YTL
SINCE 1955

YTL CORPORATION BERHAD 92647-H

the journey continues...

annual report **2013**

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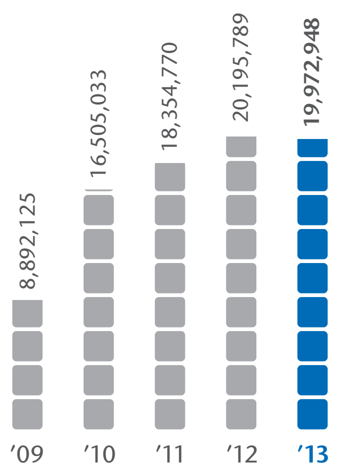
SINCE 1955

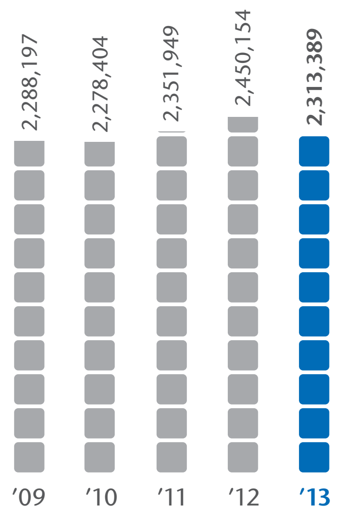
YTL
CORPORATION
BERHAD 92647-H

FINANCIAL HIGHLIGHTS

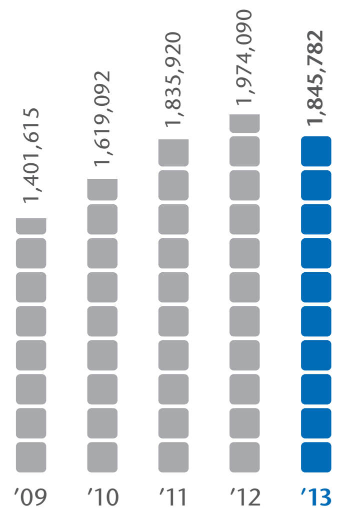
	2013	2012	2011	2010	2009
Revenue (RM'000)	**19,972,948**	20,195,789	18,354,770	16,505,033	8,892,125
Profit Before Taxation (RM'000)	**2,313,389**	2,450,154	2,351,949	2,278,404	2,288,197
Profit After Taxation (RM'000)	**1,845,782**	1,974,090	1,835,920	1,619,092	1,401,615
Profit for the Year Attributable to Owners of the Parent (RM'000)	**1,274,494**	1,181,123	1,034,569	844,165	834,472
Total Equity Attributable to Owners of the Parent (RM'000)	**13,333,471**	12,178,674	10,365,853	9,630,115	9,447,165
Earnings per Share (Sen)	**12.30**	12.25	11.53	9.45	10.82
Dividend per Share (Sen)	**2.5**	4.0	2.0	1.5	0.5
Total Assets (RM'000)	**53,619,494**	51,623,313	48,266,185	46,060,048	45,413,832
Net Assets per Share (RM)	**1.29**	1.26	1.15	1.07	1.07



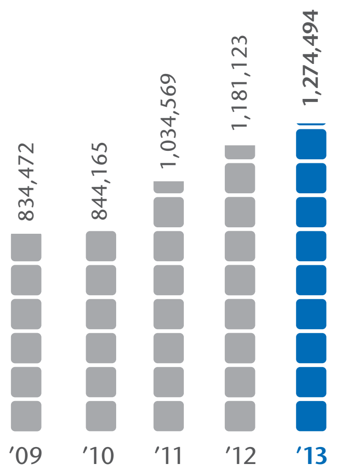
REVENUE
(RM'000)



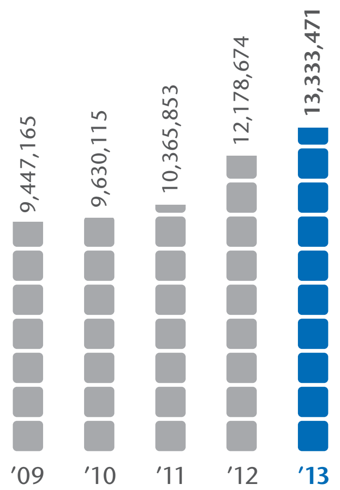
PROFIT BEFORE TAXATION
(RM'000)



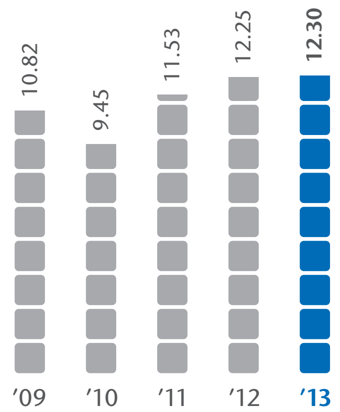
PROFIT AFTER TAXATION
(RM'000)



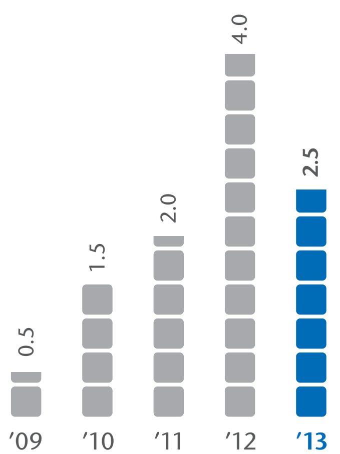
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'000)



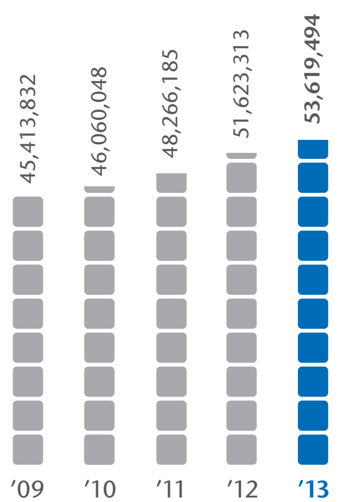
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'000)



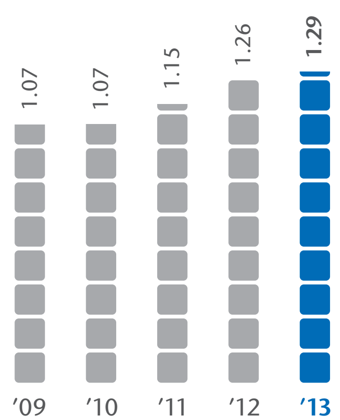
EARNINGS PER SHARE
(SEN)



DIVIDEND PER SHARE
(SEN)



TOTAL ASSETS
(RM'000)



NET ASSETS PER SHARE
(RM)

CHAIRMAN'S STATEMENT

TAN SRI DATUK SERI PANGLIMA (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 2013.

OVERVIEW

The Group's multi-utilities and cement operations, as well as its hotels and property development projects, all delivered solid performances for the year under review, contributing to another excellent set of results.

The Malaysian economy performed better during the 2012 calendar year, registering gross domestic product (GDP) growth of 5.6% on the back of resilient domestic demand, compared to 5.1% in 2011. The first half of 2013, however, has seen growth moderate to an average of 4.2%, affected by a weaker external sector. In other major economies where the Group's main operations are located, Singapore registered lower growth of 1.3% in 2012 compared to 5.2% in 2011, but GDP growth increased to 2.0% during the first half of 2013. Meanwhile, the United Kingdom (UK) economy grew by about 0.9% in the first half of 2013 after recording growth of 0.3% in 2012 *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia, Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports)*.

Utilities

The Group's utilities division continues to be its major contributor, made up of water and sewerage operations in the UK and power generation and merchant multi-utilities businesses in Singapore, as well as power generation, power transmission and communications businesses in Malaysia, Indonesia and Australia. The Group saw strong performances across the division.

Cement Manufacturing

The cement industry was bolstered by the better performance of the local construction industry over the past year, which has shown a marked recovery owing significantly to the implementation of projects under the Government's Economic Transformation Plan (ETP), as well as stronger expansion in the residential construction sub-sector *(source: Ministry of Finance updates & reports)*.

The Group's cement division turned in a sound performance for the year under review, with its operations in Malaysia and overseas, in China and Singapore, all showing good results despite challenges including increasing operational costs and other economic impacts.

Construction Contracting

The domestic construction sector experienced a marked resurgence of 18.5% for the 2012 calendar compared to 4.6% in 2011, and has stayed constant for the first half of the 2013 calendar year, which saw the sector's growth register an average of 18.2%. This was driven mainly by large-scale infrastructure projects in the civil engineering sub-sector, including the new Mass Rapid Transport (MRT) lines and Light Rail Transit (LRT) extension project, and supported by strong increases in the residential and special trade sub-sectors *(sources: Ministry of Finance, Bank Negara Malaysia updates & reports)*.

During the year under review, the Group's construction division completed several phases of the Midfields and Lake Fields mixed residential and commercial developments in Sungei Besi, as well as a new hotel property, The Majestic Hotel Kuala Lumpur.

Operation & Maintenance (O&M) Activities

The Group continues to provide condition monitoring services for its power stations, cement plants and the Express Rail Link (ERL), in addition to external clients in the oil and gas, water, chemical engineering and other sectors. Internationally, the Group carries out O&M for the 480 MW Deir Amar and 480 MW Zahrani combined-cycle power stations in Lebanon. For their financial year ended 31 December 2012, net generation at the Deir Amar station amounted to 2,783 gigawatt hours (GWh) whilst generation at the Zahrani station was slightly higher at 3,071 GWh.

Property Development & Investment

In the domestic residential market, consumer sentiment remains stable, with new launches in Kuala Lumpur, Selangor, Johor and Perak drawing the highest take-up rates. In July 2013, Bank Negara Malaysia announced measures to control excessive household debt levels and reinforce responsible lending practices, including a maximum tenure of 35 years for new mortgages and 10 years for personal loans, and the longer term impact of these new initiatives remains to be seen *(sources: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports)*.

The Group's property development division had a satisfactory year, resulting from the completion of offshore developments in Singapore and timing differences of new project launches. Just after the close of the financial year, in July 2013, the Group sold out the first two blocks of The Fennel during its preview for this newest phase of Sentul East. The resounding success replicated the overwhelming response to The Capers, launched last year to similar levels of interest.

Hotel Development & Management

The domestic tourism industry registered a marginal 1.3% growth in tourist arrivals to 24.71 million for the 2012 calendar year, remaining stable for the first half of 2013. This remains broadly in line with worldwide trends where tourism demand continues to show resilience despite concerns over the global economy *(sources: Ministry of Finance, Tourism Malaysia, United Nations World Tourism Organisation reports)*.

The Group's hotel development and management operations now encompass a range of hotels owned or operated by the Group directly and through Starhill Real Estate Investment Trust ("Starhill REIT"). Operations commenced this year at the Group's newest property, The Majestic Hotel Kuala Lumpur, whilst Starhill REIT completed its acquisition of the Sydney Harbour, Brisbane and Marriott hotels in Australia, which has significantly expanded the Trust's geographic diversification.

Information Technology Initiatives

Development of the country's broadband market has remain buoyant, with the broadband penetration rate reaching 66% by the end of 2012, largely contributed by continuous upgrading of network coverage and affordable promotional packages *(source: Ministry of Finance economic reports)*.

Comprising fee income from its WiMAX (Worldwide Interoperability for Microwave Access) spectrum and digital media applications, the Group's operating segments performed steadily during the year.

Chairman's Statement

FINANCIAL PERFORMANCE

The Group registered a 1.1% decrease in revenue to RM19,972.9 million for the financial year ended 30 June 2013, compared to RM20,195.8 million for the previous financial year ended 30 June 2012. Profit before taxation decreased to RM2,313.4 million for the financial year under review, compared to RM2,450.2 million last year, whilst net profit attributable to owners of the parent grew 7.9% to RM1,274.5 million this year over RM1,181.1 million last year.

The marginal decrease in revenue was due mainly to more competitive pricing in the cement industry, timing differences of new project launches and the completion of residential property development projects, as well as lower fuel oil trading volumes recorded in the Group's merchant multi-utilities division.

Meanwhile, the increase in net profit was contributed mainly by the Group's property development, hotel and power station O&M operations. The utilities division, which remains the Group's largest contributor, saw improvements due to better margins on electricity sales and tank leasing, lower operating expenses in the multi-utilities division and better pricing from its water and sewerage operations.

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 75.3% of the Group's revenue and 72.4% of non-current assets for the 2013 financial year, compared to 75.7% and 71.5%, respectively, last year.

During the year under review, YTL Corp declared two interim dividends in respect of the financial year ended 30 June 2013 amounting to 2.5 sen or 25% per ordinary share of 10 sen each. This is the 29th consecutive year that YTL Corp has declared dividends to shareholders since its listing on the Main Market of Bursa Malaysia Securities Berhad in 1985. Therefore, the Board of Directors of YTL Corp did not recommend a final dividend for the financial year under review.

SIGNIFICANT CORPORATE DEVELOPMENTS

- On 14 June 2013, Pintar Projek Sdn Bhd, the Manager of Starhill REIT, in which YTL Corp has an effective interest of 58.86%, announced a proposed placement of new units in the Trust, at a price to be determined at a later date, to raise gross proceeds of up to RM800 million and a proposed increase in Starhill REIT's existing approved fund size from 1.324 billion units to a maximum of 2.125 billion units, as well as the proposed increase in the Trust's borrowing limit to 60% of total asset value. These proposals are currently pending receipt of the necessary regulatory and unitholder approvals.

- Status of utilisation of proceeds from fund-raising exercises – The net proceeds received from the issue of the US$400 million 1.875% Guaranteed Exchangeable Bonds due 2015 ("2015 Bonds"), issued in 2010 by YTL Corp Finance (Labuan) Limited ("YTLCFL") and guaranteed by YTL Corp, were partially utilised to repay the US$300 million Zero Coupon Guaranteed Exchangeable Bonds due 2012 issued by YTLCFL. The balance of the proceeds of the 2015 Bonds is currently placed under fixed deposits pending investment.

CORPORATE RESPONSIBILITY & SUSTAINABILITY INITIATIVES

For the seventh consecutive year, YTL Corp has issued its "Sustainability Report 2013" as a separate report, to enable its shareholders and stakeholders to better assess the Group's sustainability record. Meanwhile, YTL Corp's statements on corporate governance, risk management and internal control, which elaborate further its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The outlook for Malaysia's economy remains fairly stable with GDP growth for the full 2013 calendar year expected to average between 4.5% and 5.0%, anchored by the continued resilience of domestic demand and supported by a gradual improvement in the external sector. Going forward, the global economy continues to face downside risks, emanating from uncertainty surrounding fiscal and financial policy measures in major economies, including the United States, the Eurozone and China. Whilst domestic demand is expected to remain stable in emerging economies, these wider uncertainties are expected to weigh on market sentiment and growth prospects *(sources: Ministry of Finance, Bank Negara Malaysia updates).*

YTL Corp's continued focus on its core competencies and established track record in managing investments, supported by technical know-how and O&M expertise, have combined to ensure the Group's ongoing success, despite the more volatile and uncertain economic conditions that have become the norm across the globe. YTL Corp remains committed to its proven operational strategies to continue to deliver solid results and drive the Group's future growth and development.

As the Group embarks on another year, the Board of Directors of YTL Corp wishes to take this opportunity 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 strong performance.

TAN SRI DATUK SERI PANGLIMA (DR) YEOH TIONG LAY
PSM, SPMS, SPDK, DPMS, KMN, PPN, PJK

MANAGING DIRECTOR'S REVIEW

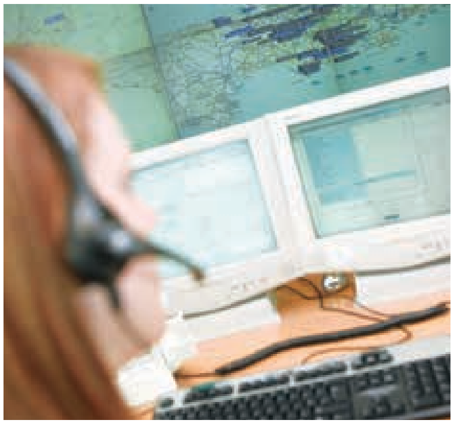
The stability and strength of our core businesses enabled the YTL Corp Group to register a solid performance for the 2013 financial year, maintaining revenue of just under the RM20 billion mark and improving net profit by about 7.9% to RM1.27 billion. Our cement and utilities divisions remain the major contributors to the Group's performance, whilst the reorganisations of our property development and REIT businesses, completed over the past two years, have successfully streamlined and improved the operational efficiency of the Group as a whole.

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

Our business segments have continued to retain a degree of insulation from downward pressures in the wider economy, owing particularly to regulatory concessions and long-term contracts in our utilities division. Accordingly, despite slow growth in the UK, Wessex Water, our water and sewerage business continues to lead the industry and deliver strong returns, whilst pursuing increasing operational efficiency to manage costs for its customers. Wessex Water's efficiency improvements and cost management mean that customers' water and sewerage bills represent just 1.5% of average household expenditure, which is only marginally higher than the 1.4% at privatisation in 1989.

Similarly, in Singapore, YTL PowerSeraya maintained a market generation share of about 24.5% of Singapore's total electricity market. With the co-generation and combined-cycle units now on-line, the division has added high pressure steam to its service range and, in April 2013, also began using degasified liquefied natural gas as a new, alternative fuel source to lower costs. This year, YTL PowerSeraya exported electricity to Tenaga Nasional Bhd in Malaysia on a short-term basis for the second time. This move continues to be a significant milestone for the Group as it has become the first power generation company to facilitate and ensure the smooth cross-border export of electricity between Singapore and Malaysia.

This year saw the launch by our 4G mobile broadband division of the Samsung 4G Chromebook, a game-changing device developed by industry giants, Google and Samsung, and powered by the Yes 4G network. The ongoing innovations in the



division's product line, coupled with the speed and expanse of the network, have kept the subscriber base growing at sustained levels.

