASSETS		**48,266,185**	46,060,048	**8,377,823**	8,137,600

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Group		Company	
		2011	2010	2011	2010
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	29	**952,802**	950,109	**952,802**	950,109
Share premium	30	**1,317,192**	1,292,354	**1,317,192**	1,292,354
Other reserves	30	**(415,426)**	(646,255)	**24,851**	25,182
Retained earnings		**9,233,901**	8,721,028	**3,989,083**	3,666,694
Treasury shares, at cost	29	**(722,616)**	(687,121)	**(722,616)**	(687,121)
		10,365,853	9,630,115	**5,561,312**	5,247,218
Non-controlling interests		**2,171,082**	1,701,456	–	–
TOTAL EQUITY		**12,536,935**	11,331,571	**5,561,312**	5,247,218
Non-current liabilities					
Long term payables	31	**57,844**	26,736	–	–
Other non-current liabilities	32	**67,696**	67,696	–	–
Bonds	33	**11,747,506**	11,982,478	**500,000**	500,000
Borrowings	34	**6,063,114**	10,809,348	–	–
Deferred income	35	**256,834**	218,140	–	–
Deferred tax liabilities	36	**2,785,365**	2,816,360	**100**	100
Post-employment benefit obligations	37	**132,769**	185,866	–	–
Derivative financial instruments	25	**19,989**	–	–	–
TOTAL NON-CURRENT LIABILITIES		**21,131,117**	26,106,624	**500,100**	500,100
Current liabilities					
Trade & other payables	38	**3,290,520**	2,944,286	**6,435**	7,660
Other current liabilities	39	**228,330**	115,967	–	–
Derivative financial instruments	25	**248,648**	23,749	–	–
Amount due to related parties	27	**3,501**	4,496	**655,920**	728,517
Bonds	33	**499,990**	1,013,470	–	–
Borrowings	34	**9,940,546**	4,302,442	**1,653,855**	1,653,920
Provision for liabilities & charges	40	**24,791**	30,156	–	–
Post-employment benefit obligations	37	**2,478**	2,601	**201**	185
Income tax liabilities		**359,329**	184,686	–	–
TOTAL CURRENT LIABILITIES		**14,598,133**	8,621,853	**2,316,411**	2,390,282
TOTAL LIABILITIES		**35,729,250**	34,728,477	**2,816,511**	2,890,382
TOTAL EQUITY AND LIABILITIES		**48,266,185**	46,060,048	**8,377,823**	8,137,600

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2011	<--- Attributable to owners of the parent					--->	Non-controlling interests	Total equity
	<--- Non distributable		--->	<--- Distributable --->				
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	RM'000	RM'000
At 1 July 2010 (as previously stated)	950,109	1,292,354	(646,255)	8,814,835	(687,121)	9,723,922	1,701,456	11,425,378
– effects of adoption of FRS 139	–	–	(181,380)	(421,589)	–	(602,969)	(39,195)	(642,164)
– effects of adoption of IFRIC 12	–	–	–	(93,807)	–	(93,807)	–	(93,807)
At 1 July 2010 (as restated)	950,109	1,292,354	(827,635)	8,299,439	(687,121)	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 for the year	–	–	410,585	–	–	410,585	342,048	752,633
Total comprehensive income for the year	–	–	410,585	1,034,569	–	1,445,154	1,143,399	2,588,553
Issue of share capital	2,693	24,838	(1,601)	–	–	25,930	–	25,930
Dividends paid	–	–	–	(134,525)	–	(134,525)	–	(134,525)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(447,670)	(447,670)
Treasury shares	–	–	–	–	(35,495)	(35,495)	–	(35,495)
Share options granted	–	–	4,116	–	–	4,116	–	4,116
Effect of issue of shares/warrants by subsidiaries to non-controlling interests	–	–	–	–	–	–	51,590	51,590
Changes in ownership interest in subsidiaries	–	–	–	34,353	–	34,353	(238,498)	(204,145)
Disposal of subsidiaries	–	–	(65)	65	–	–	–	
Conversion of ICULS	–	–	(826)	–	–	(826)	–	(826)
At 30 June 2011	952,802	1,317,192	(415,426)	9,233,901	(722,616)	10,365,853	2,171,082	12,536,935

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity for the Financial Year Ended 30 June 2011

2010	<-- Attributable to owners of the parent					-->	Non-controlling interests	Total equity
	<-- Non distributable		-->	<-- Distributable	-->			
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	RM'000	RM'000
At 1 July 2009 (as previously stated)	948,496	1,503,558	(109,774)	7,997,434	(892,549)	9,447,165	953,219	10,400,384
– effects of adoption of IFRIC 12	–	–	–	(88,161)	–	(88,161)	–	(88,161)
At 1 July 2009 (as restated)	948,496	1,503,558	(109,774)	7,909,273	(892,549)	9,359,004	953,219	10,312,223
Profit for the year (as previously stated)	–	–	–	849,811	–	849,811	774,927	1,624,738
– effects of adoption of IFRIC 12	–	–	–	(5,646)	–	(5,646)	–	(5,646)
Profit for the year (as restated)	–	–	–	844,165	–	844,165	774,927	1,619,092
Other comprehensive expense for the year	–	–	(602,828)	–	–	(602,828)	(466,540)	(1,069,368)
Total comprehensive income/ (expense) for the year	–	–	(602,828)	844,165	–	241,337	308,387	549,724
Issue of share capital	1,613	17,544	(3,714)	–	–	15,443	–	15,443
Dividends paid	–	–	–	(101,061)	–	(101,061)	–	(101,061)
Share dividend	–	(228,748)	–	–	228,748	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(473,220)	(473,220)
Treasury shares	–	–	–	–	(23,320)	(23,320)	–	(23,320)
Share options granted	–	–	8,105	–	–	8,105	–	8,105
Effect of issue of shares/warrants by subsidiaries to non-controlling interests	–	–	–	–	–	–	963,722	963,722
Changes in ownership interest in subsidiaries	–	–	–	68,751	–	68,751	(50,652)	18,099
Disposal of associated company	–	–	(158)	–	–	(158)	–	(158)
Capitalised on bonus issues	–	–	100	(100)	–	–	–	–
Equity component of exchangeable bonds 2015	–	–	168,831	–	–	168,831	–	168,831
Conversion of ICULS	–	–	(1,927)	–	–	(1,927)	–	(1,927)
Conversion of exchangeable bonds 2010	–	–	(24,089)	–	–	(24,089)	–	(24,089)
Redemption of exchangeable bonds 2012	–	–	(80,801)	–	–	(80,801)	–	(80,801)
At 30 June 2010	950,109	1,292,354	(646,255)	8,721,028	(687,121)	9,630,115	1,701,456	11,331,571

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		Non-distributable		Distributable		
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000
Balance at 1 July 2009	948,496	1,503,558	29,123	2,980,891	(892,549)	4,569,519
Profit for the year	–	–	–	786,864	–	786,864
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	–	–	–	786,864	–	786,864
Issue of share capital	1,613	17,544	(3,714)	–	–	15,443
Dividends paid	–	–	–	(101,061)	–	(101,061)
Share dividend	–	(228,748)	–	–	228,748	–
Treasury shares	–	–	–	–	(23,320)	(23,320)
Share options granted	–	–	(227)	–	–	(227)
Balance at 30 June 2010	950,109	1,292,354	25,182	3,666,694	(687,121)	5,247,218
Effects of adoption of FRS 139	–	–	72	–	–	72
At 1 July 2010, (as restated)	**950,109**	**1,292,354**	**25,254**	**3,666,694**	**(687,121)**	**5,247,290**
Profit for the year	–	–	–	**456,914**	–	**456,914**
Other comprehensive income	–	–	**1,149**	–	–	**1,149**
Total comprehensive income	–	–	**1,149**	**456,914**	–	**458,063**
Issue of share capital	**2,693**	**24,838**	**(1,601)**	–	–	**25,930**
Dividends paid	–	–	–	**(134,525)**	–	**(134,525)**
Treasury shares	–	–	–	–	**(35,495)**	**(35,495)**
Share options granted	–	–	**49**	–	–	**49**
Balance at 30 June 2011	**952,802**	**1,317,192**	**24,851**	**3,989,083**	**(722,616)**	**5,561,312**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows for the Financial Year Ended 30 June 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from operating activities				
Profit before tax	**2,351,949**	2,278,404	**501,135**	844,143
Adjustments for:-				
Fair value gains of investment properties	**(6,343)**	–	–	–
Allowance for inventories obselescence	**2,868**	6,565	–	–
Amortisation of grant	**(9,506)**	(6,056)	–	–
Amortisation of prepaid lease payments	–	6,546	–	–
Bad debts recovered	**(574)**	(4,044)	–	–
Bad debts written off	**6,437**	11,246	–	7,504
Defined benefit plan	**29,413**	49,711	–	–
Depreciation	**1,154,646**	903,625	**610**	632
Dividend income	**(41,236)**	(40,521)	**(550,727)**	(615,311)
Fair value changes of derivatives	**5,239**	–	–	–
Gain on disposal of investments	**(5,504)**	(20,042)	**(5,708)**	(272,027)
(Gain)/Loss on disposal of investment properties	**(31)**	39,210	–	–
Gain on disposal of land/property	**(1,555)**	–	–	–
Gain on disposal of property, plant & equipment	**(12,081)**	(27,942)	–	–
Gain on disposal of subsidiary	**(83)**	–	–	–
Impairment losses	**48,762**	54,955	**8,642**	–
Ineffective portion on cash flow hedge	**4,385**	–	–	–
Interest expenses	**1,051,513**	1,001,461	**81,545**	68,376
Interest income	**(195,059)**	(118,843)	**(72,710)**	(51,339)
Inventories written off	**291**	112	–	–
Investment written off	–	4	–	–
MCST* expenses	**30**	763	–	–
Negative goodwill recognised in profit or loss	–	(4,404)	–	–
Property, plant & equipment written off	**19,574**	9,073	–	–
Prospective expenditure written off	**1,621**	23,563	–	–
Receivable waived	–	1,029	–	–
Share based payments	**4,116**	8,105	**1**	(377)
Share of profits of associated companies & jointly controlled entities	**(404,046)**	(302,818)	–	–
Under/(Over) provision for liability & charges	**7,122**	(2,259)	–	–
Unrealised (gain)/loss on foreign exchange – net	**(109,401)**	4,260	**9**	–
Provision/(Write back of provision) for fuel cost	**5,049**	(5,193)	–	–
Operating profit/(loss) before changes in working capital	**3,907,596**	3,866,510	**(37,203)**	(18,399)

* Building management and sinking fund

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Inventories	**(9,873)**	229,229	**–**	–
Property development costs	**(31,566)**	26,359	**–**	–
Receivables	**168,951**	(262,234)	**(564)**	(4,318)
Other assets	**(15,833)**	34,112	**–**	–
Other liabilities	**112,364**	33,269	**–**	–
Payables	**214,563**	536,937	**(1,209)**	1,005
Net changes in related parties balances	**70,338**	(23,055)	**(190,138)**	(119,028)
Cash generated from/(used in) operations	**4,416,540**	4,441,127	**(229,114)**	(140,740)
Dividends received	**292,152**	204,752	**567,111**	572,266
Interest paid	**(846,034)**	(891,298)	**(81,545)**	(68,376)
Interest received	**200,451**	138,135	**72,710**	51,339
Payment to a retirement benefits scheme	**(95,534)**	(104,383)	**–**	–
Income tax paid	**(459,811)**	(363,264)	**(12,383)**	(10,021)
Income tax refunded	**59,328**	22,853	**57,283**	20,500
Net cash from operating activities	**3,567,092**	3,447,922	**374,062**	424,968
Cash flows from investing activities				
Acquisition of additional shares in existing subsidiaries	**(211,068)**	(25)	**(3,019)**	(314,057)
Acquisition of associated companies	**(40,664)**	(272,095)	**–**	–
Acquisition of jointly controlled entity	**–**	(8,093)	**–**	–
Acquisition of new subsidiaries (net of cash acquired)	**–**	(258,035)	**–**	(100)
Development expenditure incurred	**(94,056)**	(51,996)	**–**	–
Grants received in respect of infrastructure assets	**25,650**	25,687	**–**	–
Proceeds from disposal of investment properties	**1,512**	2,150	**–**	–
Proceeds from disposal of property, plant & equipment	**24,303**	46,335	**–**	–
Proceeds from disposal of land/property	**6,648**	–	**–**	–
Proceeds from disposal of investments	**65,644**	68,102	**2,708**	10,722
Proceeds from disposal of shares in existing subsidiaries	**5,888**	–	**5,840**	–
Purchase of investment properties	**(7,589)**	(5,618)	**–**	–
Purchase of property, plant & equipment	**(1,497,558)**	(1,739,254)	**(564)**	(358)
Purchase of short term investments	**(14,905)**	(378,980)	**(14,905)**	(378,980)
Purchase of investments	**(74,254)**	(14,153)	**(6,631)**	(7,560)
Purchase of biological asset	**(104)**	(1,024)	**–**	–
MCST refund	**–**	2,613	**–**	–
Net cash used in investing activities	**(1,810,553)**	(2,584,386)	**(16,571)**	(690,333)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Cash flows from financing activities					
Dividends paid		**(134,525)**	(101,061)	**(134,525)**	(101,061)
Dividends paid to non – controlling interests by subsidiaries		**(447,670)**	(473,220)	–	–
Repurchase of own shares by the Company (at net)		**(35,495)**	(23,320)	**(35,495)**	(23,320)
Repurchase of subsidiaries' shares by subsidiaries		**(368)**	(729)	–	–
Proceeds from borrowings		**4,010,530**	6,018,031		315,000
Proceeds from issue of shares in subsidiaries to non-controlling interests		**48,816**	287,758	–	–
Proceeds from issue of bonds		–	1,565,535	–	–
Proceeds from issue of shares		**25,930**	15,443	**25,930**	15,443
Repayment of bonds		**(834,330)**	(928,755)	–	–
Repayment of borrowings		**(3,466,763)**	(4,342,609)	**(65)**	(229)
Net cash (used in)/from financing activities		**(833,875)**	2,017,073	**(144,155)**	205,833
Net changes in cash and cash equivalents		**922,664**	2,880,609	**213,336**	(59,532)
Effects of exchange rate changes		**221,151**	(905,799)	–	–
Cash and cash equivalents at beginning of the financial year		**11,046,029**	9,071,219	**1,384,813**	1,444,345
Cash and cash equivalents at the end of the financial year	18	**12,189,844**	11,046,029	**1,598,149**	1,384,813

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in Note 14 to the Financial Statements.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad and the foreign section of the Tokyo Stock Exchange.

The address of the registered office of the Company is as follows:-

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

The address of the principal place of business of the Company is as follows:-

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under historical cost convention (unless stated otherwise in the significant accounting policies below) and in accordance with FRS and the Companies Act, 1965 in Malaysia.

The preparation of financial statements in conformity with the FRS and the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Group's accounting policies. Although these estimates and judgements are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 48 of the Financial Statements.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except as otherwise indicated.

(b) Changes in accounting policies

On 1 July 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations ('IC Int') mandatory for annual financial year beginning on or after 1 January 2010.

FRS, Amendments to FRS and IC Int	Effective for financial periods beginning on or after
• FRS 1 'First-time Adoption of Financial Reporting Standards'	1 July 2010
• FRS 3 'Business Combinations (revised)'	1 July 2010
• FRS 7 'Financial Instruments: Disclosures'	1 January 2010
• FRS 101 'Presentation of Financial Statements (revised)'	1 January 2010
• FRS 123 'Borrowing Costs'	1 January 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

FRS, Amendments to FRS and IC Int	Effective for financial periods beginning on or after
• FRS 127 'Consolidated and Separate Financial Statements'	1 July 2010
• FRS 139 'Financial Instruments: Recognition and Measurement'	1 January 2010
• Amendments to FRS 1 'First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2010
• Amendments to FRS 2 'Share-based Payment Vesting Conditions and Cancellations'	1 January 2010
• Amendments to FRS 2 'Share-based Payment'	1 July 2010
• Amendments to FRS 5 'Non-current Assets Held for Sale and Discontinued Operations'	1 January 2010/ 1 July 2010
• Amendments to FRS 7 'Financial Instruments: Disclosures'	1 January 2010
• Amendment to FRS 107 'Statement of Cash Flows'	1 January 2010
• Amendment to FRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors'	1 January 2010
• Amendment to FRS 110 'Events After the Reporting Period'	1 January 2010
• Amendment to FRS 116 'Property, Plant and Equipment'	1 January 2010
• Amendment to FRS 117 'Leases'	1 January 2010
• Amendment to FRS 118 'Revenue'	1 January 2010
• Amendment to FRS 120 'Accounting for Government Grants and Disclosure of Government Assistance'	1 January 2010
• Amendment to FRS 119 'Employee Benefits'	1 January 2010
• Amendment to FRS 123 'Borrowing Costs'	1 January 2010
• Amendments to FRS 127 'Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2010
• Amendments to FRS 128 'Investment in Associates'	1 January 2010
• Amendments to FRS 131 'Interets in Joint Ventures'	1 January 2010
• Amendments to FRS 132 'Financial Instruments: Presentation'	1 January 2010
• Amendments to FRS 132 'Financial Instruments: Presentation [Classification of Rights Issues]'	1 January 2010/ 1 March 2010
• Amendments to FRS 134 'Interim Financial Reporting'	1 January 2010
• Amendments to FRS 136 'Impairment of Assets'	1 January 2010
• Amendments to FRS 138 'Intangible Assets'	1 January 2010/ 1 July 2010
• Amendments to FRS 140 'Investment Property'	1 January 2010
• IC Int 9 'Reassessment of Embedded Derivatives'	1 January 2010
• IC Int 10 'Interim Financial Reporting and Impairment'	1 January 2010
• IC Int 11 'FRS 2 Group and Treasury Share Transactions'	1 January 2010
• IC Int 12 'Service Concession Arrangements'	1 July 2010
• IC Int 13 'Customer Loyalty Programmes'	1 January 2010
• IC Int 14 'FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'	1 January 2010
• IC Int 16 'Hedges of a Net Investment in a foreign Operation'	1 July 2010
• IC Int 17 'Distributions of Non-cash Assets to Owners'	1 July 2010
• Amendments to IC Int 9 'Reassessment of Embedded Derivatives'	1 January 2010/ 1 July 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

The adoption of the new and revised FRS, Amendments to FRS and IC Int did not have any significant financial impact on the Group and the Company other than the effects of the following FRS:

(i) FRS 3 (revised) 'Business Combinations'

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The Group and the Company have applied the revised FRS 3 prospectively in accordance with the transitional provisions. Hence, assets and liabilities that arose from business combinations whose acquisition dates are before 1 July 2010 are not adjusted.

(ii) Amendments to FRS 127 'Consolidated and Separate Financial Statements'

The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

According to its transitional provisions, the Amendments to FRS 127 has been applied prospectively and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 July 2010. The changes will affect future transactions with non-controlling interest.

(iii) FRS 7 'Financial Instruments: Disclosures'

Prior to 1 July 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 'Financial Instruments: Disclosure and Presentation'. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 30 June 2011.

(iv) FRS 101 (revised) 'Presentation of Financial Statements'

The revised FRS 101 introduces changes in the presentation and disclosure of financial statements. The revised FRS separates owner and non-owner changes in equity. The Statement of Changes in Equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The FRS also introduces the Statement of Comprehensive Income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this Statement of Comprehensive Income in two statements.

In addition, a Statement of Financial Position is required at beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

(iv) FRS 101 (revised) 'Presentation of Financial Statements' (continued)

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital (see Note 52).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(v) IC Int 12 'Service concession arrangements'

IC Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Depending on the contractual terms, this interpretation requires the operator to recognise a financial asset if it has an unconditional contractual right to receive cash or an intangible asset if it receives a right (license) to charge users of the public service. Some contractual terms may give rise to both a financial asset and an intangible asset. IC Int 12 was adopted retrospectively by the Group and comparative balances have been restated as follow:

	As previously stated RM'000	Effect of changes RM'000	As restated RM'000
30 June 2010			
Statement of Financial Position			
Investment in associated companies	2,336,230	(93,807)	2,242,423
Retained earnings	8,814,835	(93,807)	8,721,028
Income Statement			
Share of profits of associated companies	308,464	(5,646)	302,818
Profit for the year	1,624,738	(5,646)	1,619,092

(vi) FRS 139 'Financial Instruments: Recognition and Measurement'

FRS 139 sets out the new requirements for the recognition and measurement of the Group and the Company's financial instruments. It also sets out the requirements for the application of hedge accounting.

Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the end of the reporting date reflects the designation of the financial instrument. The Group and the Company determine the classification at initial recognition and re-evaluate this designation at each year end except for those financial instruments measured at fair value through profit or loss.

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

(vi) FRS 139 'Financial Instruments: Recognition and Measurement' (continued)

Investments in equity securities

Prior to the adoption of FRS 139, investments in non-current equity securities, other than investments in subsidiaries, associated companies and jointly controlled entities were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, quoted investments in non-current equity securities, other than investments in subsidiaries, associate companies and jointly controlled entities are now categorised and measured as available-for-sale financial assets.

Prior to the adoption of FRS 139, current investments were carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments. With the adoption of FRS 139, current investments are now categorised and measured as available-for-sale financial assets.

Investments in debt securities

Prior to the adoption of FRS 139, investments in debt securities were stated at amortised cost using the effective interest rate method. With the adoption of FRS 139, these investments are designated at 1 July 2010 loans and receivables.

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss other than derivatives designated as hedging instruments which are accounted for in accordance with the hedge accounting requirements.

Impairment of trade and other receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable by the management. With the adoption of FRS 139, an impairment loss is recognised for trade and other receivables and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

The Group and the Company have adopted FRS 139 prospectively on 1 July 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 July 2010 as follows:

	Increase/ (decrease) As at 1.7.2010 RM'000
Group	
Non-current Assets	
Associated companies	(144,611)
Investments	(35,389)
Derivative financial instruments	1,684

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Changes in accounting policies (continued)

(vi) FRS 139 'Financial Instruments: Recognition and Measurement' (continued)

	Increase/ (decrease) As at 1.7.2010 RM'000
Current Assets	
Derivative financial instruments	23,166
Trade & other receivables	(73,166)
Non-current liabilities	
Bonds	166,757
Derivative financial instruments	170,033
Current liabilities	
Derivative financial instruments	77,058
Equity attributable to owners of the parent	
Other reserves	(181,380)
Retained earnings	(421,589)
Non-controlling interests	(39,195)
Company	
Non-current Assets	
Investments	72
Equity attributable to owners of the parent	
Other reserves	72

(vii) FRS 117 'Leases'

The improvement to FRS 117 'Leases' clarifies that the default classification of land elements in a land and building lease is no longer an operating lease. As a result, leases of land should be classified as either finance or operating, using the general principles of FRS 117. The Group has reassessed and determined that all leasehold land are in substance finance leases and has reclassified these leasehold lands to property, plant and equipment. As the amount of reclassification is not material, the Group has reclassified prepaid lease payment to property, plant and equipment in the current year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant & equipment and depreciation

Property, plant & equipment except for infrastructure assets and certain freehold land & buildings are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs incurred for property, plant and equipment under construction. The cost of certain property, plant & equipment include the costs of dismantling, removal and restoration, the obligation of which was incurred as a consequence of installing the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Certain freehold land and buildings were revalued by the Directors in 1983 based on valuations carried out by independent professional valuers on the open market basis. In accordance with the transitional provisions issued by FRS 116 'Property, Plant & Equipment', the valuation of these properties, plant & equipment have not been updated and they continue to be stated at their previously revalued amounts less depreciation and impairment losses.

Property, plant & equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

Freehold land and freehold oil palm plantation are not amortised.

Assets under construction are stated at cost and are not depreciated. Upon completion, assets under construction are transferred to categories of property, plant & equipment depending on nature of assets and depreciation commences when they are ready for their intended used.

Depreciation on all other property, plant & equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant & equipment over their estimated useful life.

The principal annual rates of depreciation used are as follows:-

	%
Buildings	1 – 10
Leasehold land	1 – 3
Infrastructure & site facilities	0.9 – 20
Plant & machinery	4 – 20
Furniture, fixtures & equipment	10 – 50
Vehicles	10 – 33 1/3

Residual value, useful life and depreciation method of assets are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant & equipment.

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of non-financial assets

The carrying amounts of assets, other than investment properties, property development costs, inventories, assets arising from construction contracts and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the profit or loss immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

(e) Leases

(i) Finance leases – the Group as lessee

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

The asset is treated as if they had been purchased and the corresponding capital cost is shown as an obligation. Leasing payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charge being written off to profit or loss over the period of the lease in reducing amounts in a constant rate in relation to the outstanding obligations.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight line basis. The assets are depreciated in accordance with the relevant accounting policy for property, plant and equipment.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating leases – the Group as lessee

Land under operating leases is accounted for as investment property. Please refer to the accounting policy for "Investment properties".

Leases of assets were significant portion of the risks and rewards of ownership retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leases (continued)

(ii) Operating leases – the Group as lessee (continued)

When a operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period is which termination takes place.

(iii) Operating leases – the Group as lessor

Assets leased out under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on the straight line basis over the lease term.

(f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost included expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(g) Biological assets

Plantation development expenditure

New planting expenditure, which represents total cost incurred from land clearing to the point of harvesting, is capitalised under plantation development expenditure under biological assets and is not amortised. Replanting expenditure, which represents cost incurred in replanting old planted areas, is charged to the profit or loss in the financial year it is incurred.

(h) Development expenditure

(i) Land held for property development

Land held for property development is stated at cost of acquisition including the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(d) of the Financial Statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Development expenditure (continued)

(i) Land held for property development (continued)

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Project development expenditure

Development expenditure incurred is capitalised when it meets certain criteria that indicate that it is probable that the costs will give rise to future economic benefits and are amortised over the period of the projects. They are written down to their recoverable amounts when there is insufficient certainty that future economic benefits will flow to the enterprise.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. The capitalised development expenditure is amortised over its estimated useful life.