In our REIT businesses, Starhill Global REIT, which focuses on prime retail and office space, added to its portfolio this year with the acquisition of Plaza Arcade in Perth, Australia. The acquisition is optimal given the proximity of Plaza Arcade to the Trust's existing property in Perth, the David Jones Building, and the two buildings both have the shared advantage of dual frontage on Hay Street and Murray Street, the city's only retail pedestrian avenue. Starhill Global REIT's portfolio now extends across a broader geographic landscape, from its smaller retail properties in China and Australia, to its more prominent assets in Singapore's Orchard Road precinct, Kuala Lumpur's Golden Triangle and Tokyo's upscale retail districts.

Meanwhile, Starhill REIT is in the process of changing its name to YTL Hospitality REIT to better reflect its purpose and composition. The Trust completed the acquisition of the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia in November 2012, vastly expanding its international portfolio to one of the largest of any Malaysian REIT, and increasing its asset size to just under RM3.0 billion. These portfolio enhancements and the diversified revenue structure of the assets between fixed lease income from its Malaysian and Japanese portfolio and variable income from the Australian properties have generated good growth for the Trust.

In our residential property development division, the Group's Sandy Island luxury waterfront collection in Singapore's Sentosa Cove continues to make its mark in the international real estate arena, winning the award for Best Residential (Low Rise) at the FIABCI Singapore Property Awards 2012. Sandy Island's win in the Singapore awards qualified the development to compete in FIABCI's international awards against the best developments in the world, and Sandy Island was named the Gold Winner for Best Residential (Low Rise) at the FIABCI Prix d'Excellence Awards 2013, the international real estate industry's top accolade.

In July 2013, the first two blocks of our new luxury high-rise development in Sentul East, The Fennel, were sold out during the preview, generating the same considerable levels of enthusiasm from purchasers as The Capers last year. The Group remains focused on conceptualising designs that surpass conventional approaches and keep pace with demographic shifts in the marketplace. The homes built by the YTL Corp Group continue to deliver a proven combination of fine craftsmanship, truly innovative design and inspiring architectural elements that appeal to investment-savvy purchasers and homeowners alike.

In all our major divisions, the Group continues to operate on an international level to varying extents. Whilst the wider global economy has seen some improvement, the uncertainty over factors such as future fiscal developments and policy decisions in major economies continues to weigh on market sentiments the world over. Nevertheless, our shareholders and stakeholders know that the YTL Corp Group's success stems from our focus on the long-term, to ensure the sustained growth and development of the Group and, as we embark on a new year, our journey will not waver from this path.

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 utilities division registered another strong performance for the financial year under review. The Group undertakes its established multi-utility businesses in Malaysia, Singapore, the UK, Indonesia and Australia via its listed subsidiary, YTL Power International Berhad ("YTL Power").

POWER GENERATION, MERCHANT MULTI-UTILITIES & POWER TRANSMISSION

The Group's power generation (in both contracted and merchant markets), merchant multi-utilities and power transmission businesses are carried out by YTL Power's wholly-owned subsidiaries in Malaysia and Singapore, and associated companies in Indonesia and Australia.

Operations in Malaysia

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

Overall plant availability remained good during the year under review with 94.75% at Paka Power Station and 99.26% at Pasir Gudang Power Station. Combined power production by both stations for the year stood at 98.54% of the scheduled quantities.

Operations in Singapore

YTL Power has a 100% stake in YTL PowerSeraya Pte Ltd ("YTL PowerSeraya") in Singapore, which owns 3,100 MW of installed capacity comprising steam turbine plants, combined-cycle plants and co-generation combined-cycle plants, representing about 25% of Singapore's total installed generation capacity.

YTL PowerSeraya captured a total market generation share of 24.5% and sold 10,933 gigawatt hours (GWh) of electricity during the financial year. With the co-generation and combined-cycle units now on-line, about 944,992 metric tonnes of high pressure steam was generated and sold to nearby petrochemical companies on Jurong Island.

In April 2013, YTL PowerSeraya received Singapore's first degasified liquefied natural gas (LNG) to be used for power generation. While this signals the start of supply of a new fuel source for the division, it also presents new LNG-related opportunities that YTL PowerSeraya is ready to capitalise on to grow its business. In the same month, the company once again exported electricity to TNB in Malaysia on a short-term basis. This move is a significant milestone for the Group as it continues to be the first power generation company to facilitate and ensure the smooth cross-border export of electricity between Singapore and Malaysia.

In a move to enhance its plant operations, YTL PowerSeraya invested SGD10.0 million to establish two additional gas compressors and improve the gas pipe infrastructure of two units of its combined-cycle power plants. This latest round of enhancements, which were completed in October 2012, led to all four combined-cycle and co-generation units being able to derive higher cost efficiency and rely less on diesel as a secondary fuel, if required.

Seraya Energy Pte Ltd ("Seraya Energy"), YTL PowerSeraya's retail arm, registered a slightly higher market share in the retail electricity sector of 25.3% for the financial year maintaining its leading position as the top energy retailer.

Owing to the use of LNG to power its plants in April 2013, customers were able to enjoy lower costs of electricity and Seraya Energy also continued to enhance its customer services through investments in new billing and customer care systems. Seraya Energy's sustained efforts in maintaining its strong brand presence and exemplary customer service earned the company several awards to add to its list of accolades, including the Business Superbrands Award 2012.

In April 2014, the further liberalisation of the Singapore electricity market will see about 70,000 new customer accounts eligible for retail contestability. Although competition in the energy retail sector remains tight, Seraya Energy is confident that its progressive business model that moves in line with industry developments will ensure that it continues to create value for its customers.

Despite a challenging year stemming from the highly volatile oil market, PetroSeraya Pte Ltd ("PetroSeraya"), the trading and fuel management arm of YTL PowerSeraya, delivered a consistently strong performance, albeit at lower trading margins. The company supported its core business with increased oil tank leasing activities, which took up 40% of PetroSeraya's total oil tank capacity, contributing significantly to the division's performance.

As fuel oil volatility becomes a mainstay in the industry, PetroSeraya continues to upgrade and enhance its facilities to maintain its competitiveness and meet bunkering needs. Smaller jetties are being upgraded to accommodate vessels or oil tankers (otherwise known as Aframax) with size capacities of up to 120,000 metric tonnes. Existing tanks will also be retrofitted to accommodate a new blending facility, whilst pumping facilities will be upgraded to boost overall turnaround time and productivity. These enhancements are targeted to be completed by December 2014.

Operations in Indonesia

YTL Power has an effective interest of 20% in PT Jawa Power ("Jawa Power") in Indonesia, which owns a 1,220 MW coal-fired thermal power station located at the Paiton Power Generation Complex in Java. The plant supplies power to Indonesia's national utility company, PT Perusahaan Listrik Negara (Pesero), under a 30-year power purchase agreement. O&M for Jawa Power is carried out by PT YTL Jawa Timur, a wholly-owned subsidiary of YTL Power, under a 30-year agreement.

Jawa Power posted another year of strong operational performance with average availability of 94.76% for its financial year ended 31 December 2012 and 92.78% for the six months ended 30 June 2013. The station generated 8,450 GWh of electricity for its financial year compared to 8,163 GWh last year.

Technical improvements to the plant during the year included introduction of an automatic lubrication system for ship-unloader gantry wheels, applying ceramic lining at the abrasive zone of the transfer chutes to overcome excessive wear problems and equipment modifications to reduce coal dust and spillage.

Operations in Australia

YTL Power has a 33.5% investment in ElectraNet Pty Ltd ("ElectraNet") in Australia, which is a regulated transmission network service provider in Australia's National Electricity Market ("NEM"). ElectraNet 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.

The company 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 2013 and is valid for a period of five years until 30 June 2018.

WATER & SEWERAGE SERVICES

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

The changing climate continued to provide new challenges for Wessex Water as the year began with a drought and was followed by the wettest summer on record. Despite the early dry weather, the division maintained its record of unrestricted water supplies to customers, and it has now been 36 years since any restrictions on water use have been imposed within the Wessex Water region.

The intense summer rainfall caused a number of flooding problems but major investment in sewerage infrastructure over recent years helped to minimise the impact on customers. In 2011, the UK government transferred responsibility for private sewers to water companies, resulting in Wessex Water taking on around 11,000 miles of largely sub-standard sewers. This, together with the growing impact of climate change, will require major investment in future.

The very wet summer also affected bathing water compliance, which slipped from the 100% level of previous years to 94% compliance with mandatory standards. While bathing waters are affected by factors outside Wessex Water's control, efforts are ongoing to ensure that its sewerage and sewage treatment systems do not have an adverse impact. At Weston-super-Mare, the division completed work on a GBP26.0 million scheme to provide improved treatment and disinfection.

Wessex Water maintained 100% compliance with sewage treatment discharge consents, and compliance with drinking water standards continued to exceed 99.9%. The company has continued to become more efficient, delivering savings against both its capital investment programme and operating costs, while at the same time delivering all of the required regulatory outputs.

Wessex Water is halfway through a GBP1.0 billion, five-year investment programme. This programme includes the largest project the division has ever undertaken: the construction of a water supply grid across the Wessex Water region that will reduce abstraction at environmentally sensitive sites and ensure much greater flexibility and resilience in the supply of water to customers.

Regulatory league tables continue to identify Wessex Water as the best performing water and sewerage company in England and Wales, with the highest levels of service and efficiency, and the UK Consumer Council for Water also announced that Wessex Water had received fewer complaints than any water company.

COMMUNICATIONS

The Group's communications operations in Malaysia are carried out by YTL Communications Sdn Bhd ("YTL Comms"), a 60% subsidiary of YTL Power, which has approval from the Malaysian Communications and Multimedia Commission to operate a 2.3 gigahertz (GHz) wireless broadband network in Malaysia. YTL Comms' Yes 4G network offers high-speed mobile Internet with voice services and interconnects with all other voice networks (both mobile and fixed line) to provide a converged voice and data service to its customers.

The Yes mobile broadband division has continued to register growth in subscriber levels, which served to partially mitigate losses arising from network implementation costs. The Yes 4G platform, which commenced commercial operations in November 2010, is being built for scale from the outset and currently covers more than 85% of the Peninsula, with ongoing network expansions in East Malaysia.

In May 2013, YTL Comms launched the Samsung 4G Chromebook. Developed by Google and Samsung, the Samsung 4G Chromebook comes with a built-in 4G chipset that enables seamless and always-on Internet, designed from the ground up to work with Yes IDs, providing high-speed mobile Internet connectivity of up to 20 Mbps on the Yes 4G network.

The Samsung 4G Chromebook is a new type of computing device, designed by Google to be fast, simple and safe for all users. The device boots in seconds and is pre-installed with popular Google apps, including YouTube, Gmail and Drive, as well as seamless updates and built-in virus protection. The Chromebook comes with 100 GB of Google Drive storage that is free for two years.

YTL Comms also entered into a partnership with Konsortium Transnasional Berhad ("KTB"), Malaysia's largest and widest express bus service, to bring the Yes 4G network to passengers on all of KTB's nationwide NICE Imperial, NICE coaches, Plusliner and Transnasional bus lines, via mobile 4G Wi-Fi hotspots to be installed in KTB's buses. This will enable KTB passengers to access high-quality, high-speed mobile Internet on the Yes 4G network utilising any Wi-Fi-enabled device, including laptops, mobile phones and tablets.

YTL Comms continued to make good progress on the roll-out of its cloud-based virtual learning platform with high-speed Internet connectivity under the landmark 1BestariNet project, initiated by the Malaysian Ministry of Education. Under the project, over 10,000 primary and secondary public schools in Malaysia will be equipped with 4G Internet access and a virtual learning platform, providing both high-speed Internet connectivity and access to a world-class integrated learning solution.

Cement Manufacturing

The Group's cement, ready-mixed concrete and aggregates businesses performed well for the year under review, continuing to deliver the most innovative products and highest levels of service to its customers across the range of residential, commercial, large scale infrastructure and niche projects.

The Group continues to be a key supplier for significant infrastructure developments, including the Second Penang Bridge project, the Kuala Lumpur Light Rail Transit (LRT) extension and Klang Valley Mass Rapid Transport (MRT) projects, as well as a number of high-rise buildings and other infrastructure developments throughout the Peninsula.

The division remains strongly focused on its research and development (R&D) activities with a view to meeting more demanding building and architectural specifications that have become increasingly prevalent across the construction industry, particularly in the residential sub-sector as developers embark on more ambitious and unique design concepts. The division's strong R&D efforts have enabled it to innovate and develop the best quality, high performance and ecologically-friendly cement to meet market demand.

The need for higher, more ecologically-friendly standards is a key driver for the Group's R&D initiatives. In line with international developments for more environmentally-friendly cement, the Group has participated actively in the development of the Malaysia Standard Specifications for Cement, issued by the Department of Standards Malaysia, under the Ministry of Science, Technology and Innovation. The Group's blastfurnace cement was the first product in Malaysia to achieve the new BS EN 197-1:2011 certification as a low heat and sulfate resisting cement. The Group has also obtained Singapore's Green Label certification from the Singapore Environment Council for its range of eight blended cement products, including Blastfurnace Cement, Portland Composite Cement and Ground Granulated Blastfurnace Slag, and continues to innovate to develop its products to international standards.

In May 2013, the division's integrated plant in Perak was certified to the new ISO 50001 (Energy Management System) standard, having implemented the required processes to improve energy performance, including energy efficiency, energy use and consumption. The Group's other plants have also embarked on the programme to achieve ISO 50001 certification and are in various stages of the process.

Construction is well underway on the Group's fourth integrated cement plant in Malaysia, with a capacity of 5,000 tonnes of cement per day. Built to the latest environmental standards, the new plant is expected to come on-line in 2014, further bolstering the Group's existing capacity. The plant features the latest technological advancements to meet European standards on lower nitrogen oxide emissions and more energy-efficient operations.

Progress has also continued well on the new cement terminal being developed in Singapore which, upon completion, will be the country's largest cement terminal. The new terminal will cater for the import of various cementitious products and have the capability to produce a range of blended cement products, further expanding the Group's sizeable operations in Singapore, where demand has remained strong for its range of products.

The division's plant in China continues to maintain its position as one of the major suppliers in the Hangzhou market, with production capacities for 1.55 million tonnes per annum of clinker and 2.00 million tonnes per annum of cement. The plant's waste heat recovery project, which generates power from waste heat discharged in the cement manufacturing process and recovered from its cement kilns, reduces the plant's utilisation of coal as a fuel source, as well as its emission of greenhouse gases including carbon dioxide, nitrogen oxide and sulphur oxide, in line with local and national government emissions reduction programmes.

Construction Contracting

During the year under review, the Group's construction division completed several phases of the Midfields and Lake Fields mixed residential and commercial developments in Sungei Besi, as well as a new hotel property, The Majestic Hotel Kuala Lumpur.

Construction was completed on 343 units of 3-storey terrace houses comprising Dale at Lake Fields and 464 units making up Blocks B and C of the Midfields Condominium development in November 2012. The Group also completed 40 units of 3-storey shop offices comprising Midfields Square, the commercial precinct of its Midfields development, in May 2013. Projects under development include Grove, consisting of 102 units of 3-storey homes at Lake Fields, and Reed, which is made up of 285 units of 3-storey terrace and detached homes.

Meanwhile, construction on The Majestic Hotel Kuala Lumpur was completed on-schedule in November 2012. The project involved the restoration of the original structure, which was built in the 1930s in a hybrid of the neo-classical and art deco styles of the time, and the addition of the 15-storey hotel block.

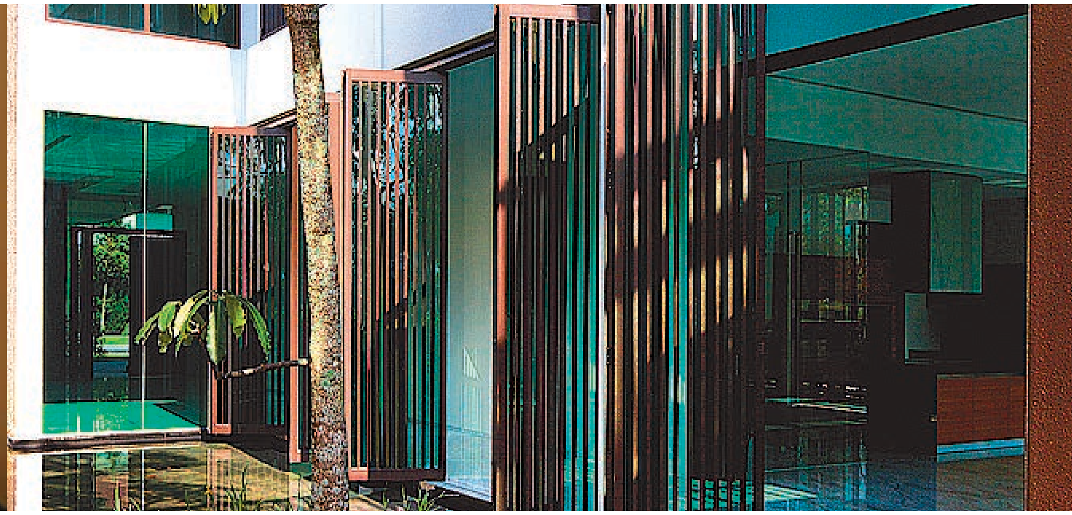
During the year, work continued to progress well on The Capers at the Group's Sentul urban regeneration project, due for completion in mid-2014. The Capers is a 2-tower development of 36 storeys each, with 2 low-rise blocks of 5 storeys each on the podium floors of the towers. The distinctive, futuristic design of The Capers' two towers presents a unique standard in construction and architectural design for the Group.

Work is due to commence on the newest residential phase of Sentul, The Fennel, the first two blocks of which were launched in July this year. Similar to The Capers, The Fennel features exceptional design and architectural elements, including suspended swimming pools and tropical verandas, all of which will transform the silhouette of the Kuala Lumpur skyline.

The Group has also embarked on the development of 576 units of low-cost apartments in three 24-storey blocks with a 3-storey podium situated off Jalan Sentul, for Keretapi Tanah Melayu Berhad.

In its infrastructure portfolio, the Group is undertaking the design, construction and commissioning of the electrified double track extension from Kuala Lumpur International Airport (KLIA) to KLIA2, the low cost carrier terminal currently under development. The project has been extended to late-2013.