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the Statement of Financial Position. The accounting policy for goodwill is set out in Note 2(n) to the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(j) Transactions with non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Transactions with non-controlling interests (continued)

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(k) Investment in subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(l) Investment in associated companies

In the Company's separate financial statements, investment in associated companies is stated at cost less accumulated impairment losses. On disposal of investments in associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Associated companies are entities in which the Group is in a position to exercise significant influence but which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions, but not control over their policies. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence over another entity.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

The most recent available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Investment in associated companies (continued)

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

(m) Joint ventures

(i) Jointly controlled entities

In the Company's separate financial statements, investment in jointly controlled entities is stated at cost less accumulated impairment losses. On disposal of investments in jointly controlled entities, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising in the profit or loss the Group's share of the results of jointly controlled entities for the financial year. The Group's investments in jointly controlled entities are carried in the Statement of Financial Position at an amount that reflects its share of the net assets of the jointly controlled entities and includes goodwill on acquisition.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

When the Group's share of losses in the jointly controlled entities equals or exceeds its interest in the jointly controlled entities, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the jointly controlled entities.

(ii) Jointly controlled operations

When a group company is party to a joint arrangement that company accounts directly for its part of income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

(n) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Goodwill (continued)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(o) Inventories

(i) Developed properties

Inventories of developed properties held for resale are stated at the lower of cost and net realisable value. Cost of developed properties is determined using an appropriate basis of allocation and consists of land cost, construction costs and development costs incurred.

(ii) Other inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average or first-in-first-out basis and includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of finished goods and work-in-progress consists of raw materials, direct labour, other direct charges and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(p) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus, recognised profits (net of recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (net of recognised losses), the balance is classified as amount due to customers on contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

(r) Financial assets

Financial assets are recognised in the Statements of Fnancial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial assets (continued)

(ii) Loans and receivables (continued)

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available-for-sale or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(s) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Impairment of financial assets (continued)

(ii) Available-for-sale financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

(t) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank overdrafts, deposits held at call with financial institutions and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the Statements of Cash Flows, cash and cash equivalents are presented net of bank overdrafts.

(u) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up to-date in accordance with applicable FRS. Then, on initial classification as held for sale, non-current assets are measured in accordance with FRS 5: 'Non-Current Assets Held for Sale and Discontinued Operations' that is, at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(v) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the Statements of Financial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Financial liabilities (continued)

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(w) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

(i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

(ii) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(iii) Embedded derivatives in exchangeable bonds

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 25. Movements on the hedging reserve in other comprehensive income are shown in note 30. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Derivative financial instruments and hedging activities (continued)

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in profit or loss within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in profit or loss within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other gains/(losses) – net'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in within 'revenue'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss within 'other gains/(losses) – net'.

(iii) Embedded derivatives in exchangeable bonds

The fair values of the derivative financial instrument component embedded in the exchangeable bonds are determined at issuance of the exchangeable bonds with the residual amounts being allocated to the values of the liability component of the bonds. The derivative financial instrument components are remeasured at each reporting date. Resulting gains or losses arising from subsequent fair value measurements of derivative financial instruments are taken to profit or loss. The fair values of derivative financial instruments are determined by using valuation techniques with assumptions mainly based on market conditions at each reporting date.

(x) Bonds and borrowings

Bonds and borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. Subsequently, bonds and borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the bonds and borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Bonds and borrowings (continued)

Interest relating to a financial instrument classified as a liability is reported within finance cost in the profit or loss.

Bonds and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Upon issuance of exchangeable bonds, the proceeds are allocated between the derivative financial instrument component arising from the conversion option, and the liability component of the bond. The derivative financial instrument component is recognised at its fair value using the method mentioned in Note 2(w)(iii).

The liability component is recognised as the difference between total proceeds and the fair value of the derivative financial instrument component. The liability component is carried at amortised cost until the liability is extinguished on conversion or redemption. When a conversion option is exercised, the carrying amounts of the liability component and the derivative financial instrument component are derecognised with a corresponding recognition of share capital.

(y) Grants and contributions

Grants and contributions in respect of specific qualifying expenditure on property, plant & equipment are included in non-current liability as deferred income. The income is recognised in the profit or loss over the expected useful economic life of the related assets or otherwise to match them with the related costs which they are intended to compensate, on a systematic basis.

(z) Provisions

The Group recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

The provision for damages claims is recognised for expected damages claims based on the terms of the applicable sale and purchase agreements.

(aa) Restructuring provisions

Restructuring provisions mainly comprise employee termination payments, and are recognised in the financial year in which the Group becomes legally or constructively committed to the payment. Future operating costs are not provided for. Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and the number of employees affected, or after individual employees have been advised of the specific terms. Costs related to the on-going activities of the Group are not provided in advance. Any property, plant and equipment that are no longer required for their original use are transferred to current assets and carried at the lower of its carrying amount and estimated net realisable value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(bb) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(cc) Treasury shares

Shares repurchased by the Company are held as treasury shares and are accounted for on the cost method. The amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity. Should such shares be cancelled, reissued or disposed of, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves, as appropriate. Where the treasury shares are subsequently distributed as dividends to shareholders, the cost of the treasury shares is applied as reduction of the share premium account or the distributable retained profits or both.

(dd) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS are compound instruments which contain both a liability component and an equity component. The fair value of the liability component is determined by discounting the future contractual cash flows of principal and interest payments at the prevailing market rate for equivalent non-convertible loan stocks. This amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instrument.

The fair value of the equity component represented by the conversion option is determined by deducting the fair value of the liability component from the notional amount of the loan stocks and is included in equity attributable to owners.

(ee) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(ff) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ff) Employee benefits (continued)

(i) Short term employee benefits (continued)

Short term accumulating compensated absences such as paid annual leave are recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the industries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

Defined contribution plan

The Group's and the Company's contributions to a defined contribution plan are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Defined benefit plan

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets, together with adjustments for actuarial gains or losses and past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at reporting date of government securities which have currency and terms to maturity approximating the terms of the related liability.

Plan assets in excess of the defined benefit obligation are subject to the asset limitation specified in FRS 119.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses recognised in the profit or loss is determined by the corridor method in accordance with FRS 119 and is charged or credited to income over the average remaining service life of the related employees participating in the defined benefit plan.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ff) Employee benefits (continued)

(iii) Share-based compensation

The Company and certain subsidiaries operate equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted and the number of share options to be vested by vesting date. At each reporting date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity. For options granted by the Company to its subsidiaries' employees, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(gg) Income tax and deferred tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(hh) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria for revenue are as follows:-

(i) Sale of goods and rendering of services

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

Revenue from rendering of services is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(hh) Revenue recognition (continued)

(ii) Sale of electricity

Revenue from sale of electricity is recognised upon performance of services based on the invoiced value of sale of electricity net of discounts allowed and also includes an estimate of the value of services provided between the last meter reading date and the financial year end.

(iii) Sale of water and the treatment and disposal of waste water

Revenue from supply of clean water and treatment and disposal of waste water represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. The Group has chosen not to recognise as turnover the bills raised for customers who have a record of two years non-payment.

(iv) Sale of physical fuel

Revenue from sale of physical fuel oil is recognised when the risks and rewards of ownership of the oil have been passed to the customers which occur when the oil has been delivered and the collectability of the related receivable is reasonably assured.

(v) Sale of steam

Revenue is recognised upon delivery of steam.

(vi) Property development projects

Revenue from property development projects is accounted for by the stage of completion method as described in Note 2(q) of the Financial Statements.

(vii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(p) of the Financial Statements.

(viii) Interest income

Interest income is recognised as the interest income accrues, taking into account the effective yield on the asset.

(ix) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(x) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on the straight-line basis over the lease term.

(xi) Hotel and restaurant operations

Revenue from room rental is recognised on the accrual basis. Revenue from the sale of food and beverages is recognised based on invoiced value of goods sold.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(hh) Revenue recognition (continued)

(xii) Broadband and telecommunications revenue

Revenue relating to provision of broadband, telecommunications and related services are recognised net of discounts upon the transfer of risks and rewards when goods are delivered and services are performed. Revenue derived from prepaid services is deferred if the services have not been rendered at the reporting date.

(ii) Concession asset usage rights

(i) Recognition and measurement

Concession asset usage rights comprise development and upgrading expenditure (including financing costs relating to financing of the development) incurred in connection with the concession which increases the future economic benefits arising from the concession asset usage rights.

Concession asset usage rights are stated at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits arising from the concession asset usage rights. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

The concession asset usage rights are amortised from the date of commencement of the provision of concession services over the concession period. The amortisation is calculated on a straight-line basis over the concession period.

(jj) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is also the Company's functional currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into RM as follows:-

- assets and liabilities are translated at the rate of exchange ruling at the reporting date;
- income and expenses are translated at exchange rates at the dates of the transactions; and
- all exchange differences arising on the translation are recognised as other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(jj) Foreign currencies (continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2006, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions.

(kk) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

(ll) Financial guarantee

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 'Provisions, contingent liabilities and contingent assets' and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

3. REVENUE

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Sale of electricity	**10,280,326**	9,183,171	–	–
Sale of water, treatment and disposal of waste water	**2,293,708**	2,455,967	–	–
Sale of goods	**2,309,012**	2,114,345	–	–
Sale of fuel oil	**1,776,564**	1,571,456	–	–
Property development projects	**665,462**	415,207	–	–
Hotel & restaurant operations	**282,427**	138,873	–	–
Construction contracts revenue	**171,566**	204,273	–	–
Rendering of services	**195,545**	162,633	**389**	541
Sale of steam	**150,795**	97,620	–	–
Broadband and telecommunications revenue	**26,603**	–	–	–
Rental income				
– investment properties	**3,183**	33,895	–	–
– other properties	**56,601**	14,872	–	–
Interest income	**102,417**	72,843	**72,710**	51,339
Dividends				
– quoted investment, in Malaysia				
– subsidiaries	–	–	**377,848**	482,558
– other investments	**6,053**	3,646	**348**	239
– unquoted investment				
– subsidiaries, in Malaysia	–	–	**172,530**	132,514
– other investments, outside Malaysia	**34,508**	36,232	–	–
	18,354,770	16,505,033	**623,825**	667,191

4. COST OF SALES

Included in cost of sales are the following:-

	Group 2011 RM'000	Group 2010 RM'000
Cost of inventories	**4,836,221**	3,707,383
Construction contracts costs	**130,085**	167,340
Property development costs	**535,581**	342,585

5. FINANCE COSTS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Interest expense				
– Bonds	**645,302**	605,596	**24,250**	24,250
– Borrowings	**447,932**	451,305	**57,295**	44,126
	1,093,234	1,056,901	**81,545**	68,376
Less: Amount capitalised in				
– Property, plant & equipment	–	(22,007)	–	–
– Development expenditure	**(1,018)**	(4,088)	–	–
– Property developments costs	**(40,369)**	(28,398)	–	–
– Construction contracts	**(334)**	(947)	–	–
Interest expenses of financial liabilities that are not at fair value through profit or loss	**1,051,513**	1,001,461	**81,545**	68,376

6. PROFIT BEFORE TAX

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Profit before tax is stated after charging:-				
Amortisation of prepaid lease payments (Note 11)	–	6,546	–	–
Allowance for inventories obsolescence	**2,868**	6,565	–	–
Auditors' remuneration				
– statutory				
– current financial year	**4,321**	3,994	**175**	175
– under-provision in prior financial year	**36**	29	–	–
– others	**3**	146	–	–
Bad debts written off	**6,437**	11,246	–	7,504

6. PROFIT BEFORE TAX (continued)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Depreciation (Note 10)	**1,154,646**	903,625	**610**	632
Directors' remuneration				
– emoluments	**51,619**	32,415	**56**	43
– fees	**1,915**	1,793	**510**	550
– benefits in kind	**211**	229	**–**	–
Fair value changes of derivatives – loss	**7,277**	–	**–**	–
Hiring of plant & machinery	**9,949**	13,841	**15**	22
Impairment losses on				
– Development expenditure (Note 13)	**29,821**	317	**–**	–
– Goodwill (Note 19)	**6,482**	866	**–**	–
– Property, plant & equipment (Note 10)	**1,202**	290	**–**	–
– Receivables – net of reversal (Note 21)	**11,257**	53,482	**–**	–
Ineffective portion of cash flow hedges	**4,385**	–	**–**	–
Inventories written off	**291**	112	**–**	–
Investment written off	**–**	4	**–**	–
Loss on disposal of investment properties	**–**	39,210	**–**	–
Loss on foreign exchange – net				
– realised	**26,220**	2,197	**1**	–
– unrealised	**–**	4,260	**9**	–
Property, plant & equipment written off	**19,574**	9,073	**–**	–
Provision for liabilities & charges – net (Note 40)	**7,122**	–	**–**	–
Provision of fuel cost	**5,049**	–	**–**	–
Prospective expenditure written off	**1,621**	23,563	**–**	–
Receivable waived	**–**	1,029	**–**	–
Rental of land & buildings	**168,467**	24,138	**674**	670
And crediting (other than those disclosed in Note 3 of the Financial Statements):-				
Adjustment on fair value of investment properties (Note 12)	**6,343**	–	**–**	–
Amortisation of grant (Note 35)	**9,506**	6,056	**–**	–
Bad debts recovered	**574**	4,044	**–**	–
Fair value changes of derivatives	**2,038**	–	**–**	–
Gain on disposal of investments	**5,587**	20,042	**5,708**	272,027
Gain on disposal of investment properties	**31**	–	**–**	–
Gain on disposal of prepaid lease payments	**–**	5	**–**	–
Gain on disposal of land	**2,165**	–	**–**	–
Gain on disposal of property, plant & equipment	**14,246**	27,937	**–**	–
Gain on disposal of subsidiary	**83**	–	**–**	–
Gain on foreign exchange – net				
– realised	**–**	–	**–**	9
– unrealised	**109,401**	–	**–**	–

6. PROFIT BEFORE TAX (continued)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Gross dividend from quoted investments				
– within Malaysia	**675**	643	**–**	–
Hiring income from plant, machinery & equipment	**533**	1,066	**–**	–
Interest income	**92,642**	46,000	**–**	–
Liquidated damages received	**–**	97,924	**–**	–
Negative goodwill recognised in profit or loss	**–**	4,404	**–**	–
Provision for liabilities & charges – net (Note 40)	**–**	2,259	**–**	–
Rental income				
– investment properties	**1,718**	2,114	**–**	–
– other properties	**1,164**	1,224	**73**	111
Write back of provision for fuel cost	**–**	5,193	**–**	–

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM3,232,373 (2010: RM6,801,463).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM33,029 (2010: RM23,196).

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended are as follows:-

Group – 2011

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive Directors	**1,430**	**23,117**	**20,672**	**7,909**	**53,128**
Non-Executive Directors	**480**	**–**	**–**	**132**	**612**

Company – 2011

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive Directors	**360**	**–**	**–**	**–**	**360**
Non-Executive Directors	**150**	**–**	**–**	**56**	**206**

6. PROFIT BEFORE TAX (continued)

Group – 2010

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive Directors	1,278	17,297	8,260	6,982	33,817
Non-Executive Directors	515	–	–	105	620

Company – 2010

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive Directors	360	–	–	–	360
Non-Executive Directors	190	–	–	43	233

* Included in the remuneration of Directors are the following:-

	Group 2011 RM'000	Group 2010 RM'000
Defined contribution plan	**5,238**	3,063
Share options expenses	**2,460**	3,690

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands for the financial year ended 30 June 2011 are as follows:-

	Group No. of Directors		Company No. of Directors	
Range of remuneration	Executive	Non-Executive	Executive	Non-Executive
Below RM50,001	–	1	9	1
RM50,001 – RM100,000	–	1	–	3
RM100,001 – RM150,001	–	2	–	–
RM150,001 – RM200,000	–	2	–	–
RM550,001 – RM600,000	1	–	–	–
RM1,200,001 – RM1,250,000	1	–	–	–
RM5,050,001 – RM5,100,000	1	–	–	–
RM5,300,001 – RM5,350,000	1	–	–	–
RM5,900,001 – RM5,950,000	2	–	–	–
RM6,200,001 – RM6,250,000	1	–	–	–
RM6,550,001 – RM6,600,000	1	–	–	–
RM16,150,001 – RM16,200,000	1	–	–	–

6. PROFIT BEFORE TAX (continued)

EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Employees compensation (exclude Directors' remuneration)				
Salaries, wages & bonus	**657,127**	449,150	**7,844**	7,410
Defined contribution plan	**57,598**	32,298	**921**	854
Defined benefit plan	**29,413**	49,711	**–**	–
Share options expenses	**6,696**	4,415	**1**	(377)
Other benefits	**41,285**	30,811	**390**	240
	792,119	566,385	**9,156**	8,127

7. INCOME TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current income tax				
– Malaysian income tax	**216,363**	211,253	**44,221**	57,179
– Foreign income tax	**327,643**	243,242	**–**	–
Deferred tax (Note 36)	**(27,977)**	204,817	**–**	100
	516,029	659,312	**44,221**	57,279
Current income tax				
– current financial year	**585,330**	464,492	**53,300**	50,000
– (Over)/Under-provision in prior financial years	**(41,324)**	(9,997)	**(9,079)**	7,179
Deferred tax				
– Origination and reversal of temporary differences	**(27,977)**	204,817	**–**	100
	516,029	659,312	**44,221**	57,279

7. INCOME TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	**2,351,949**	2,278,404	**501,135**	844,143
Income tax using Malaysian tax rate of 25% (2010: 25%)	**587,987**	569,601	**125,284**	211,036
Non-deductible expenses	**275,444**	219,656	**25,743**	19,698
Income not subject to tax	**(49,193)**	(32,238)	**(97,727)**	(180,634)
Different tax rates in other countries*	**(160,355)**	(32,976)	–	–
Double deductible expenses	**(1,207)**	(1,115)	–	–
(Over)/Under-provision in prior financial years	**(41,324)**	(9,997)	**(9,079)**	7,179
Tax effect on share of profits of associated companies	**(101,006)**	(75,704)	–	–
Tax effect of under-provision of deferred tax	**5,683**	22,085	–	–
	516,029	659,312	**44,221**	57,279

* During the year, a subsidiary residing in foreign country had announced the reduction in its corporation tax rate from 28% to 26% with effect from 1 April 2011. This change reduced the corporation tax rate to 27.5% for the year to June 2011 and reduced the deferred tax liability by RM95.9 million. Further, a reduction in the corporation tax rate by 1% per annum to 23% by 1 April 2014 was also announced, but these changes were not substantially enacted by 30 June 2011, and the impact has not been included above.

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. On 1 January 2008, the single-tier tax system came into effect in Malaysia. Under this system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under the single-tier system are tax exempt in the hands of shareholders. Companies can make an irrevocable election to disregard the Section 108 balance and opt to pay dividends under the single-tier tax system.

The Company did not make an election to disregard the Section 108 balance, and may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier.

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 available to frank approximately RM62,293,000 (2010: RM164,742,000) of its retained earnings as at 30 June 2011, if paid out as dividends. The remaining profits of RM3,926,790,000 (2010: RM3,501,952,000) can be distributed as exempt dividends under the single-tier tax system.

In addition, the Company has tax exempt income as at 30 June 2011 arising from the Income Tax (Amendment) Act 1999, relating to tax waived on income earned in 1999 amounting to approximately RM15,009,000 (2010: RM15,009,000) that is available for distribution as tax exempt dividends to shareholders. This tax exempt income is subject to agreement by the Inland Revenue Board.

8. EARNINGS PER SHARE ("EPS")

(i) Basic EPS

Basic EPS of the Group is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group 2011	Group 2010 (Restated)
Profit for the financial year attributable to owners (RM'000)	**1,034,569**	844,165
Weighted average number of ordinary shares in issue for basic EPS ('000)	**8,970,720**	8,934,475*
Basic EPS (sen)	**11.53**	9.45*

(ii) Diluted EPS

For the diluted EPS calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group 2011	Group 2010 (Restated)
Profit for the year attributable to owners of the parent (RM'000)	**1,034,569**	844,165
Weighted average number of ordinary shares in issue for basic EPS as above ('000)	**8,970,720**	8,934,475*
Adjustment for ordinary shares deemed issued at no consideration on assumed exercise of Options ('000)	**70,051**	71,370*
	9,040,771	9,005,845
Diluted EPS (sen)	**11.44**	9.37*

The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on the quoted market prices for the period during which the options were outstanding.

* The earnings per share have been restated after taking into consideration the adjustment for share subdivision into five (5) ordinary shares of RM0.10 each for every one (1) ordinary share of RM0.50 in the Company, which was effected on 29 April 2011.

9. DIVIDENDS

	Group/Company			
	2011		2010	
	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000
Dividend paid in respect of:-				
(a) Financial year ended 30 June 2009 – final, less 25% tax	–	–	1.5*	101,061
(b) Financial year ended 30 June 2010 – first and final, Less 25% tax	**2.0***	**134,525**	–	–
Dividend recognised as distribution to ordinary equity holders of the Company	**2.0***	**134,525**	1.5*	101,061
Proposed final dividend, less 25% tax (2010: 25% tax)	–	–	2.0*	134,613

Subsequent to the financial year ended 30 June 2011, the Directors of the Company had on 25 August 2011 declared an interim single tier dividend of 20% or 2 sen per ordinary share of RM0.10 each, with the total amounting to approximately RM179,574,093 computed based on the total issued and paid-up share capital of 8,978,704,645 ordinary shares of RM0.10 each in the Company, excluding treasury shares, in respect of the financial year ended 30 June 2011. The financial statements for the current financial year do not reflect these dividends. Upon declaration, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 June 2012. The Directors do not propose any final dividend in respect of the year ended 30 June 2011.

* The dividend per ordinary shares has been restated after taking into consideration the adjustment made arising from the subdivision of every one (1) ordinary share of RM0.50 each held in the Company into five (5) ordinary shares of RM0.10 each on 29 April 2011.

10. PROPERTY, PLANT & EQUIPMENT

Group – 2011

	Land & buildings* RM'000	Infras-tructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munication equipment RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation								
At 1.7.2010	5,761,179	4,582,076	12,715,172	732,987	295,350	104	1,012,454	25,099,322
Additions	49,261	134,236	257,381	42,475	58,549	749	1,163,080	1,705,731
Disposals	(4,747)	(18)	(21,300)	(10,898)	(9,879)	–	(2,896)	(49,738)
Written off	(4,454)	–	(113,874)	(6,534)	(92)	(80)	–	(125,034)
Transfer on commissioning	168,371	53,442	284,845	22,356	28,244	923,125	(1,480,383)	–
Reclassified from prepaid lease payment	166,406	–	–	–	–	–	–	166,406
Currency translation differences	(11,512)	(40,315)	166,117	(4,066)	1,207	–	(2,181)	109,250
At 30.6.2011	6,124,504	4,729,421	13,288,341	776,320	373,379	923,898	690,074	26,905,937
Accumulated depreciation & impairment losses								
At 1.7.2010	1,196,800	166,154	4,214,356	321,186	173,729	10	–	6,072,235
Charge for the financial year	166,087	42,591	839,757	51,008	36,773	22,488	–	1,158,704
Impairment losses	–	1,123	–	79	–	–	–	1,202
Disposals	(2,546)	(18)	(12,739)	(9,670)	(9,551)	–	–	(34,524)
Written off	(338)	–	(100,316)	(4,724)	(8)	(74)	–	(105,460)
Reclassified from prepaid lease payment	30,710	–	–	–	–	–	–	30,710
Currency translation differences	(2,975)	(1,628)	13,670	(1,199)	741	–	–	8,609
At 30.6.2011	1,387,738	208,222	4,954,728	356,680	201,684	22,424	–	7,131,476
Representing:-								
Accumulated depreciation	1,387,738	207,099	4,954,728	356,049	201,684	22,424	–	7,129,722
Accumulated impairment losses	–	1,123	–	631	–	–	–	1,754
	1,387,738	208,222	4,954,728	356,680	201,684	22,424	–	7,131,476
Net Book Value								
At 30.6.2011	4,736,766	4,521,199	8,333,613	419,640	171,695	901,474	690,074	19,774,461

10. PROPERTY, PLANT & EQUIPMENT (continued)

Group – 2010

	Land & buildings* RM'000	Infras-tructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munication equipment RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation								
At 1.7.2009	5,381,150	5,263,945	11,108,523	693,911	293,337	57	2,393,650	25,134,573
Arising on acquisition	350,917	–	10,945	11,366	427	–	6,624	380,279
Additions	31,444	114,217	186,972	49,123	62,022	48	1,269,219	1,713,045
Disposals	(816)	–	(26,024)	(1,282)	(56,191)	–	–	(84,313)
Written off	(8,224)	–	(32,219)	(1,008)	(7)	(1)	(703)	(42,162)
Transfer on commissioning	–	69,791	2,445,400	71,027	–	–	(2,586,218)	–
Transfers from investment property (Note 12)	570,173	–	–	–	–	–	–	570,173
Transfers from development expenditure (Note 13)	–	–	–	–	–	–	5,893	5,893
Currency translation differences	(563,465)	(865,877)	(978,425)	(90,150)	(4,238)	–	(76,011)	(2,578,166)
At 30.6.2010	5,761,179	4,582,076	12,715,172	732,987	295,350	104	1,012,454	25,099,322
Accumulated depreciation & impairment losses								
At 1.7.2009	1,119,515	146,456	3,859,115	308,378	182,499	1	–	5,615,964
Arising on acquisition	34,776	–	4,382	3,930	335	–	–	43,423
Charge for the financial year	126,172	44,470	670,685	41,387	25,262	9	–	907,985
Impairment losses	–	–	–	290	–	–	–	290
Disposals	(112)	–	(17,277)	(1,221)	(32,926)	–	–	(51,536)
Written off	(2,199)	–	(30,044)	(839)	(7)	–	–	(33,089)
Currency translation differences	(81,352)	(24,772)	(272,505)	(30,739)	(1,434)	–	–	(410,802)
At 30.6.2010	1,196,800	166,154	4,214,356	321,186	173,729	10	–	6,072,235
Representing:-								
Accumulated depreciation	1,196,800	166,154	4,214,356	320,634	173,729	10	–	6,071,683
Accumulated impairment losses	–	–	–	552	–	–	–	552
	1,196,800	166,154	4,214,356	321,186	173,729	10	–	6,072,235
Net Book Value								
At 30.6.2010	4,564,379	4,415,922	8,500,816	411,801	121,621	94	1,012,454	19,027,087

10. PROPERTY, PLANT & EQUIPMENT (continued)

* Land & buildings of the Group are as follows:-

Group – 2011

	Freehold land RM'000	Long term Leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation									
At 1.7.2010									
At cost	271,959	–	–	–	3,400,643	900,012	1,179,045	2,484	5,754,143
At valuation	4,566	–	–	2,000	470	–	–	–	7,036
	276,525	–	–	2,000	3,401,113	900,012	1,179,045	2,484	5,761,179
Additions	1,144	–	–	–	9,508	892	37,717	–	49,261
Disposals	(337)	–	–	–	(3,911)	–	(499)	–	(4,747)
Written off	–	–	–	–	(4,429)	–	(25)	–	(4,454)
Transfers	85,674	89,859	76,547	–	81,986	–	711	–	334,777
Currency translation differences	2,974	–	–	–	(23,857)	(2,241)	11,612	–	(11,512)
At 30.6.2011	365,980	89,859	76,547	2,000	3,460,410	898,663	1,228,561	2,484	6,124,504
Representing:-									
At cost	361,414	89,673	76,547	–	3,459,940	898,663	1,228,561	2,484	6,117,282
At valuation	4,566	186	–	2,000	470	–	–	–	7,222
At 30.6.2011	365,980	89,859	76,547	2,000	3,460,410	898,663	1,228,561	2,484	6,124,504
Accumulated Depreciation									
At 1.7.2010									
At cost	–	–	–	–	523,742	186,810	484,611	1,515	1,196,678
At valuation	–	–	–	–	122	–	–	–	122
	–	–	–	–	523,864	186,810	484,611	1,515	1,196,800
Charge for the financial year	–	–	–	–	74,729	20,237	71,071	50	166,087
Disposals	–	–	–	–	(2,546)	–	–	–	(2,546)
Written off	–	–	–	–	(338)	–	–	–	(338)
Transfers	–	19,627	11,083	–	–	–	–	–	30,710
Currency translation differences	–	–	–	–	(4,588)	(355)	1,936	32	(2,975)
At 30.6.2011	–	19,627	11,083	–	591,121	206,692	557,618	1,597	1,387,738
Net Book Value:-									
At cost	361,414	70,232	65,464	–	2,868,941	691,971	670,943	887	4,729,852
At valuation	4,566	–	–	2,000	348	–	–	–	6,914
At 30.6.2011	365,980	70,232	65,464	2,000	2,869,289	691,971	670,943	887	4,736,766

10. PROPERTY, PLANT & EQUIPMENT (continued)

* Land & buildings of the Group are as follows:-

Group – 2010

	Freehold land RM'000	Leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation									
At 1.7.2009									
At cost	112,600	–	–	–	3,371,656	894,673	992,701	2,484	5,374,114
At valuation	4,566	–	–	2,000	470	–	–	–	7,036
	117,166	–	–	2,000	3,372,126	894,673	992,701	2,484	5,381,150
Arising on acquisition	160,917	–	–	–	–	–	190,000	–	350,917
Additions	5,983	–	–	–	24,251	76	1,134	–	31,444
Disposals	(419)	–	–	–	(397)	–	–	–	(816)
Written off	–	–	–	–	(5,070)	–	(3,154)	–	(8,224)
Transfers	–	–	–	–	565,417	4,756	–	–	570,173
Currency translation differences	(7,122)	–	–	–	(555,214)	507	(1,636)	–	563,465
At 30.6.2010	276,525	–	–	2,000	3,401,113	900,012	1,179,045	2,484	5,761,179
Representing:-									
At cost	271,959	–	–	–	3,400,643	900,012	1,179,045	2,484	5,754,143
At valuation	4,566	–	–	2,000	470	–	–	–	7,036
At 30.6.2010	276,525	–	–	2,000	3,401,113	900,012	1,179,045	2,484	5,761,179
Accumulated Depreciation									
At 1.7.2009									
At cost	–	–	–	–	501,724	169,427	446,735	1,515	1,119,401
At valuation	–	–	–	–	114	–	–	–	114
	–	–	–	–	501,838	169,427	446,735	1,515	1,119,515
Arising on acquisition	–	–	–	–	–	–	34,776	–	34,776
Charge for the financial year	–	–	–	–	104,966	17,597	3,609	–	126,172
Disposals	–	–	–	–	(112)	–	–	–	(112)
Written off	–	–	–	–	(1,851)	–	(348)	–	(2,199)
Currency translation differences	–	–	–	–	(80,977)	(214)	(161)	–	(81,352)
At 30.6.2010	–	–	–	–	523,864	186,810	484,611	1,515	1,196,800
Net Book Value:-		–	–						
At cost	271,959	–	–	–	2,876,893	713,202	694,434	–	4,557,457
At valuation	4,566	–	–	2,000	356	–	–	969	6,922
At 30.6.2010	276,525	–	–	2,000	2,877,249	713,202	694,434	969	4,564,379

10. PROPERTY, PLANT & EQUIPMENT (continued)

Company – 2011

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2010	1,207	2,915	5,349	9,471
Additions	–	474	90	564
Disposals	–	–	(1,960)	(1,960)
At 30.6.2011	1,207	3,389	3,479	8,075
Accumulated Depreciation				
At 1.7.2010	343	2,204	4,088	6,635
Charge for the financial year	–	492	118	610
Disposals	–	–	(1,960)	(1,960)
At 30.6.2011	343	2,696	2,246	5,285
Net Book Value				
At 30.6.2011	864	693	1,233	2,790

Company – 2010

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2009	1,207	2,557	5,349	9,113
Additions	–	358	–	358
At 30.6.2010	1,207	2,915	5,349	9,471
Accumulated Depreciation				
At 1.7.2009	343	1,834	3,826	6,003
Charge for the financial year	–	370	262	632
At 30.6.2010	343	2,204	4,088	6,635
Net Book Value				
At 30.6.2010	864	711	1,261	2,836

10. PROPERTY, PLANT & EQUIPMENT (continued)

(a) Depreciation charge for the financial year is allocated as follows:-

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Income Statements (Note 6)	**1,154,646**	903,625	**610**	632
Property development cost (Note 24)	**–**	168	**–**	–
Amount due from contract Customers (Note 26)	**4,058**	4,192	**–**	–
	1,158,704	907,985	**610**	632

(b) Assets under finance lease

The net book value of the property, plant & equipment as at reporting date held under finance lease are as follows:-

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Plant & machinery	**250,552**	291,755	**–**	–
Vehicles	**1,188**	14,552	**–**	290
	251,740	306,307	**–**	290

(c) Security

The net book value of the Group's property, plant & equipment that have been pledged as security for the bank facilities and bonds by way of fixed and floating charges are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Buildings	**940,420**	1,014,194
Plant & machinery	**517,016**	520,876
Furniture, fixtures & equipment	**3,476**	1,340
Vehicles	**2,527**	2,595
Assets under construction	**21,859**	19,889
	1,485,298	1,558,894

(d) Borrowing cost

No borrowing costs arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year.

In the financial year 2010, borrowing costs of RM22,007,395, arising on financing specifically entered into for the construction of property, plant and equipment, were capitalised in the financial year 2010 and included in additions of the Group in the financial year 2010.

10. PROPERTY, PLANT & EQUIPMENT (continued)

(e) Residual value of property, plant and equipment

The Group has revised the useful life and residual value of certain property, plant and equipment. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the current financial year has increased by RM84,156,983.

11. PREPAID LEASE PAYMENTS

	Group	
	2011 RM'000	**2010 RM'000**
At cost/valuation		
At beginning of the financial year	**166,406**	165,884
Arising from acquisition of subsidiaries	–	2,176
Additions	–	521
Disposals	–	(27)
Currency translation differences	–	(2,148)
Reclassified to property, plant & equipment	**(166,406)**	–
At end of the financial year	–	166,406
Less: Accumulated amortisation		
At beginning of the financial year	**30,710**	24,778
Arising from acquisition of subsidiaries	–	127
Amortisation (Note 6)	–	6,546
Disposals	–	(5)
Currency translation differences	–	(736)
Reclassified to property, plant & equipment	**(30,710)**	–
At end of the financial year	–	30,710
Carrying amount at end of the financial year	–	135,696
Representing:-		
Long term leasehold land		
– cost	–	70,045
– valuation	–	186
Short term leasehold land		
– cost	–	65,465
	–	135,696

Prepaid lease payments have been reclassified to property, plant and equipment as a result of adoption of Amendment to FRS117 Leases as disclosed in Note 2(b)(vii) of the Financial Statements.

12. INVESTMENT PROPERTIES

Group – 2011

	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
At beginning of the financial year	**1,123,148**	**210,572**	**1,333,720**
Additions from subsequent expenditure	**7,561**	**28**	**7,589**
Disposals	**(1,617)**	**–**	**(1,617)**
Currency translation differences	**61,073**	**–**	**61,073**
Change in fair value recognised in profit or loss (Note 6)	**6,343**	**–**	**6,343**
Transfer to project development cost (Note 23)	**(1,117,970)**	**–**	**(1,117,970)**
Transfer from/(to) development expenditure (Note 13)	**–**	**(151,654)**	**(151,654)**
At end of the financial year	**78,538**	**58,946**	**137,484**

Group – 2010

	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
At beginning of the financial year	2,398,040	588,861	2,986,901
Additions from subsequent expenditure	1,439	4,179	5,618
Disposals	(654,924)	(416,435)	(1,071,359)
Currency translation differences	(52,493)	(275)	(52,768)
Transfer to property, plant & equipment	(570,173)	–	(570,173)
Transfer from project development expenditure (Note 13(b))	4,635	34,242	38,877
MCST expenses transfer to profit or loss	(763)	–	(763)
MCST – refund received	(2,613)	–	(2,613)
At end of the financial year	1,123,148	210,572	1,333,720

13. DEVELOPMENT EXPENDITURE (continued)

The movement in development expenditure of the Group during the financial year is as follows:

Group – 2011

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development				
At beginning of the financial year	**220,347**	**35,365**	**369,297**	**625,009**
Additions	**–**	**–**	**36,937**	**36,937**
Transfer from investment property (Note 12)	**159,436**	**–**	**–**	**159,436**
Transfer to property development cost (Note 23)	**(2,849)**	**–**	**(16,547)**	**(19,396)**
Disposal of land	**(300)**	**–**	**–**	**(300)**
At end of the financial year	**376,634**	**35,365**	**389,687**	**801,686**
(b) Project development expenditure				
At beginning of the financial year	**21,145**	**16,199**	**106,962**	**144,306**
Additions	**–**	**–**	**57,119**	**57,119**
Disposals	**–**	**(4,181)**	**(610)**	**(4,791)**
Impairment losses	**–**	**–**	**(29,821)**	**(29,821)**
Transfer to investment properties (Note 12)	**–**	**–**	**(7,782)**	**(7,782)**
At end of the financial year	**21,145**	**12,018**	**125,868**	**159,031**
Total	**397,779**	**47,383**	**515,555**	**960,717**

Group – 2010

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development				
At beginning of the financial year	219,547	34,494	417,773	671,814
Arising from acquisition	–	900	–	900
Additions	800	–	9,992	10,792
Transfer to property development cost (Note 23)	–	(29)	(58,403)	(58,432)
Expenses transfer to profit or loss	–	–	(65)	(65)
At end of the financial year	220,347	35,365	369,297	625,009

13. DEVELOPMENT EXPENDITURE (continued)

Group – 2010 (continued)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(b) Project development expenditure				
At beginning of the financial year	20,114	42,896	114,366	177,376
Additions	1,031	–	40,173	41,204
Transfer to property, plant & equipment	–	–	(5,893)	(5,893)
Arising from disposal of subsidiary	–	(26,697)	(2,490)	(29,187)
Transfer to investment properties (Note 12)	–	–	(38,877)	(38,877)
Impairment losses	–	–	(317)	(317)
At end of the financial year	21,145	16,199	106,962	144,306
Total	241,492	51,564	476,259	769,315

Included in development expenditure of the Group are interests capitalised during the financial year amounting to RM1,018,382 (2010: RM4,088,426).

Development expenditure of the Group at the end of the financial year can be analysed as follows:-

Group – 2011

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost:				
Land held for property development	**376,634**	**35,365**	**389,687**	**801,686**
Project development expenditure	**21,145**	**12,018**	**159,883**	**193,046**
	397,779	**47,383**	**549,570**	**994,732**
Accumulated amortisation:				
Project development expenditure	–	–	**(3,877)**	**(3,877)**
Accumulated impairment losses:				
Project development expenditure	–	–	**(30,138)**	**(30,138)**
Net book value:				
Land held for property development	**376,634**	**35,365**	**389,687**	**801,686**
Project development expenditure	**21,145**	**12,018**	**125,868**	**159,031**
	397,779	**47,383**	**515,555**	**960,717**

13. DEVELOPMENT EXPENDITURE (continued)

Group – 2010

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost:				
Land held for property development	220,347	35,365	369,297	625,009
Project development expenditure	21,145	16,199	111,156	148,500
	241,492	51,564	480,453	773,509
Accumulated amortisation:				
Project development expenditure	–	–	(3,877)	(3,877)
Accumulated impairment losses:				
Project development expenditure	–	–	(317)	(317)
Net book value:				
Land held for property development	220,347	35,365	369,297	625,009
Project development expenditure	21,145	16,199	106,962	144,306
	241,492	51,564	476,259	769,315

14. SUBSIDIARIES

(a) Investment in subsidiaries

	Company 2011 RM'000	Company 2010 RM'000
Quoted shares, at cost	**3,410,552**	3,408,033
Unquoted shares, at cost	**382,995**	428,232
#Quoted warrants, at cost	**122,930**	122,930
*Quoted ICULS, at cost	**305,255**	305,255
	4,221,732	4,264,450
Market value		
– Quoted shares	**9,685,566**	9,216,246
– Quoted warrants	**1,040,288**	1,021,643
– Quoted ICULS	**610,444**	406,962

The number of warrants held in a subsidiary is as follows ('000):-

	2011	2010
YTL Power International Berhad – Warrant 2008/2018	**1,011,526**	1,011,526

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14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Quoted warrants

Warrants 2008/2018

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each in YTL Power International Berhad at the revised exercise price of RM1.25 (2009: RM1.21) payable in cash. The exercise price is also subject to adjustments in accordance with the basis set out in the Deed Poll.

The warrants may be exercised at any time commencing on the date of issue of warrants on 12 June 2008 but not later than 11 June 2018. Any warrants which have not been exercised at the expiry date will lapse and cease to be valid for any purpose.

The warrants are quoted on Bursa Malaysia Securities Berhad.

* Quoted ICULS

These are related to ten (10) years ICULS issued by YTL Cement Berhad, a subsidiary of the Group, on 10 November 2005. These ICULS bear a step-up coupon rate ranging from 4% to 6% per annum until its maturity date. The interest is payable semi-annually. The conversion price of the ICULS is fixed at a step-down basis. In the first four (4) years, the conversion price is at RM2.72 for one (1) ordinary share in YTL Cement Berhad, after which it is at RM2.04 in the next three (3) years and at RM1.82 for the remaining three (3) years.

Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	2010 %
Airzed Services Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**33.21**	29.14
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**41.51**	36.43
Amanresorts Sdn. Bhd.	Malaysia	Property development	**57.90**	60.87
Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
* Austasia Metal Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Autodome Sdn. Bhd.	Malaysia	Operator of food & beverage outlets & sub-letting of premises	**100.00**	100.00
Awan Serunding Sdn. Bhd.	Malaysia	Dormant	**49.55**	49.63
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**49.55**	49.63
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**49.55**	49.63
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**57.90**	60.87
Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	**44.47**	44.60
* Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**57.90**	60.87
Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	**90.00**	90.00
Borneo Island Villas Sdn. Bhd.	Malaysia	Development of holiday resorts	**80.00**	80.00
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**49.55**	49.63
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.55**	49.63
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**25.00**	25.04
Buildcon Desa Sdn. Bhd.	Malaysia	Inactive	**49.55**	49.63
Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80

14. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
Business & Budget Hotels Sdn. Bhd.	Malaysia	Investment holding & property investment	**100.00**	100.00
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel & resort operator	**51.00**	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd.	Malaysia	Inactive	**51.00**	51.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	**100.00**	100.00
Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts, accessories & related services	**100.00**	100.00
Cane Creations Sdn. Bhd.	Malaysia	Manufacture & trading of cane furniture	**100.00**	100.00
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Granite quarrying	**49.55**	49.63
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.55**	49.63
Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase & credit	**100.00**	100.00
Cornerstone Crest Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**51.00**	51.00
Divine View Sdn. Bhd.	Malaysia	Commercial trading property dealing investment holding	**100.00**	100.00
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00
Dynamic Project Development Sdn. Bhd.	Malaysia	Civil engineering works and construction	**100.00**	100.00
Dynamic Property Management Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Emerald Hectares Sdn. Bhd.	Malaysia	Property development & related services	**70.00**	70.00

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
	Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VoIP telephony services	**31.05**	66.91
	First Commercial Development Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
	Gemilang Pintar Sdn. Bhd.	Malaysia	Marketing & trading of quarry products	**34.69**	34.74
#	Happy Steamboat Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**100.00**	–
	Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
	Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	80.00
	Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry operator, manufacture of granite blocks, aggregates, chippings & crusher runs	**49.55**	49.63
*	Just Heritage Sdn. Bhd.	Malaysia	Property management & related services	**75.00**	75.00
	Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
	Katagreen Development Sdn. Bhd.	Malaysia	Property leasing management & related services	**100.00**	100.00
	Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**49.55**	49.63
	Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**49.55**	49.63
	Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	**100.00**	100.00
*	Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**57.90**	60.87
	Magna Boundary Sdn. Bhd.	Malaysia	Hotel & resort operator	**90.00**	90.00
	Marble Valley Sdn. Bhd.	Malaysia	Management & investment holding	**80.00**	80.00

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
	Marble Valley Two Sdn. Bhd.	Malaysia	Hotel & resort operator	**64.00**	64.00
*	Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**57.90**	60.87
	Mini-Mix Sdn. Bhd.	Malaysia	Inactive	**49.55**	49.63
	Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**49.55**	49.63
	Natural Adventure Sdn. Bhd.	Malaysia	Retailing business	**100.00**	100.00
	Niche Retailing Sdn. Bhd.	Malaysia	Retailing business	**100.00**	100.00
	Noriwasa Sdn. Bhd.	Malaysia	Dormant	**57.90**	60.87
	Nusantara Sakti Sdn. Bhd.	Malaysia	Carriage of passengers & air carriers	**80.00**	80.00
*	Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**49.55**	49.63
*	Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**49.55**	49.63
	Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**57.90**	60.87
	Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary portland cement & blended cement	**49.55**	32.18
	Permai Property Management Sdn. Bhd.	Malaysia	Property management & related services	**100.00**	100.00
	PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	**49.55**	32.18
	Pinnacle Trend Sdn. Bhd.	Malaysia	Investment holding & property development	**100.00**	100.00
	Pintar Projek Sdn. Bhd.	Malaysia	Management of real estate investment trust funds, licensing of trademarks & brand management	**70.00**	70.00
	Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture, accessories & related services	**51.00**	51.00

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	**59.30**	59.30
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Developing & operating a property portal known as PropertyNetAsia.com.my & the provision of related services	**74.12**	74.34
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
PYP Sendirian Berhad	Malaysia	Property development	**57.90**	60.87
Restoran Kisap Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Satria Sewira Sdn. Bhd.	Malaysia	Property development & property investment	**100.00**	100.00
Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers & distributors of *Koi* fish	**55.00**	55.00
* Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**40.53**	42.61
* Sentul Raya City Sdn. Bhd.	Malaysia	Inactive	**40.53**	42.61
* Sentul Raya Golf Club Berhad	Malaysia	Inactive	**40.53**	42.61
* Sentul Raya Sdn. Bhd.	Malaysia	Property development & property investment	**40.53**	42.61
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**49.55**	49.63
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**49.55**	49.63
SMC Mix Sdn. Bhd.	Malaysia	Inactive	**49.55**	49.63
~ Specialist Cement Sdn. Bhd.	Malaysia	Inactive	**–**	42.19

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	2010 %
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
* SR Property Management Sdn. Bhd.	Malaysia	Property management	**57.90**	60.87
Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Star Hill Living.Com Sdn. Bhd.	Malaysia	Project management services, trading of painting, furniture, accessories & related services	**100.00**	100.00
Starhill Real Estate Investment Trust	Malaysia	Real estate investment	**65.27**	65.04
Straits Cement Sdn. Bhd.	Malaysia	Inactive	**49.55**	49.63
Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing & other related services	**70.00**	70.00
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**57.90**	60.87
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	Malaysia	Civil engineering works, construction, property development & real estate investment, investment holding & related services	**100.00**	100.00
Transportable Camps Sdn. Bhd.	Malaysia	Trading & rental of transportable cabins & wood based products	**100.00**	100.00
Trend Acres Sdn. Bhd.	Malaysia	Investment holding & property development	**100.00**	100.00
Trendy Retailing Sdn. Bhd.	Malaysia	Retailing business	**100.00**	100.00
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**49.55**	49.63
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**57.90**	60.87

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**44.47**	44.60
YMax Sdn. Bhd.	Malaysia	Providing broadband internet access & related services	**56.33**	50.55
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**59.30**	52.04
Yap Yew Hup Brickworks (Perak) Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
Yeoh Tiong Lay Brickworks Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Yeoh Tiong Lay Management Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Yeoh Tiong Lay Realty Sdn. Bhd.	Malaysia	Realty, investment & management services	**100.00**	100.00
YTL Cement Enterprise Sdn. Bhd. (formerly known as YTL Building Products Sdn Bhd)	Malaysia	Dormant	**49.55**	49.63
YTL Cement Berhad	Malaysia	Investment holding, management services & hiring of vehicles	**49.55**	49.63
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale & marketing of cementitious products	**49.55**	49.63
YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships & vehicles	**100.00**	100.00
YTL Civil Engineering Sdn. Bhd.	Malaysia	Civil engineering works & construction	**90.00**	90.00
YTL Communications Sdn. Bhd.	Malaysia	Providing wired, line & wireless broadband access & other related services	**31.05**	31.19

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
YTL Corp Finance (Labuan) Limited	Malaysia	Special purpose vehicle for issuance of securities & investment holding	**100.00**	100.00
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Digital Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Energy Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
YTL e-Solutions Berhad	Malaysia	Investment holding, provision of incubation services including developing & incubating technology companies, internet contents of all descriptions & non-internet related businesses & provision of consultancy & advisory services in relation to the business of electronic commerce or internet commerce solutions	**74.12**	74.34
YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotel Management Services Sdn. Bhd.	Malaysia	Providing professional & commercial education & training in hospitality	**70.00**	70.00
YTL Hotels Central Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotels & Properties Sdn. Bhd.	Malaysia	Investment holding & management services	**100.00**	100.00
YTL Industries Berhad	Malaysia	Investment holding, property development & property investment	**100.00**	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media & up to date information via electronic media	**73.96**	74.18

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
*	YTL Land & Development Berhad	Malaysia	Investment holding & the provision of financial, treasury & secretarial services	**57.90**	60.87
*	YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**57.90**	60.87
	YTL Land Sdn. Bhd.	Malaysia	Property investment & property management	**100.00**	100.00
	YTL Majestic Hotel Sdn. Bhd.	Malaysia	Development of hotel	**100.00**	100.00
*	YTL Power Generation Sdn. Bhd.	Malaysia	Developing, constructing, completing, maintaining & operating power plants	**51.75**	51.98
*	YTL Power International Berhad	Malaysia	Investment holding & provision of administrative & technical support services	**51.75**	51.98
	YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power stations	**100.00**	100.00
	YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**49.55**	49.63
	YTL Project Management Services Sdn. Bhd.	Malaysia	Provision of management services for construction projects	**100.00**	100.00
	YTL Quarry Sdn. Bhd.	Malaysia	Dormant	**49.55**	49.63
	YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	**79.82**	79.88
	YTL-SV Carbon Sdn. Bhd.	Malaysia	Providing consultancy services	**75.00**	75.00
	YTL Vacation Club Berhad	Malaysia	Inactive	**100.00**	100.00
*	Concrete Industries Pte. Ltd.	Singapore	Dormant	**49.55**	49.63
~*	Dynamic Marketing (UK) Limited	England & Wales	Inactive	**–**	100.00

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
*	Geneco Limited	England & Wales	Dormant	**51.75**	51.98
*	Genesis-Alliance Retail Pte. Ltd.	Singapore	Retailing of furniture	**51.00**	51.00
*	Ideal World Pte. Ltd.	Singapore	Wholesale of furniture	**51.00**	51.00
*	Industrial Procurement Limited	Cayman Islands	Dormant	**49.55**	49.63
*	Industrial Resources Limited	Cayman Islands	Investment holding & procurement of raw material	**49.55**	49.63
*	Infoscreen Networks Plc	England & Wales	Investment holding	**73.96**	74.18
*	Lakefront Pte. Ltd.	Singapore	Real estate developer	**70.00**	70.00
*	Linan Lu Hong Transport Co., Ltd.	The People's Republic of China	Road transport of goods, storage & associated services	**49.55**	49.63
*	M Hotel Management Pte. Ltd.	Singapore	Hotel management services	**51.00**	51.00
*	Niseko Village (S) Pte. Ltd.	Singapore	Investment holding	**100.00**	100.00
*	Niseko Village K.K.	Japan	Owning, managing, maintaining and developing the Niseko Village Resort	**100.00**	100.00
*	P.T. Jepun Bali	Indonesia	Managing & operating a hotel	**100.00**	100.00
*	P.T. YTL Simen Indonesia	Indonesia	Dormant	**49.55**	49.63
*	P.T. YTL Jawa Timur	Indonesia	Construction management, consultancy services & power station operation services	**51.75**	51.98
*	PetroSeraya Pte. Limited	Singapore	Oil trading & oil tank leasing	**51.75**	51.98