Meanwhile, in Singapore, the Group is developing a 25-storey block with 77 exclusive residences on Orchard Boulevard which is expected to be completed by 2015.



Property Development & Investment

The Group's property development and investment activities encompass residential and commercial developments in Malaysia and residential developments in Singapore, as well a portfolio of commercial, retail and office properties under Starhill Global Real Estate Investment Trust ("Starhill Global REIT") in Singapore.

RESIDENTIAL & COMMERCIAL DEVELOPMENTS

The newest phase of the Group's Sentul development, **The Fennel**, consists of 916 units housed in four high-rise towers, the first two of which were sold out during their preview in July this year. Amongst its many features and unique architectural elements, The Fennel offers two suspended salt-water swimming pools and a multitude of 'tropical verandas', reinterpreted as a series of pocket gardens and sky forests set on selected floors throughout the towers.

Progress is ongoing on **The Capers** at Sentul East, which features 489 units housed in a pair of towers and 5-storey low-rise blocks on the podium floors of the towers. The tower units offer 2-bedroom and 3+1-bedroom configurations, whilst the low-rise suites feature 4+1-bedroom duplexes and 2+1-bedroom suites. Set in proximity to each other, The Capers and The Fennel will, upon completion, transform the silhouette of the Kuala Lumpur skyline.

In Sentul East, a skywalk across Jalan Sentul connecting the d6 and d7 commercial phases was completed in September 2013, providing a seamless connection between the two buildings. The d6-d7 link is the first phase of the **Sentul Skywalk**, an integral element of Sentul East's holistic pedestrian circulation system, designed to enhance the appeal and functionality alike of this stylish and cosmopolitan business precinct.

In Singapore, the Group's premium residential project in the city is a luxury condominium on **Orchard Boulevard**, one of the most prestigious residential addresses in Singapore. Located near the world famous shopping street, Orchard Road, the freehold development is designed by multi-award winning Italian architect and designer Antonio Citterio, renowned for designing the Bvlgari hotels and resort in Milan, London and Bali. The project has received planning

approval from Urban Redevelopment Authority of Singapore, and construction has commenced. Featuring 77 exclusive residences, the project is slated for completion by 2015, with plans to preview selected units to the market next year.

Sandy Island, the Group's maiden residential project in Singapore, completed last year, was honoured with the prestigious FIABCI Prix d'Excellence Award 2013 for Best Residential (Low Rise) in recognition of its outstanding design. This follows after the project won the FIABCI Singapore Award 2012 for the same category. The international FIABCI Prix d'Excellence Award is also the first-ever for YTL L&D and adds to the project's numerous accolades.

At the Group's **Lake Fields** development in Sungei Besi, the third and final phase of **The Trillium**, part of Lake Fields' commercial development, consisting of 94 units of 3-storey shop offices, was completed in November 2012. In Lake Fields' residential phases, **Dale**, which comprises 343 units of 3-storey homes with built-up areas of 2,600 sq. ft., was completed in October 2012, whilst construction on **Grove** and **Reed** is still underway and progressing well.

Meanwhile, at the **Midfields** development, **Midfields Square**, a commercial phase consisting of 40 units of 3-storey shop offices, was completed in May 2013. The residential phase, **Midfields Condominium**, was completed and handed over to homeowners in December 2012, and is made up of condominium towers developed around a tropical park, featuring a communal pool and waterfall, all set within unique geometric landscaping that offers home owners a modern, accessible and welcoming environment.

STARHILL GLOBAL REIT

During the year, the Group increased its interest in Starhill Global REIT to 36.27% (from 29.38% previously) via the conversion of convertible preference units held in the Trust. Starhill Global REIT is listed on the Singapore stock exchange and owns retail and office assets in Singapore, Malaysia, Australia, Japan and China. YTL Starhill Global REIT Management Limited, the manager of the REIT, is a wholly-owned subsidiary of the Group.

Starhill Global REIT's property portfolio now comprises stakes in Wisma Atria and Ngee Ann City, two prime shopping complexes along Singapore's famed Orchard Road, six boutique properties in the up-market areas of Omotesando, Roppongi, Harajyuku, Meguro and Ebisu in Tokyo, Japan, a prime retail shopping centre in Chengdu, China, the David Jones Building and Plaza Arcade in Perth, Australia, and Starhill Gallery and parcels in Lot 10 Shopping Centre in Kuala Lumpur's Golden Triangle.

In February 2013, Starhill Global REIT divested Roppongi Primo in Tokyo, Japan, for JPY700 million as part of its strategy to review and re-balance its Japanese portfolio. Meanwhile, on the acquisitions front, the Trust acquired Plaza Arcade, a retail property in Perth's city centre, for A$48 million (approximately RM144 million) in March 2013. Located next to the REIT's David Jones Building, Plaza Arcade is a heritage-listed building with dual frontage on Hay Street and Murray Street, the city's only retail pedestrian street, and is ideally situated to enhance the Trust's portfolio.

Hotel Development & Management

The Group's hotel development and management activities are undertaken both directly and through Starhill Real Estate Investment Trust ("Starhill REIT"), a Malaysian-listed real estate investment trust focusing on prime, yield-accretive hotel and hospitality-related assets both in Malaysia and internationally.

NISEKO VILLAGE, HOKKAIDO, JAPAN

The Niseko Village is successfully developing into an all-season resort, posting the greatest gains in occupancy and visitors since opening. Today, Niseko Village boasts over 900,000m^2 of skiable terrain, an international snow sports school, two golf courses, two international standard hotels, the Hilton Niseko Village and The Green Leaf Niseko Village. Last year the Zip Line Tour, a 1.4 kilometre flying fox aerial cable runway, the longest in Japan, opened in the outdoor nature park. Both hotels won the 2013 TripAdvisor Certificate of Excellence Award.

PANGKOR LAUT RESORT

Pangkor Laut Resort continues to be internationally recognised for excellence. Awards won this year include Top 25 Hotels in Malaysia-TripAdvisor Travellers' Choice 2013; Harper's Bazaar Malaysia Spa Awards 2013 – *Top 5 Valentine's Destinations* and Best Romantic Stay and Best Spa Resort in Expatriate Lifestyle Best of Malaysia Awards 2012. Notable among the many celebrities hosted include Michelin Chef Alain Roux, comedian Miranda Hart, actress Anne Parrilaud and the film director Michael Mann.

TANJONG JARA RESORT

Enhancements to the Resort continue. New first-floor Serambi sea view rooms with balconies have proved very popular with guests. Tennis courts have been upgraded. The Resort won TripAdvisor's Travellers' Choice Awards 2013 for Top Hotels in Malaysia, Top 25 Luxury Hotels in Malaysia and Top 25 Hotels For Service in Malaysia. Spa Village Tanjong Jara also won several awards from Harper's Bazaar Malaysia Spa Awards 2013 – Best Body Pampering Ritual: *Asam Roselle Treatment*; Most Authentic Body Pampering Experience: *Boros Puteri*; and Best Traditional Body Ritual: *Traditional Malay Massage*.

CAMERON HIGHLANDS RESORT

Cameron Highlands Resort continues as the premier location of choice. The Resort is now featured as a destination on the Eastern & Oriental Express' "Fables of the Hills Journey". The Resort was listed in the Top 25 Luxury Hotels in Malaysia and the Top 25 Hotels for Service in Malaysia by TripAdvisor's Traveller's Choice Awards 2013, and its Spa Village was named by AsiaRooms as one of the Top 10 Best Spas 2013. The Resort also won Harper's Bazaar Malaysia Spa Awards 2013 – Most Luxurious Traditional Experience: *The Semai*.

destinations on the French Riviera and media coverage worldwide remains high. The Muse continues to be regularly featured in the prestigious Madame Figaro, Elle, Vanity Fair, as well as many popular European-based lifestyle magazines.

SWATCH ART PEACE HOTEL SHANGHAI, CHINA

The Group manages the Residences and the Shook! Shanghai restaurant at The Swatch Art Peace Hotel. The fourth floor of the Hotel houses the Residences, seven individually designed 40-square metre guestrooms and suites from 180 to 250 square metres. These Residences, designed by the Parisian design firm, Jouin Manku, are inspired by Chinese culture and blend contemporary features with historic elements. The Swatch Art Peace Hotel won the prestigious prize for Daring Design at the Tatler Travel Awards UK 2013 and is a member of The Leading Hotels of the World.

THE RITZ-CARLTON, KUALA LUMPUR

The Ritz-Carlton, Kuala Lumpur is planning a renovation of all guest rooms, suites and public areas. When completed, these upgrades will position the Hotel as being without peer in the luxury category of Kuala Lumpur hotels. Awards garnered this year include Top 25 Luxury Hotels in Malaysia by TripAdvisor Traveller's Choice Awards 2013 and Travel + Leisure Southeast Asia: World's Best Hotels 2013. Celebrity guests welcomed for the past year included actor Adrien Brody, Dato' Jimmy Choo and Tan Sri Michelle Yeoh.

JW MARRIOTT HOTEL KUALA LUMPUR

The JW Marriott Hotel Kuala Lumpur continues to be the leading business, meetings and conference hotel in the city with levels of performance topping last year. Celebrities at the hotel included Korean singer PSY and guitarist of Guns & Roses. The Hotel was listed in the Top 25 Luxury Hotels in Malaysia by TripAdvisor Travellers' Choice Awards 2013. Shanghai Restaurant was named by CNN Travel as one of Kuala Lumpur's Top 20 Restaurants.

VISTANA GROUP OF HOTELS

The Vistana Hotels in Kuala Lumpur, Kuantan and Penang are undergoing extensive renovations in preparation for a rebranding and product launch in early 2014. The Vistana Group of Hotels aims to redefine itself as a product in line with changing times. When completed, the Vistanas will become the market leader in the business traveller hotel category, once again being the Best in Class.

MUSE HÔTEL DE LUXE, ST. TROPEZ, FRANCE

The Muse Hotel continues to build its reputation as one of the most desirable

GAYA ISLAND RESORT, SABAH, MALAYSIA

The Gaya Island Resort continues to consolidate its commercial success as the preeminent island resort destination in Sabah. It has recently increased its range of PURE activities with the introduction of a programme named Tailored Trails of Borneo. This programme is a collection of four tours to the mainland. Soon to be launched is the Gaya Island Marine Centre, which will champion conservation initiatives. The Resort was named in The Luxe List 2012 of DestinAsian Magazine and Condé Nast Traveler's Hot List of the world's best new hotels and spas in 2013.

THE SURIN PHUKET, THAILAND

Renovations to The Surin Phuket were completed in November 2012, enabling increases in average room rates and a return to historically high occupancies in 2013. Two newly built meeting room facilities are proving popular, and have added the business market to this Resort's sales potential.

SPA VILLAGE RESORT TEMBOK, BALI

The Spa Village Resort continues to develop it product. Latest in its initiatives is the School of Life programme that offers guests an introduction to techniques and life practices, including diet, that enhance a sense of wellbeing. The Resort will hold its fifth annual Oracle Retreat next March, an event that has proven very popular. The Resort was listed in the Top 25 Hotels in Indonesia as well as Top 25 Hotels for Service in Indonesia in TripAdvisor Travellers' Choice Awards 2013. The Resort also won Harper's Bazaar Malaysia Spa Awards 2013 – Best Traditional Bridal Ritual: *Penganten Melukat*.

SPA VILLAGE CHINA

The Group's Spa Village brand has expanded its award-winning spa concept to China. The first, Spa Village Hangzhou opened last September. The second, Spa Village Shaoxing, was opened in February 2013 in the Dayu Kaiyuan boutique hotel, Zhejiang Province. Both spas are managed by the Group's Spa Village brand and owned by Hangzhou Potaala Management Co Ltd.

THE MAJESTIC MALACCA

The Majestic Malacca continues to be a popular destination with visitors to this historic city and retains its reputation as the best hotel in Malacca. The Hotel was a winner in TripAdvisor's Traveller's Choice Awards 2013 for Luxury Hotel in Malaysia, Best Service and Top Hotels in Malaysia. The Hotel also won Harper's Bazaar Malaysia Spa Awards 2013 – Traditional De-stressing Massage: Nutmeg Rice Rolling Massage and Expatriate Lifestyle Malaysia – Best of Malaysia Awards 2012 – *Best Boutique Stay: Excellence Award.*

THE MAJESTIC HOTEL KUALA LUMPUR

The Group opened its second Classic Hotel, The Majestic Hotel Kuala Lumpur, in December 2012. Grand Opening festivities continued for three weekends, featuring preformances by the international artistes The Mills Brothers, Freddy Cole and The Rat Pack. This historic site opposite the original Kuala Lumpur Railway Station includes the completely restored Majestic Hotel which first opened in 1932.

The hotel has established itself as a "must visit" afternoon tea venue at the Tea Lounge in the restored Majestic Wing. Another dining venue, Contango, has become popular throughout the week as an inter-active dining concept restaurant. The Majestic Ballroom is being established as a important venue for large social events, with a growing reputation for excellence. This 300-room hotel is Kuala Lumpur's only member of The Leading Hotels of the World. The Majestic Hotel Kuala Lumpur has been named in Condé Nast Traveler's Hot List of the world's best new hotels and spas in 2013. The Hotel was also selected as an inaugural recipient of the Best Brands Classic Award at the BrandLaureate Awards 2013.

THE GAINSBOROUGH BATH SPA

Opening in the Spring of 2014, The Gainsborough Bath Spa will be the only hotel to feature direct access to natural thermal waters in the United Kingdom. Located in the heart of Bath, a leisure and wellness destination for over 2,000 years, the hotel occupies three historic buildings, the Elizabethan Helting House, and the Gainsborough and Bellotts, both of the latter are buildings with heritage listed Georgian façades. The Gainsborough Bath Spa's 99 guestrooms and suites are designed by the award-winning firm Champalimaud Design. The Gainsborough Bath Spa is the Group's first Classic Hotel in the United Kingdom, and is a member of The Leading Hotels of the World. The initial interest shown to date by the international press and the English community bodes well for the success of this hotel.

EASTERN & ORIENTAL EXPRESS

The Eastern & Oriental Express has performed well in the past 12 months with marked improvements in revenue. Passenger numbers and fares are up. The popularity of the all-inclusive tour programmes featured in the three

Chronicles of South-East Asia journeys has enabled this result. There may be an opportunity to operate in Cambodia soon providing the E&O new destinations in the next two years.

STARHILL REIT

Following the successful completion of Starhill REIT's repositioning exercise to transform the Trust into a pure-play hospitality REIT during the previous financial year, the 2013 financial year saw no loss in momentum with the acquisition of three Marriott properties in Australia, vastly expanding the Trust's international portfolio to one of the largest of any Malaysian REIT, and increasing its asset size to just under RM3.0 billion. The Trust is also in the process of changing its name to YTL Hospitality REIT.

The Trust's acquisition of the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia, completed in November 2012, presented a unique opportunity to acquire yield-accretive, fully operating and profitable assets in Australia's major business and tourist destinations. These acquisitions have diversified the Trust's revenue streams into stable, fixed, medium to long term lease income from its Malaysian and Japanese portfolio, which is insulated from cyclical and event-driven vagaries of the hospitality industry, as well as variable income from its Australian portfolio enabling the Trust to benefit from the potential upside generated from better performance of those assets.

The diversity of the portfolio and revenue structure of the various assets has been optimal in enabling the Trust to achieve a solid performance for the financial year under review.

Malaysian Portfolio

Following the completion of its acquisition of 8 hotel properties in November 2011, the Trust now has a well-balanced portfolio of hotel and hospitality-related assets across Malaysia, comprising five-star hotels and serviced residences, luxury resorts and business hotels, and continues to remain largely insulated from economic volatility through its fixed lease arrangements for the properties.

Starhill REIT's three prime properties in Kuala Lumpur's prestigious Golden Triangle district are the JW Marriott Hotel Kuala Lumpur, The Ritz-Carlton, Kuala Lumpur, and The Residences at The Ritz-Carlton, Kuala Lumpur. These properties have continued to perform well owing to their strategic locations within the city's vibrant business and tourism hub and close proximity to Starhill Gallery, which offers guests a multitude of fine dining options in its acclaimed Feast Village, as well as banquet and conference facilities from the Carlton Conference Centre.

Within the Trust's portfolio of luxury resorts, the range of services and experiences has been differentiated to cater to increasing demand from affluent customers from Europe, the Americas and the Asia-Pacific rim. Pangkor Laut Resort, on the west coast of the Peninsular, and Tanjong Jara Resort, on the east coast, feature pristine beaches and marine ecosystems, whilst Cameron Highlands Resort, situated at approximately 1,500 metres above sea level in the acclaimed hill retreat and holiday destination of Cameron Highlands, offers a more temperate climate and environment.

The third component of the Trust's Malaysian portfolio is the Vistana chain of hotels which operates business hotels in Kuala Lumpur, Penang and Kuantan, each of which is situated to grant easy access to the city's major business centres and is designed to cater to both local and international business travellers.