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
*	PowerSeraya Limited	Singapore	Own & operate energy facilities & services (full value chain of electricity generation including trading of physical fuels & fuel related derivative instruments, tank leasing activities & sale of by-products from the electricity generation process)	**51.75**	51.98
*	Samui Hotel 2 Co., Ltd	Thailand	Hotel operator	**100.00**	100.00
*	Sandy Island Pte. Ltd.	Singapore	Real estate developer	**70.00**	70.00
*	Seraya Energy & Investment Pte. Limited	Singapore	Investment holding	**51.75**	51.98
*	Seraya Energy Pte. Limited	Singapore	Sale of electricity	**51.75**	51.98
*	SC Technology GmbH	Switzerland	Waste treatment processes	**51.75**	51.98
*	SC Technology Deutschland GmbH	Germany	Waste treatment processes	**51.75**	51.98
*	SC Technology Nederlands B.V.	Netherlands	Waste treatment processes	**51.75**	51.98
*	Shanghai YTL Hotels Management Co., Ltd.	The People's Republic of China	Dormant	**100.00**	100.00
*	Shanghai Autodome Food & Beverage Co., Ltd.	The People's Republic of China	Operator of food & beverage outlets	**100.00**	–
*	Starhill Global REIT Investments Limited	Cayman Islands	Investment holding	**100.00**	100.00
*	Starhill Global REIT Management Limited	Cayman Islands	Investment holding	**100.00**	100.00
*	Wessex Electricity Utilities Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Engineering & Construction Services Ltd.	England & Wales	Engineering & construction services	**51.75**	51.98

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
*	Wessex Logistics Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Promotions Limited	England & Wales	Entertainment promotion	**51.75**	51.98
*	Wessex Property Services Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Spring Water Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Water Commercial Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Water Engineering Services Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Water Enterprises Limited	England & Wales	Water supply & waste water services	**51.75**	51.98
	Wessex Water International Limited	Cayman Islands	Investment holding	**51.75**	51.98
*	Wessex Water Limited	England & Wales	Investment holding	**51.75**	51.98
*	Wessex Water Pension Scheme Trustee Limited	England & Wales	Management of Wessex Water Pension Scheme	**51.75**	51.98
*	Wessex Water Services Finance Plc	England & Wales	Issue of bonds	**51.75**	51.98
*	Wessex Water Services Limited	England & Wales	Water supply & waste water services	**51.75**	51.98
*	Wessex Water Trustee Company Limited	England & Wales	Dormant	**51.75**	51.98
*	Wessex Water Utility Solutions Ltd.	England & Wales	Dormant	**51.75**	51.98
*	Wimax Capital Management Ltd.	England & Wales	Acquiring WiMAX spectrum & undertaking activities utilising WiMAX related technologies	**59.30**	59.47

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
*	YTL Cayman Limited	Cayman Islands	Investment holding, ownership & chartering of yachts & vessels	**100.00**	100.00
*	YTL Cement (Hong Kong) Limited	Hong Kong	Investment holding	**49.55**	49.63
*	YTL Cement Marketing Singapore Pte. Ltd.	Singapore	Sales & marketing of cement, cementitious products & other related construction products	**49.55**	49.63
*	YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding, sale & marketing of construction products	**49.55**	49.63
*	YTL Communications International Ltd.	Cayman Islands	Investment holding	**31.05**	31.19
*	YTL Concrete (S) Pte. Ltd.	Singapore	Manufacture & sale of ready-mixed concrete & related products	**49.55**	49.63
*	YTL Construction (S) Pte. Ltd.	Singapore	Construction related activities & real estate developer	**100.00**	100.00
*	YTL Construction (SA) (Proprietary) Ltd.	South Africa	Inactive	**100.00**	100.00
*	YTL Construction GmbH	Germany	Dormant	**100.00**	100.00
*	YTL Construction International (Cayman) Ltd.	Cayman Islands	Investment holding in construction relation activities	**100.00**	100.00
*	YTL Construction (Thailand) Limited	Thailand	Construction activities	**74.89**	74.89
*	YTL Corp Finance (Cayman) Ltd.	Cayman Islands	Financial services	**100.00**	100.00
*	YTL Corporation (UK) Plc	England & Wales	Inactive	**100.00**	100.00
*	YTL-CPI Power Limited	Hong Kong	Dormant	**26.40**	26.51
*	YTL EcoGreen Pte. Ltd.	Singapore	Dormant	**51.75**	51.98

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
*	YTL Engineering Limited	England & Wales	Dormant	**51.75**	51.98
*	YTL Events Limited	England & Wales	Providing public entertainment events & public relations services	**51.75**	51.98
*	YTL Global Networks Limited	Cayman Islands	Dormant	**31.05**	31.19
*	YTL (Guernsey) Limited	Guernsey	Investment & property holding	**100.00**	100.00
*	YTL Hotels B.V.	Netherlands	Investment holding	**100.00**	100.00
*	YTL Hotels (Cayman) Limited	Cayman Islands	Hotel operator & hotel management services	**100.00**	100.00
*	YTL Hotel Management Saint Tropez *SARL*	France	Hotel operator & management services	**100.00**	100.00
*	*SCI* YTL Hotels Saint Tropez	France	Acquisition, management, renting & administration and/or resale of real estate	**100.00**	100.00
*	YTL Hotels (Singapore) Pte Ltd	Singapore	Travel and hospitality related business	**100.00**	–
	YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	**51.75**	51.98
	YTL Jawa O & M Holdings Limited	Cyprus	Investment holding	**51.75**	51.98
	YTL Jawa Power B.V.	Netherlands	Investment holding	**51.75**	51.98
	YTL Jawa Power Finance Limited	Cayman Islands	Investment holding	**51.75**	51.98
	YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**51.75**	51.98
	YTL Jawa Power Holdings Limited	Cyprus	Investment holding	**51.75**	51.98
	YTL Jawa Power Services B.V.	Netherlands	Investment holding	**51.75**	51.98

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
YTL Power Australia Limited	Cayman Islands	Investment holding	**51.75**	51.98
YTL Power Finance (Cayman) Limited	Cayman Islands	Investment holding	**51.75**	51.98
YTL Power International Holdings Limited	Cayman Islands	Investment holding	**51.75**	51.98
* YTL Power Services (Cayman) Ltd.	Cayman Islands	Investment holding & provision of operations & maintenance services of power plants	**100.00**	100.00
* YTL Power Services (Leb) SARL	Lebanon	Operation and maintenance of power station	**100.00**	–
* YTL PowerSeraya Pte. Limited	Singapore	Investment holding	**51.75**	51.98
* YTL Singapore Pte. Ltd.	Singapore	Property investment	**100.00**	100.00
YTL Seraya Limited	Cayman Islands	Investment holding	**51.75**	51.98
* YTL Services Limited	England & Wales	Dormant	**51.75**	51.98
* YTL Starhill Global REIT Management Holdings Pte. Ltd.	Singapore	Investment holding	**75.00**	75.00
* YTL Starhill Global REIT Management Limited	Singapore	Investment advisor, property fund management	**75.00**	75.00
* YTL Starhill Global Property Management Pte. Ltd.	Singapore	Property management services	**75.00**	75.00
YTL Utilities Finance Limited	Cayman Islands	Investment holding	**51.75**	51.98
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**51.75**	51.98
YTL Utilities Finance 3 Limited	Cayman Islands	Investment holding	**51.75**	51.98

14. SUBSIDIARIES (continued)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
	YTL Utilities Finance 4 Limited	Cayman Islands	Financial services	**51.75**	51.98
	YTL Utilities Finance 5 Limited	Cayman Islands	Financial services	**51.75**	51.98
	YTL Utilities Finance 6 Limited	Cayman Islands	Investment holding	**51.75**	51.98
	YTL Utilities Finance 7 Limited (formerly known as YTL Jordan Energy Limited)	Cayman Islands	Investment holding	**51.75**	–
*	YTL Utilities Holdings (S) Pte. Limited	Singapore	Investment holding	**51.75**	51.98
*	YTL Utilities (S) Pte. Limited	Singapore	Investment holding	**51.75**	51.98
	YTL Utilities Holdings Limited	Cayman Islands	Investment holding	**51.75**	51.98
	YTL Utilities Limited	Cayman Islands	Investment holding	**51.75**	51.98
*	YTL Utilities (UK) Limited	England & Wales	Investment holding	**51.75**	51.98
*	YTL Westwood Properties Pte. Ltd.	Singapore	Real estate developer	**100.00**	100.00
*	Zhejiang Hangzhou Dama Cement Co., Ltd.	The People's Republic of China	Manufacture & sale of cement & cementitious products	**49.55**	49.63
*	Zhejiang YTL Cement Marketing Co., Ltd.	The People's Republic of China	Sale & marketing of cement & cementitious products	**49.55**	49.63

* Subsidiaries not audited by HLB Ler Lum
\# Previously was an associated company and became a subsidiary during the financial year
~ Struck off during the financial year

14. SUBSIDIARIES (continued)

(b) Subsidiaries' financial statements

The unaudited financial statements of Industrial Procurement Limited, Industrial Resources Limited, PT Jepun Bali, Shanghai YTL Hotels Management Co., Ltd., Shanghai Autodome Food & Beverage Co., Ltd., Starhill Global REIT Investments Limited, Starhill Global REIT Management Limited, YTL Cayman Limited, YTL Construction (SA) (Proprietary) Limited, YTL Construction GmbH, YTL Construction International (Cayman) Ltd., YTL Corp Finance (Cayman) Limited, YTL (Guernsey) Limited, YTL Hotels B.V., YTL Hotels (Cayman) Limited, YTL Hotel Management Saint Tropez SARL, SCI YTL Hotels Saint Tropez, and YTL Power Services (Cayman) Ltd., were consolidated in the Group's financial statements as these subsidiaries were not required by their local legislations to have their financial statements audited.

(c) Significant addition investment in existing subsidiary

YTL Cement Berhad ("YTL Cement") had on 24 September 2010 announced that Gopeng Berhad had accepted its offer to purchase all the remaining 117,742,000 fully paid-up ordinary shares of RM1.00 each ("Sale Shares"), representing 35.16% equity interest in Perak-Hanjoong Simen Sdn Bhd ("Perak Hanjoong"), for a total cash consideration of RM200,000,000 ("Acquisition"). A sale and purchase agreement was entered into between YTL Cement and Gopeng on 20 October 2010. The Acquisition was completed on 10 December 2010. The Sale Shares were registered in the name of YTL Cement on 27 December 2010. Subsequently, YTL Cement had on 18 January 2011, acquired 1 ordinary share of RM1.00 each in Perak-Hanjoong held by YTL Cement Marketing Sdn Bhd (a wholly-owned subsidiary of YTL Cement) at cost of RM1.00. Consequent thereto, Perak-Hanjoong became a wholly-owned subsidiary of YTL Cement and an indirect subsidiary of the Company.

(d) Summary of effect of acquisition of subsidiaries

There is no major acquisition of new subsidiary during the financial year.

The assets and liabilities arising from the acquisition of subsidiaries in the previous financial year and the aggregate effects of such acquisitions on the cash flows of the Group were as follows:-

Group – 2010

	Fair values recognised on acquisition RM'000	Carrying amounts in acquiree's books RM'000
Identifiable assets and liabilities:-		
Property, plant & equipment	336,856	336,856
Prepaid lease payments	2,049	2,049
Development expenditure	900	900
Investment in associated companies	7,153	7,153
Inventories	13,776	13,776
Trade & other receivables	45,560	45,560
Cash & bank balances	39,074	39,074
Total assets	445,368	445,368

14. SUBSIDIARIES (continued)

(d) Summary of effect of acquisition of subsidiaries (continued)

Group – 2010

	Fair values recognised on acquisition RM'000	Carrying amounts in acquiree's books RM'000
Borrowings	(87,416)	(87,416)
Current tax liabilities	(3,332)	(3,332)
Trade & other payables	(181,829)	(181,829)
Total liabilities	(272,577)	(272,577)
Identifiable net assets	172,791	172,791
Non-controlling interests	(8,969)	(8,969)
Identifiable net assets acquired	163,822	163,822
Goodwill on consolidation	364,068	
Negative goodwill charged to profit or loss	(4,389)	
Share of profit of associated companies, now subsidiaries	(5,090)	
Amount previously accounted for as associated companies	(221,302)	
Cash consideration paid	297,109	
Less: Cash & cash equivalents in subsidiaries acquired	(39,074)	
Net cash outflow on acquisition	258,035	

15. INVESTMENT IN ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, at cost	**834,155**	836,317	**210,641**	210,641
Quoted shares, outside Malaysia, at cost	**817,369**	758,517	**–**	–
Unquoted Convertible Preference Units, ("CPU")* outside Malaysia, at cost	**405,000**	405,000	**–**	–
Share of post acquisition profits	**1,179,984**	647,589	**–**	–
	3,236,508	2,647,423	**210,641**	210,641
Market value of quoted shares outside Malaysia	**899,185**	729,593	**–**	–

* The CPUs are issued by Starhill Global Real Estate Investment Trust ("SG REIT"), in which the Group has an interest in 570,777,858 (2010: 562,868,231) units representing 29.21% (2010: 29.03%). The CPUs holders entitled to receive a discretionary, non-cumulative variable SGD coupon distribution of up to RM0.1322 per CPU, which is equivalent to a distribution rate of 5.65% per annum. The CPU holders have the right to convert the CPU after a period of three years commencing from the date of issuance of the CPU at a conversion price of SGD0.7266 per unit. Any CPU remaining in existence after seven years from the date of issuance of the CPU shall be mandatorily converted into SG REIT units at the conversion price.

15. INVESTMENT IN ASSOCIATED COMPANIES (continued)

(a) Investment in associated companies (continued)

Details of the associated companies are as follows:-

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
	Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	Hotel operator	**50.00**	50.00
*	Express Rail Link Sdn. Bhd.	Malaysia	Operation & maintenance of the ERL railway system between KLIA in Sepang & KL Sentral Station	**50.00**	50.00
#	Happy Steamboat Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**–**	50.00
^	Jimah Power Generation Sdn. Bhd.	Malaysia	Developing, constructing, completing, maintaining & operating power plants	**25.36**	25.47
	North South Development Sdn. Bhd.	Malaysia	Realty, investment & management services	**49.00**	49.00
	Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**24.78**	24.82
@*	Teknologi Tenaga Perlis (Overseas) Consortium Sdn. Bhd.	Malaysia	Dormant	**15.53**	15.59
	Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
	Trans-Pacific Resorts Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
	ZE-SPYTL Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
^*	Eastern & Oriental Express Ltd.	Bermuda	Ownership & management of the luxury train service known as the 'Eastern & Oriental Express'	**32.00**	32.00
*	ElectraNet Transmission Services Pty. Ltd.	Australia	Principal electricity transmission network service provider	**17.34**	17.41
*	Enefit Jordan B.V.	Netherlands	Investment holding	**15.53**	–

15. INVESTMENT IN ASSOCIATED COMPANIES (continued)

(a) Investment in associated companies (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	2010 %
* P.T. Jawa Power	Indonesia	To construct, commission & operate a coal-fired thermal power station	**18.11**	18.19
^* Starhill Global Real Estate Investment Trust	Singapore	Invest in prime real estate	**29.21**	28.83
^* Surin Bay Company Limited	Thailand	Hotel operator	**49.00**	49.00
* YTL (Thailand) Limited	Thailand	Investment holding	**49.90**	49.90

* Companies not audited by HLB Ler Lum
@ Companies with financial year end of 31 October
^ Companies with financial year end of 31 December
# Previously was an associated company and became a subsidiary during the financial year

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 October or 31 December as the case may be.

(b) Significant associated company acquisition

On 29 April 2011, YTL Jawa Power Holdings Limited ("YTLJPHL"), a wholly-owned subsidiary of YTL Power, completed the acquisition of 30% of the issued share capital of Enefit Jordan BV from Near East Investment Co and Eesti Energia AS, for a total consideration of USD11,500,000. As a result, Enefit Jordan BV became an associate company of YTLJPHL.

(c) The summarised financial information of the associated companies are as follows:-

	Group 2011 RM'000	2010 RM'000
Non-current assets	**13,112,761**	11,984,964
Current assets	**2,845,770**	1,757,997
Current liabilities	**(995,134)**	(1,799,136)
Non-current liabilities	**(6,140,713)**	(4,537,916)
Net assets	**8,822,684**	7,405,909
Revenue	**2,789,236**	3,224,294
Profit for the financial year	**911,199**	835,456

15. INVESTMENT IN ASSOCIATED COMPANIES (continued)

(c) The summarised financial information of the associated companies are as follows:- (continued)

Goodwill amounting to RM18,416,000 (2010: RM18,416,000) was included in the carrying amount of investment in associated companies.

The Group has not recognised its share of losses of an associated company amounting to RM29,548,732 because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amount to RM172,935,000 at reporting date.

16. JOINT VENTURES

(a) Investments in a jointly controlled entity

	Group	
	2011 RM'000	2010 RM'000
Unquoted investments, at cost	**22,900**	22,900
Share of post acquisition loss	**(3)**	(1)
	22,897	22,899

(i) Details of the jointly controlled entity are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %
PDC Heritage Hotel Sdn. Bhd.	Malaysia	Property development	**28.95**	30.44

(ii) The aggregate amounts of each of the current assets, non-current assets, current liabilities, income and expenses related to the Group's interests in the jointly controlled entity are as follows:-

	Group	
	2011 RM'000	2010 RM'000
Non-current assets	**15,237**	15,025
Current assets	*	*
Current liabilities	**(1,900)**	(1,686)
Net assets	**13,337**	13,339
Income	–	–
Expenses	**(2)**	(1)

* Representing less than RM1,000

16. JOINT VENTURES

(b) Jointly controlled operations

The Group has a 50% interest in a joint arrangement, Bristol Wessex Billing Services Limited, which was incorporated in England and Wales. On 28 June 2001, Wessex Water Limited and Wessex Water Services Limited entered into a joint arrangement with a third party, under which the billing and customer services of both groups were transferred to Bristol Wessex Billing Services Limited.

The Group's share of the assets, liabilities and expenses of the jointly controlled operations has been accounted for in the books of the relevant subsidiary as follows:-

	Group	
	2011 RM'000	2010 RM'000
Non-current assets	**428**	580
Current assets	**3,649**	3,854
Current liabilities	**(4,077)**	(4,434)
Net assets/(liabilities)	**–**	–
Expenses	**48,815**	52,790

17. INVESTMENTS

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Available-for-sale financial assets	17 (a)	**203,901**	–	**38,709**	–
Loans and receivables	17 (b)	**492,705**	–	**–**	–
Investments	17 (c)	**–**	666,670	**–**	33,195
		696,606	666,670	**38,709**	33,195

(a) Available-for-sale financial assets

The investments are in relation to the following:

	Group 2011 RM'000	Company 2011 RM'000
Quoted equity investments		
– Within Malaysia	**79,450**	9,820
– Outside Malaysia	**3,589**	106
Unquoted equity investments		
– Within Malaysia	**34,457**	28,783
– Outside Malaysia	**86,405**	–
	203,901	38,709

During current financial year, the gains arising from the changes in fair values recognised in other comprehensive income amounted to RM23,207,191 and RM1,149,000, for the Group and Company respectively.

17. INVESTMENTS (continued)

(a) Available for sale financial assets (continued)

The fair values of the quoted equity investments are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the unquoted debt securities are determined based on the price traded over the counter.

The unquoted equity investments are measured at cost less impairment losses at each reporting date because the fair values cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data.

(b) Loans and receivables

	Group 2011 RM'000
Unquoted investments, outside Malaysia	**492,705**

Loans and receivables consist of investment of unquoted preference shares that is held by a foreign subsidiary. The holder of the preference shares is entitled to a fixed dividend of 7% per annum of the subscription price paid. The preference shares carry no voting rights and are redeemable at any time on the terms agreeable between the preference shares issuer and holder thereof.

(c) Investments previously carried at cost

	Group 2011 RM'000	Company 2010 RM'000
Quoted investments in Malaysia	**24,546**	4,306
Quoted investments outside Malaysia	**109**	106
Unquoted investments in Malaysia	**34,457**	28,783
Unquoted investments outside Malaysia	**607,880**	–
	666,992	33,195
Less: Accumulated impairment losses	**(322)**	–
Total investments	**666,670**	33,195

With the adoption of FRS 139 effective from 1 July 2010, other long term investments have been reclassified as available-for-sale financial assets and loan and receivables.

The comparative figures as at 30 June 2010 have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in paragraph 44AA of FRS 7.

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed deposits with licensed banks	**11,478,146**	10,506,720	**1,589,660**	1,382,869
Cash and bank balances	**761,362**	584,520	**8,489**	1,944
Bank overdrafts (Note 34)	**(49,664)**	(45,211)	–	–
	12,189,844	11,046,029	**1,598,149**	1,384,813

Cash and bank balances of the Group included amounts totalling RM23,184,820 (2010: RM14,501,134) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and RM45,089,269 [SGD18,346,124] (2010: RM72,131,377)[SGD48,543,540] held under the "Project Account Rules – 1977 Ed, Singapore". Those amounts were restricted from use in other operations.

The range of interest rates of deposits that were effective at the reporting date were as follows:-

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Deposits with licensed banks	**0.05 – 3.50**	0.02 – 4.92	**2.95 – 3.40**	2.25 – 2.75

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2010: 1 day to 365 days). Bank balances are deposits held at call with banks.

The Group and the Company seek to invest cash and cash equivalents safely and profitably with creditworthy local and offshore licensed banks. The credit quality of the local and offshore licenced banks are P1 as rated by RAM Rating Services Bhd and Moody's Investors Service, Inc. respectively.

19. INTANGIBLE ASSETS

	Group 2011 RM'000	Group 2010 RM'000
Goodwill on consolidation		
At cost		
At beginning of the financial year	**4,350,366**	4,018,556
Arising from acquisition of new subsidiaries	**–**	364,068
Arising from acquisition of additional shares in existing subsidiaries	**827**	264,978
Arising from deemed acquisition due to share buy-back by the listed subsidiaries	**–**	590
Realisation of goodwill upon deemed dilution of interest in subsidiaries	**–**	(152,483)
Currency translation differences	**348,703**	(145,343)
Adjustment of goodwill-remeasurement of fair value of net identifiable assets	**(120,732)**	–
At end of the financial year	**4,579,164**	4,350,366
Accumulated impairment		
At beginning of the financial year	**(2,696)**	(1,830)
Impairment charge (Note 6)	**(6,482)**	(866)
At end of the financial year	**(9,178)**	(2,696)
Carrying amount at end of the financial year	**4,569,986**	4,347,670

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgement.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the following business segments:-

	Group 2011 RM'000	Group 2010 RM'000
Utilities*	**4,066,611**	3,730,856
Cement manufacturing & trading*	**118,222**	120,622
Property investment & development*	**98,668**	98,668
Management services^	**240,696**	230,635
Hotel & restaurant operations^	**20,855**	142,452
Others^	**24,934**	24,437
	4,569,986	4,347,670

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs.

19. INTANGIBLE ASSETS (continued)

* The recoverable amount of these CGUs was computed based on fair value less costs to sell calculations. Fair value is determined using the observable market prices of relevant shares listed on a stock exchange.

^ The recoverable amount of these CGUs was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rate. The growth rate did not exceed the long-term average growth rate for the segment business in which the CGUs operates.

(a) Key assumption used in the value-in-use calculation

The following assumption has been applied in the value-in-use calculation for the one of major CGU of management services segment.

	2011 %	2010 %
Pre-tax discounts	**6.8**	5.5
Growth rate	**3.0**	3.0

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of the assessment of the respective CGU.

(b) Impact of possible change in key assumption

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's result. The Group's review includes the key assumptions related to sensitivity in the cash flow projections.

The circumstances where a reasonable possible change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying values, having incorporated the consequential effects on other variables, are as follows:

	2011 %	2010 %
Pre-tax discounts	**9.05**	8.35
Growth rate	**2.05**	1.68

No impairment loss was recognised for the financial year ended 30 June 2011 for the goodwill assessed as their recoverable values were in excess of their carrying values except for CGU where impairment losses have been made.

20. BIOLOGICAL ASSETS

	Group 2011 RM'000	Group 2010 RM'000
Plantation development expenditure – at cost		
At beginning of the financial year	**1,024**	–
Addition	**223**	1,024
Less: Government grant	**(119)**	–
At end of the financial year	**1,128**	1,024

21. TRADE & OTHER RECEIVABLES

	Group 2011 RM'000	Group 2010 RM'000
Non-current assets		
Other receivables	**860**	813
Deposits	**31,089**	4,415
	31,949	5,228

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current assets				
Trade receivables	**2,317,158**	1,310,997	**–**	–
Less: Allowance for impairment	**(209,774)**	(124,811)	**–**	–
Trade receivables-net	**2,107,384**	1,186,186	**–**	–

21. TRADE & OTHER RECEIVABLES (continued)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current assets				
Trade receivables	**2,317,158**	1,310,997	–	–
Less: Allowance for impairment	**(209,774)**	(124,811)	–	–
Trade receivables-net	**2,107,384**	1,186,186	–	–
Other receivables	**408,245**	347,630	**73,734**	134,486
Less: Allowance for impairment	**(34,452)**	(34,992)	–	–
Other receivables-net	**373,793**	312,638	**73,734**	134,486
Progress billings & final sum receivables	**496,515**	409,366	–	–
Retention sum	**10,470**	20,966	–	–
Accrued income	**273,750**	868,621	–	–
Stakeholder sum	–	630,546	–	–
Deposits	**109,089**	113,818	**324**	234
Amounts recoverable from a supplier	**285,629**	238,551	–	–
	3,656,630	3,780,692	**74,058**	134,720

The Group's normal credit terms of trade receivables ranged from 7 days to 180 days (2010: 7 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis. Other receivables are non-interest bearing and repayable on demand. The Group's historical experience in collecting trade receivables falls largely within this period. On this basis, the Directors believe that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

Stakeholder sum of RM625 million relates to proceed from the disposal of the investment properties held in trust by the solicitor at the end of preceding financial year and subsequent receipt during the current financial year.

In addition a subsidiary of the Company entered into a Gas Supply Agreement ('GSA') on 15 March 1993. Under this agreement, the price of gas to be supplied is calculated by reference to a market price-related formula. However, since 1 May 1997, the Government of Malaysia has fixed the price of gas and accordingly, the market price-related formula applicable under the GSA has not been used by the gas supplier. As a consequence, a dispute arose over whether a discount provided for under the market price-related formula was applicable under the GSA. The Government has informed the subsidiary company that the discount should be reinstated with effect from 1 January 2002. However, contrary to the decision of the Government, the gas supplier advised the subsidiary company that effective from 1 January 2002 the discount has been withdrawn. As such, as at 30 June 2011, a sum of RM285.6 million have been paid to the gas supplier under protest. The Directors believe that this amount will be fully recoverable.