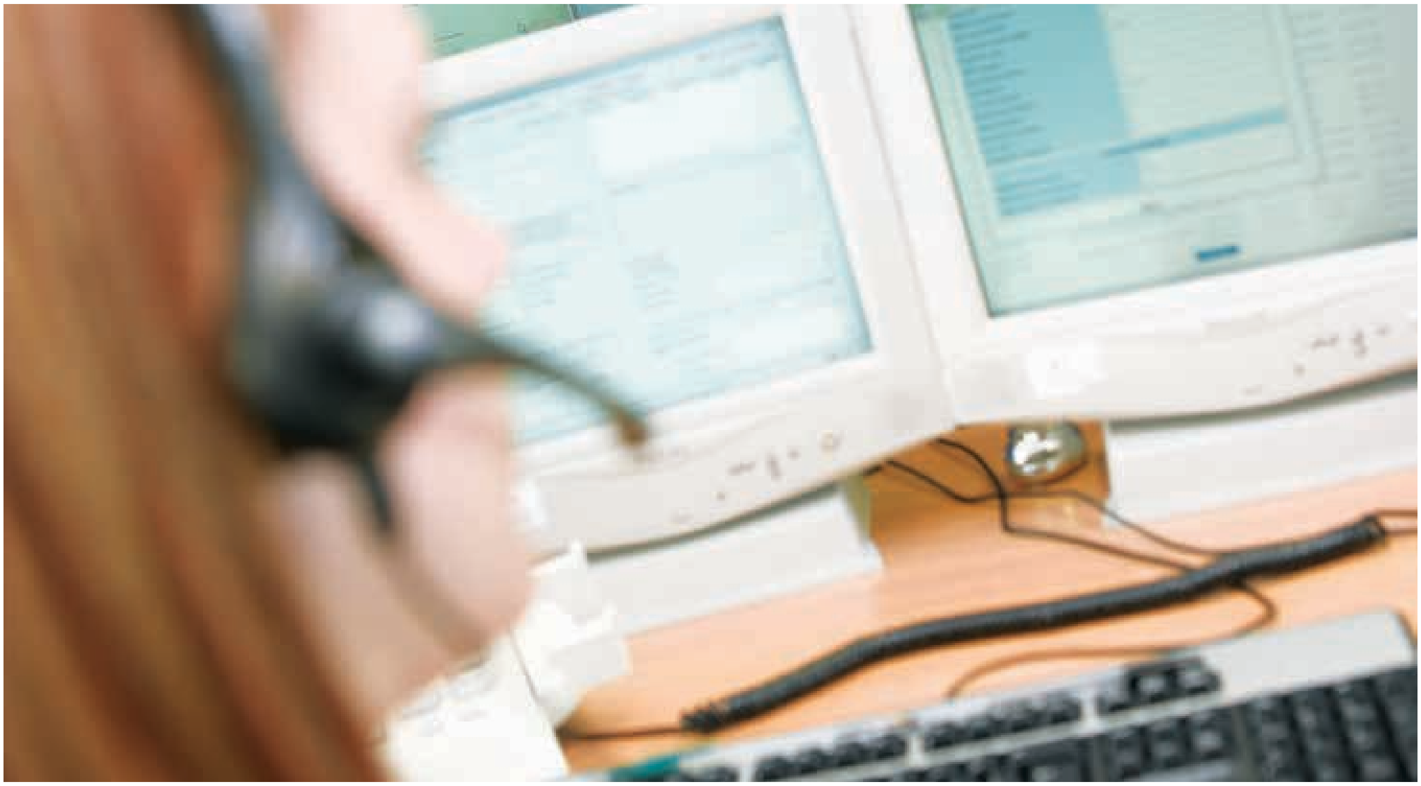
International Portfolio

Starhill REIT's international portfolio comprises assets in Japan and Australia. Hilton Niseko in Hokkaido, Japan, is one of Asia's most well-rounded winter and summer resort destinations, primarily targeting high income individual travellers and groups from both Japan and overseas, and is a cornerstone of Niseko Village.

Meanwhile, Starhill REIT's new Australian assets benefit from excellent positioning, in terms of both location and product offerings. Each property is situated within the central business district (CBD) of its city and ideally positioned to serve both business and leisure travellers alike.

The Sydney Harbour Marriott is a 5-star, 563-room hotel set in the heart of Circular Quay, overlooking iconic landmarks including Harbour Bridge and the Sydney Opera House. The 186-room Melbourne Marriott is located close to the city's theatre precinct and within minutes of the Bourke and Collins street shopping districts, Chinatown, the Melbourne Museum and the Royal Exhibition Building. Similarly well-located, the Brisbane Marriott, which consists of 263 rooms and 4 suites, is situated between Brisbane's CBD and the Fortitude Valley hub, close to shopping, riverside dining, and the city's corporate and cultural locales.

All three properties achieved strong occupancy levels during the financial year under review of 84.3% at the Sydney Harbour Marriott, 85.3% at the Melbourne Marriott and 73.90% at the Brisbane Marriott, during the period from the Trust's acquisition of the hotels to the end of the financial year under review. Starhill REIT is afforded the benefit of a variable source of income from the operation of its hotel assets in Australia thereby providing the Trust's portfolio with a good mix of fixed and variable income.



IT & e-Commerce Initiatives

The Group continued to benefit from the licence of its WiMAX spectrum. Following the launch of the 'Yes' mobile Internet with voice service in late 2010 by YTL Communications Sdn Bhd, the service has continued to expand its network coverage to over 85% of the Peninsula, as well as enlarging its range of compatible devices with the launch this year of the Samsung 4G Chromebook, the first of its kind in Malaysia. These developments have served to attract new customers and grow the subscriber base.

Meanwhile, YTL Info Screen Sdn Bhd ("YTLIS"), the Group's subsidiary which carries out its digital media narrowcasting and content operations, performed well during the year, developing its customer base and increasing its digital media advertising sales. YTLIS creates content and delivers advertising on digital narrowcast media networks in the renowned Bintang Walk area of Kuala Lumpur, the digital "cube" fronting Lot 10 shopping centre, digital networks in other shopping centres such as Starhill Gallery and on the Kuala Lumpur Express Rail Link (KLIA Ekspres) trains.

YTLIS has been in expansion mode, and directly benefitted from its investment in media expansion and network modernisation, which helped drive revenue growth. Advertisers secured during the period included CIMB Bank, ACER, Malaysia Airlines, Honda, ASTRO, MasterCard, Starbucks, Australia Tourism, Harrods, Blackberry, Samsung, Universal TV, Shell as well as other local brand names.

FUND RAISING FOR CONSERVATION EFFORTS

YTL Hotels & Properties Sdn Bhd and Autodome Sdn Bhd, both wholly-owned subsidiaries of YTL Corporation Berhad, embarked on an initiative to raise funds on a recurring basis with Reef Check Malaysia (RCM), Evian and GBA Corporation Sdn Bhd, Evian's distributor in Malaysia. This project aims to reduce the consumption of plastic bottles and highlights the importance of environmental conservation by encouraging customers to switch to glass bottles. The project also raises awareness about the importance of coral reefs in marine ecosystems.

Protection of the Environment

"We strongly believe that environmental protection is an ethical responsibility and a moral issue, not a political one. Our long-term commitment and passionate involvement in its conservation through the years stems from this belief. As business leaders, we have great opportunity to use our positions, influence and connections to affect change at a higher level, within and beyond our borders."

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

11 OCTOBER 2012

ElectraNet Pty Ltd Wins AIPM 2012 National Award

ElectraNet Pty Ltd, an associated company of the YTL Corporation Berhad Group, won the 2012 national award from the Australian Institute of Project Management (AIPM) for a Construction/ Engineering Project in excess of A$100 million for its Adelaide Central Reinforcement (ACR) project. The AIPM is the highly-respected peak body for project management in Australia, which encourages national excellence through professionalism in project management.

14 NOVEMBER 2012

Singapore Business Superbrands Awards 2012

Seraya Energy Pte Ltd, the retail arm of YTL PowerSeraya Pte Ltd, which is a subsidiary of the YTL Corporation Berhad Group, was a winner at Singapore's Business Superbrands Awards 2012, for the second time. The award recognises top brands in Singapore's business-to-business industry based on product quality, brand reputation, market share, achievement, innovation and social responsibility.

From left to right:- Mr Philip Ho, Vice President Asia Pacific, The Leading Hotels of the World; Dato' Mark Yeoh Seok Kah, Executive Director of YTL Corporation Berhad; and Mr Carl Kono, Executive Vice President, Operations, YTL Hotels & Properties Sdn Bhd, at the official signing ceremony

17 OCTOBER 2012

The Leading Hotels of the World – The Majestic Hotel Kuala Lumpur

The Majestic Hotel Kuala Lumpur received a stellar recognition as it became the only hotel in Kuala Lumpur to be included in The Leading Hotels of the World (LHW) luxury collection, comprising the most illustrious hotels around the world, which set the benchmark for the luxury hospitality industry. Other members of the LHW collection include The Ritz in London, The Pierre in New York, Hotel Le Bristol in Paris and Villa d'Este in Lake Como, Italy.

Dato' Sri Dr Ng Yen Yen, Malaysian Tourism Promotion Board Chairman, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, officiating the opening gala night

28 NOVEMBER 2012

Starhill Gallery's 'A Journey Through Time VI'

Starhill Gallery held 'A Journey Through Time', its luxury watch and jewellery showcase, for the sixth year, attended by watch aficionados from around the world.

8 DECEMBER 2012

Grand Opening of The Majestic Hotel Kuala Lumpur

The Majestic Hotel Kuala Lumpur held its grand opening in December 2012. Built in the 1930s, the hotel was the largest and grandest hotel in the city at its height, unrivalled for prestige and luxury. Newly restored, The Majestic Hotel Kuala Lumpur includes the original Hotel Majestic, which is a gazetted national heritage site, and features the full range of amenities and luxuries that are the hallmarks of the YTL Corporation Berhad Group's hotels and resorts.

Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay (right), Executive Chairman of YTL Corporation Berhad, receiving the key from Mr Lim Heng Suan, former bookkeeper at the original Hotel Majestic

31 JANUARY 2013

FrogTrade Ltd Wins 'ICT Company of the Year' at the BETT Awards 2013

FrogTrade Ltd, developer of the Frog Virtual Learning Platform, was named 'ICT Provider of the Year' at the prestigious BETT Awards 2013 in the United Kingdom. YTL Communications Sdn Bhd and FrogAsia Sdn Bhd, both subsidiaries of the YTL Corporation Berhad Group, are working closely with FrogTrade Ltd to deliver a holistic learning experience to over 10,000 primary and secondary schools in Malaysia, utilising the Frog Virtual Learning Environment and 4G Internet connectivity, under the 1BestariNet project.

Beginning 4th from left:- Mr Gareth Davies, Managing Director of FrogTrade Ltd, Ms Sarah Van Haazel, Finance Director of FrogTrade Ltd, and Datin Kathleen Chew Wai Lin, Group Legal Counsel of YTL Corporation Berhad, at the awards presentation in London

11 FEBRUARY 2013

YTL Corporation Berhad Chinese New Year Open House

YTL Corporation Berhad ushered in the Year of the Snake at its Chinese New Year Open House which was held at the JW Marriott Hotel Kuala Lumpur. The Prime Minister of Malaysia, Dato' Sri Mohd Najib bin Tun Abdul Razak, and his wife Datin Seri Rosmah Mansor were guests of honour at the event hosted by Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad.

From left to right:- Mr Ali Tabassi, Chief Operating Officer of YTL Communications Sdn Bhd; Dato' Yeoh Soo Keng, Executive Director of YTL Corporation Berhad; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; Dato' Sri Mohd Nadzmi Mohd Salleh, Chairman & Managing Director of Konsortium Transnasional Berhad; Tengku Hasmadi Tengku Hashim, Executive Director of Konsortium Transnasional Berhad; Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd; and Mr Jacob Yeoh Keong Yeow, Deputy Chief Executive Officer of YTL Communications Sdn Bhd and Executive Director of YTL e-Solutions Berhad

14 MARCH 2013

Strategic Partnership between Yes & Konsortium Transnasional Berhad

Yes, one of the most advanced 4G networks in the world, and Konsortium Transnasional Berhad (KTB), Malaysia's largest and widest express bus service, launched a revolutionary partnership to bring the award-winning Yes 4G network to passengers on KTB's nationwide NICE Imperial, NICE coaches, Plusliner and Transnasional bus lines, via mobile 4G Wi-Fi hotspots installed in KTB's buses.

THE QUEEN'S AWARDS
FOR ENTERPRISE
SUSTAINABLE DEVELOPMENT

24 APRIL 2013

Wessex Water Services Limited Wins the Queen's Award for Enterprise in Sustainable Development

Wessex Water Services Limited, a subsidiary of the YTL Corporation Berhad Group, retained the Queen's Award for enterprise in sustainable development and it is the only water firm to have won the award twice. The company was given the award for adopting a sustainable procurement policy and having strategies for waste management and recycling.

Ms Jessie Holmberg, Executive Director of Cerebral Palsy Alliance Singapore, and Mr John Ng of YTL PowerSeraya Pte Ltd

9 MAY 2013

'Charity Bowl-for-Lunch' Raises SGD70,000

YTL PowerSeraya Pte Ltd, a subsidiary of the YTL Corporation Berhad Group, raised $70,000 for GROW (Goodwill, Rehabilitation and Occupational Workshop), the company's adopted charity, through a 'Charity Bowl-for-Lunch', its first major organised fund raising event.

14 MAY 2013

Establishment of the Yeoh Tiong Lay Centre for Politics, Philosophy & Law at King's College London

The Yeoh Tiong Lay Centre for Politics, Philosophy & Law was established with a £7.0 million donation from YTL Foundation to King's College London. The work of the Yeoh Tiong Lay Centre will underpin the teachings of King's College London's new Politics, Philosophy & Law (PPL) LLB degree, a unique programme that allows students to fulfil the requirements of a qualifying law degree while being able to choose from a range of modules in philosophy and political economy. The donation will provide for 3 new academic posts and 16 Yeoh Tiong Lay LLM scholarships of £30,000 each, with preference given to students who are residents of Malaysia.

From left to right:- Professor Sir Richard Trainor, Principal of King's College London; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; and Puan Sri Datin Seri Panglima Tan Kai Yong @ Tan Kay Neong, at the official launch

From left to right:- Ms Diane Burke, Head of Marketing & Communications, First Great Western (UK), and member of the Judging Panel at the Global AirRail Awards 2013; Puan Noormah Mohd Noor, Chief Executive Officer of Express Rail Link Sdn Bhd; and Mr Thomas Baake, Chief Executive Officer of ERL Maintenance Support Sdn Bhd

16 MAY 2013

Express Rail Link Sdn Bhd Wins Environmental Commitment Award

Express Rail Link Sdn Bhd won the Environmental Commitment Award at the Global AirRail Awards 2013 held in Frankfurt, Germany. YTL Corporation Berhad holds a 50% stake in Express Rail Link Sdn Bhd, which owns and operates the high-speed KLIA Ekpres and KLIA Transit rail link services between the Kuala Lumpur International Airport and KL Sentral.

Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd (right), receiving the award at the ceremony

22 MAY 2013

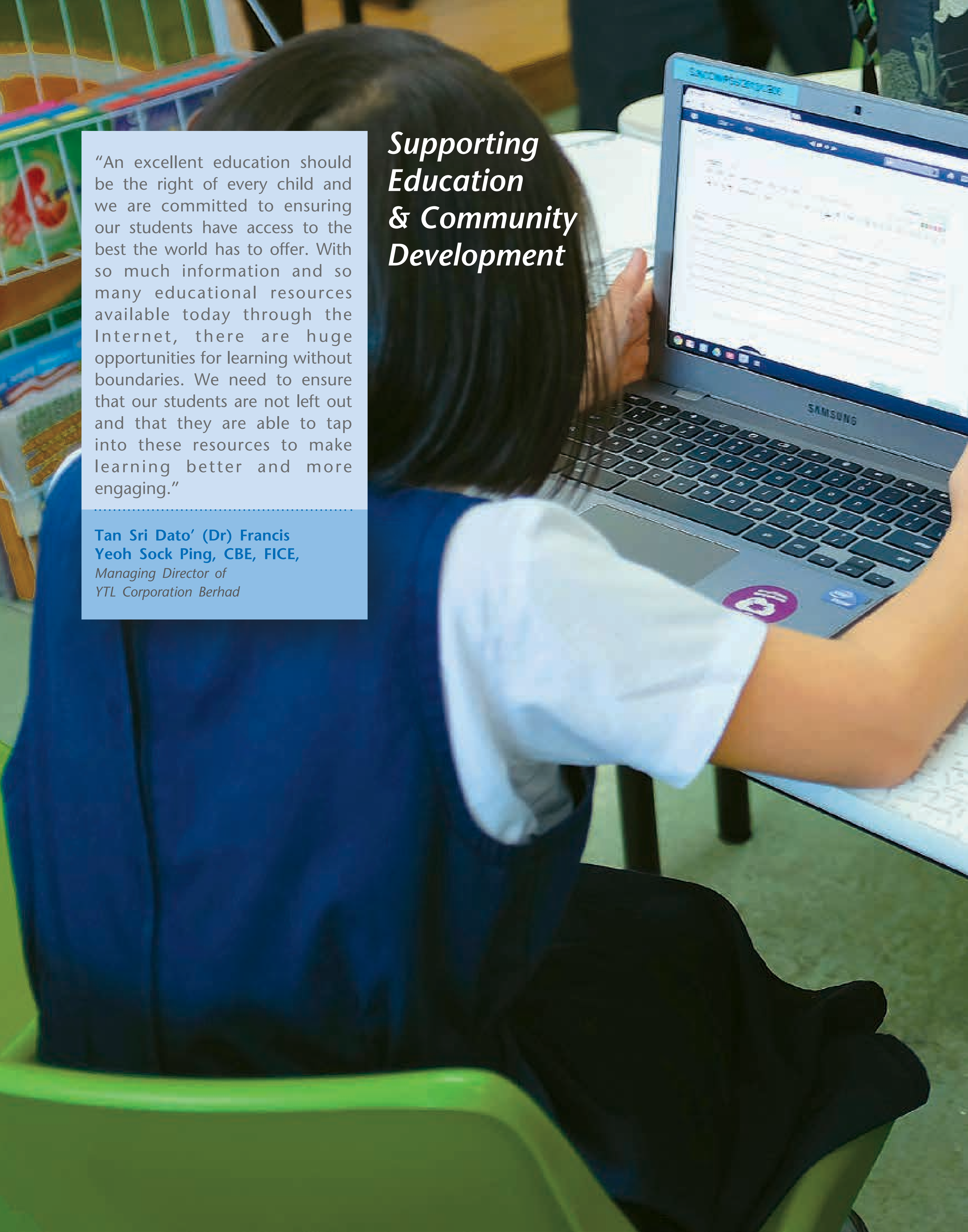
2013 Frost & Sullivan Award for Most Promising Telecom Service Provider

YTL Communications Sdn Bhd, a subsidiary of the YTL Corporation Berhad Group and a global frontrunner in mobile 4G, earned another prestigious accolade by winning the 'Most Promising Telecom Service Provider of the Year' at the Frost & Sullivan 2013 Malaysia Excellence Awards for YES, Malaysia's fastest 4G mobile Internet with voice service.