21. TRADE & OTHER RECEIVABLES (continued)

The ageing analysis of the Group's trade receivables is as follows:

	Group 2011 RM'000
Neither past due nor impaired	594,183
1 to 90 days past due not impaired	1,296,268
91 to 120 days past due not impaired	60,818
More than 120 days past due not impaired	156,115
Total past due not impaired	1,513,201
Impaired	209,774
	2,317,158

Trade receivables that are neither past due nor impairment are creditworthy receivables with good payment records with the Group.

The credit quality of trade receivables, which include a sum of RM953.8 million due from a company which is owned by the Government of Singapore, reflects the economic prosperity of the commercial and domestic counterparties across their respective regions. These receivables are generally due from counterparties with good payment history. None of the Group's trade and other receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables amounting to RM257.6 million are secured by financial guarantees given by banks and RM133.9 million are secured by cash collateral.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,513,201,000 that are past due at the reporting date but not impaired. These include mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance accounts:

Group 2011	Trade receivables RM'000	Other receivables RM'000	Total RM'000
As at 1 July 2010	124,811	34,992	159,803
Effects of adoption of FRS 139	73,166	–	73,166
At 1 July 2010, restated	197,977	34,992	232,969
Charge for the year	53,881	40	53,921
Reversal of impairment losses	(42,084)	(580)	(42,664)
At the end of the financial year	209,774	34,452	244,226

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

21. TRADE & OTHER RECEIVABLES (continued)

The Group has no significant concentration of credit risk other than that related to its power generation business whereby it supplies to a single customer and acquires gas supply from a single supplier, both of which are credit worthy entities. As at 30 June 2011, 5% (2010: 6%) of receivables was due from a customer in relation to the sale of electricity.

22. INVENTORIES

	Group	
	2011 RM'000	**2010 RM'000**
Properties held for sale	**66,439**	45,418
Finished goods	**88,387**	38,112
Work-in-progress	**25,800**	20,818
Raw materials	**142,237**	82,475
Consumable stores	**12,978**	25,721
Spare parts	**173,123**	166,270
Fuel	**326,838**	431,934
	835,802	810,748

23. PROPERTY DEVELOPMENT COSTS

Group – 2011

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs:-				
At beginning of the financial year	4,448	392,547	501,708	898,703
Cost incurred during the financial year	–	30,977	381,963	412,940
Transfer from investment property (Note 12)	1,117,970	–	–	1,117,970
Transfer from land held for property development (Note 13(a))	2,849	–	16,547	19,396
Transfer to inventories	–	(122)	(28,203)	(28,325)
Reversal of completed projects	(3,232)	(1,175)	(116,037)	(120,444)
Currency translation differences	–	7,324	5,811	13,135
At end of the financial year	1,122,035	429,551	761,789	2,313,375
Cumulative cost recognised in profit or loss:-				
At beginning of the financial year				(419,221)
Recognised during the financial year				(535,581)
Reversal of completed projects				120,444
Currency translation differences				6,683
At end of the financial year				(827,675)
Property development costs at end of the financial year				1,485,700

23. PROPERTY DEVELOPMENT COSTS (continued)

Group – 2010

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs:-				
At beginning of the financial year	4,448	373,500	342,667	720,615
Cost incurred during the financial year	–	37,846	210,777	248,623
Transfer from land held for property development (Note 13(a))	–	29	58,403	58,432
Transfer to inventories	–	–	(117)	(117)
Reversal of completed projects	–	(2,393)	(104,946)	(107,339)
Currency translation differences	–	(16,435)	(5,076)	(21,511)
At end of the financial year	4,448	392,547	501,708	898,703
Cumulative cost recognised in profit or loss:-				
At beginning of the financial year				(187,462)
Recognised during the financial year				(342,585)
Reversal of completed projects				107,339
Currency translation differences				3,487
At end of the financial year				(419,221)
Property development costs at end of the financial year				479,482

Included in property development costs of the Group are interest capitalised and depreciation charged during the financial year amounting to RM40,369,277 (2010: RM28,397,615) and RM Nil (2010: RM167,593) respectively.

24. OTHER ASSETS

	Group 2011 RM'000	Group 2010 RM'000
Non-current		
Prepayments	**41,367**	59,253

24. OTHER ASSETS (continued)

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current				
Prepayments	**138,323**	145,753	**1,608**	1,799
Accrued billings in respect of property development costs	**103,360**	52,330	–	–
Amount due from contract customers (Note 26)	**13,288**	23,248	–	–
	254,971	221,331	**1,608**	1,799

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets 2011 RM'000	Liabilities 2011 RM'000	Group 2011 RM'000
At 30 June 2010*	1,949	(23,749)	(21,800)
Effects of adoption of FRS 139	24,850	(252,074)	(227,224)
At 1 July 2010 restated	26,799	(275,823)	(249,024)
Movement during the year	71,716	7,186	78,902
At 30 June 2011	98,515	(268,637)	(170,122)

* The derivative financial assets and liabilities arise from the acquisition of PowerSeraya Limited on 6 March 2009. These financial derivatives are recognised at fair value as at that date.

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Analysed as:

	<---------- Group ----------		
	Contract/ notional amount	Fair values	
		Assets	Liabilities
	RM'000	RM'000	RM'000
2011			
Cash-flow hedges			
– fuel oil swaps	1,152,633	78,646	6,193
– currency forwards	1,484,390	734	30,503
– interest rate swap	614,425	–	55,527
Fair value through profit or loss			
– fuel oil swaps	1,013,275	18,193	19,121
– currency forwards	520,488	942	2,797
– exchangeable bonds	–	–	154,496
Total		98,515	268,637
Current portion		95,904	248,648
Non-current portion		2,611	19,989
		98,515	268,637

The changes in fair value that arose from fair value through profit or loss and the ineffective portion of cash flow hedge are recognised in the profit or loss amounting to a gain of RM2.0 million and a loss of RM11.7 million respectively.

Period when the cash flows on cash flow hedges are expected to occur or affect profit or loss:

(a) Fuel oil swaps

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently recognised in profit or loss upon consumption of the underlying fuels.

The fair values of fuel oil swaps are determined using the active market rate.

(b) Forward Foreign Currency Exchange

Forward foreign currency exchange are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates. The currency forwards have maturity dates that match the expected occurrence of these transactions. Gains and losses relating to highly probable forecast fuel purchases are recognised in the hedging reserve prior to the occurrence of these transactions and are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently transferred to profit or loss upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency purchases of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Forward Foreign Currency Exchange (continued)

For those currency forwards used to hedge highly probably forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in profit or loss over the period of the contracts.

The fair values of forward currency contracts are determined using actively quoted forward currency rates.

(c) Interest rate swaps

Interest rate swaps are entered into to hedge floating semi-annual interest payments on borrowings. Since the borrowings are obtained specifically for the construction of property, plant and equipment, the interest on these borrowings along with the net interest on the interest swaps are capitalised. The interest payments are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

The fair values of interest rate swaps are calculated using the present value of the estimated future cash flows discounted at actively quoted interest rates.

(d) Exchangeable bonds

These represent the exchange features which are separate embedded derivatives contained in the Group's bonds. Bondholders are able to exchange the bonds into YTL Corp shares at fixed exchange prices as disclosed in Note 33(H) and Note 33(L). The derivative financial instruments are carried at fair value through profit or loss.

The fair values of the derivative financial instruments are valued using the jump diffusion model. The significant inputs in the model as at reporting date are as follows:-

	ZCEG Bonds	1.875% Exchangeable Bonds
YTL share price (RM)	1.55	1.55
Exchange price (RM)	1.98	1.80
Expected volatility (%)	15	21
Expected life of exchange feature (years)	0.88	3.72
Risk free rate (% p.a.)	1.48	1.48

The expected life of exchange feature is based on the contractual life of these exchangeable bonds. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

26. CONSTRUCTION CONTRACTS

	Group 2011 RM'000	Group 2010 RM'000
Aggregate costs incurred to date	**1,066,487**	920,305
Recognised profits less recognised losses	**100,344**	155,888
Exchange differences	**(2,137)**	–
	1,164,694	1,076,193
Progress billings	**(1,292,842)**	(1,128,157)
	(128,148)	(51,964)
Amount due to contract customers classified as current liabilities (Note 39)	**141,436**	75,212
Amount due from contract customers (Note 24)	**13,288**	23,248

Included in aggregate costs incurred to date of the Group are depreciation charged and interest capitalised during the financial year amounting to RM4,057,673 (2010: RM4,192,320) and RM334,209 (2010: RM947,282) respectively.

27. AMOUNT DUE FROM/TO RELATED PARTIES

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
(a) Amount due from related parties				
Amount due from holding company	**116**	402	**–**	–
Amount due from subsidiaries	**–**	–	**1,623,480**	1,505,817
Amount due from related companies	**10,836**	25,439	**1,764**	1,792
Amount due from associated companies	**7,042**	22,721	**335**	391
Amount due from jointly controlled entity	**3,804**	3,362	**–**	–
	21,798	51,924	**1,625,579**	1,508,000
(b) Amount due to related parties				
Amount due to subsidiaries	**–**	–	**655,825**	728,409
Amount due to related companies	**862**	985	**95**	108
Amount due to associated companies	**2,639**	3,511	**–**	–
	3,501	4,496	**655,920**	728,517

(c) The amount due from/to related parties pertains mainly to trade receivables/payables, advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand except for advances given to a subsidiary amounting RM44.8 million (2010: RM44.8 million) which bear interest rate of 4.4% per annum (2010: 4.4% per annum).

The significant related parties' transactions of the Group and the Company are disclosed in Note 44 of Financial Statements.

27. AMOUNT DUE FROM/TO RELATED PARTIES (continued)

(d) Holding company

The Directors regard Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia as its holding company.

28. SHORT TERM INVESTMENTS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Available-for-sale financial assets				
Unquoted unit trusts in Malaysia – at cost	**554,925**	–	**554,925**	–
Other investments				
Unquoted debt securities of corporations in Malaysia#	–	48,394	–	–
Unquoted unit trusts in Malaysia	–	540,019	–	540,019
	554,925	588,413	**554,925**	540,019

Unquoted unit trusts are measured at cost less impairment losses at each reporting date because fair values cannot be obtained directly from quoted market price.

Investment has been disposed during the financial year.

29. SHARE CAPITAL

	Group/Company 2011 RM'000	Group/Company 2010 RM'000
Authorised:-		
At beginning and end of the financial year – 15,000,000,000 ordinary shares of RM0.10 each	**1,500,000**	1,500,000
Issued and fully paid:-		
At beginning of the financial year – 9,501,086,190 (2010: 9,484,956,190) ordinary shares of RM0.10 each	**950,109**	948,496
Exercise of share options under ESOS 2001 – 26,931,000 (2010: 16,130,000) ordinary shares of RM0.10 each	**2,693**	1,613
At end of the financial year – 9,528,017,190 (2010: 9,501,086,190) ordinary shares of RM0.10 each	**952,802**	950,109

The numbers of shares and exercise price have been restated after taking into consideration the adjustment for share subdivision into five (5) ordinary shares of RM0.10 each for every one (1) ordinary share of RM0.50 in the Company, which was effected on 29 April 2011.

29. SHARE CAPITAL (continued)

During the financial year, 10,000, 420,000, 26,276,000 and 225,000 new ordinary shares of RM0.10 each were issued by the Company for cash by virtue of the exercise of ESOS 2001 at an exercise price of RM0.55, RM0.88, RM0.96 and RM1.38 per share respectively. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Out of a total of 9,528,017,190 (2010: 9,501,086,190) ordinary shares of RM0.10 issued and fully paid-up ordinary shares, the Company holds 549,312,545 (2010: 526,860,045) ordinary shares of RM0.10 as treasury shares. As at 30 June 2011, the number of ordinary shares in issue and fully paid net of treasury shares are 8,978,704,645 (2010: 8,974,226,145).

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

a) Treasury Shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 30 November 2010. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 22,452,500 ordinary shares of RM0.10 each (2010: 15,723,000 ordinary shares of RM0.10 each) of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.58 (2010: RM1.48) per ordinary share of RM0.10 each. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

On 18 September 2009, a total of 35,219,196 treasury shares amounting to RM228,748,678 were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares of RM0.50 held on 9 September 2009.

As at 30 June 2011, the Company held as treasury shares a total of 549,312,545 (2010: 526,860,045) of its 9,528,017,190 (2010: 9,501,086,190) issued ordinary shares. Such treasury shares are held at a carrying amount of RM722,615,821 (2010: RM687,120,663).

b) Share options

ESOS 2001

At an Extraordinary General Meeting ("EGM") held on 16 October 2001, the Company's shareholders approved the establishment of an employees' share option scheme ("ESOS 2001") for eligible employees and executive directors of the Group.

The main features of the ESOS 2001 are as follows:-

(i) The ESOS 2001 shall be in force for a period of ten (10) years, effective from 30 November 2001.

(ii) The maximum number of shares which may be made available under the ESOS 2001 shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at the time of offering the option.

29. SHARE CAPITAL (continued)

b) Share options (continued)

(iii) Any employee (including executive directors) of the Group shall be eligible to participate in the ESOS 2001 if, as at the date of offer for an option ("Offer Date"), the employee:-

(a) has attained the age of eighteen (18) years;

(b) is employed by and on the payroll of a company within the Group; and

(c) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including executive directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 4.1(iii) of the By-Laws not being met, at any time and from time to time.

(iv) The price payable for shares under the ESOS 2001 shall be based on the five-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than 10%, if deemed appropriate.

(v) Subject to Clause 14 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the options to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 11 and 12 of the By-Laws, the options can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(vi) The grantee shall be prohibited from disposing the ordinary shares of the Company so allotted to him for a period of twelve (12) months from the date on which the options are exercised. However, the options committee may at its discretion or upon request in writing by the grantee allow the disposal of such ordinary shares of the Company at any earlier or other period.

(vii) The persons whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

29. SHARE CAPITAL (continued)

b) Share options (continued)

Information with respect to the number of options granted to employees and Directors of the Group under the ESOS 2001 is as follows:-

Date Granted	Exercise period	Exercise price RM	Number of share options over ordinary shares of RM0.10 each# — At beginning of financial year# '000	Granted '000	Exercised '000	Lapsed '000	At end of financial year '000
Financial year ended 30.6.2011							
Scheme							
* 16.10.2002	16.10.2005-29.11.2011	0.55	730	–	(10)	(80)	640
01.07.2005	01.07.2008-29.11.2011	0.96	208,870	–	(26,276)	(910)	181,684
07.08.2006	07.08.2009-29.11.2011	0.88	1,565	–	(420)	(230)	915
16.01.2008	16.01.2011-29.11.2011	1.38	3,250	–	(225)	(440)	2,585
			214,415	–	(26,931)	(1,660)	185,824

Date Granted	Exercise period	Exercise price RM	Number of share options over ordinary shares of RM0.10 each — At beginning of financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of financial year '000
Financial year ended 30.6.2010							
Scheme							
* 16.10.2002	16.10.2005-29.11.2011	2.79	156	–	–	(10)	146
01.07.2005	01.07.2008-29.11.2011	4.81	44,973	–	(3,041)	(158)	41,774
07.08.2006	07.08.2009-29.11.2011	4.41	535	–	(185)	(37)	313
16.01.2008	16.01.2011-29.11.2011	6.93	739	–	–	(89)	650
			46,403	–	(3,226)	(294)	42,883

All outstanding options of 185,824,000 (2010: 42,883,000) are exercisable.

* *FRS 2 not applicable to these options.*

\# *Adjusted pursuant to the subdivision of 1 ordinary share of RM0.50 each into 5 ordinary shares of RM0.10 each on 29.04.2011.*

29. SHARE CAPITAL (continued)

b) Share options (continued)

The fair value of options granted for which FRS 2 applies, were determined using the Trinomial Valuation model. The significant inputs in the model are as follows:-

	Share options granted on 1.7.2005	Share options granted on 7.8.2006	Share options granted on 16.1.2008
Valuation assumptions:-			
Expected volatility	24.7%	21.5%	25.3%
Expected dividend yield	5.2%	5.6%	2.4%
Expected option life	3 – 4 years	3 – 4 years	3 – 4 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.2%	4.1%	3.5%

The volatility is based on statistical analysis of daily share prices over the three to four years before the grant dates. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

<u>ESOS 2011</u>

At an EGM held on 30 November 2010, the Company's shareholders approved the establishment of a new employees' share option scheme ("ESOS 2011") for eligible employees and directors of the Company and/ or its subsidiaries who meet the criteria of eligibility for participation, in place of ESOS 2001 which will be expiring on 29 November 2011.

The main features of the ESOS 2011 are as follows:-

(i) The ESOS 2011 shall be in force for a period of ten (10) years, effective from 1 April 2011.

(ii) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS 2011 shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of the ESOS 2011.

(iii) Any employee (including the directors) of the Group shall be eligible to participate in the ESOS 2011 if, as at the date of offer of an option (''Offer Date''), the person:-

(a) has attained the age of eighteen (18) years;

(b) is a director or an employee employed by and on payroll of a company within the Group; and

(c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.

29. SHARE CAPITAL (continued)

b) Share options (continued)

(iv) The subscription price for shares under the ESOS 2011 shall be determined by the Board upon recommendation of the options committee and shall be fixed based on the higher of the following:-

(a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) market days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or

(b) the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act, 1965).

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(vi) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion.

As at the end of the financial year, no options have been granted under the ESOS 2011.

30. NON-DISTRIBUTABLE RESERVES

(A) Share premium

	Group/Company	
	2011	**2010**
	RM'000	**RM'000**
At beginning of the financial year	**1,292,354**	1,503,558
Shares issued upon exercise of share options under ESOS 2001	**23,237**	13,830
Share dividends	–	(228,748)
Transfer from share options reserve on exercise of ESOS 2001 [Note 30(B)(v)]	**1,601**	3,714
At end of the financial year	**1,317,192**	1,292,354

30. NON-DISTRIBUTABLE RESERVES (continued)

(B) Other reserves

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Capital reserve [Note 30 (B)(i)]	**102,625**	102,717	–	–
Equity component of exchangeable bonds [Note 30 (B)(ii)]	–	164,310	–	–
Equity component of Irredeemable Convertible Unsecured Loan Stocks [Note 30 (B)(iii)]	**21,382**	22,208	–	–
Currency translation reserve [Note 30 (B)(iv)]	**(675,518)**	(1,026,680)	–	–
Share options reserve [Note 30 (B)(v)]	**45,028**	42,513	**23,630**	25,182
Statutory reserve [Note 30 (B)(vi)]	**45,136**	48,677	–	–
Available-for-sale reserve [Note 30 (B)(vii)]	**31,788**	–	**1,221**	–
Hedging reserve [Note 30 (B)(viii)]	**14,133**	–	–	–
	(415,426)	(646,255)	**24,851**	25,182

The movement in each category of reserves are as follows:-

(i) Capital reserve

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	**102,717**	102,673
Capitalised from retained earnings due to bonus issue in subsidiaries	–	100
Currency translation differences	**(92)**	(56)
At end of the financial year	**102,625**	102,717

(ii) Equity component of exchangeable bonds

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	**164,310**	114,853
Effects of adoption of FRS 139	**(164,310)**	–
As restated	–	114,853
Equity component of exchangeable bonds arising from issue on bond	–	168,831
Redemption of exchangeable bonds during the financial year	–	(80,801)
Conversion of bonds to ordinary shares of YTL Power International Berhad during the financial year	–	(24,089)
Currency translation differences	–	(14,484)
At end of the financial year	–	164,310

30. NON-DISTRIBUTABLE RESERVES (continued)

(B) Other reserves (continued)

(iii) Equity component of ICULS

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	**22,208**	24,135
Conversion of ICULS to ordinary shares of YTL Cement Berhad	**(826)**	(1,927)
At end of the financial year	**21,382**	22,208

(iv) Currency translation reserve

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	**(1,026,680)**	(442,327)
Reclassification on disposal of subsidiaries	**(65)**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**351,227**	(584,353)
At end of the financial year	**(675,518)**	(1,026,680)

(v) Share options reserve

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
At beginning of the financial year	**42,513**	38,122	**25,182**	29,123
ESOS expenses recognised during the financial year				
– recognised in profit or loss	**4,116**	8,105	**1**	(377)
– allocated to subsidiaries	**–**	–	**48**	150
Transfer to share premium on exercise of ESOS [Note 30 (A)]	**(1,601)**	(3,714)	**(1,601)**	(3,714)
At end of the financial year	**45,028**	42,513	**23,630**	25,182

30. NON-DISTRIBUTABLE RESERVES (continued)

(B) Other reserves (continued)

(vi) Share of associated company's statutory reserve

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	**48,677**	52,770
Disposal of associated company	–	(158)
Currency translation differences	**(3,541)**	(3,935)
At end of the financial year	**45,136**	48,677

This represents reserves which need to be set aside pursuant to local statutory requirements of an associated company.

(vii) Available-for-sale reserve

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
At beginning of the financial year	–	–	–	–
Initial of adoption of FRS 139 (Note 2(b)(vi))	**20,121**	–	**72**	–
As restated	**20,121**	–	**72**	–
Arising during the financial year	**11,667**	–	**1,149**	–
At end of the financial year	**31,788**	–	**1,221**	–

(viii) Hedging reserve

	Group 2011 RM'000	Group 2010 RM'000
At beginning of the financial year	–	–
Effects of adoption of FRS 139	**(37,193)**	–
As restated	**(37,193)**	–
Currency translation differences	**(733)**	–
Changes in fair value	**52,059**	–
At end of the financial year	**14,133**	–

31. LONG TERM PAYABLES

	Group	
	2011 RM'000	2010 RM'000
Deposits	**57,844**	26,736

Non-current payables are mainly deposits collected from retail customers in electricity sales and deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure.

32. OTHER NON-CURRENT LIABILITIES

	Group	
	2011 RM'000	2010 RM'000
Amount due to customer on contract	**67,696**	67,696

This represents the balance of the total purchase consideration of not less than RM105,616,000 (2010: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which will be settled by way of phased development, construction and completion of the Railway Village by Sentul Raya Sdn Bhd. ("SRSB"), a subsidiary of YTL Land & Development Berhad ("YTL L&D") for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB as amended pursuant to the Supplementary Development Agreement dated 21 December 2000.

33. BONDS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Current	**499,990**	1,013,470	–	–
Non-current	**11,747,506**	11,982,478	**500,000**	500,000
Total	**12,247,496**	12,995,948	**500,000**	500,000
Represented by:-				
Current:-				
Medium Term Notes [Note 33(A)]	**470,000**	200,000	–	–
3.97% Unsecured Bonds [Note 33(B)]	–	813,470	–	–
Zero Coupon Exchangeable Guaranteed Bonds due 2012 [Note 33(H)]	**29,990**	–	–	–
	499,990	1,013,470	–	–
Non-current:-				
Medium Term Notes [Note 33(A)]	**2,729,824**	3,099,734	**500,000**	500,000
3.52% Retail Price Index Guaranteed Bonds [Note 33(C)]	**309,444**	305,621	–	–
5.75% Guaranteed Unsecured Bonds [Note 33(D)]	**1,679,649**	1,696,962	–	–
5.375% Guaranteed Unsecured Bonds [Note 33(E)]	**963,033**	972,094	–	–
1.75% Index Linked Guaranteed Bonds [Note 33(F)]	**832,431**	822,147	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds [Note 33(G)]	**832,431**	822,147	–	–
Zero Coupon Exchangeable Guaranteed Bonds due 2012 [Note 33(H)]	–	26,142	–	–
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds [Note 33(I)]	**791,423**	763,702	–	–
3.0% Redeemable Non Guaranteed Unsecured Bonds [Note 33(J)]	**2,143,984**	2,107,240	–	–
2.186% Index Linked Guaranteed Bonds 2039 [Note 33(K)]	**263,794**	250,255	–	–
1.875% Guaranteed Exchangeable Bonds due 2015 [Note 33(L)]	**1,201,493**	1,116,434	–	–
	11,747,506	11,982,478	**500,000**	500,000
Total	**12,247,496**	12,995,948	**500,000**	500,000

33. BONDS (continued)

The periods in which the Bonds of the Group and the Company attain maturity are as follow:-

Group

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2011				
Medium Term Notes	**470,000**	**2,729,825**	–	**3,199,825**
3.52% Retail Price Index Guaranteed Bonds	–	–	**309,444**	**309,444**
5.75% Guaranteed Unsecured Bonds	–	–	**1,679,649**	**1,679,649**
5.375% Guaranteed Unsecured Bonds	–	–	**963,033**	**963,033**
1.75% Index Linked Guaranteed Bonds	–	–	**832,431**	**832,431**
1.369% and 1.374% Index Linked Guaranteed Bonds	–	–	**832,431**	**832,431**
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**29,990**	–	–	**29,990**
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	–	–	**791,423**	**791,423**
3.0% Redeemable Non Guaranteed Unsecured Bonds	–	**2,143,984**	–	**2,143,984**
2.186% Index Linked Guaranteed Bonds 2039	–	–	**263,793**	**263,793**
1.875% Guaranteed Exchangeable Bonds due 2015	–	**1,201,493**	–	**1,201,493**
	499,990	**6,075,302**	**5,672,204**	**12,247,496**

33. BONDS (continued)

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2010				
Medium Term Notes	200,000	3,099,734	–	3,299,734
3.97% Unsecured Bonds	813,470	–	–	813,470
3.52% Retail Price Index Guaranteed Bonds	–	–	305,621	305,621
5.75% Guaranteed Unsecured Bonds	–	–	1,696,962	1,696,962
5.375% Guaranteed Unsecured Bonds	–	–	972,094	972,094
1.75% Index Linked Guaranteed Bonds	–	–	822,147	822,147
1.369% and 1.374% Index Linked Guaranteed Bonds	–	–	822,147	822,147
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	–	26,142	–	26,142
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	–	–	763,702	763,702
3.0% Redeemable Non Guaranteed Unsecured Bonds	–	2,107,240	–	2,107,240
2.186% Index Linked Guaranteed Bonds 2039	–	–	250,255	250,255
1.875% Guaranteed Exchangeable Bonds due 2015	–	1,116,434	–	1,116,434
	1,013,470	6,349,550	5,632,928	12,995,948

Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2011				
Medium Term Notes	–	**500,000**	–	**500,000**
At 30 June 2010				
Medium Term Notes	–	500,000	–	500,000

33. BONDS (continued)

The interest rates of the Group and the Company as at the reporting date are as follows:-

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Weighted average effective interest rate				
Medium Term Notes	**4.681**	4.842	**4.850**	4.850
3.97% Unsecured Bonds	–	4.210	–	–
3.52% Retail Price Index Guaranteed Bonds	**5.560**	5.340	–	–
5.75% Guaranteed Unsecured Bonds	**5.869**	5.870	–	–
5.375% Guaranteed Unsecured Bonds	**5.501**	5.502	–	–
1.75% Index Linked Guaranteed Bonds	**3.897**	3.552	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**3.484**	3.191	–	–
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**2.800**	2.800	–	–
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	**5.969**	1.542	–	–
3.0% Redeemable Non Guaranteed Unsecured Bonds	**4.850**	4.850	–	–
2.186% Index Linked Guaranteed Bonds	**8.365**	4.310	–	–
1.875% Guaranteed Exchangeable Bonds due 2015	**1.875**	1.875	–	–

The fair value of the Bonds of the Group as at the reporting date is as set out below:-

	Group	
	Carrying amount RM'000	Fair value RM'000
2011		
3.52% Retail Price Index Guaranteed Bonds	**309,444**	**325,083**
5.75% Guaranteed Unsecured Bonds	**1,679,649**	**1,790,521**
5.375% Guaranteed Unsecured Bonds	**963,033**	**990,999**
1.75% Index Linked Guaranteed Bonds	**832,431**	**1,029,909**
1.369% and 1.374% Index Linked Guaranteed Bonds	**832,431**	**927,299**
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**29,990**	**32,633**
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	**791,423**	**918,046**
3.0% Redeemable Non Guaranteed Unsecured Bonds	**2,143,984**	**2,309,404**
2.186% Index Linked Guaranteed Bonds 2039	**263,794**	**268,359**
1.875% Guaranteed Exchangeable Bonds due 2015	**1,201,493**	**1,265,653**
Medium Term Notes	**3,199,824**	3,272,404

33. BONDS (continued)

	Group Carrying amount RM'000	Group Fair value RM'000
2010		
3.97% Unsecured Bonds	813,470	819,571
3.52% Retail Price Index Guaranteed Bonds	305,621	301,165
5.75% Guaranteed Unsecured Bonds	1,696,962	1,806,257
5.375% Guaranteed Unsecured Bonds	972,094	1,002,411
1.75% Index Linked Guaranteed Bonds	822,147	923,853
1.369% and 1.374% Index Linked Guaranteed Bonds	822,147	850,728
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	26,142	32,309
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	763,702	847,402
3.0% Redeemable Non Guaranteed Unsecured Bonds	2,107,240	2,289,044
2.186% Index Linked Guaranteed Bonds 2039	250,255	250,806
1.875% Guaranteed Exchangeable Bonds due 2015	1,116,434	1,163,114

(A) MEDIUM TERM NOTES ("MTNs")

(i) The MTNs of the Company were constituted under the MTNs Programme Agreement and MTNs Trust Deed both dated 18 June 2004, and the First Supplemental MTNs Trust Deed dated 13 July 2004.

A nominal value of RM500 million of MTNs was issued on 25 June 2009 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.85% (2010: 4.85%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 25 June 2014 at nominal value.

(ii) The nominal value of RM1.3 billion unsecured MTNs ranging between 1 year to 11 years were issued by YTL Power Generation Sdn. Bhd. ("YTLPG"), a subsidiary of the Group, pursuant to a Facility Agreement dated 9 July 2003. Interest is payable semi-annually in arrears. The MTNs bear interest rates ranging from 3.93% to 4.05% (2010: 3.93% to 4.43%) per annum.

A principal amount of RM200,000,000 (2010: RM200,000,000) of MTNs of YTLPG was repaid during the financial year.

(iii) The MTNs of YTL Power International Berhad ("YTLPI") were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2.0 billion ("CP/MTN Programme") constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007.

During the financial year, YTLPI issued a principal amount of RM100,000,000 of MTNs. There was no repayment and reissuance (2010: 200,000,000 and RM680,000,000) of the MTNs. The MTNs bear interest rates ranging from 3.80% to 5.55% (2010: 3.95% to 5.55%) per annum.

(B) 3.97% UNSECURED BONDS

On 30 September 2003, PowerSeraya Ltd., a subsidiary of the Group, issued SGD350 million 3.97% Unsecured Bonds at par for working capital and to fund major capital expenditure. The Bonds mature on 30 September 2011. Interest is payable semi-annually in arrears on the interest payment dates falling on 30 March and 30 September in each year.

The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of PowerSeraya Ltd. and shall at all times rank pari passu and rateably without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of PowerSeraya Ltd.

33. BONDS (continued)

(C) 3.52% RETAIL PRICE INDEX GUARANTEED BONDS

On 10 December 2001, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP50,000,000 nominal value of 3.52% Guaranteed Retail Price Index with Zero Floor Bonds due 2023 ("RPIG Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The RPIG Bonds were constituted under a Trust Deed dated 10 December 2001 and are unsecured.

The principal features of the RPIG Bonds are as follows:-

(i) The RPIG Bonds bear interest semi-annually on 30 January and 30 July at an interest rate of 3.52% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 8.237% (2010: 3.80%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the RPIG Bonds will be redeemed in full by the Issuer on 30 July 2023 at their indexed value together with all accrued interest on the surrender of the RPIG Bonds.

(iii) The Issuer may, at any time, purchase the RPIG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All RPIG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the RPIG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the RPIG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the RPIG Bonds being downgraded below investment grade.

"Appointment" refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of RPIG Bonds issued of GBP50,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the RPIG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

33. BONDS (continued)

(D) 5.75% GUARANTEED UNSECURED BONDS

On 15 October 2003, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP350,000,000 nominal value of 5.75% Guaranteed Unsecured Bonds due 2033 ("GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of GU Bonds issued amounted to GBP350,000,000 and as at 30 June 2011 GBP345,265,801 (2010: GBP345,831,889) remained outstanding, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:-

(i) The GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

"Appointment" refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

33. BONDS (continued)

(E) 5.375% GUARANTEED UNSECURED BONDS

On 10 March 2005, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ("GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 10 March 2005. The nominal value of GU Bonds issued amounted to GBP200,000,000 of which GBP197,959,499 (2010: GBP198,107,696) remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:-

(i) The GU Bonds bear interest at 5.375% per annum, payable on 10 March of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

"Appointment" refers to the Instruments of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

33. BONDS (continued)

(F) 1.75% INDEX LINKED GUARANTEED BONDS (continued)

On 31 July 2006, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued two (2) tranches of GBP75,000,000 nominal value of 1.75% Index Linked Guaranteed Bonds ("ILG Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds were each constituted under a Trust Deed dated 31 July 2006 and are unsecured.

The principal features of the ILG Bonds are as follows:-

(i) The ILG Bonds bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 6.46% (2010: 2.03%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche, at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

"Appointment" refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 (2010: GBP150,000,000) remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

33. BONDS (continued)

(G) 1.369% AND 1.374% INDEX LINKED GUARANTEED BONDS

On 31 January 2007, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP75,000,000 nominal value of 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value of 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:-

(i) The ILG Bonds bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 6.08% (2010: 1.65%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;

- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or

- a 'Restructuring Event' occurs which results in the ILG Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 (2010: GBP150,000,000) remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

33. BONDS (continued)

(H) ZERO COUPON EXCHANGEABLE GUARANTEED BONDS DUE 2012

On 15 May 2007, YTL Corp Finance (Labuan) Limited ("YTLCF"), a subsidiary of the Group, issued USD300 million nominal value 5-year Exchangeable Guaranteed Bonds at 100% of nominal value ("ZCEG Bonds") which were listed on the Singapore Exchange Securities Trading Limited and Labuan International Financial Exchange, Inc. on 16 May 2007. Each ZCEG Bond entitles its registered holder to exchange for fully paid ordinary shares of the Company, with a par value of RM0.50 each at an initial exchange price of RM10 per share at a fixed exchange rate of USD1.00 = RM3.4130. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the ZCEG Bonds as set out in the Trust Deed dated 15 May 2007. The exchange price was adjusted to RM9.88 with effect from 12 December 2007 and subsequently adjusted to RM1.98 with effect from 29 April 2011 as a result of the subdivision of every 1 existing ordinary share of RM0.50 each of the Company into 5 ordinary shares of RM0.10 each.

The net proceeds from the issue of the ZCEG Bonds will principally be used for on-lending to subsidiaries of the Company to finance their future investments and projects, both in Malaysia and offshore.

The principal features of the ZCEG Bonds which mature on 15 May 2012 ("Maturity Date") are as follows:-

(i) The ZCEG Bonds carry no coupon, have a maturity yield of 2.800% and had a put option at 108.70% on 15 May 2010. ZCEG Bonds with a nominal value of USD291.1 million were redeemed on 15 May 2010 upon exercise of the put option by bondholders.

(ii) The ZCEG Bonds which constitute direct, unsubordinated, unconditional and (subject to the negative pledge) unsecured obligations of YTLCF shall at all times rank pari passu and without any preference or priority among themselves.

(iii) The ZCEG Bonds are unconditionally and irrevocably guaranteed by the Company.

(iv) Final redemption

Unless previously purchased and cancelled, redeemed or exchanged, the ZCEG Bonds will be redeemed on 15 May 2012 at 114.92% of their principal amount.

(v) Mandatory exchange option of the Company or YTLCF

On or at any time after 15 May 2009 but not less than 21 days prior to the Maturity Date, either the Company or YTLCF may, in respect of all (but not some) of the outstanding ZCEG Bonds exercise an option to mandatorily exchange the ZCEG Bonds into shares, provided that the volume weighted average price of the shares for each of the 20 consecutive trading days ending on a date no earlier than five trading days prior to the date of notice of mandatory exchange is at least 120% of the exchange price then in effect. YTLCF or the Company, as the case may be, has the option to settle the mandatory exchange in full or in part by the payment of cash.

(vi) Cash settlement option

YTLCF shall have the option to pay to the relevant bondholder an amount of cash in United States dollars equal to the cash settlement amount in order to satisfy the exchange rights in full or in part (in which case the other part shall be satisfied by the delivery of shares).

33. BONDS (continued)

(H) ZERO COUPON EXCHANGEABLE GUARANTEED BONDS DUE 2012 (continued)

(vii) Redemption at the option of YTLCF

YTLCF may redeem the ZCEG Bonds, in whole but not in part, at their early redemption amount if less than 10% of the aggregate principal amount of the ZCEG Bonds originally issued is still outstanding.

(viii) Redemption by bondholders upon delisting of the shares of the Company or a change of control

The ZCEG Bonds may be redeemed at the option of bondholders at their early redemption amount at the relevant redemption date upon the Shares ceasing to be listed on Bursa Malaysia Securities Berhad or upon a change of control of the Company.

The Group utilised USD209 million out of the nominal value of ZCEG Bonds amounting to USD300 million for the payment in relation to the acquisition of associated companies in the financial year ended 30 June 2009. The balance amount of the net proceeds was utilised to partially redeem the ZCEG Bonds in respect of which the put option was exercised on 15 May 2010.

(I) 1.489%, 1.495% AND 1.499% INDEX LINKED GUARANTEED BONDS

On 28 September 2007, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP50,000,000 nominal value of 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value of 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value of 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:-

(i) The ILG Bonds bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2011 is 6.84% (2010: 5.94%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

33. BONDS (continued)

(I) 1.489%, 1.495% AND 1.499% INDEX LINKED GUARANTEED BONDS (continued)

(v) The bondholders may put the ILG Bonds to the Issuer if:- (continued)

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 (2010: GBP150,000,000) remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(J) 3.00% REDEEMABLE NON GUARANTEED UNSECURED BONDS

On 18 April 2008, YTL Power International Berhad ("YTLPI"), a subsidiary of the Group, has issued RM2,200,000,000 nominal value of five-year 3.00% Redeemable Non Guaranteed Unsecured Bonds 2008/2013 ("Bonds") with 1,776,371,304 detachable warrants. The Bonds were constituted under a Trust Deed dated 10 April 2008.

The principal features of the Bonds are as follows:-

(i) The Bonds are issued at discount (91.87%) to nominal value.

(ii) The Bonds bear interest at 3.0% per annum, payable semi-annually on 18 October and 18 April of each financial year.

(iii) The Bonds are redeemable on 18 April 2013 ('Maturity Date') at one hundred percent (100%) of nominal value.

(iv) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by YTLPI, the Bonds will be redeemed in full by YTLPI on the Maturity Date at one hundred percent (100%) of nominal value together with all accrued interest.

(K) 2.186% INDEX LINKED GUARANTEED BONDS

On 7 September 2009, Wessex Water Services Finance Plc ("Issuer") issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The principal features of the ILG Bonds are as follows:

(i) The ILG Bonds bear interest semi-annually on 1 December and 1 June at an interest rate of 2.186% initially, indexed up by the inflation rate every half year. The effective interest rate as at 30 June 2011 is 5.38% (2010: 4.69%).

33. BONDS (continued)

(K) 2.186% INDEX LINKED GUARANTEED BONDS (continued)

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act, 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP50,000,000 remained outstanding as at 30 June 2011, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(L) 1.875% GUARANTEED EXCHANGEABLE BONDS DUE 2015

On 18 March 2010, YTL Corp Finance (Labuan) Limited ("YTLCF"), a subsidiary of the Group, issued USD350 million in aggregate principal amount of 1.875% Guaranteed Exchangeable Bonds due 2015 (subject to an upsize option ("Upsize Option") of up to USD50 million ("Option Bonds")) (the "Bonds") which were listed on the Singapore Exchange Securities Trading Limited on 19 March 2010.

The Upsize Option was exercised in full on 16 April 2010, bringing the total issue size of the Bonds to USD400 million. The Option Bonds were issued on 23 April 2010 and listed on the Singapore Exchange Securities Trading Limited on 26 April 2010. The Bonds were listed on the Labuan International Financial Exchange Inc. on 27 April 2010.

33. BONDS (continued)

(L) 1.875% GUARANTEED EXCHANGEABLE BONDS DUE 2015 (continued)

Each Bond entitles its registered holder to exchange for fully paid ordinary shares of the Company, with a par value of RM0.50 each at an initial exchange price of RM8.976 per share at a fixed exchange rate of USD1.00 = RM3.3204. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the Bonds as set out in the Trust Deed dated 18 March 2010 The exchange price was adjusted to RM1.80 with effect from 29 April 2011 as a result of the subdivision of every 1 existing ordinary share of RM0.50 each of the Company into 5 ordinary shares of RM0.10 each.

The net proceeds from the issue of the Bonds were partially utilised to redeem YTLCF's outstanding USD300 million Zero Coupon Exchangeable Guaranteed Bonds Due 2012 ("ZCEG Bonds") upon exercise of the put option by holders of the ZCEG Bonds on 15 May 2010. The balance of the net proceeds will be utilised to on-lend to the Company's subsidiaries to finance their future offshore investments and projects and/or repayment of borrowings.

The principal features of the Bonds which mature on 18 March 2015 ("Maturity Date") are as follows:-

(i) The Bonds bear interest at the rate of 1.875% calculated semi-annually and payable on 18 March and 18 September each year.

(ii) The Bonds which constitute direct, unsubordinated, unconditional and (subject to the negative pledge) unsecured obligations of YTLCF shall at all times rank pari passu and without any preference or priority among themselves.

(iii) The Bonds are unconditionally and irrevocably guaranteed by the Company.

(iv) Final redemption

Unless previously purchased and cancelled, redeemed or exchanged, the Bonds will be redeemed on 18 March 2015 at 100% of their principal amount together with accrued but unpaid interest.

(v) Mandatory exchange option of YTLCF or the Company

On or at any time after 18 March 2013 but not less than 21 days prior to the Maturity Date, either YTLCF or the Company may, in respect of all (but not some) of the outstanding Bonds exercise an option to mandatorily exchange the Bonds into shares, provided that the volume weighted average price of the shares for not less than 20 of 30 consecutive trading days ending on a date no earlier than five trading days prior to the date of notice of mandatory exchange is at least 130% of the exchange price then in effect. YTLCF or the Company, as the case may be, has the option to settle the mandatory exchange in full or in part by the payment of cash.

(vi) Cash settlement option

YTLCF shall have the option to pay to the relevant bondholder an amount of cash in United States dollars equal to the cash settlement amount in order to satisfy the exchange rights in full or in part (in which case the other part shall be satisfied by the delivery of shares).

(vii) Redemption at the option of YTLCF

YTLCF may redeem the bonds, in whole but not in part, at their redemption amount if less than 10% of the aggregate principal amount of the Bonds originally issued is still outstanding.

33. BONDS (continued)

(L) 1.875% GUARANTEED EXCHANGEABLE BONDS DUE 2015 (continued)

(viii) Redemption by bondholders upon delisting of the shares of the Company or a change of control

The Bonds may be redeemed at the option of bondholders at their early redemption amount at the relevant redemption date upon the Shares ceasing to be listed on Bursa Malaysia Securities Berhad or upon a change of control of the Company.

34. BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Term loans [Note 33(A)]	**10,143,890**	11,865,627	–	–
Revolving credit [Note 33(B)]	**4,961,937**	2,170,065	**1,403,855**	1,403,855
Committed bank loans [Note 33(C)]	**38,449**	38,618	–	–
Commercial papers [Note 33(D)]	**400,000**	550,000	**250,000**	250,000
Irredeemable Convertible Unsecured Loan Stocks [Note 33(E)]	**6,227**	6,925	–	–
Bankers' acceptances [Note 33(F)]	**69,240**	70,325	–	–
Bank overdrafts [Note 33(G)]	**49,664**	45,211	–	–
Finance lease liabilities [Note 33(H)]	**334,253**	365,019	–	65
	16,003,660	15,111,790	**1,653,855**	1,653,920

34. BORROWINGS (continued)

The borrowings of the Group and the Company are repayable as follows:-

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2011				
Term loans	**5,307,635**	**4,790,206**	**46,049**	**10,143,889**
Revolving credit	**3,921,934**	**1,040,003**	**–**	**4,961,938**
Committed bank loans	**26,943**	**11,506**	**–**	**38,449**
Commercial papers	**400,000**	**–**	**–**	**400,000**
Irredeemable Convertible Unsecured Loan Stocks	**–**	**–**	**6,227**	**6,227**
Bankers' acceptances	**69,240**	**–**	**–**	**69,240**
Bank overdrafts	**49,664**	**–**	**–**	**49,664**
Finance lease liabilities	**165,130**	**82,291**	**86,832**	**334,253**
	9,940,546	**5,924,006**	**139,108**	**16,003,660**
At 30 June 2010				
Term loans	1,536,962	9,108,533	1,220,132	11,865,627
Revolving credit	2,038,855	131,210	–	2,170,065
Committed bank loans	26,109	12,509	–	38,618
Commercial papers	550,000	–	–	550,000
Irredeemable Convertible Unsecured Loan Stocks	–	–	6,925	6,925
Bankers' acceptances	70,325	–	–	70,325
Bank overdrafts	45,211	–	–	45,211
Finance lease liabilities	34,980	159,787	170,252	365,019
	4,302,442	9,412,039	1,397,309	15,111,790

34. BORROWINGS (continued)

Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2011				
Revolving credit	**1,403,855**	–	–	**1,403,855**
Commercial papers	**250,000**	–	–	**250,000**
	1,653,855	–	–	**1,653,855**
At 30 June 2010				
Revolving credit	1,403,855	–	–	1,403,855
Commercial papers	250,000	–	–	250,000
Finance lease liabilities	65	–	–	65
	1,653,920	–	–	1,653,920

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Represented by:-				
Current	**9,940,546**	4,302,442	**1,653,855**	1,653,920
Non-current	**6,063,114**	10,809,348	–	–
	16,003,660	15,111,790	**1,653,855**	1,653,920

The carrying amounts of borrowings of the Group and of the Company at the reporting date approximated their fair values.

The interest rates of the borrowings of the Group and the Company as at the reporting date are as follows:-

	Group 2011 %	Group 2010 %	Company 2011 %	Company 2010 %
Weighted average effective interest rate				
Term loans	**1.37**	2.08	–	–
Revolving credit	**1.45**	3.23	**3.70**	3.18
Committed bank loans	**1.46**	0.99	–	–
Commercial papers	**1.80**	2.63	**3.40**	2.88
Irredeemable convertible unsecured loan stocks	**8.00**	8.00	–	–
Bankers' acceptances	**3.28**	2.91	–	–
Bank overdrafts	**9.06**	8.16	–	–
Finance lease liabilities	**4.96**	4.98	–	4.60

34. BORROWINGS (continued)

Group 2011 RM'000	Group 2010 RM'000	Securities
7,351,299	3,506,344	– Clean
3,561,807	4,347,697	– A charge over the shares and assets of a subsidiary
410,679	283,023	– A fixed charge over the long term leasehold land of a subsidiary – A debenture to create fixed and floating charges over the present and future assets of a subsidiary – A first fixed charge over all Designated Accounts of a subsidiary
252,844	340,161	– Corporate guarantee by the Company – Personal guarantee by a subsidiary's directors
1,991,749	4,266,664	– Corporate guarantee by subsidiaries
180,000	180,000	– A first fixed charge over the investment properties of a subsidiary
6,662	11,103	– A first party first fixed charge over the long term leasehold land and buildings of a subsidiary to be erected thereon – A debenture creating a first fixed and floating charge over a subsidiary's present and future assets
1,461,592	1,375,852	– Corporate guarantee by the Company
10,008	12,134	– A fixed charge over the respective vehicles of the Group
777,020	788,812	– A charge over quoted shares of the subsidiaries
16,003,660	15,111,790	

Company 2011 RM'000	Company 2010 RM'000	Securities
1,653,855	1,653,855	– Clean
–	65	– A fixed charge over the respective vehicles of the Company
1,653,855	1,653,920	

(A) Term loans

(i) Term loans denominated in Great Britain Pounds

The term loans of RM486,480,000 [GBP100,000,000] (2010: RM858,707,500 [GBP175,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited, both are subsidiaries of the Group. The loans bear interest rates of LIBOR plus a different variable margin for each of the GBP75,000,000 and GBP100,000,000 loans respectively. GBP75,000,000 was repaid on 15 June 2011.

34. BORROWINGS (continued)

(A) Term loans (continued)

(i) Term loans denominated in Great Britain Pounds (continued)

The term loans of RM681,072,000 [GBP140,000,000] (2010: RM686,966,000 [GBP140,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear an interest rate of LIBOR plus 0.18%.

The new term loan of RM243,240,000 [GBP50,000,000] (2010: RM245,345,000 [GBP: 50,000,000] was drawn by Wessex Water Services Limited. The loan bears an interest rate of LIBOR plus 1.10%.

(ii) Term loans denominated in US Dollars

Term loan amounting to RM618,925,000 [USD190,000,000] is unsecured and guaranteed by YTL Power International Berhad, has been repaid in full on 29 January 2011. The loan bears an interest rate of LIBOR plus 0.265% margin.

Term loans of RM1,200,240,185 [USD397,364,736] (2010: RM1,289,131,962 [USD395,742,736]) are unsecured and guaranteed by YTL Power International Berhad. The loans of USD200 million each are repayable on 17 December 2012 and 30 June 2015 respectively. These loans bear interest rate of LIBOR plus 1.40% and LIBOR plus 1.65% respectively.

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loans of certain subsidiaries amounting to RM728,590,980 (2010: RM624,126,300) which are secured by first fixed charge over the properties of the respective subsidiaries and quoted shares, the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollars

Term loan of RM3,561,807,250 [SGD1,449,244,110] (2010: RM4,347,696,887 [SGD1,870,620,810]) is a secured loan of YTL PowerSeraya Pte. Limited, a subsidiary of the Group. The loan bears interest rate of 2.50% per annum plus swap offer rate and is repayable in full on 6 March 2012. The loan is secured by a charge over the shares and assets of YTL PowerSeraya Pte. Limited.

Term loan of RM1,130,542,000 [SGD460 million] (2010: RM1,062,600,000 [SGD460 million]) is an unsecured loan of YTL Corp Finance (Cayman) Limited, a subsidiary of the Company. The term loan bears interest rates between 1.30% and 1.61% (2010: 1.49% and 1.81%) per annum and matures on 31 December 2011. This facility is guaranteed by the Company.

The term loan facility of PowerSeraya Limited, a subsidiary of the Group amounting to RM983,080,000 [SGD400,000,000] (2010: RM929,680,000 [SGD400,000,000) term loan facility which has staggered repayment date commencing on 29 August 2011 with final repayment date on 28 August 2014. PowerSeraya Limited has a choice to select an interest period of one, three or six month on the facility. The term loan is unsecured.

Term loans of the subsidiaries, Lakefront Pte. Ltd. and Sandy Island Pte. Ltd. ("Lakefront and Sandy Island"), amounting to RM23,655,606 [SGD9,625,099] and RM227,884,002 [SGD92,722,465] (2010: RM124,635,455 [SGD53,625,099] and RM215,505,553 [SGD92,722,465]) bear average interest rates of 3.44% to 3.60% and 1.46% to 1.69% (2010: 0.93% and 3.74%) per annum respectively and mature in March 2012 and June 2013 respectively. These facilities are guaranteed by the Company and two directors of Lakefront and Sandy Island.

34. BORROWINGS (continued)

(A) Term loans (continued)

(v) Term loan denominated in Japanese Yen

Term loan of subsidiary of the Group, Niseko Village (S) Pte. Ltd, RM243,997,000 [Yen6,500,000,000] is unsecured and matures on 31 March 2015. The term loan bears average interest rate of 1.24% (2010: 1.26%) per annum. This facility is guarantee by the Company.

(B) Revolving credit

Save for the revolving credit of a subsidiary amounting to RM400,000,000 (2010: RM400 million) which is secured by quoted shares of another subsidiary, the revolving credit facility of the Group is unsecured.

PowerSeraya Limited has a total SGD50,000,000 (2010: SGD50,000,000) revolving credit facilities, maturing on 28 August 2012. During the financial year, the subsidiary had drawn down the facility amounting to RM1,597,505,000 (SGD650,000,000) (2010: RM116,210,000 (SGD50,000,000)). The subsidiary has a choice to select an interest period of one, three or six months on the facility. The undrawn revolving credit facilities amounting to RM122,885,000 (SGD50,000,000) (2010: Nil) will expire on 6 March 2012.