Supporting Education & Community Development

"An excellent education should be the right of every child and we are committed to ensuring our students have access to the best the world has to offer. With so much information and so many educational resources available today through the Internet, there are huge opportunities for learning without boundaries. We need to ensure that our students are not left out and that they are able to tap into these resources to make learning better and more engaging."

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



CHROMEBOOK & INTERNET CONNECTIVITY SPONSORSHIP PROGRAMME

YTL Foundation's Chromebook and Internet connectivity sponsorship programme was developed for eligible teachers, students, schools and institutions to encourage the use of technology by providing access to devices and the Internet. As part of this programme, YTL Foundation provides 200MB worth of data to all teachers, parents and students under the 1BestariNet project to make full use of Yes 4G mobile Internet services to support continuous education outside schools.

From left to right:- Mr Ian Son, IM-Business Development Director, Samsung; Mr Kwon Jae Hoon, Managing Director, Samsung Malaysia; Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd; Mr David Song, Head of Global PC Sales & Marketing, Samsung; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; Mr Caesar Sengupta, Product Management Director, Google; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; and Mr Felix Lin, Director of Product Management, Chrome OS, Google

22 MAY 2013

Yes-Samsung 4G Chromebook Launch

YTL Communications Sdn Bhd launched the world's first Samsung 4G Chromebook, developed by Google and Samsung and powered by the Yes 4G network. The Samsung 4G Chromebook has built-in connectivity to Malaysia's largest and widest 4G network, and is designed to work with Yes IDs.

Mr Joseph Yeoh Keong Shyan (2nd from right), Vice President of YTL Hotels & Properties Sdn Bhd, at the awards presentation in Taichung, Taiwan

27 MAY 2013

Sandy Island Wins 2013 FIABCI Prix d'Excellence Award

YTL Land & Development Berhad's Sandy Island development in Sentosa Cove, Singapore, was named as the Gold Winner at the prestigious FIABCI Prix d'Excellence Awards in the Residential (Low Rise) Category. YTL Land & Development Berhad also received the FIABCI-Singapore Property Award in October 2012, qualifying the development to compete internationally for the acclaimed Prix d'Excellence honour.

28 JUNE 2013

Ceremony at China's National Museum

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, and Mr Henri Pinault, Chief Executive Officer of Kering, at the Pinault family's ceremony at China's National Museum in Beijing to return two rare bronze zodiac sculptures to the Chinese Government. The sculptures were looted from Beijing's Summer Palace by troops during the 1860s and were officially returned to China by the Pinault family, owners of the French luxury group, Kering, at the ceremony attended by Chinese Vice Premier Liu Yandong, government officials, and close friends of the Pinault family.

8 JULY 2013

Meeting with Swatch Group President

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping *(right)*, Managing Director of YTL Corporation Berhad, with Ms Celia Gumbau *(centre)*, Director of Marketing, Muse Hôtel de Luxe, and Mr Georges Nicholas Hayek Jr *(left)*, President of the Executive Group Management Board and Director of Swatch Group, at a meeting held at the Muse Hôtel De Luxe in St Tropez, France, which is owned by the YTL Corporation Berhad Group.

From left to right:- Mr Mark Chang, Chief Executive Officer of JobStreet.com; team leader Dr Ong Shien Jin; medallists Mr Tham Ying Hong and Mr How Si Yu; and Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd, at the event in Brisbane, Australia

18 JULY 2013

Sponsorship of International Olympiad in Informatics 2013

Two young Malaysians created history by winning the country's first two silver medals at the 25th International Olympiad in Informatics (IOI) 2013, the world's most prestigious algorithmic computer programming competition for students. YTL Foundation was an event sponsor and donated 5 Chromebooks for the Olympiad training program.

From left to right:- Mr Cezar Peralta Consing, President & CEO, Bank of Phillipine Islands; Tan Sri (Dr) Tony Fernandes, Group CEO, AirAsia; Mr Emirsyah Satar, President Director, Garuda Indonesia; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, with other NAF delegates at the forum

23 AUGUST 2013

Inaugural Network ASEAN Forum (NAF) 2013, Singapore

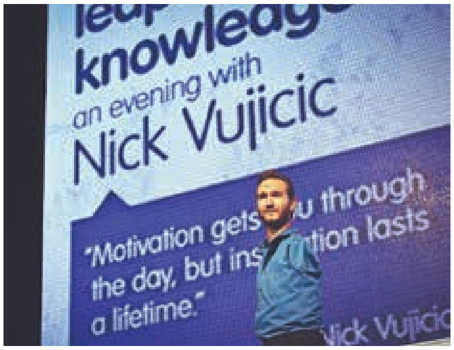
Key business leaders from across ASEAN gathered for the inaugural Network ASEAN Forum to brainstorm solutions to some of the issues obstructing the creation of an integrated ASEAN Economic Community (AEC), organised by the ASEAN Business Club and CIMB ASEAN Research Institute.

From left to right:- Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; celebrity food critic Mr Chua Lam; Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; and Mr Joseph Yeoh Keong Shyan, Vice President of YTL Hotels & Properties Sdn Bhd

1 SEPTEMBER 2013

Opening of Lot 10 Hutong Guangzhou

Lot 10 Hutong Guangzhou was officially opened at the Fuli Yingxin Building in Guangzho. Located in Zhujiang New Town Development, which is the new central business district and financial centre of Guangzhou, Lot 10 Hutong Guangzhou offers the best of Malaysian hawker fare in China.



6 SEPTEMBER 2013

Leaps of Knowledge: An Evening with Nick Vujicic

Over 1,700 parents, teachers and students were given the special opportunity to hear world-renowned inspirational speaker Mr Nick Vujicic in person at 'Leaps of Knowledge: An Evening with Nick Vujicic', the first in a series of talks, seminars, workshops and conferences designed to inspire and enlighten Malaysians, presented by FrogAsia Sdn Bhd, a subsidiary of the YTL Corporation Berhad Group, and sponsored by YTL Foundation.

Ms Ho Say Keng, Group Company Secretary/ Accountant, YTL Corporation Berhad, receives the award from Mr Siddiq Bazarwala, Publisher & Chief Executive Officer, Alpha Southeast Asia, at the presentation in Kuala Lumpur

12 SEPTEMBER 2013

3rd Annual Southeast Asia Institutional Investor Awards

YTL Corporation Berhad won awards for 'Strongest Adherence to Corporate Governance' and 'Best Strategic Corporate Social Responsibility' at the 3rd Annual Southeast Asia Institutional Investor Awards (Malaysia) by Alpha Southeast Asia.

20 SEPTEMBER 2013

Courtesy Visit with Bank of China

Mr Tian Guoli, Chairman of Bank of China, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, at the Bank of China Networking Event held at the Shangri-La Hotel in Singapore. China's most international and diversified bank, Bank of China is listed on the Hong Kong and Shanghai stock exchanges, with operations across the Chinese mainland, Hong Kong, Macau, Taiwan and 36 other countries internationally.

23 SEPTEMBER 2013

Signing Ceremony with Intel Corporation

YTL Communications Sdn Bhd, a subsidiary of the YTL Corporation Berhad Group, entered into a memorandum of understanding with Intel Corporation on future collaboration, at a meeting in San Jose, California.

From left to right:- Mr Behnam Neekzad, VP Core Network Engineering, YTL Communications Sdn Bhd; Ms Yasmin Mahmood, Director of YTL Communications Sdn Bhd and Executive Director of YTL e-Solutions Berhad; Mr Wing K Lee, Chief Executive Officer, YTL Communications Sdn Bhd; Mr Navin Shenoy, VP in Client Platforms, Intel; Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Brian Krzanich, Chief Executive Officer, Intel; Mr Erick Reid, General Manager in Application Processor Platform, Intel; Mr John Galvin, VP Sales & Marketing Group, Intel; Mr Uday Marty, Managing Director for South East Asia, Intel; and Mr Prakash Mallya, Country Manager for Malaysia & Singapore, Intel

From left to right:- Mr Behnam Neekzad, VP Core Network Engineering, YTL Communications Sdn Bhd; Mr Caesar Sengupta, Product Management Director, Google; Mr Wing K Lee, Chief Executive Officer, YTL Communications Sdn Bhd; Mr Felix Lin, Director of Product Management, Chrome OS, Google; Mr Sundar Pichai, Senior Vice President for Android, Chrome and Google Apps, Google; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; and Ms Yasmin Mahmood, Director of YTL Communications Sdn Bhd and Executive Director of YTL e-Solutions Berhad

23 SEPTEMBER 2013

Collaboration with Google Chrome

YTL Communications Sdn Bhd, a subsidiary of the YTL Corporation Berhad Group, met with Google Chrome at Google's headquarters in Mountain View, California. In May 2013, YTL Communications Sdn Bhd launched the Samsung 4G Chromebook which is developed by Google and Samsung and powered by the Yes 4G network.

3 OCTOBER 2013

Meeting of the HSBC Board of Directors

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping (*right*), Managing Director of YTL Corporation Berhad and Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited (HSBC), with Mr Stuart Gulliver (*centre*), Chief Executive Officer of HSBC, and Mr William Fung (*left*), Non-Executive Director of HSBC, at the company's board meeting in Hong Kong.

THE ORIGINAL RAT PACK AT THE MAJESTIC CHRISTMAS BALL

YTL Power Generation Sdn Bhd, a subsidiary of YTL Corporation Berhad, sponsored The Majestic Christmas Ball in December 2012, a fund-raising event in aid of Hospis Malaysia, at The Majestic Hotel Kuala Lumpur, featuring The Original Rat Pack, performing with a 20-piece live band. The Original Rat Pack is a tribute ensemble featuring Stefan Triffitt, George Daniel Long and Mark Adams, showcasing the legendary performances of Frank Sinatra, Sammy Davis Jr and Dean Martin.

Promotion of Arts & Culture

"Our love for the arts compels us to support the development of our national performing arts community and endeavour to make its productions more accessible, so that all Malaysians can appreciate the creative talents and beauty of this country's unique performing arts scene."

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of YTL Corporation Berhad ("the Company") will be held at The Banquet Hall, Level 3, Conference Center, The Ritz Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, the 26th day of November, 2013 at 4.00 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 2013 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 Seok Kian ***Resolution 1***

   (ii) Dato' Mark Yeoh Seok Kah ***Resolution 2***

   (iii) Dato' Cheong Keap Tai ***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 Datuk Seri Panglima (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 RM550,000 for the financial year ended 30 June 2013; ***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 resolutions:-

ORDINARY RESOLUTIONS:-

6. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

   (i) "THAT subject to the passing of the Ordinary Resolution 3, approval be and is hereby given to Dato' Cheong Keap Tai, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." *Resolution 9*

   (ii) "THAT subject to the passing of the Ordinary Resolution 5, approval be and is hereby given to Dato' (Dr) Yahya Bin Ismail, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." *Resolution 10*

   (iii) "THAT subject to the passing of the Ordinary Resolution 6, approval be and is hereby given to Eu Peng Meng @ Leslie Eu, who has served as Independent Non-Executive Director for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." *Resolution 11*

7. **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 12*

8. **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 RM0.10 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 27 November 2012, 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 2013, the audited Retained Profits and Share Premium Account of the Company were RM4,651,693,000 and RM1,987,700,000 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 13***

9. 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 2013 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 14***

10. PROPOSED ISSUE OF OPTIONS TO FAIZ BIN ISHAK

"THAT the Board be and is hereby authorised at any time and from time to time to cause the offering and granting to Faiz Bin Ishak, an Independent Non-Executive Director of the Company, options to subscribe for up to 10% of the new ordinary shares of the Company available under the Company's Employees Share Option Scheme ("ESOS") approved by the members of the Company at the Extraordinary General Meeting held on 30 November 2010, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws governing and constituting the ESOS and the Board be and is hereby authorised to allot and issue from time to time such number of new shares to Faiz Bin Ishak upon his exercise of options under the ESOS." ***Resolution 15***

SPECIAL RESOLUTION:-

11. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the proposed amendments to the Articles of Association of the Company as set out in Appendix 'A' of the Statement/Circular to Shareholders dated 4 November 2013 be and are hereby approved and adopted AND THAT the Directors be and are hereby authorised to carry out all the necessary steps to give effect to the amendments." ***Resolution 16***

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
4 November 2013

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. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor 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 19 November 2013. Only a depositor whose name appears on the General Meeting Record of Depositors as at 19 November 2013 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

Resolutions on the Continuing in Office as Independent Non-Executive Directors

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolutions 9, 10 and 11 are to enable Dato' Cheong Keap Tai, Dato' (Dr) Yahya Bin Ismail and Eu Peng Meng @ Leslie Eu to continue serving as Independent Directors of the Company to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The justifications of the Board of Directors for recommending and supporting the resolutions for their continuing in office as Independent Directors are set out under the Statement on Corporate Governance in the Company's Annual Report 2013.

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

Resolution 12 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-Ninth Annual General Meeting held on 27 November 2012 ("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 Thirtieth Annual General Meeting to be held on 26 November 2013.

Resolution 12, 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 13, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 4 November 2013 which is despatched together with the Company's Annual Report 2013.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 14, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 4 November 2013 which is despatched together with the Company's Annual Report 2013.

Resolution on the Proposed Issue of Options to Faiz Bin Ishak ("Proposed Issue of Options")

The ESOS, which obtained shareholders' approval at the Extraordinary General Meeting of the Company held on 30 November 2010, was implemented on 1 April 2011. Under the terms of the by-laws governing the ESOS, Faiz Bin Ishak, who was appointed as an Independent Non-Executive Director of the Company on 1 December 2011, is eligible to participate in the ESOS subject to Resolution 15 being passed. The Proposed Issue of Options is in line with the rationale for extending the ESOS to non-executive directors of the Company as enumerated in the Circular to Shareholders dated 15 November 2010. As Faiz Bin Ishak is deemed interested in the Proposed Issue of Options, he has abstained and will continue to abstain from all deliberations and voting in respect of his entitlement under the ESOS at the relevant Board of Directors meetings. He will also abstain from voting in respect of his direct and indirect shareholdings in the Company, if any, on Resolution 15 and has undertaken to ensure that persons connected with him will abstain from voting on Resolution 15.

Resolution pertaining to the Proposed Amendments to Articles of Association of the Company

For Resolution 16, details of the Proposed Amendments to Articles of Association are set out in Appendix 'A' of the Statement/Circular dated 4 November 2013 which is despatched together the Company's Annual Report 2013.

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 Thirtieth Annual General Meeting of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay
PSM, SPMS, SPDK, 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

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)

Faiz Bin Ishak
Fellow of the Chartered Association of Certified
Accountants

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)

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

NOMINATION COMMITTEE

Faiz Bin Ishak
(Chairman and Independent
Non-Executive Director)

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

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

Eu Peng Meng @ Leslie Eu
(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
BNP Paribas
CIMB Bank Berhad
Citibank Berhad
Credit Agricole Corporate & Investment Bank
DBS Bank Ltd
Deutsche Bank (Malaysia) Berhad
European Investment Bank
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
Malayan Banking Berhad
Mizuho Bank, Ltd
National Westminster Bank Plc
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd
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)

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI DATUK SERI PANGLIMA (DR) YEOH TIONG LAY

Malaysian, aged 83, 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, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and a private utilities company, Wessex Water Limited in England and Wales. He also sits on the board of trustee of YTL Foundation.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 59, 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, in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree 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 company into a force comprising five listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust.

He is presently the Managing Director of YTL Power International Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, and is the Executive Chairman and Managing Director of YTL e-Solutions Berhad, 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). Tan Sri Francis sits on the boards of several public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities companies, including Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustee of YTL Foundation. Tan Sri Francis is also an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited, and is 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, member of The Nature Conservancy Asia Pacific Council, and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012.

He was ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and was named as Malaysia's CEO of the Year by CNBC Asia Pacific 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, and received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was 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 56, 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 Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities companies, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of 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 85, was appointed to the Board on 6 April 1984 as an Independent Non-Executive Director. He is also a member of the Audit Committee and Nomination Committee. He was formerly with the Government and his last appointment was the Director General of the National Livestock Authority Malaysia. He was 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 boards of Metroplex Berhad and Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

DATO' CHEONG KEAP TAI

Malaysian, aged 65, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee and Nomination 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, Partner and Chairman of the Governance Board 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 57, 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 and Women's Leadership Endowment Fund. 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 54, 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 of 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 serves as an Executive Director of YTL Power International Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities

Berhad. Dato' Yeoh Seok Hong also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustee of YTL Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 53, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from University of Bradford, 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 serves as an Executive Director of YTL Power International Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities companies, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO KENG

Malaysian, aged 50, 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 and Perak-Hanjoong Simen Sdn Bhd. She is currently Chairman of Cement and Concrete Association since her appointment in August 2013. She is also a director of YTL Power International Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, YTL Cement Berhad and World Scout Foundation.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 48, was appointed to the Board on 22 June 1995 as an Executive Director. He graduated from King's College, University of London, with an 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 as an Executive Director of YTL Power International Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Cement Berhad and private utilities companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

EU PENG MENG @ LESLIE EU

Malaysian, aged 78, was appointed to the Board on 31 March 2003 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee and a member of Nomination Committee. Mr Leslie Eu graduated with a Bachelor of Commerce degree from the University College Dublin, 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 50 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 boards of YTL Land & Development Berhad and YTL Cement 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 59, 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 (now known as MIDF Amanah Capital Berhad), a company which has interests in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the boards of YTL Power International Berhad, YTL e-Solutions Berhad, Iris Corporation Berhad and Versatile Creative Berhad, all listed on Bursa Malaysia Securities Berhad.

FAIZ BIN ISHAK

Malaysian, aged 55, was appointed to the Board on 1 December 2011 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee. He graduated from MARA University of Technology in 1978 with a Diploma in Accountancy. In 1979, he went on to pursue professional accountancy with The Chartered Association of Certified Accountants in the United Kingdom and graduated in 1982. He was admitted as associateship and fellowship of the association in 1993 and 1998 respectively.

He served in various posts in The New Straits Times Press (M) Berhad since 1982 and was appointed as the Managing Director in 1999 till 2003. He joined Commerce Assurance Berhad (a licensed general insurance underwriter, now part of Allianz General Insurance Berhad) as Executive Director in 2003 and became the Chief Executive Officer from 2006 to 2007. Encik Faiz is presently a business entreprenuer in retail food and beverage.