During the financial year, a subsidiary of the Group, YTL Utilities Holdings Pte Ltd had fully drawn down a revolving credit facility amounting to RM245,770,000 (SGD100,000,000). The subsidiary has a choice to select an interest period of one, two, three or six months on the facility. The borrowing bears an interest rate of swap offer rate plus 1.10% per annum and is subject to annual renewal by the bank.

(C) Committed bank loans

Committed bank loans of the Group amounted to RM38,449,311 [EUR8,814,067] (2010: RM38,618,382 [EUR9,613,474]). Of this balance, RM13,584,390 [EUR3,114,067] (2010: RM14,716,578 [EUR3,663,474]) is guaranteed by Wessex Water Limited, a subsidiary of the Group. The loan bears an interest rate of EURIBOR plus 1.05% and varies depending on the credit rating of Wessex Water Limited. The remaining balance of RM24,864,921 [EUR5,700,000] (2010: RM23,901,804 [EUR5,950,000]) is a direct obligation of Wessex Water Limited and bears an interest rate of EURIBOR plus 0.50%.

Committed bank loans of RM351,552,000 (GBP60,000,000) were unsecured loans of Wessex Water Services Limited, a subsidiary of the Group. The loans bear an interest rate between LIBOR plus 0.30% and LIBOR plus 0.35%. The committed bank loans have been fully repaid on 30 June 2010.

(D) Commercial Papers ("CP")

The CP of the Company were constituted under the Trust Deed dated 18 June 2004 and expires on 20 October 2012.

During the financial year, the Company has issued and repaid RM750,000,000 (2010: RM750,000,000) and RM750,000,000 (2010: RM750,000,000) respectively of the CP which bears upfront interest rates ranging from 2.879% to 3.404% (2010: 2.350% to 4.335%) per annum.

The CP of a subsidiary, YTL Power International Berhad ("YTLPI"), were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2.0 billion ("CP/MTN Programme") constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007.

During the financial year, YTLPI has issued and repaid RM1,050,000,000 (2010: RM1,800,000,000) of the CP which bears interest rates ranging from 2.73% to 3.405% (2010:2.324% to 2.73%) per annum.

34. BORROWINGS (continued)

(E) Irredeemable convertible unsecured loan stocks

On 10 November 2005, YTL Cement Berhad ("YTL Cement"), a subsidiary of the Group issued 483,246,858 10 years 4% stepping up to 6% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1.00 each, maturing 10 November 2015 ("Maturity Date").

The main features of the ICULS are as follows:-

(i) The ICULS bear interest of 4% per annum from date of issue up to fourth anniversary and 5% per annum from the date after the fourth anniversary up to the seventh anniversary. Thereafter, the ICULS bear interest at 6% per annum up to the maturity date. The interest is payable semi-annually in arrears.

(ii) The ICULS are convertible at any time on or after its issuance date into new ordinary shares of YTL Cement at the conversion price, which is fixed on a step-down basis, as follows:-

- For conversion at any time from the date of issue up to the fourth anniversary, conversion price is RM2.72
- For conversion at any time after fourth anniversary of issue up to the seventh anniversary, conversion price is RM2.04
- For conversion at any time after seventh anniversary of issue up to the maturity date, conversion price is RM1.82

(iii) The ICULS are not redeemable and any ICULS remaining immediately after the maturity date shall be automatically converted into ordinary shares at the conversion price.

(iv) The new ordinary shares issued from the conversion of ICULS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of YTL Cement.

The fair values of the liability component and the equity conversion component were determined at issuance of the ICULS.

A certain amount of the ICULS are held by the Company (refer Note 14(a) of the Financial Statements) and other companies within the Group. The relevant amounts have been eliminated in the Statement of Financial Position of the Group.

(F) Bankers' acceptances

Included in the bankers' acceptances is RM25,049,478 (2010: RM58,134,995) of unsecured loan of a subsidiary of the Group. Bankers' acceptances bear interest as at the reporting date ranging from 3.21% to 3.78% (2010: 2.50% to 3.28%) per annum.

(G) Bank overdrafts

Included in the bank overdrafts is RM2,228,660 (2010: RM389,987) of unsecured loans of subsidiaries of the Group. These unsecured loans are repayable in full on demand and bore interest as at the reporting date ranging from 6.80% to 7.60% (2010: 6.30% to 7.05%) per annum.

Included in the bank overdrafts was RM47,434,886 [GBP9,750,634] (2010: RM44,820,621 [GBP9,134,203]) of unsecured loans in Wessex Water Services Limited, Wessex Water Limited and SC Technology Nederlands BV, subsidiaries of the Group. The overdrafts were repayable in full on demand and bore interest of Base Rate plus 1%.

34. BORROWINGS (continued)

(H) Finance lease liabilities

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Minimum lease payments:-				
Payable not later than 1 year	**55,406**	52,717	–	66
Payable later than 1 year and not later than 5 years	**219,815**	210,200	–	–
Payable later than 5 years	**130,440**	192,035	–	–
	405,661	454,952	–	66
Less: Finance charges	**(71,408)**	(89,933)	–	(1)
Present value of finance lease liabilities	**334,253**	365,019	–	65

Finance lease of RM324,244,711 (2010: RM352,884,749) is an unsecured obligation of Wessex Water Services Limited, a subsidiary of the Group. The principal amount is repayable in instalments until 30 June 2019. This finance lease bears an interest rate ranging from 1.70% to 3.00%.

35. DEFERRED INCOME

	Group	
	2011	**2010**
	RM'000	**RM'000**
At beginning of the financial year	**218,140**	198,257
Currency translation differences	**4,634**	(25,479)
Amortisation of grant (Note 6)	**(9,506)**	(6,056)
Received during the financial year	**29,196**	30,360
Recognition of investment allowance	**14,370**	21,058
At end of the financial year	**256,834**	218,140

Deferred income represents government grants in foreign subsidiaries in respect of specific qualifying expenditure on non-infrastructure assets and Cogeneration Plant.

36. DEFERRED TAX LIABILITIES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of the financial year	**2,816,360**	2,916,707	**100**	–
(Credited)/Charged to profit or loss (Note 7)	**(27,977)**	204,817	–	100
Currency translation differences	**(5,076)**	(376,775)	–	–
Recognition of investment income	**(14,370)**	(21,058)	–	–
Utilisation of investment allowance	**16,428**	92,669	–	–
At end of the financial year	**2,785,365**	2,816,360	**100**	100

36. DEFERRED TAX LIABILITIES (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the Statements of Financial Position:-

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Deferred tax provided are in respect of:-				
Deferred tax assets				
Unutilised capital allowances	**(113)**	(36,404)	–	–
Retirement benefits	**(32,941)**	(52,208)	–	–
Unabsorbed tax losses	**(27,941)**	(32,509)	–	–
Provisions	**(27,496)**	(45,075)	–	–
Others	**(7,088)**	(6,464)	–	–
	(95,579)	(172,660)	–	–
Deferred tax liabilities				
Property, plant & equipment – capital allowances in excess of depreciation	**2,836,390**	2,942,370	**100**	100
Revaluation surplus arising from freehold land	**44,253**	45,831	–	–
Other	**301**	819	–	–
	2,785,365	2,816,360	**100**	100

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	2011	2010
	RM'000	RM'000
Unabsorbed tax losses	**107,211**	105,284
Unutilised capital allowances	**24,898**	23,475
Unutilised investment tax allowance	**34,705**	34,705
Deductible temporary differences	**9,808**	340
Taxable temporary differences – property, plant & equipment	**(25,418)**	(22,734)
	151,204	141,070
Potential tax benefits calculated at 25% (2010: 25%) tax rate	**37,801**	35,268

The unabsorbed tax losses and unutilised capital allowances are subject to agreement with the Inland Revenue Board.

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS

(a) Defined contribution plan – Current

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	**2,478**	2,601	**201**	185

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plans – Non-current

	Group	
	2011 RM'000	2010 RM'000
Overseas		
– United Kingdom	**126,608**	180,304
– Indonesia	**6,161**	5,562
	132,769	185,866

<u>Overseas</u>

(i) United Kingdom

The Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken at 31 December 2010. This valuation was updated as at 30 June 2011 using revised assumptions.

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:-

	Group	
	2011 RM'000	2010 RM'000
At beginning of the financial year	**180,304**	248,782
Pension cost	**42,104**	73,078
Contributions and benefits paid	**(94,705)**	(103,821)
Currency translation differences	**(1,095)**	(37,735)
At end of the financial year	**126,608**	180,304

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(i) United Kingdom (continued)

The amounts recognised in the Statement of Financial Position may be analysed as follows:-

	Group	
	2011 RM'000	2010 RM'000
Present value of funded obligations	**2,105,485**	2,024,342
Fair value of plan assets	**(1,750,355)**	(1,528,990)
Status of funded plan	**355,130**	495,352
Unrecognised actuarial loss	**(228,522)**	(315,048)
Liability in the Statement of Financial Position	**126,608**	180,304

Changes in present value of defined benefit obligations are as follows:

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**2,024,342**	1,902,248
Currency translation differences	**(18,223)**	(350,693)
Interest cost	**107,954**	107,048
Current service cost	**48,825**	42,981
Contributions by scheme participants	**2,944**	4,841
Past service cost	**(23,554)**	2,152
Net benefits paid	**(76,059)**	(79,076)
Actuarial loss/(gain) on obligation	**39,256**	394,841
Present value of obligation, 30 June	**2,105,485**	2,024,342

Changes in fair value of plant assets are as follows:

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**1,528,990**	1,627,100
Currency translation differences	**(15,152)**	(280,467)
Expected return on plan assets	**93,724**	94,676
Contributions by employer	**94,705**	103,820
Contributions by scheme participants	**2,944**	4,841
Net benefits paid	**(76,059)**	(79,076)
Actuarial gain/(loss) on plan assets	**121,203**	58,096
Fair value of plan assets, 30 June	**1,750,355**	1,528,990

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(i) United Kingdom (continued)

The pension cost recognised may be analysed as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Current service cost	**48,825**	42,981
Interest cost	**107,954**	107,048
Expected return on plan assets	**(93,724)**	(94,676)
Past service cost	**(23,554)**	2,152
Actuarial loss recognised	**2,603**	15,573
Total	**42,104**	73,078
Actual return on plan assets	**(297,244)**	(122,855)

	Group 2011 RM'000	Group 2010 RM'000
The charge to the profit or loss was included in the following line items:-		
– Cost of sales	**21,556**	40,014
– Administration expenses	**6,318**	8,147
– Interest cost	**14,230**	12,372
Total charge to profit or loss	**42,104**	60,533
Capitalised spread across property, plant & equipment	**–**	12,545
	42,104	73,078

The principal actuarial assumptions used in respect of the Group's defined benefit plans were as follows:-

	Group 2011 %	Group 2010 %
Discount rate	**5.60**	5.40
Expected rate of increase in pension payment	**2.20 – 3.30**	2.20 – 2.30
Expected rate of salary increases	**4.40**	3.30
Price inflation	**3.60**	3.30

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesian subsidiary's regulations are as presented below:-

	Group	
	2011 RM'000	2010 RM'000
Obligation relating to post-employment benefits	**4,453**	3,808
Obligation relating to other long term employee benefits	**1,708**	1,753
Total	**6,161**	5,561

The Group has a defined contribution pension fund program for its permanent national employees. The Group's contribution is 6% of employee basic salary, while the employees' contributions range from 3% to 14%.

The obligations for post employment and other long term employee benefits were recognised with reference to actuarial reports prepared by an independent actuary. The latest actuarial report was dated 30 June 2011.

Post employment benefits obligation

The movements during the financial year in the amounts recognised in the profit or loss are as follows:-

	Group	
	2011 RM'000	2010 RM'000
At beginning of the financial year	**3,808**	2,883
Pension cost	**1,064**	1,029
Contributions and benefits paid	**(325)**	(237)
Currency translation differences	**(94)**	133
At end of the financial year	**4,453**	3,808

The obligations relating to post-employment benefits recognised in the Statement of Financial Position are as follows:-

	Group	
	2011 RM'000	2010 RM'000
Present value of obligations	**7,088**	5,085
Unrecognised actuarial loss	**(2,261)**	(421)
Unrecognised past service cost	**(374)**	(856)
Liability in the Statement of Financial Position	**4,453**	3,808

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia (continued)

Post employment benefits obligation (continued)

Changes in present value of defined benefit obligations are as follows:

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**3,808**	2,883
Currency translation differences	**(95)**	133
Interest cost	**475**	491
Current service cost	**529**	487
Past service cost	**36**	38
Net benefits paid	**(325)**	(237)
Actuarial loss on obligation	**25**	13
Present value of obligation, 30 June	**4,453**	3,808

The pension cost recognised can be analysed as follows:-

	Group	
	2011 RM'000	2010 RM'000
Current service cost	**529**	487
Interest cost	**475**	491
Past service cost	**35**	38
Net actuarial losses	**25**	13
Total	**1,064**	1,029

Other long term employee benefits obligation

The obligations relating to other long term employee benefits (i.e. long leave service benefits) recognised in the Consolidated Statement of Financial Position are as follows:-

	Group	
	2011 RM'000	2010 RM'000
Present value of obligations	**1,708**	1,753

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia (continued)

Other long term employee benefits obligation (continued)

The movements during the financial year in the amount recognised in the Consolidated Statement of Financial Position are as follows:-

	Group	
	2011 RM'000	2010 RM'000
At beginning of the financial year	**1,754**	1,480
Pension cost	**475**	521
Contributions and benefits paid	**(505)**	(325)
Currency translation differences	**(16)**	77
At end of the financial year	**1,708**	1,753

Changes in present value of defined benefit obligations are as follows:-

	Group	
	2011 RM'000	2010 RM'000
At 1 July	**1,754**	1,480
Currency translation differences	**(15)**	77
Interest cost	**145**	173
Current service cost	**215**	202
Net benefits paid	**(505)**	(325)
Actuarial loss on obligation	**114**	146
Present value of obligation, 30 June	**1,708**	1,753

The amounts relating to other long term employee benefits obligation recognised in the Consolidated Statement of Comprehensive Income are as follows:-

	Group	
	2011 RM'000	2010 RM'000
Current service cost	**215**	202
Interest cost	**145**	173
Net actuarial losses	**115**	146
Total	**475**	521

All of the charges above were included in the cost of revenue.

37. POST-EMPLOYMENT BENEFIT OBLIGATIONS (continued)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia (continued)

Other long term employee benefits obligation (continued)

The principal actuarial assumptions used are as follows:-

	Group	
	2011	2010
	%	%
Discount rate	**8.8**	9.8
Expected rate of return on plan assets	**8.0**	8.0
Expected rate of salary increase	**9.0**	8.0

38. TRADE & OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Trade payables	**1,394,871**	1,512,525	–	–
Other payables	**1,013,773**	746,236	**3,662**	3,914
Receipts in advance	**161,499**	147,764	–	–
Accruals	**720,377**	537,761	**2,773**	3,746
	3,290,520	2,944,286	**6,435**	7,660

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2010: 7 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

39. OTHER CURRENT LIABILITIES

	Group	
	2011	2010
	RM'000	RM'000
Progress billings in respect of property development cost	**82,228**	40,755
Amount due to contract customers (Note 26)	**141,436**	75,212
Accrual for rectification works	**4,666**	–
	228,330	115,967

40. PROVISION FOR LIABILITIES & CHARGES

	Group 2011 RM'000	Group 2010 RM'000
Restructuring (Note a)	**20,099**	20,660
Damages claims (Note b)	**4,692**	9,496
	24,791	30,156

Movement in provision is as follows:

Group-2011	Restructuring RM'000	Damages claims RM'000	Total RM'000
At beginning of the financial year	**20,660**	**9,496**	**30,156**
Currency translation differences	**1,064**	**(1,726)**	**(662)**
Charged to profit or loss (Note 6)	**3,705**	**3,417**	**7,122**
Payments	**(5,330)**	**(6,495)**	**(11,825)**
At end of the financial year	**20,099**	**4,692**	**24,791**

Group-2010	Restructuring RM'000	Damages claims RM'000	Total RM'000
At beginning of the financial year	39,118	10,634	49,752
Currency translation differences	(2,658)	–	(2,658)
(Credited)/Charged to profit or loss (Note 6)	(5,594)	3,335	(2,259)
Payments	(10,206)	(4,473)	(14,679)
At end of the financial year	20,660	9,496	30,156

(a) Restructuring

The provision for restructuring relates to the scaling down of operations of certain subsidiaries of the Group.

(b) Damages claims

The provision of damages claims relate to projects undertaken by a subsidiary and are recognised for expected damages claims based on the term of the applicable sale and purchase agreements.

41. ASSETS HELD FOR SALE

On 23 November 2010, the Board of Directors approved the disposal of the entire equity interests of the Company in the following subsidiaries to YTL Land & Development Berhad ("the Disposals"):-

(i) 100% equity interest in Arah Asas Sdn Bhd
(ii) 100% equity interest in Satria Sewira Sdn Bhd
(iii) 70% equity interest in Emerald Hectares Sdn Bhd
(iv) 100% equity interest in Pinnacle Trend Sdn Bhd
(v) 100% equity interest in Trend Acres Sdn Bhd
(ii) 100% equity interest in YTL Westwood Properties Pte Ltd

The Disposals are expected to complete by November 2011.

Information in relation to the Disposals are disclosed in Note 50(i) to the Financial Statements.

As at 30 June 2011, the investments have been presented in the Statement of Financial Position as "Assets held for sale".

The non-current asset classified as held for sale on the Company's Statement of Financial Position as at 30 June 2011 is as follow:-

	Company	
	2011	**2010**
	RM'000	**RM'000**
Statements of Financial Position:		
Assets:		
Investment in subsidiaries	**36,595**	–

42. FINANCIAL RISK MANAGEMENT

The Group's and the Company's operations are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available for the development of the Group's businesses whilst managing the above risks.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below.

(a) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to risks arising from various currency exposures primarily with respect to the Great Britain Pounds ("GBP") and Singapore Dollars ("SGD"). The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

42. FINANCIAL RISK MANAGEMENT (continued)

(a) Foreign currency exchange risk (continued)

The table illustrates the impact on the other comprehensive income and profit after tax resulting from currency sensitivities (on the basis all other remains other variables remain constant).

Group – 2011	Increase/ (Decrease) in other comprehensive income RM'000	Increase/ (Decrease) in Profit after tax RM'000
5% changes on GBP exchange rate	140,958	–
5% changes on SGD exchange rate	359,638	41,303

There is no exposure to any material foreign currency exchange risk at the Company level.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their floating rate bonds and borrowings, which is partially offset by the deposits and short term investments held at variable rates. The Group manages its cash flow interest rate risk by using a mix of fixed and variable rate debts. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

The interest rate profile of the Group's and of the Company's significant interest–bearing financial instruments, based on carrying amount as at the reporting date was:

	Group 2011 RM'000	Company 2011 RM'000
Fixed rate instruments		
Financial assets	68,274	–
Financial liabilities	9,555,993	500,000
	9,624,267	500,000
Variable rate instruments		
Financial assets	12,033,071	2,144,585
Financial liabilities	18,695,163	1,653,855
	30,728,234	3,798,440

At the reporting date, if the interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's profit after tax would be higher/lower by approximately RM94.4 million as a result of lower/higher interest expense on borrowings.

42. FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk (continued)

The Group does not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit after tax.

The excess funds of the Group are invested in bank deposits and other short term instruments. The Group manages its liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income for the financial year would increase/decrease by RM12.0 million.

(c) Price risk

Equity price risk

The Group's and the Company's exposure to equity price risk arises primarily from their investments in quoted securities.

To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

At the reporting date, the Group's and the Company's exposure to quoted equity investments at fair value are RM83,039,000 and RM9,926,000 respectively.

Group	Carrying amount RM'000	Increase/ Decrease in quoted market prices %	Effect on Increase/ (Decrease) RM'000
Local equities	79,450	+ 10	7,945
Foreign equities	3,589	– 10	(359)
Company			
Local equities	9,820	+10	982
Foreign equities	106	– 10	(11)

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

Exposure to price fluctuations arising from the purchase of fuel is managed via fuel oil swaps where the price of fuel is indexed to a benchmark fuel price index, for example 180 CST fuel oil. As at 30 June 2011, if the forward fuel oil price curve increased/decreased by 2%, the profit before tax of future years would be lower/higher by RM4,531,604 for the Group.

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investments securities, cash & cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

42. FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk (continued)

In the Group's Power Generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counter party risk is considered to be minimal. As for the Group's Power Generation business in Singapore, credit review are performed on all customers with established credit limits and supported by collateral in the form of guarantees. For the Group's Water and Sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In addition, the Directors are of the view that credit risk arising from the Water and Disposal of Waste Water businesses is limited due to its large customer base.

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

Receivable balances are monitored continually with the result that the Group's exposure to credit risk is minimised.

The ageing analysis, information regarding impairment, credit quality and significant concentration of credit risk of the Group and of the Company are disclosed in Note 21 to the Financial Statements.

At the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial positions.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

A nominal amount of RM2,976,551,000 relating to corporate guarantees provided by the Company to the banks in respect of banking facilities of its subsidiaries.

As at the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised as their fair values on initial recognition are insignificant.

Inter company balances

The Company provides unsecured advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Company monitors the results of the subsidiaries regularly. As at 30 June 2011, the maximum exposure to credit risk is represented by their carrying amounts in the Statements of Financial Position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2011, there was no indication that the advances extended to the subsidiaries are not recoverable.

As at the reporting date, there was no indication that the loans and advances to the subsidiaries are not recoverable.

42. FINANCIAL RISK MANAGEMENT (continued)

(e) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligation:

	2011			
Group	**On demand or within 1 year RM'000**	**1 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Non-derivative financial liabilities				
Bond and borrowing	9,937,113	13,247,719	6,515,196	29,700,028
Trade and other payables	3,518,850	125,540	–	3,644,390
Related parties	3,501	–	–	3,501
	13,459,464	13,373,259	6,515,196	33,347,919
Derivative financial liabilities				
Net – Interest rate swaps	36,934	10,227	8,366	55,527
Gross – fuel oil swaps	25,314	–	–	25,314
Gross – currency forwards	31,904	1,386	10	33,300
Exchangeable bonds	154,496	–	–	154,496
	248,648	11,613	8,376	268,637
Company				
Financial liabilities				
Bond and borrowing	1,715,048	572,750	–	2,287,798
Trade and other payables	6,435	–	–	6,435
Related parties	655,920	–	–	655,920
	2,377,403	572,750	–	2,950,153

43. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

Group – 2011	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
Financial Assets						
Non-current						
Investments	17	492,705	–	–	203,901	696,606
Other receivables	21	31,949	–	–	–	31,949
Derivative financial instruments	25	–	–	2,611	–	2,611
Current						
Derivative financial instruments	25	–	19,135	76,769	–	95,904
Trade and other receivables	21	3,656,630	–	–	–	3,656,630
Amount due from related parties	27	21,798	–	–	–	21,798
Short term investments	28	554,925	–	–	–	554,925
Fixed deposits	18	11,478,146	–	–	–	11,478,146
Cash and bank balances	18	761,362	–	–	–	761,362
Total		16,997,515	19,135	79,380	203,901	17,299,931

	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Financial Liabilities					
Non-current					
Long term payables	31	–	–	57,844	57,844
Bonds	33	–	–	11,747,506	11,747,506
Borrowings	34	–	–	6,063,114	6,063,114
Derivative financial instruments	25	19,989	–	–	19,989
Current					
Derivative financial instruments	25	156,425	92,223	–	248,648
Amount due from related parties	27	–	–	3,501	3,501
Trade and other payables	38	–	–	3,290,520	3,290,520
Total		176,414	92,223	21,162,485	21,431,122

43. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments (continued)

	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
Group – 2011						
Financial Assets						
Non-current						
Investments	17	–	–	–	38,709	38,709
Current						
Trade and other receivables	21	74,058	–	–	–	74,058
Amount due from related parties	27	1,625,579	–	–	–	1,625,579
Short term investments	28	554,925	–	–	–	554,925
Fixed deposits	18	1,589,660	–	–	–	1,589,660
Cash and bank balances	18	8,489	–	–	–	8,489
Total		3,852,711	–	–	38,709	3,891,420

	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Financial Liabilities					
Non-current					
Bonds	33	–	–	500,000	500,000
Current					
Amount due from related parties	27	–	–	655,920	655,920
Trade and other payables	38	–	–	6,435	6,435
Total		–	–	1,162,355	1,62,355

43. FINANCIAL INSTRUMENTS

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Group		Company	
2011	**Carrying amount RM'000**	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Financial assets:				
– Unquoted equity investments				
– Within Malaysia	**34,457**	*	**28,783**	*
– Outside Malaysia	**86,405**	*	–	–
– Unquoted debt instruments				
– Outside Malaysia	**492,705**	*	–	–
Financial liabilities:				
– Bonds	**12,247,496**	^	**500,000**	^

* <u>Unquoted equity and debt investments carried at cost (Note 17)</u>
Fair value information has not been disclosed for these unquoted equity and debt instruments as fair value cannot be measured reliably as these instruments are not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

^ <u>Bonds (Note 33)</u>
Fair value information regarding these bonds is as disclosed in the Note 33 to the Financial Statements. The fair values of these bonds are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements and of the same remaining maturities.

(c) Determination of fair value

<u>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</u>

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Other receivables (non-current)	21
– Trade and other receivables (current)	21
– Short term investments (current)	28
Fixed deposits (current)	18
Cash and bank balances (current)	18
Long term payables (non-current)	31
Trade and other payables (current)	38

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

43. FINANCIAL INSTRUMENTS (continued)

(c) Determination of fair value (continued)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (continued)

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amounts due from subsidiaries, loans to/from subsidiaries, staff loans, finance lease obligations, fixed rate bank loans and bonds and convertible redeemable preference shares

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Unquoted equity instruments

These investments are valued using valuation models which uses both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Unquoted debt securities and unquoted corporate bonds

Fair value is estimated by using a discounted cash flow model based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity.

Derivatives

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

– The likelihood of the guaranteed party defaulting within the guaranteed period;

– The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;

The estimated loss exposure if the party guaranteed were to default.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

(a) Significant related party transactions

(i) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

Entity	Relationship	Type of transactions	Group 2011 RM'000	Group 2010 RM'000
Ara Bintang Berhad	A special purpose vehicle of SG REIT^	Disposal of investment properties	–	1,030,000
		Service fees charged	**2,624**	–
		Rental of premises expenses	**70,300**	601
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion expenses	**2,582**	1,980
Express Rail Link Sdn. Bhd.	Associated company	Civil engineering & construction works income	**17,076**	16,450
		Sale of computer equipment & services income	**3,884**	2,600
		Advertising & maintenance fees	**1,350**	1,350
Megahub Development Sdn. Bhd.	Subsidiary of holding company	Rental of properties expenses	**3,600**	3,600
Oriental Place. Sdn. Bhd	Subsidiary of holding company	Rental of premises expenses	**4,432**	1,759
Starhill Global Real Estate Investment Trust ("SG REIT")	Real Estate Investment Trust^	Underwriting fee income	–	12,895
		Management fees	**30,837**	4,649

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(a) Significant related party transactions (continued)

	Entity	Relationship	Type of transactions	Group 2011 RM'000	Group 2010 RM'000
*	YTL Starhill Global REIT Management Limited	Subsidiary of associated company	Technical services income	–	3,813
*	YTL Starhill Global Property Management Pte. Ltd.	Subsidiary of associated company	Technical services income	–	2,577

Entity	Relationship	Type of transactions	Company 2011 RM'000	Company 2010 RM'000
Cornerstone Crest Sdn. Bhd.	Subsidiary	Disposal of investment	–	384,190
Construction Lease (M) Sdn. Bhd.	Subsidiary	Other interest income	**1,971**	1,972
Restoran Kisap. Sdn. Bhd.	Subsidiary	Bad debt written off	–	2,411
SG REIT	Real Estate Investment Trust^	Underwriting fee income	–	12,895
YTL Cement Berhad	Subsidiary	ICULS interest income	**10,710**	9,929
YTL e-Solutions Berhad	Subsidiary	Computer equipment & services income	**2,003**	–

^ The Group has an interest in 570,777,885 (2010: 562,868,281) units in SG REIT representing 29.21% (2010: 29.03%).

* These are in respect of transactions during the period in which those companies were subsidiaries of associated company.

(ii) The following significant transactions which have been transacted with close family members of key management personnel and an entity controlled by key management personnel and close family members are as follows:-

	Group 2011 RM'000	Group 2010 RM'000
Progress billings related to purchase of properties	**88,695**	63,069

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

Key management personnel compensation during the financial year was as follows:-

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries and other short-term employee benefits	**46,042**	27,684	**566**	593
Post-employment benefits				
– defined contribution plan	**5,238**	3,063	**–**	–
Share option expenses	**2,460**	3,690	**–**	–
	5,740	34,437	**566**	593

The above is in respect of the total compensation of Directors of the Group and of the Company.

(c) Financial year end balances arising from:-

Outstanding balances at 30 June 2011, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 27. The outstanding balances with related parties not separately disclosed elsewhere in the financial statements as at 30 June 2011 were as follows:-

	Group	
	2011 RM'000	2010 RM'000
Progress billings related to sale of properties		
– close family members of key management personnel	**143**	193

The outstanding balance arising from above significant transactions which outstanding more than 12 months as follows:-

	Group	
	2011 RM'000	2010 RM'000
Disposal of investment		
– Cornerstone Crest Sdn. Bhd.	**384,190**	384,190

45. CONTINGENT LIABILITIES – unsecured

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits willl be required or the amount is not capable of reliable measurement.

(a) Corporate guarantees – unsecured

(i) Guarantees given to financial institutions for credit facilities granted to the Company's subsidiaries and related parties as follow:-

	Total Amount Guaranteed 2011 RM'000	2010 RM'000
Bank overdrafts	*	18,200
Letters of credit/trust receipts/bankers' acceptances/ shipping guarantees/bank guarantees	*	269,255
Revolving credit/term loans	*	1,805,123
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	*	977,250
1.875% Guaranteed Exchangeable Bonds Due 2015	*	1,303,000
	*	4,372,828

	Amount Utilised 2011 RM'000	2010 RM'000
Bank overdrafts	*	285
Letters of credit/trust receipts/bankers' acceptances/ shipping guarantees/bank guarantees	*	100,246
Revolving credit/term loans	*	1,676,974
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	*	28,992
1.875% Guaranteed Exchangeable Bonds Due 2015	*	1,303,000
	*	3,109,497

(ii) Guarantees given to Ara Bintang Berhad to guarantee the payment obligations of Katagreen Development Sdn. Bhd., a subsidiary of the Company, throughout the tenancy period:-

	2011 RM'000	2010 RM'000
Future minimum lease payables	*	448,000

* Upon adoption of FRS 139, the financial guarantees provided to financiers/corporate for subsidiaries are no longer disclosed as contingent liabilities but would instead be recorded as financial liabilities if considered likely to crystallise. The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material.

(b) In YTL Power International Berhad, there is a joint and several shareholders' contingent support with Siemens Financial Services to invest up to a further equity amounting to RM35,219,030 (2010: RM37,982,450) in PT Jawa Power, an associate of the Group.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

46. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

	Group	
	2011 RM'000	2010 RM'000
(a) Capital commitments:-		
Contracted but not contracted for	**1,267,316**	780,186
Authorised but not contracted for	**–**	35,702

The above commitments mainly comprise purchase of spare parts and property, plant and equipment.

(b) Operating lease arrangements:-

(i) The Group as lessee

The Group leases land, hotel properties, retail shopping complexes and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Except for a few long-term leases in hotel property and land, the Group's leases generally range from one to five years. None of the leases included contingent rentals.

The future minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are analysed as follows:-

	Group	
	2011 RM'000	2010 RM'000
Not later than 1 year	**118,476**	90,677
Later than 1 year and not later than 5 years	**442,327**	364,185
Later than 5 years	**85,638**	354,892
	646,441	809,754

The Group leases hotel properties and retail shopping complexes (master lease arrangement) under operating leases from related parties. The leases run for a period of 25 years and 3 years plus 3 years respectively, with an option to renew the leases after each expired term. Lease payments are increased every five years and three years respectively to reflect market rentals. The future minimum lease payments related to hotel property and retail shopping complexes are approximately RM81 million and RM376 million respectively.

The retail shopping complexes leased under the master tenancy arrangement are sublet by the Group. The leases expire in 2016 and subleases expire within 1 to 5 years. Sublease payments of approximately RM63 million are expected to be received during the sublet periods.

(ii) The Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are analysed as follows:-

	Group	
	2011 RM'000	2010 RM'000
Not later than 1 year	**70,618**	35,688
Later than 1 year and not later than 5 years	**47,449**	26,527
	118,067	62,215

47. SEGMENTAL INFORMATION

The Group has seven reportable segments as described below:-

(i) Construction
(ii) Information technology & e-commerce related business
(iii) Hotel & restaurant operations
(iv) Cement manufacturing & trading
(v) Management services & others
(vi) Property investment & development
(vii) Utilities

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used to make strategic decisions.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Malaysia, United Kingdom and Singapore. The details of the geographical segments are disclosed in below note of the financial statements.

The segment information provided to the CODM for the reportable segments is as follows:

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel & restaurant operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2011								
Total revenue	384,415	74,148	315,715	2,281,916	690,344	851,486	14,533,570	19,131,594
Inter-segment revenue	(212,613)	(65,915)	(8,048)	(86,807)	(310,924)	(92,517)	–	(776,824)
External revenue	171,802	8,233	307,667	2,195,109	379,420	758,969	14,533,570	18,354,770
Results								
Interest income	4,998	4,877	595	18,882	2,639	46,909	13,742	92,642
Finance costs	(129)	(4)	(5,328)	(32,199)	(518,805)	(38,536)	(456,512)	1,051,513
Share of results of associated companies & joint ventures	–	–	1,694	(9)	(2)	115,551	286,812	404,046
Segment profit before tax	85,232	52,712	6,716	456,154	101,749	117,517	1,531,869	2,351,949
Segment assets								
Investment in associated companies & joint ventures	–	–	34,552	906	14,158	1,666,769	1,138,020	2,854,405
Other segment assets	1,110,526	270,337	1,031,694	3,717,648	9,659,238	4,432,852	25,189,484	45,411,779
Segment liabilities								
Bonds & Borrowings	23,184	21	323,964	870,696	8,549,915	2,542,108	15,941,268	28,251,156
Other segment liabilities	404,403	7,029	77,188	697,557	423,081	292,753	5,576,083	7,478,094
Other segment information								
Capital expenditure	169,572	633,979	48,730	94,926	11,873	294,159	912,277	2,165,516
Depreciation & amortisation	6,099	26,534	14,220	133,815	12,722	2,718	962,596	1,158,704

47. SEGMENTAL INFORMATION (continued)

2010	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel & restaurant operations RM'000	Cement manu-facturing & trading RM'000	Manage-ment services & others RM'000	Property invest-ment & develop-ment RM'000	Utilities RM'000	Total RM'000
Total revenue	352,888	43,229	193,468	2,068,826	485,125	598,149	13,334,379	17,076,064
Inter-segment revenue	(148,615)	(20,545)	(1,590)	(39,457)	(282,404)	(78,420)	–	(571,031)
External revenue	204,273	22,684	191,878	2,029,369	202,721	519,729	13,334,379	16,505,033
Results								
Interest income	4,168	3,471	252	10,312	5,042	15,293	7,462	46,000
Finance costs	(1,411)	(13)	(2,811)	(23,921)	(176,480)	(54,569)	(742,256)	(1,001,461)
Share of results of associated companies & joint ventures	–	–	9,852	(695)	226	66,922	226,513	302,818
Segment profit before tax	37,448	1,105	5,630	394,742	(61,864)	56,044	1,845,299	2,278,404
Segment assets								
Investment in associated companies & joint ventures	–	–	37,554	813	155,953	1,483,095	992,907	2,670,322
Other segment assets	702,249	189,006	900,041	3,413,532	10,646,314	4,081,320	23,457,264	43,389,726
Segment liabilities								
Bonds & Borrowings	56,654	121	282,716	728,433	8,404,891	2,609,283	16,025,640	28,107,738
Other segment liabilities	243,569	13,995	209,624	521,687	545,377	362,477	4,724,010	6,620,739
Other segment information								
Capital expenditure	14,817	624,275	63,029	85,710	17,089	47,900	918,360	1,771,180
Depreciation & amortisation	7,099	2,151	7,868	111,272	7,475	3,269	775,397	914,531

(b) Geographical information

The Group's seven business segments operate in four main geographical areas:

(i) Malaysia
- Construction
- Information technology & e-commerce related business
- Hotel & restaurant operations
- Cement manufacturing & trading
- Management services & others
- Property investment & development
- Utilities

(ii) United Kingdom
- Utilities

(iii) Singapore
- Utilities
- Cement trading

47. SEGMENTAL INFORMATION (continued)

(b) Geographical information (continued)

	Revenue 2011 RM'000	Revenue 2010 RM'000	Non-current assets 2011 RM'000	Non-current assets 2010 RM'000
Malaysia	**3,720,645**	3,342,267	**7,335,174**	6,662,236
United Kingdom	**2,295,527**	2,455,912	**10,652,952**	10,589,965
Singapore	**11,879,346**	10,080,729	**6,840,983**	7,475,178
Other countries	**459,252**	626,125	**614,667**	887,133
	18,354,770	16,505,033	**25,443,776**	25,614,512

Non-current assets information presented above consist of the followings items as presented in the Consolidated Statements of Financial Position.

	Non-current assets 2011 RM'000	Non-current assets 2010 RM'000
Property, plant & equipment	**19,774,461**	19,027,087
Prepaid lease payments	**–**	135,696
Investment properties	**137,484**	1,333,720
Development expenditure	**960,717**	769,315
Intangible assets	**4,569,986**	4,347,670
Biological assets	**1,128**	1,024
	25,443,776	25,614,512

(c) Major customers

The following are major customers with revenue equal or more than 10 per cent of the Group revenue:-

	Revenue 2011 RM'000	Revenue 2010 RM'000	Segment
Tenaga Nasional Berhad	**1,087,338**	1,127,875	Utilities
Energy Market Company	**5,108,249**	4,523,262	Utilities

48. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(a) Estimated impairment of property, plant & equipment

Determining whether the property, plant & equipment are impaired requires an estimation of value in use of the property, plant & equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

The Group management follows its accounting policy set out in Note 2(d) in determining when property, plant and equipment are considered impaired.

Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amount of these assets exceeds the recoverable amounts. In determining the recoverable amount of these assets, certain estimates regarding the cash flows of these assets are made.

(b) Estimated residual value and useful life of property, plant & equipment

The residual value and the useful life of the property, plant & equipment are reviewed at each financial year end. The review is based on factors such as business plans and strategies, expected level of usage and future regulatory changes. The estimation of the residual value and useful life involve significant judgement.

During the year, the estimated residual value of certain plant and machinery with a net book value of RM1.4 billion was reviewed and the impact on the change of the estimates are set out in note 10 to the Financial Statements. A change in the residual value on this asset by 10% will increase the annual depreciation charge by RM15.3 million.

(c) Classification of investment properties

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. The Group's investment properties consist of freehold land & buildings and leasehold land & buildings that are held to earn rentals or for capital appreciation.

(d) Estimated assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash generating units have been determined based on either value-in-use or fair value less costs to sell calculations. These calculations require the use of estimates as set out in Note 19 to the Financial Statements.

(e) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

48. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Property development (continued)

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(f) Construction contracts

The Group uses the percentage-of-completion method in accounting for its contract revenue where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making the judgement, the Group has relied on past experience and the work of specialists.

(g) Impairment of receivables

The Group assesses at each reporting date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment. The carrying amount of the Group's receivables at the reporting date is disclosed in Note 21 of Financial Statements.

(h) Income tax expense

(i) Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(ii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(i) Share based payments

Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each reporting date. The assumptions of the valuation model used to determine fair value are set out in Note 29(b) of the Financial Statements.

48. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(j) Estimation of pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 37 to the Financial Statements.

49. THE NEW OR REVISED FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following new or revised FRS, amendments to FRS and IC Int have been issued but are not yet effective and have not been adopted by the Group and the Company:-

FRS, Amendments to FRS and IC Int	Effective for financial periods beginning on or after
• FRS 124 Related Party Disclosures	1 January 2012
• Amendment to FRS 1 'Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters'	1 January 2011
• Amendment to FRS 1 'Additional Exemption for First-time Adopters'	1 January 2011
• Amendment to FRS 1 'First-time Adoption of Financial Reporting Standards'	1 January 2011
• Amendment to FRS 2 'Group Cash–settled Share-based Payment Transactions'	1 January 2011
• Amendment to FRS 3 'Business Combinations'	1 January 2011
• Amendment to FRS 7 'Financial Instruments: Improving Disclosures about Financial Instruments'	1 January 2011
• Amendment to FRS 7 'Financial Instruments: Disclosures'	1 January 2011
• Amendments to FRS 101 'Presentation of Financial Statements'	1 January 2011
• Amendments to FRS 121 'The Effects of Changes in Foreign Exchange Rates'	1 January 2011
• Amendment to FRS 128 'Investment in Associates'	1 January 2011
• Amendment to FRS 131 Interests in Joint Ventures	1 January 2011
• Amendment to FRS 132 Financial Instruments: Presentation	1 January 2011
• Amendments to FRS 134 'Interim Financial Reporting'	1 January 2011
• Amendment to FRS 139 'Financial Instruments: Recognition and Measurement'	1 January 2011
• IC Int 4 'Determining Whether an Arrangement contains a Lease'	1 January 2011
• IC Int 15 'Agreements for the Construction of Real Estate'	1 January 2012
• IC Int 18 'Transfer of Assets from Customers'	1 January 2011
• IC Int 19 'Extinguishing Financial Liabilities with Equity Instruments'	1 July 2011
• Amendment to IC Int 13 'Customer Loyalty Programmes'	1 January 2011
• Amendment to IC Int 14 'Prepayments of a Minimum Funding Requirement'	1 July 2011
• Amendment to IC Int 15 Agreements for the Construction of Real Estate	30 August 2010

Amendment to FRS 1 are not relevant to the Group's and the Company's operations.

49. THE NEW OR REVISED FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE (continued)

All the above FRS, amendments and IC Interpretations will be effective for the Group's and the Company's financial year beginning 1 July 2011 except the revised FRS 124 which will be effective for the financial year beginning 1 July 2012.

The Group is currently reviewing these new standards, amendments to published standards and IC interpretations to determine the likely impact on the Group.

50. CORPORATE PROPOSAL

(i) On 23 November 2010, the following proposals were announced by the Company:-

(a) disposal of the entire equity interests of the Company in the following subsidiaries to YTL Land & Development Berhad ("YTL Land") and the settlement of outstanding inter-company balances as at the latest practicable date preceding the relevant completion date ("Agreed Cut-Off Date"):-

(i) 100% equity interest in Arah Asas Sdn Bhd ("AASB")
(ii) 100% equity interest in Satria Sewira Sdn Bhd ("SSSB")
(iii) 70% equity interest in Emerald Hectares Sdn Bhd ("EHSB")
(iv) 100% equity interest in Pinnacle Trend Sdn Bhd ("PTSB")
(v) 100% equity interest in Trend Acres Sdn Bhd ("TASB")
(vi) 100% equity interest in YTL Westwood Properties Pte Ltd ("YTLW")

(b) disposal of 70% equity interest in the following companies by YTL Singapore Pte Ltd, a wholly-owned subsidiary of the Company and the settlement of outstanding inter-company balances as at the Agreed Cut-Off Date

(i) Lakefront Pte Ltd ("LFPL"); and
(ii) Sandy Island Pte Ltd ("SIPL")

(c) disposal of 100% equity interest in Budaya Bersatu Sdn Bhd ("BBSB") by Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of the Company and the settlement of the outstanding inter-company balances as at the Agreed Cut-Off Date; and

(d) disposal of six (6) parcels of agricultural land ("Bidor Land") by YTL Land Sdn Bhd, a wholly-owned subsidiary of the Company.

(AASB, SSSB, EHSB, PTSB, TASB, YTLW, LFPL, SIPL and BBSB are collectively referred to as "Subject Companies")

(The disposals of the Subject Companies and the Bidor Land are collectively referred to as "the Disposals")

The total disposal consideration of RM476,053,870 for the Disposals and the settlement of the outstanding inter-company balances ("Total Consideration") are to be satisfied by the issuance by YTL Land of RM253,030,390 nominal value of ten (10)-year 3.0% stepping up to 6.0% irredeemable convertible unsecured loan stocks ("ICULS") at 100% of nominal value of RM0.50 per ICULS and the remaining RM223,023,480 in cash. The Total Consideration were subsequently revised downwards from RM476,053,870 to RM474,289,212 arising from the reappraisal of the market value of each of the lands held by the Subject Companies and Bidor Land.

The Disposals were approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 16 August 2011 and is now pending completion.

50. CORPORATE PROPOSAL (continued)

YTL Land will undertake a proposed renounceable rights issue of up to RM253,236,372 nominal value of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of nominal value of RM0.50 per ICULS ("Rights Issue of ICULS") to raise funds to partly satisfy the cash portion of the Total Consideration, whereby the Company shall undertake to subscribe in full for its entitlement under the Proposed Rights Issue of ICULS.

The Securities Commission ("SC") had vide its letter dated 8 February 2011, approved YTL Land's application on the following:-

(a) Issuance of RM253,030,390 nominal value of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of its nominal value of RM0.50 per ICULS as part payment for the Total Consideration; and

(b) Renounceable rights issue of up to RM253,236,372 nominal value of ten (10)-year 3.0% stepping up to 6.0% ICULS at 100% of its nominal value of RM0.50 per ICULS,

subject to the term and conditions imposed by the SC.

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 7 July 2011 granted its approval to YTL Land on the following:-

(i) admission to the official list of Bursa Securities and the listing of and quotation for up to RM506,266,762 nominal value of ICULS to be issued pursuant to the acquisitions and the settlement of outstanding inter-company balances of the Subject Companies by YTL Land, and the Rights Issue of ICULS;

(ii) listing of up to such number of new YTL Land Shares to be issued pursuant to the conversion of ICULS; and

(iii) the draft circular to the shareholders of YTL Land,

subject to the conditions stated therein.

The Rights Issue of ICULS were approved by the shareholders of YTL Land at the EGM held on 16 August 2011 and is now pending implementation.

The Disposals are currently pending the implementation/completion of the Provision of Financial Assistance, Rights Issue of ICULS and the Share Premium Reduction by YTL Land.

(ii) As part of the Rationalisation to reposition the Starhill Real Estate Investment Trust ("Starhill REIT") as a full-fledged hospitality REIT, Mayban Trustees Berhad (as the trustee of Starhill REIT) ("Trustee") had entered into several agreements with several vendors for the proposed acquisition which entails the acquisitions of the following hospitality related properties for a total indicative purchase consideration of RM1,054 million, to be satisfied via a combination of cash, issuance of new units in Starhill REIT ("Purchase Consideration Units") and convertible preference units ("CPU") issued by Starhill Global Real Estate Investment Trust ("Stahill Global REIT") which are currently held by the Starhill REIT valued at SGD1.00 per CPU:-

(i) Cameron Highlands Resort;
(ii) Hilton Niseko;
(iii) Vistana Penang;
(iv) Vistana Kuala Lumpur;

50. CORPORATE PROPOSAL (continued)

(v) Vistana Kuantan;
(vi) The Residences at the Ritz-Carlton, Kuala Lumpur
(vii) The Ritz-Carlton Hotel, Kuala Lumpur
(viii) Pangkor Laut Resort; and
(ix) Tanjong Jara Resort.

(collectively referred to as "Proposed Acquisitions").

SC approved Starhill REIT's application for an extension of time until 28 June 2011 to comply with clauses 8.08, 8.22(b), (c) and (d) to the Guidelines on REITs via their letter dated 20 December 2010. SC had via its letter dated 16 June 2011 approved a further extension of time to 28 December 2011 to complete the Proposed Acquisitions.

Bursa Securities had via their letter dated 12 January 2011 approved Starhill REIT's application for an extension of time until 28 June 2011 to complete the Proposed Acquisitions. A further extension of time to 28 December 2011 for the completion of the Proposed Acquisitions was obtained from Bursa Securities via its letter of 13 July 2010.

The respective vendors and the Trustee have mutually agreed to extend the period to satisfy the conditions precedent of the respective sale and purchase agreements to expire on 14 December 2011.

SC had vide its letter dated 24 August 2011 granted its approval for the following:-

(1) The proposed issuance of 145,500,000 Purchase Consideration Units;

(2) The valuations of (i) Vistana Kuantan, (ii) Residences@Ritz-Carlton, (iii) Ritz Carlton, KL, (iv) Pangkor Laut Resort and (v) Tanjong Jara Resort (where the respective purchase consideration is partly satisfied by the Purchase Consideration Units); and

(3) The listing of and quotation for the Purchase Consideration Units on the Main Market of Bursa Securities.

subject to the terms and conditions stated therein.

Bursa Securities vide its letter dated 27 September 2011 approved the listing of and quotation for up to 145,500,000 new units in Starhill REIT, subject to the conditions stated therein.

(i) approval from the shareholders of the vendors at the respective extraordinary general meetings to be convened;

(ii) approval from the unitholders of Starhill REIT at the unitholders' meeting to be convened; and

(iii) any other relevant authorities/parties (if required).

(iii) In connection with YTL Cement Berhad's ("YTL Cement") announcement on the proposed issuance of up to USD200 million nominal value five-year guaranteed exchangeable bonds, which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement ("the Proposed Exchangeable Bonds Issue"), YTL Cement had on 4 April 2011 further announced that after taking into consideration the current operational requirements and the funding options available to YTL Cement Group, it has decided not to implement the Proposed Exchangeable Bonds Issue.

51. SIGNIFICANT SUBSEQUENT EVENT

On 7 July 2011, YTL Power together with YTL Jawa Power Holdings Limited ("YTLJPHL"), a wholly-owned subsidiary of YTL Power, 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.

52. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

The Group monitors capital using a debt-to-equity ratio, which is net debt divided by total capital plus net debt. The Group included within net debt, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners.

	Group	
	2011 RM'000	**2010 RM'000**
Loans & borrowings	**2,153,855**	2,153,920
Less: Cash and cash equivalents	**(1,598,149)**	(1,384,813)
Net debt	**555,706**	769,107
Equity attributable to owners of the parent	**5,561,312**	5,247,218
Capital and net debt	**6,117,018**	6,016,325
Debt-to-equity ratio	**9%**	13%

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

53. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 4 October 2011.

BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2011, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	2011	
	Group RM'000	Company RM'000
Retained earnings of YTL Corporation Berhad and its subsidiaries		
– Realised	13,341,038	3,989,192
– Unrealised	(1,239,198)	(109)
	12,101,840	3,989,083
Retained earnings from associated companies		
– Realised	1,320,940	–
– Unrealised	(132,633)	–
	13,290,147	3,989,083
Add: Consolidated adjustments	(4,056,246)	–
Total retained earnings as per financial statements	9,233,901	3,989,083

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Comparative figures are not required in the first financial year of complying with the realised and unrealised profit/losses disclosure.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

Form of Proxy

I/We *(full name as per NRIC/company name in block capitals)* ______________________________

____

NRIC/Company No. *(New)* ______________________ *(Old)* ______________________

CDS Account No. *(for nominee companies only)* ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Corporation Berhad** hereby appoint *(full name as per NRIC in block capitals)* ______________________________

____

NRIC No. *(New)* ______________________ *(Old)* ______________________

of *(full address)* ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 29 November 2011 at 3.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Dato' Yeoh Soo Min		
2.	Re-election of Dato' Yeoh Seok Hong		
3.	Re-election of Syed Abdullah Bin Syed Abd. Kadir		
4.	Re-appointment of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay		
5.	Re-appointment of Dato' (Dr) Yahya Bin Ismail		
6.	Re-appointment of Eu Peng Meng @ Leslie Eu		
7.	Approval of the payment of Directors' fees		
8.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
9.	Authorisation for Directors to Allot and Issue Shares		
10.	Proposed Renewal of Share Buy-Back Authority		
11.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this ____________ day of ______________________, 2011 Signature ______________________

Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 November 2011. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 November 2011 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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Affix Stamp
Here

The Company Secretary

YTL CORPORATION BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

Fold here