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 Datuk Seri Panglima (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
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	4
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	3
Eu Peng Meng @ Leslie Eu	4
Syed Abdullah Bin Syed Abd. Kadir	5
Faiz Bin Ishak	5

Notes:

1. **Family Relationship with Director and/or Major Shareholder**

   Tan Sri Datuk Seri Panglima (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 the Companies Act, 1965 ("the Act") and Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") 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.

In preparing the financial statements for the financial year ended 30 June 2013, the Directors have:

- considered the applicable approved accounting standards in Malaysia;
- used appropriate accounting policies and applied them consistently; and
- made judgements and estimates that are reasonable and prudent.

The Directors 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 the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act, Listing Requirements and applicable Financial Reporting Standards in Malaysia.

AUDIT COMMITTEE REPORT

MEMBERS

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

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

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

TERMS OF REFERENCE

PRIMARY PURPOSES

The Committee shall:

1. Provide assistance to the Board of Directors ("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 Company and 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 Company and 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's request to investigate and report on any issues or concerns in regard to the management of the Company and 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 Company and the Group.

8. Instil discipline and control to reduce incidence of fraud.

COMPOSITION

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 First 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 First 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.

5. In the event of any vacancy in the Committee resulting in the non-compliance of sub-paragraph 15.09(1) of the Bursa Securities Main Market Listing Requirements ("Main LR"), the Company must fill the vacancy within three (3) months.

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 and the Group;

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;

6. be able to convene meetings with the internal auditors without the presence of other directors and employees of the Company, whenever deemed necessary; and

7. to meet with the external auditors at least twice a year without the presence of the other directors and employees of the Company.

FUNCTIONS AND DUTIES

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

1. **Financial Reporting**

   (a) Review the quarterly financial results and annual financial statements prior to its recommendation to the Board for approval, focusing particularly on:-

   - changes in or implementation of major accounting policies and practices;
   - 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 Company and the Group;
   - compliance with applicable approved accounting standards, other statutory and legal requirements and the going concern assumption.

2. **External Audit**

   (a) Review the audit plan, scope of audit and audit report with the external auditors;

   (b) Review 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 Company and the Group's operations and efforts and processes taken to reduce the Company and the Group's operational risks;

   (c) Recommend the nomination of a person or persons as external auditors and the audit fee;

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

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

   (f) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors.

3. **Internal Audit**

   (a) Review 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;

   (b) Review the internal audit programme, 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;

   (c) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the internal auditors.

4. **Related Party Transactions**

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

5. **Employees Share Option Scheme ("ESOS")**

   (a) Verify allocation of share options to the eligible employees pursuant to the criteria set out in the By-Laws of the ESOS in accordance to the Main LR.

6. **Other Matters**

   (a) Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company/Group and ensure the effective discharge of the Committee's duties and responsibilities;

   (b) 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 the Main LR.

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 discretion of the Chairman of the Committee. 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 financial results and annual financial statements, shall be held prior to such quarterly financial 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 and internal 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/Group whom 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.

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 or the Board.

SECRETARY

The Secretary to the Committee shall be the Company Secretary.

SUMMARY OF 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 2013 in discharging its functions:-

1. Financial Reporting

(a) Reviewed the quarterly financial results and annual financial statements to ensure compliance with the Main LR, Financial Reporting Standards and other statutory and regulatory requirements prior to its recommendation to the Board for approval.

2. External Audit

(a) Reviewed the external auditors' scope of work and their audit plan and recommended the proposed audit fee to the Board for approval;

(b) Reviewed 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. Internal Audit

(a) Reviewed the internal auditors' audit plan to ensure adequate scope and coverage of activities of the Company and the Group;

(b) Reviewed with the internal auditors, the internal audit reports on their findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management;

(c) Reviewed the adequacy and competency of the internal audit function and the profiles of the internal auditors.

4. Related Party Transactions

(a) Reviewed the related party transactions entered into by the Company/Group in compliance with the Main LR;

(b) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature within the Company/Group prior to its recommendation to the Board for approval for inclusion in the circular to the shareholders in relation to the proposed renewal of shareholder mandate and new shareholder mandate for RRPT.

5. Annual Report

(a) Reviewed the Audit Committee Report and Statement on Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTION

The objective of the Internal Audit ("IA") is to help management evaluate the effectiveness and efficiency of the internal control systems. The IA is part of the Company and the Group's governance system, and according to the Malaysian Code of Corporate Governance, the IA is in charge of supervising internal control activities. IA's goal is to focus mainly on risk-based audits related to operations and compliance that are aligned with the risks of the Company and the Group to ensure that the relevant controls addressing those risks are reviewed.

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

1. Developed the annual internal audit plan and proposed the plan to the Committee.

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

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

4. Presented audit findings to the Committee for consideration.

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

Costs amounting to RM1,849,694 were incurred in relation to the internal audit function for the financial year ended 30 June 2013.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of six (6) Audit Committee Meetings were held and the details of attendance are as follows:-

	Attendance
Eu Peng Meng @ Leslie Eu	5
Dato' (Dr) Yahya Bin Ismail	6
Dato' Cheong Keap Tai	6

STATEMENT ON CORPORATE GOVERNANCE

for the financial year ended 30 June 2013

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"). 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.

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 principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code").

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code for the financial year ended 30 June 2013. This statement explains the Company's application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, including, where otherwise indicated, explanations of its alternative measures and processes.

ROLES & RESPONSIBILITIES OF THE BOARD

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. Key elements of the Board's stewardship responsibilities include those set out in Code:

- Reviewing and adopting strategic plans for the YTL Corp Group;
- Overseeing the conduct of the YTL Corp Group's business operations and financial performance;
- Identifying principal risks affecting the YTL Corp Group's businesses and maintaining a sound system of internal control and mitigation measures;
- Succession planning;
- Overseeing the development and implementation of shareholder communications policies; and
- Reviewing the adequacy and integrity of the YTL Corp Group's management information and internal controls system.

The Managing Director and Executive Directors are accountable to the Board for the profitability 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 YTL Corp Group.

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.

The Directors also observe and adhere to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, which encompasses the formulation of corporate accountability standards in order to establish an ethical corporate environment.

In the discharge of their responsibilities, the Directors have established functions which are reserved for the Board and those which are delegated to management. Key matters reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, issuance of new securities and capital alteration plans. Further information on authorisation procedures, authority levels and other key processes can also be found in the ***Statement on Risk Management & Internal Control*** set out in this Annual Report.

The Board believes sustainability is integral to the long-term success of the YTL Corp Group. Further information on the YTL Corp Group's sustainability activities can be found in YTL Corp's ***Sustainability Report 2013***, a separate report published in conjunction with this Annual Report.

The Board's functions are governed and regulated by the Memorandum and Articles of Association of the Company and the various applicable legislation, Listing Requirements and other regulations and codes. In accordance with the Code, a formal charter will also be drawn up for the Board's adoption at a later date.

Board meetings are scheduled with due notice in advance at least 5 times 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 2013.

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. 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.

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. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded 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 the Company.

COMPOSITION & INDEPENDENCE OF THE BOARD

The Board currently has 13 Directors, comprising 9 executive members and 4 non-executive members, all 4 of whom are independent. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent.

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 Annual General Meeting*** and the ***Profile of the Board of Directors***, respectively, in this Annual Report.

The appointment of Directors has generally been undertaken by the Board as a whole, with the Managing Director recommending candidates suitable for appointment to the Board, and the final endorsement being made by the entire Board to ensure the required mix of skills, experience and expertise of members of the Board. However, on 23 May 2013, the Board established a Nomination Committee to take responsibility for this function and will begin reporting on the activities of this committee in the next financial year.

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 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 in the ***Notes 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.

In order to ensure balance of authority and accountability, the roles of the Executive Chairman and the Managing Director are separate and distinct, and these positions are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and effectiveness of the Board whereas 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. Whilst the Code recommends that the Chairman should be a non-executive member, the Board is of the view that its existing measures, including the delineation of the roles and duties of the Managing Director and the Executive Chairman and the presence of independent oversight by the Independent Non-Executive Directors, are sufficient to ensure the balance of accountability and authority within the Board.

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.

The Code includes a recommendation that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Board does not have set term limits for its members and considers instead the ability of the Directors to continue to serve and act in the best interests of the YTL Corp Group. The Independent Non-Executive Directors must also fulfil the criteria for independence set out in the Listing Requirements. It is the Board's view that the length of service of the Independent Directors who have served on the Board for more than 9 years does not interfere with their exercise of independent judgment or their ability to act in the best interests of the YTL Corp Group. The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management or daily operations of the YTL Corp Group. These Directors serve in a professional capacity and do not have executive roles or business ties to the Company.

Length of service enables the Independent Non-Executive Directors to better understand the YTL Corp Group and its businesses over the long-term and, therefore, better serve the interests of the Company and its shareholders by having a long-term familiarity with and understanding of the Company, its operations and growth strategies.

The Board is satisfied with the skills, contributions and independent judgment that Dato' (Dr) Yahya Bin Ismail, Dato' Cheong Keap Tai and Mr Eu Peng Meng @ Leslie Eu, who have served for 9 years or more, bring to the Board. In view thereof, the Board recommends and supports the resolutions for their re-appointment as Independent Non-Executive Directors of the Company which will be tabled for shareholders' approval at the forthcoming AGM of the Company.

BOARD COMMITMENT

In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in 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. The details of each Director's attendance of Board meetings are also disclosed in the ***Profile of the Board of Directors*** in this Annual Report.

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.

INTEGRITY IN FINANCIAL REPORTING

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors, in compliance with the Listing Requirements which require all the members of the Audit Committee to be non-executive members. 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 6 times during the financial year ended 30 June 2013. 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.

The Audit Committee 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.

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965, the Listing Requirements and applicable Financial Reporting Standards in Malaysia. The ***Statement of Directors' Responsibilities*** made pursuant to Section 169 of the Companies Act 1965 is set out in this Annual Report.

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. Interim financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities.

RISK MANAGEMENT

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and 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 risk management and internal control and its internal audit function are contained in the ***Statement on Risk Management & Internal Control*** and the ***Audit Committee Report*** in this Annual Report.

CORPORATE DISCLOSURE & COMMUNICATION WITH SHAREHOLDERS

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 stakeholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder 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 development 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. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Company's corporate website at **www.ytl.com.my** and the YTL Corp Group's community website at **www.ytlcommunity.com**, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

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 better 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 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, if applicable, 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 the issues involved.

The rights of shareholders, including the right to demand a poll, are found in the Articles of Association of the Company. At the 29th AGM of the Company, held on 27 November 2012, the resolutions put forth for shareholders' approval were voted on by a show of hands as there were no shareholder demands for voting to be done by way of a poll.

This Statement was approved by the Board of Directors on 3 October 2013.

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 Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code").

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and 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 risk management and 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 risk management and 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 risk management and 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 risk management and 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 interests 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 carried out by its Internal Audit department ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by Management, and reports 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 operates independently of the activities it audits and 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 of the Wessex Water Group's parent company, YTL Power International Berhad ("YTL Power"), a listed subsidiary of YTL Corp.

  Similarly, the companies of the YTL PowerSeraya Pte Limited group ("YTL PowerSeraya"), which are subsidiaries of YTL Power, based in Singapore, were also not covered by YTLIA. YTL 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 Ministry of Trade and Industry of Singapore. YTL PowerSeraya possesses its own internal audit department which reports to its audit committee, and its findings are also presented to YTL Power's audit committee. YTL 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 appraisals by YTLIA. 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.

KEY FEATURES & PROCESSES OF THE YTL CORP GROUP'S RISK MANAGEMENT FRAMEWORK

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's wholly-owned subsidiaries, YTL Power Generation Sdn Bhd, Wessex Water and YTL PowerSeraya, as well as its interests in ElectraNet Pty Ltd and 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.

The Board assumes overall responsibility for the YTL Corp Group's risk management framework. Identifying, evaluating and managing any significant risks faced by the YTL Corp Group is an ongoing process which is undertaken in various stages:- (i) by senior management at each level of operations; (ii) by YTLIA in the performance of its internal audit functions; and (iii) by the Audit Committee, which assesses and analyses these findings and reports to the Board. During the financial year under review, the Board's functions in the risk management framework were exercised primarily by the Executive Directors through their participation 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.

The YTL Corp Group's activities expose it to a variety of financial risks, including market risk (comprising foreign currency exchange risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk. The YTL Corp Group's overall financial risk management objective is to ensure that the YTL Corp Group creates value for its shareholders. The YTL Corp Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Financial risk management is carried out through regular risk review analysis, internal control systems and adherence to the YTL Corp Group's financial risk management policies. The Board regularly reviews these risks and approves the appropriate control environment framework. Further discussion and details on the YTL Corp Group's financial risk management is contained in Note 40 of the ***Notes to the Financial Statements*** in this Annual Report.

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 the 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 Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2013, 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 risk management and internal control 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 its businesses. The Managing Director and the Executive Director primarily responsible for the financial management of YTL Corp have provided assurance to the Board that the YTL Corp Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and 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 3 October 2013.

ANALYSIS OF SHAREHOLDINGS

as at 27 September 2013

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	2,163	9.29	57,561	0.00
100 – 1,000	3,394	14.57	1,532,178	0.01
1,001 – 10,000	10,605	45.53	47,630,273	0.46
10,001 – 100,000	5,931	25.46	171,222,739	1.65
100,001 to less than 5% of issued shares	1,195	5.13	3,423,827,556	33.03
5% and above of issued shares	4	0.02	6,721,317,127	64.84
Total	**23,292**	**100.00**	**10,365,587,434**	**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	4,167,969,909	40.21
2	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	1,048,099,571	10.11
3	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	798,047,647	7.70
4	Malaysia Nominees (Tempatan) Sendirian Berhad – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (88–00006–000)	707,200,000	6.82
5	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	159,730,022	1.54
6	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (West CLT OD67)	137,404,276	1.33
7	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	113,244,356	1.09
8	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	97,477,545	0.94
9	State Secretary, Pahang	94,697,451	0.91
10	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	86,810,450	0.84
11	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	84,626,832	0.82
12	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	82,872,522	0.80
13	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (514084576710)	80,000,000	0.77

	Name	No. of Shares	%#
14	Cartaban Nominees (Asing) Sdn Bhd – BBH And CO Boston for Fidelity Advisor New Insights Fund	70,207,126	0.68
15	AmanahRaya Trustee Berhad – Amanah Saham Wawasan 2020	63,983,642	0.62
16	Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	58,340,667	0.56
17	Cartaban Nominees (Asing) Sdn Bhd – BBH And CO Boston for Fidelity Contrafund	57,122,126	0.55
18	Dato’ Yeoh Soo Keng	53,916,634	0.52
19	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.A.E.)	53,758,176	0.52
20	Dato’ Sri Michael Yeoh Sock Siong	53,652,534	0.52
21	Dato’ Yeoh Soo Min	51,797,932	0.50
22	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad Berhad for Public Ittikal Fund (N14011970240)	50,000,000	0.48
23	Bara Aktif Sdn Bhd	49,387,829	0.48
24	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	48,088,309	0.46
25	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	45,023,429	0.43
26	AmanahRaya Trustee Berhad – Skim Amanah Saham Bumiputera	43,789,500	0.42
27	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	43,652,827	0.42
28	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	43,414,362	0.42
29	CIMB Group Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Bara Aktif Sdn Bhd (50150 GCM)	39,395,802	0.38
30	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	37,987,821	0.37
	Total	**8,521,699,297**	**82.21**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,042,806,618	48.65	–	–
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	90,561,164	0.87	5,042,806,618*	48.65
Employees Provident Fund Board	801,921,347	7.74	–	–

* *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 RM1,073,893,147.30 comprising 10,738,931,473 ordinary shares net of 373,344,039 treasury shares retained by the Company as per Record of Depositors.*

STATEMENT OF DIRECTORS' INTERESTS

in the company and related corporations as at 27 September 2013

THE COMPANY
YTL CORPORATION BERHAD

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	90,561,164	0.87	5,087,101,282(1)(2)	49.08
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.28	–	–
Dato' Yeoh Seok Kian	55,481,889	0.54	4,844,248(2)	0.05
Dato' (Dr) Yahya Bin Ismail	480,000	*	524,418(2)	0.01
Dato' Yeoh Soo Min	51,797,932	0.50	1,525,605(2)(5)	0.01
Dato' Yeoh Seok Hong	44,535,079	0.43	23,549,759(2)	0.23
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.52	19,332,622(2)	0.19
Dato' Yeoh Soo Keng	53,916,634	0.52	758,214(2)	0.01
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597(2)	0.04
Syed Abdullah Bin Syed Abd. Kadir	9,304,133	0.09	19,642(2)	*

Name	No. of Share Options Held Direct	Indirect
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	7,000,000	5,000,000(2)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	2,000,000(2)
Dato' Yeoh Seok Kian	5,000,000	–
Dato' (Dr) Yahya Bin Ismail	1,000,000	–
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–
Dato' Yeoh Soo Min	5,000,000	–
Dato' Yeoh Seok Hong	5,000,000	3,000,000(2)
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–
Dato' Yeoh Soo Keng	5,000,000	–
Dato' Mark Yeoh Seok Kah	5,000,000	–
Eu Peng Meng @ Leslie Eu	1,000,000	–
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	–

HOLDING COMPANY
YEOH TIONG LAY & SONS HOLDINGS SDN BHD

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (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			
Name	Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	737,551,897(6)	99.60

YTL E-SOLUTIONS BERHAD

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	999,172,000(3)	74.27
Dato' Yeoh Soo Min	–	–	1,053,800(5)	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

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	497,846,293(3)	60.04
Dato' Yeoh Seok Kian	61,538	0.01	–	–
Dato' Yeoh Soo Min	–	–	625,582(5)	0.08
Dato' Yeoh Soo Keng	100,000	0.01	–	–

	No. of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 Held			
Name	Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	793,717,049(3)	80.03
Dato' Yeoh Seok Kian	37,000	*	–	–
Dato' Yeoh Soo Keng	60,000	0.01	–	–

YTL POWER INTERNATIONAL BERHAD

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	20,380,250	0.29	4,013,863,231(2)(4)	57.40
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	945,040	0.01	–	–
Dato' Yeoh Seok Kian	6,386,760	0.09	1,940,200(2)	0.03
Dato' (Dr) Yahya Bin Ismail	270,000	*	38,610(2)	*
Dato' Yeoh Soo Min	12,769,934	0.18	3,283,424(2)(5)	0.05
Dato' Yeoh Seok Hong	27,510,268	0.39	3,281,179(2)	0.05
Dato' Sri Michael Yeoh Sock Siong	7,601,744	0.11	1,019,291(2)	0.01
Dato' Yeoh Soo Keng	8,081,777	0.12	133,500(2)	*
Dato' Mark Yeoh Seok Kah	7,665,920	0.11	1,093,601(2)	0.02
Syed Abdullah Bin Syed Abd. Kadir	2,268,203	0.03	524(2)	*

Statement of Directors' Interests
in the company and related corporations as at 27 September 2013

Name	No. of Warrants 2008/2018 Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	6,037,432	0.52	519,265,210(3)	44.66
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	1.18	–	–
Dato' Yeoh Seok Kian	3,698,792	0.32	282,949(2)	0.02
Dato' Yeoh Soo Min	3,454,000	0.30	308,893(2)(5)	0.03
Dato' Yeoh Seok Hong	2,969,004	0.26	1,569,981(2)	0.14
Dato' Sri Michael Yeoh Sock Siong	6,073,302	0.52	1,587,797(2)	0.14
Dato' Yeoh Soo Keng	5,180,386	0.45	87,054(2)	0.01
Dato' Mark Yeoh Seok Kah	1,338,743	0.12	267,039(2)	0.02

Name	No. of Shares Options Direct	Indirect
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	7,000,000	–
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–
Dato' Yeoh Seok Kian	5,000,000	–
Dato' (Dr) Yahya Bin Ismail	1,000,000	–
Dato' Yeoh Soo Min	3,000,000	–
Dato' Yeoh Seok Hong	5,000,000	500,000(2)
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–
Dato' Yeoh Soo Keng	3,000,000	–
Dato' Mark Yeoh Seok Kah	5,000,000	–
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	–

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD

Name	No. of Shares Held Direct	%
Tan Sri Datuk Seri Panglima (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 and YTL Corporation 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 Tan & Yeoh Properties Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

(6) *Deemed interests by virtue of interests held by YTL Corporation Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act, 1965.*

By virtue of Tan Sri Datuk Seri Panglima (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 2013

Save as disclosed below, there were no purchases 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	Highest	Average Cost Per Share (RM)	Total Cost (RM)
July 2012	5,595,100	1.86	2.03	1.94987	10,909,727.02
August 2012	12,110,000	1.80	1.88	1.84678	22,364,510.26
September 2012	41,722,000	1.73	1.83	1.79711	74,979,043.31
October 2012	22,462,000	1.74	1.79	1.76779	39,708,205.77
November 2012	36,647,300	1.69	1.79	1.74725	64,031,940.87
December 2012	32,258,000	1.77	1.90	1.85020	59,683,661.15
January 2013	1,500,000	1.84	1.84	1.84621	2,769,308.00
February 2013	100	1.63	1.63	2.04050	204.05
TOTAL	**152,294,500**				**274,446,600.43**

During the financial year, all the shares purchased by the Company were retained as treasury shares. On 2 July 2012, a total of 647,539,006 treasury shares were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifteen (15) ordinary shares held on 18 June 2012. As at 30 June 2013, the number of treasury shares held was 373,343,939. 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 2013 RM'000	Date of Acquisition
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427 acres	Future Development Land	–	–	–	1,315,716	22.11.2007
Folio Identifier 1/804285 being lot 1 in deposited plan 804285 in the local government area of Sydney, Parish of St James, County of Cumberland	Freehold	3,084 sq.m.	33-storey hotel building with central atrium comprising 563 rooms including 3 levels of basement with car parking bays	47,276 sq.m.	24	–	756,024	29.11.2012
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		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	–	–	Year 2026	491,733	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

List of Properties

for the financial year ended 30 June 2013

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 2013 RM'000	Date of Acquisition
Avonmouth STW, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	394,232	21.5.2002
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.	16	–	349,700	16.12.2005
Lot 5 in survey plan 100339 comprised in certificate of title Reference 50218402, Brisbane, Australia	Freehold	1,532 sq.m.	28-storey hotel building comprising 267 rooms with 3 levels of basement car park	17,350 sq.m.	15	–	346,581	29.11.2012
Geran 26579, Lot No. 225, Section 67, Bandar and Daerah Wilayah Persekutuan Kuala Lumpur	Freehold	1,596.206 sq.m.	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car parks	31,613.3 sq.m.	19	–	253,017	15.11.2011
Poole STW, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800 sq.m.	Sewerage treatment works	–	–	–	227,071	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	–	–	–	225,048	1995
W-S-Mare STW, Accomodation Road, Bleadon, Weston Super Mare, BS24 OAP	Freehold	157,500 sq.m.	Sewerage treatment works	–	–	–	222,712	21.5.2002

\# *Mukim Kampung Buaya, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan*

@ *Revalued on 1 March 2011*

Financial Statements

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 2013.

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 13 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	1,845,782	775,862
Attributable to:-		
Owners of the parent	1,274,494	775,862
Non-controlling interests	571,288	–
	1,845,782	775,862

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 2013:-	
A first interim single tier dividend of 10% or 1 sen per ordinary share of 10 sen each paid on 15 January 2013	103,436
A second interim single tier dividend of 15% or 1.5 sen per ordinary share of 10 sen each paid on 29 March 2013	155,484
	258,920

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2013.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

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	86,699,323	Otherwise than cash	1.80	Conversion of exchangeable bonds
Ordinary	2,238,471	Otherwise than cash	1.78	Conversion of exchangeable bonds
Ordinary	103,219,010	Otherwise than cash	1.67	Conversion of exchangeable bonds

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

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 27 November 2012. 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.

Details of treasury shares are set out in Note 28(a) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Employees Share Option Scheme ("ESOS") for employees and Executive Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation was governed by the by-laws approved by the shareholder at an Extraordinary General Meeting ("EGM") held on 16 October 2001 ("ESOS 2001"). The ESOS 2001 expired on 29 November 2011 and all unexercised share options lapsed as at that date.

A new ESOS for employees and Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation was established as approved by the shareholders of the Company at the EGM held on 30 November 2010 ("ESOS 2011"). The scheme was implemented on 1 April 2011. The salient features and terms of the ESOS 2011, and the ordinary shares issued during the period prior to expiry by virtue of the exercise of options under the ESOS 2001 are set out in Note 28(b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME (CONTINUED)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of grantees granted less than 3,000,000 share options each during the year pursuant to the ESOS. The following person was granted share options of 3,000,000 or more during the financial year:-

Name	Number of share options granted
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	7,000,000
Puan Sri Datin Sri Tan Kai Yong @ Tan Kay Neong	5,000,000
Dato' Yeoh Seok Kian	5,000,000
Dato' Yeoh Soo Min	5,000,000
Dato' Yeoh Seok Hong	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000
Dato' Yeoh Soo Keng	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000

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
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
Faiz Bin Ishak

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 →			
Direct interests	**Balance at 1.7.2012**	**Acquired**	**Disposed**	**Balance at 30.6.2013**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	84,901,093	5,660,071	–	90,561,164
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	124,688,641	8,312,575	–	133,001,216
Dato' Yeoh Seok Kian	52,014,272	3,467,617	–	55,481,889
Dato' (Dr) Yahya Bin Ismail	510,000	34,000	–	544,000
Dato' Yeoh Soo Min	48,560,562	3,237,370	–	51,797,932
Dato' Yeoh Seok Hong	41,751,637	2,783,442	–	44,535,079
Dato' Sri Michael Yeoh Sock Siong	50,299,252	3,353,282	–	53,652,534
Dato' Yeoh Soo Keng	50,546,845	3,369,789	–	53,916,634
Dato' Mark Yeoh Seok Kah	18,826,080	1,255,072	–	20,081,152
Syed Abdullah Bin Syed Abd. Kadir	9,191,375	612,758	500,000	9,304,133

	← Number of ordinary shares of RM0.10 each →			
Deemed interests	**Balance at 1.7.2012**	**Acquired**	**Disposed**	**Balance at 30.6.2013**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,769,157,454(1)(2)	317,943,828	–	5,087,101,282(1)(2)
Dato' Yeoh Seok Kian	3,978,983(2)	865,265	–	4,844,248(2)
Dato' (Dr) Yahya Bin Ismail	496,330(2)	33,088	–	529,418(2)
Dato' Yeoh Soo Min	1,430,255(2)(5)	95,350	–	1,525,605(2)(5)
Dato' Yeoh Seok Hong	22,077,900(2)	1,721,859	250,000	23,549,759(2)
Dato' Sri Michael Yeoh Sock Siong	18,124,334(2)	1,208,288	–	19,332,622(2)
Dato' Yeoh Soo Keng	710,826(2)	47,388	–	758,214(2)
Dato' Mark Yeoh Seok Kah	3,755,248(2)	250,349	–	4,005,597(2)
Syed Abdullah Bin Syed Abd. Kadir	18,415(2)	1,227	–	19,642(2)

DIRECTORS' INTERESTS (CONTINUED)

The Company (continued)

Direct interests	Number of share options over ordinary shares of RM0.10 each Balance at 1.7.2012	Granted	Exercised	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	7,000,000	–	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	7,000,000	–	7,000,000
Dato' Yeoh Seok Kian	–	5,000,000	–	5,000,000
Dato' (Dr) Yahya Bin Ismail	–	1,000,000	–	1,000,000
Dato' Chong Keap Thai @ Cheong Keap Tai	–	1,000,000	–	1,000,000
Dato' Yeoh Soo Min	–	5,000,000	–	5,000,000
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	–	5,000,000	–	5,000,000
Dato' Mark Yeoh Seok Kah	–	5,000,000	–	5,000,000
Eu Peng Meng @ Leslie Eu	–	1,000,000	–	1,000,000
Syed Abdullah Bin Syed Abd. Kadir	–	1,000,000	–	1,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	5,000,000	–	5,000,000(2)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	2,000,000	–	2,000,000(2)
Dato' Yeoh Seok Hong	–	3,000,000	–	3,000,000(2)

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

Direct interests	Number of ordinary shares of RM1.00 each Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
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)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries
– YTL Cement Berhad

Deemed interests	Number of ordinary shares of RM0.50 each Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	479,985,819[(6)]	381,449,796	123,883,718	737,551,897[(6)]

Deemed interests	Number of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Balance at 1.7.2012	Acquired	Converted/ Disposed	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	468,770,269[(7)]	–	468,770,269	–

Subsidiaries
– YTL Power International Berhad

Direct interests	Number of ordinary shares of RM0.50 each Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	20,380,250	–	–	20,380,250
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	945,040	–	–	945,040
Dato' Yeoh Seok Kian	6,386,760	–	–	6,386,760
Dato' (Dr) Yahya Bin Ismail	343,000	–	–	343,000
Dato' Yeoh Soo Min	12,769,934	–	–	12,769,934
Dato' Yeoh Seok Hong	27,510,268	–	–	27,510,268
Dato' Sri Michael Yeoh Sock Siong	7,601,744	–	–	7,601,744
Dato' Yeoh Soo Keng	8,081,777	–	–	8,081,777
Dato' Mark Yeoh Seok Kah	7,665,920	–	–	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	4,013,899,231[(2)(3)]	–	18,000	4,013,881,231[(2)(3)]
Dato' Yeoh Seok Kian	–	1,940,200	–	1,940,200[(2)]
Dato' (Dr) Yahya Bin Ismail	38,610[(2)]	–	–	38,610[(2)]
Dato' Yeoh Soo Min	3,283,424[(2)(5)]	–	–	3,283,424[(2)(5)]
Dato' Yeoh Seok Hong	3,281,179[(2)]	2,000	2,000	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)

Direct interests	Number of Warrants 2008/2018 Balance at 1.7.2012	Acquired	Exercised/ Disposed	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	6,037,432	–	6,037,432
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	8,866,747	–	13,726,922
Dato' Yeoh Seok Kian	632,962	3,698,792	632,962	3,698,792
Dato' Yeoh Soo Min	–	3,454,000	–	3,454,000
Dato' Yeoh Seok Hong	–	2,969,004	–	2,969,004
Dato' Sri Michael Yeoh Sock Siong	1,496,502	4,576,800	–	6,073,302
Dato' Yeoh Soo Keng	1,585,944	3,594,442	–	5,180,386
Dato' Mark Yeoh Seok Kah	–	1,338,743	–	1,338,743
Syed Abdullah Bin Syed Abd. Kadir	–	640,275	640,275	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	869,295,557(4)	339,140,105	689,170,452	519,265,210(2)(4)
Dato' Yeoh Seok Kian	–	282,949	–	282,949(2)
Dato' Yeoh Soo Min	207,000(5)	101,893	–	308,893(5)
Dato' Yeoh Seok Hong	–	1,569,981	–	1,569,981(2)
Dato' Sri Michael Yeoh Sock Siong	298,956(2)	1,288,841	–	1,587,797(2)
Dato' Yeoh Soo Keng	36,507(2)	50,547	–	87,054(2)
Dato' Mark Yeoh Seok Kah	–	267,039	–	267,039(2)

Direct interests	Number of share options over ordinary shares of RM0.50 each Balance at 1.7.2012	Granted	Exercised	Lapsed	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	–	–	–	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	–	7,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	–	5,000,000
Dato' (Dr) Yahya Bin Ismail	1,000,000	–	–	–	1,000,000
Dato' Yeoh Soo Min	3,000,000	–	–	–	3,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	–	5,000,000

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries
– YTL Power International Berhad (continued)

Direct interests	Balance at 1.7.2012	Granted	Exercised	Lapsed	Balance at 30.6.2013
	Number of share options over ordinary shares of RM0.50 each				
Dato' Yeoh Soo Keng	3,000,000	–	–	–	3,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	–	5,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	–	–	–	3,000,000
Deemed interests					
Dato' Yeoh Soo Min	100,000(2)	–	–	100,000	–
Dato' Yeoh Seok Hong	500,000(2)	–	–	–	500,000(2)

Subsidiaries
– YTL Land & Development Berhad

Direct interests	Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
	Number of ordinary shares of RM0.50 each			
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	497,846,293(4)	–	–	497,846,293(4)
Dato' Yeoh Soo Min	625,582(5)	–	–	625,582(5)

Direct interests	Balance at 1.7.2012	Acquired	Converted/ Disposed	Balance at 30.6.2013
	Number of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 of RM0.50 each			
Dato' Yeoh Seok Kian	37,000	–	–	37,000
Dato' Yeoh Soo Keng	60,000	–	–	60,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	793,717,049(4)	–	–	793,717,049(4)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries

– YTL e-Solutions Berhad

	Number of ordinary shares of RM0.10 each			
Direct interests	Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
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	999,172,000(4)	–	–	999,172,000(4)
Dato' Yeoh Soo Min	1,053,800(5)	–	–	1,053,800(5)
Dato' Sri Michael Yeoh Sock Siong	1,905,500(2)	–	–	1,905,500(2)

– Infoscreen Networks PLC*

	Number of ordinary shares of £0.01 each			
Direct interests	1.7.2012	Acquired	Disposed	Balance at 30.6.2013
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100

– YTL Corporation (UK) PLC*

	Number of ordinary shares of £0.25 each			
Direct interests	Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

** Incorporated in England & Wales*

Subsidiaries

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

	Number of ordinary shares of RM1.00 each			
Direct interests	Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	1
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

DIRECTORS' INTERESTS (CONTINUED)

– YTL Construction (Thailand) Limited+

Direct interests	← Number of ordinary shares of THB100 each → Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
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

– Samui Hotel 2 Co., Ltd+

Direct interests	← Number of ordinary shares of THB10 each → Balance at 1.7.2012	Acquired	Disposed	Balance at 30.6.2013
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

+*Incorporated in Thailand*

Subsidiaries

– Swiss Water System AGΩ

Direct interests	← Number of ordinary shares of CHF10 each → Balance at 1.7.2012	Acquired	Disposed	Balance at 24.10.2012∂
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	12,250	–	–	12,250

Ω *Incorporated in Switzerland*

∂ *Ceased to be a related corporation on 24 October 2012*

(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 Services Sdn. Bhd. and Cornerstone Crest Sdn. Bhd. 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 Tan & Yeoh Properties Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.*

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

(7) *Deemed interests by virtue of interests held by YTL Corporation Berhad, YTL Industries Berhad and YTL Power International Berhad 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 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 the Company's 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: 3 October 2013
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 Financial Reporting Standards ("FRS") and the requirements of the Companies Act 1965 in Malaysia 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 2013 and of the results of the operations and cash flows of the Group and of the Company for the financial year then ended.

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 3 October 2013.

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 3 October 2013

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 2013 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 year then ended, and a summary of significant accounting policies and other information notes, as set out on pages 87 to 233.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirement of the Companies Act 1965 in Malaysia. The Directors are also responsible 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 give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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 13 to the Financial Statements.

OPINION (CONTINUED)

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 out on page 234 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

LUM TUCK CHEONG
1005/3/15(J/PH)
Chartered Accountant

Dated: 3 October 2013
Kuala Lumpur

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	3	**19,972,948**	20,195,789	**826,350**	569,776
Cost of sales	4	**(15,816,569)**	(15,965,415)	–	–
Gross profit		**4,156,379**	4,230,374	**826,350**	569,776
Other operating income		**406,936**	331,339	**97,162**	132,029
Selling and distribution costs		**(318,667)**	(318,146)	–	–
Administration expenses		**(1,075,820)**	(1,052,069)	**(45,975)**	(48,706)
Other operating expenses		**(305,947)**	(112,063)	–	–
Finance costs	5	**(1,001,293)**	(1,009,220)	**(85,644)**	(85,179)
Share of results of associated companies and jointly controlled entities, net of tax		**451,801**	379,939	–	–
Profit before tax	6	**2,313,389**	2,450,154	**791,893**	567,920
Income tax expenses	7	**(467,607)**	(476,064)	**(16,031)**	(47,227)
Profit for the year		**1,845,782**	1,974,090	**775,862**	520,693
Attributable to:-					
Owners of the parent		**1,274,494**	1,181,123	**775,862**	520,693
Non-controlling interests		**571,288**	792,967	–	–
		1,845,782	1,974,090	**775,862**	520,693
Earning per share (sen)					
Basis	8	**12.30**	12.25		
Diluted	8	**12.30**	12.25		
Dividend per ordinary shares (sen)	9	**2.50**	4.00		

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 2013

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the year	**1,845,782**	1,974,090	**775,862**	520,693
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to income statement:				
– available-for-sale financial assets	**(54,234)**	(48,379)	**558**	(79)
– cash flow hedges	**165,728**	(244,812)	**–**	–
– share of other comprehensive losses of associated companies	**(2,481)**	(8,741)	**–**	–
– foreign currency translation	**(242,947)**	151,536	**–**	–
Other comprehensive (loss)/income for the year, net of tax	**(133,934)**	(150,396)	**558**	(79)
Total comprehensive income for the year	**1,711,848**	1,823,694	**776,420**	520,614
Total comprehensive income attributable to:-				
Owners of the parent	**1,255,561**	1,055,264	**776,420**	520,614
Non-controlling interests	**456,287**	768,430	**–**	–
	1,711,848	1,823,694	**776,420**	520,614

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

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**22,193,050**	20,620,111	**4,419**	3,220
Investment properties	11	**633,608**	627,851	**–**	–
Development expenditures	12	**975,874**	955,625	**–**	–
Investment in subsidiaries	13	**–**	–	**5,952,235**	5,772,096
Investment in associated companies	14	**3,418,740**	3,203,471	**205,241**	210,641
Joint ventures	15	**22,490**	22,493	**–**	–
Investments	16	**155,035**	168,010	**174,141**	120,360
Intangible assets	18	**4,785,485**	4,717,126	**–**	–
Biological assets	19	**1,700**	1,316	**–**	–
Trade and other receivables	20	**558,521**	778,068	**–**	–
Other non-current assets	23	**147,762**	72,646	**–**	–
Derivative financial instruments	24	**7,850**	3,797	**–**	–
		32,900,115	31,170,514	**6,336,036**	6,106,317
Current assets					
Inventories	21	**892,569**	928,654	**–**	–
Property development costs	22	**1,370,881**	1,224,628	**–**	–
Trade and other receivables	20	**3,537,001**	3,558,159	**17,361**	13,518
Other current assets	23	**398,295**	667,463	**1,054**	1,481
Derivative financial instruments	24	**37,654**	75,856	**–**	–
Income tax assets		**37,251**	47,480	**20,650**	15,776
Amounts due from related parties	26	**41,000**	25,303	**2,385,369**	1,995,525
Short term investments	27	**590,715**	572,881	**590,715**	572,881
Fixed deposits	17	**13,145,698**	12,569,307	**1,750,043**	774,765
Cash and bank balances	17	**668,315**	783,068	**4,405**	3,560
		20,719,379	20,452,799	**4,769,597**	3,377,506
Total assets		**53,619,494**	51,623,313	**11,105,633**	9,483,823

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

Statements of Financial Position

as at 30 June 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	28	**1,073,893**	1,054,677	**1,073,893**	1,054,677
Share premium	29	**1,987,700**	1,674,496	**1,987,700**	1,674,496
Other reserves	29	**(530,426)**	397,317	**17,560**	935,282
Retained earnings		**11,395,643**	10,305,216	**4,651,693**	4,134,751
Treasury shares, at cost	28	**(593,339)**	(1,253,032)	**(593,339)**	(1,253,032)
		13,333,471	12,178,674	**7,137,507**	6,546,174
Non-controlling interests		**2,224,274**	2,200,582	**–**	–
Total equity		**15,557,745**	14,379,256	**7,137,507**	6,546,174
Non-current liabilities					
Long term payables	30	**320,281**	314,453	**–**	–
Other non-current liabilities	31	**67,696**	67,696	**–**	–
Bonds	32	**13,336,110**	12,419,213	**1,000,000**	500,000
Borrowings	33	**13,178,701**	5,165,377	**545**	183
Grants and contributions	34	**295,774**	280,011	**–**	–
Deferred tax liabilities	35	**2,513,137**	2,696,881	**100**	100
Post-employment benefit obligations	36	**100,012**	127,898	**–**	–
Derivative financial instruments	24	**140,332**	239,719	**–**	–
Total non-current liabilities		**29,952,043**	21,311,248	**1,000,645**	500,283
Current liabilities					
Trade and other payables	37	**3,460,399**	3,509,211	**14,886**	22,457
Other current liabilities	38	**34,436**	98,077	**–**	–
Derivative financial instruments	24	**61,282**	284,648	**–**	–
Amounts due to related parties	26	**5,359**	9,806	**1,048,115**	760,730
Bonds	32	**1,350,000**	615,500	**500,000**	–
Borrowings	33	**2,877,257**	11,003,283	**1,404,216**	1,653,944
Provision for liabilities and charges	39	**5,275**	4,777	**–**	–
Post-employment benefit obligations	36	**4,949**	4,589	**264**	235
Income tax liabilities		**310,749**	402,918	**–**	–
Total current liabilities		**8,109,706**	15,932,809	**2,967,481**	2,437,366
Total liabilities		**38,061,749**	37,244,057	**3,968,126**	2,937,649
Total equity and liabilities		**53,619,494**	51,623,313	**11,105,633**	9,483,823

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

Group – 2013	Attributable to Owners of the Parent							
	Non-distributable			Distributable			Non-	
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	controlling interests RM'000	Total equity RM'000
At 1 July 2012	1,054,677	1,674,496	397,317	10,305,216	(1,253,032)	12,178,674	2,200,582	14,379,256
Profit for the year	–	–	–	1,274,494	–	1,274,494	571,288	1,845,782
Other comprehensive loss for the year	–	–	(18,933)	–	–	(18,933)	(115,001)	(133,934)
Total comprehensive (loss)/income for the year	–	–	(18,933)	1,274,494	–	1,255,561	456,287	1,711,848
Changes in composition of the Group	–	–	80	74,853	–	74,933	(271,425)	(196,492)
Conversion of ICULS	–	–	(53)	–	–	(53)	–	(53)
Dividends paid	–	–	–	(258,920)	–	(258,920)	(161,170)	(420,090)
Issue of share capital	19,216	313,204	–	–	–	332,420	–	332,420
Share dividend distributed	–	–	(934,140)	–	934,140	–	–	–
Share option issued by subsidiary	–	–	9,443	–	–	9,443	–	9,443
Share options granted	–	–	15,860	–	–	15,860	–	15,860
Treasury shares	–	–	–	–	(274,447)	(274,447)	–	(274,447)
At 30 June 2013	1,073,893	1,987,700	(530,426)	11,395,643	(593,339)	13,333,471	2,224,274	15,557,745

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

Statements of Changes in Equity

as at 30 June 2013

Group – 2012	Attributable to Owners of the Parent							
	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	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2011	952,802	1,317,192	(415,426)	9,233,901	(722,616)	10,365,853	2,171,082	12,536,935
Profit for the year	–	–	–	1,181,123	–	1,181,123	792,967	1,974,090
Other comprehensive loss for the year	–	–	(125,859)	–	–	(125,859)	(24,537)	(150,396)
Total comprehensive (loss)/income for the year	–	–	(125,859)	1,181,123	–	1,055,264	768,430	1,823,694
Treasury shares	–	–	–	–	(530,416)	(530,416)	–	(530,416)
Issue of share capital	101,875	1,302,324	(22,799)	–	–	1,381,400	–	1,381,400
Share option issued by subsidiary	–	–	1,181	–	–	1,181	–	1,181
Share options lapsed	–	–	(12,666)	12,666	–	–	–	–
Dividends paid	–	–	–	(375,856)	–	(375,856)	(340,752)	(716,608)
Changes in composition of the Group	–	–	(4,545)	253,264	–	248,719	(589,060)	(340,341)
Share dividend declared	–	(934,140)	934,140	–	–	–	–	–
Issuance of ICULS	–	–	60,305	–	–	60,305	–	60,305
Share issuance expenses	–	(10,880)	–	–	–	(10,880)	–	(10,880)
Effect of issue of shares by subsidiaries to non-controlling interests	–	–	(9,446)	118	–	(9,328)	190,882	181,554
Conversion of ICULS	–	–	(7,568)	–	–	(7,568)	–	(7,568)
At 30 June 2012	1,054,677	1,674,496	397,317	10,305,216	(1,253,032)	12,178,674	2,200,582	14,379,256

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

Company	Share capital RM'000	← Non-distributable Share premium RM'000	Other reserves RM'000 →	← Distributable Retained earnings RM'000	Treasury shares RM'000 →	Total RM'000
Balance at 1 July 2011	952,802	1,317,192	24,851	3,989,083	(722,616)	5,561,312
Profit for the year	–	–	–	520,693	–	520,693
Other comprehensive loss	–	–	(79)	–	–	(79)
Total comprehensive (loss)/income	–	–	(79)	520,693	–	520,614
Issue of share capital	101,875	1,302,324	(22,799)	–	–	1,381,400
Share dividend declared	–	(934,140)	934,140	–	–	–
Dividends paid	–	–	–	(375,856)	–	(375,856)
Treasury shares	–	–	–	–	(530,416)	(530,416)
Share options lapsed	–	–	(831)	831	–	–
Share issuance expense	–	(10,880)	–	–	–	(10,880)
Balance at 30 June 2012	**1,054,677**	**1,674,496**	**935,282**	**4,134,751**	**(1,253,032)**	**6,546,174**
Profit for the year	–	–	–	**775,862**	–	**775,862**
Other comprehensive income	–	–	**558**	–	–	**558**
Total comprehensive income	–	–	**558**	**775,862**	–	**776,420**
Issue of share capital	**19,216**	**313,204**	–	–	–	**332,420**
Share dividend distributed	–	–	**(934,140)**	–	**934,140**	–
Dividends paid	–	–	–	**(258,920)**	–	**(258,920)**
Treasury shares	–	–	–	–	**(274,447)**	**(274,447)**
Share options granted	–	–	**15,860**	–	–	**15,860**
Balance at 30 June 2013	**1,073,893**	**1,987,700**	**17,560**	**4,651,693**	**(593,339)**	**7,137,507**

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 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from operating activities				
Profit before tax	**2,313,389**	2,450,154	**791,893**	567,920
Adjustments for:-				
Adjustment on fair value of investment properties	**(1,475)**	(4,390)	–	–
Allowance for fuel cost	**12,849**	3,867	–	–
Allowance for inventories obsolescence	**5,710**	7,630	–	–
Amortisation of deferred income	**(2,011)**	–	–	–
Amortisation of grants and contributions	**(9,324)**	(10,157)	–	–
Amortisation of other intangible assets	**21,276**	71	–	–
Bad debts recovered	**(84)**	(32)	–	–
Bad debts written off	**15,274**	1,741	**28**	–
Depreciation	**1,441,564**	1,348,377	**1,086**	734
Dividend income	**(712)**	(27,742)	**(759,810)**	(487,296)
Fair value changes of derivatives	**(93,250)**	50,663	–	–
Gain on derecognition of preference shares	–	(87,608)	–	–
Gain on disposal of investments	**(12,408)**	(263)	**(739)**	(263)
Gain on disposal of investment properties	–	(5,198)	–	–
Gain on disposal of land/property	–	(550)	–	–
(Gain)/Loss on disposal of property, plant and equipment	**(29,614)**	(6,391)	**22**	–
Gain on disposal of subsidiaries	**(55,134)**	(71,409)	**(55,134)**	(130,814)
Gain on redemption of preference shares	**(39,600)**	–	**(39,600)**	–
Impairment losses	**170,770**	9,234	**300**	9,540
Ineffective portion on cash flow hedges	**(130)**	5,283	–	–
Interest expense	**1,001,293**	1,009,220	**85,644**	85,179
Interest income	**(151,353)**	(212,221)	**(66,536)**	(82,346)
Inventories written off	–	14	–	–
Property, plant and equipment written off	**14,256**	7,310	–	–
Prospective expenditure written off	–	13	–	–
Provision for post-employment benefit	**60,473**	79,700	–	–
Provision for/(Write back of) liabilities and charges	**1,611**	(17,059)	–	–
Share options expenses	**25,329**	1,181	**6,377**	–
Share of results of associated companies and jointly controlled entities	**(451,801)**	(379,939)	–	–
Unrealised (gain)/loss on foreign exchange – net	**(35,658)**	36,133	–	–
Operating profit/(loss) before changes in working capital	**4,201,240**	4,187,632	**(36,469)**	(37,346)

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Changes in working capital:-				
Inventories	**16,708**	(94,857)	**–**	–
Property development costs	**(115,939)**	273,133	**–**	–
Receivables	**(156,547)**	(277,545)	**(5,962)**	(13,091)
Other assets	**194,053**	(443,771)	**–**	–
Other liabilities	**(63,641)**	(130,253)	**–**	–
Payables	**(89,858)**	592,587	**(15,582)**	16,057
Related parties balances	**61,524**	(11,722)	**(53,919)**	(455,331)
Cash generated from/(used in) operations	**4,047,540**	4,095,204	**(111,932)**	(489,711)
Dividends received	**227,329**	191,994	**734,455**	498,646
Interest paid	**(862,597)**	(813,845)	**(77,604)**	(85,179)
Interest received	**105,194**	131,739	**48,702**	82,346
Payment to a retirement benefits scheme	**(90,068)**	(93,026)	**–**	–
Income tax paid	**(694,651)**	(590,761)	**(4,046)**	(7,238)
Income tax refunded	**38,290**	10,729	**8,496**	7,982
Net cash from operating activities	**2,771,037**	2,932,034	**598,071**	6,846
Cash flows from investing activities				
Acquisition of additional shares in existing subsidiaries	**(19,741)**	(17,093)	**(19,741)**	(187,069)
Acquisition of new subsidiaries (net of cash acquired)	**(3,752)**	(32,334)	**–**	–
Additional investment in associated companies	**(11,317)**	(15,751)	**(600)**	–
Development expenditure incurred	**(136,891)**	(105,519)	**–**	–
Grants received in respect of infrastructure assets	**29,059**	27,475	**–**	–
Proceeds from disposal of investment properties	**–**	17,760	**–**	–
Proceeds from disposal of property, plant and equipment	**31,210**	75,175	**145**	–
Proceeds from disposal of land/property	**–**	550	**–**	–
Proceeds from disposal of investments	**17,036**	63,343	**–**	2,386
Proceed from redemption of preference shares	**45,600**	–	**45,600**	9,800
Proceeds from disposal of shares in existing subsidiaries	**137,834**	634,569	**137,834**	99,202
Purchase of investment properties	**(4,255)**	(433,247)	**–**	–
Purchase of property, plant and equipment	**(3,302,948)**	(1,508,993)	**(1,630)**	(885)
Purchase of short term investments	**–**	(17,956)	**–**	(17,956)
Purchase of investments	**(50,011)**	(26,566)	**–**	(720)
Purchase of biological asset	**(384)**	(188)	**–**	–
Redemption of share	**218**	–	**–**	–
Net cash flows (used in)/from investing activities	**(3,268,342)**	(1,338,775)	**161,608**	(95,242)

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 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from financing activities				
Dividends paid	**(258,920)**	(375,856)	**(258,920)**	(375,856)
Dividends paid to non-controlling interests by subsidiaries	**(161,170)**	(340,752)	–	–
Repurchase of own shares by the company (at net)	**(274,447)**	(530,416)	**(274,447)**	(530,416)
Repurchase of subsidiaries' shares by subsidiaries	**(270,176)**	(1)	–	–
Proceeds from bonds	**522,212**	–	–	–
Proceeds from borrowings	**11,086,790**	16,612,899	**1,000,000**	–
Proceeds from disposal of interest in subsidiary to non-controlling interests	**273**	–	–	–
Proceeds from issue of shares in subsidiaries to non-controlling interests	**11,914**	91,359	–	–
Proceeds from issue of shares	–	174,851	–	174,851
Repayment of bonds	**(3,090)**	(2,227,430)	–	–
Repayment of borrowings	**(9,620,870)**	(14,052,028)	**(250,189)**	(7)
Net cash flows from/(used in) financing activities	**1,032,516**	(647,374)	**216,444**	(731,428)
Net changes in cash and cash equivalents	**535,211**	945,885	**976,123**	(819,824)
Effects of exchange rate changes	**(69,675)**	141,346	–	–
Cash and cash equivalents at beginning of the financial year	**13,277,075**	12,189,844	**778,325**	1,598,149
Cash and cash equivalents at the end of the financial year (Note 17)	**13,742,611**	13,277,075	**1,754,448**	778,325

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 13 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 and principal place of business of the Company are 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 Financial Reporting Standards ("FRS") and the requirements of 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 46 to 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 2012, the Group and the Company adopted the following new and amendments to FRS mandatory for annual financial year beginning on or after 1 January 2012.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7: Disclosures – Transfers of Financial Assets
Amendments to FRS 112: Deferred tax – Recovery of Underlying Assets
FRS 124: Related Party Disclosures

Adoption of the above new and amendments to FRS did not have any significant financial impact on the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment and depreciation

Property, plant and equipment except for certain freehold land and buildings is 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 and 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 and Equipment', the valuation of these properties, plant and equipment have not been updated and they continue to be stated at their previously revalued amounts less depreciation and impairment losses.

Property, plant and 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 and equipment depending on nature of assets and depreciation commences when they are ready for their intended used.

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

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

	%
Buildings	1 – 10
Leasehold land	1 – 3
Infrastructure and site facilities	0.9 – 20
Plant and machinery	4 – 20
Telecommunication equipment	4 – 20
Furniture, fixtures and equipment	10 – 50
Vehicles	10 – $33\frac{1}{3}$

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 and 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 investments 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 are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(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.

When an 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 in 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 in which it is incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) to the Financial Statements.

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 subsequent periods.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Basis of consolidation (continued)

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.

(k) Investment in subsidiaries

Subsidiaries are entities 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

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. 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 accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes goodwill identified on acquisition, net of any accumulated impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Investment in associated companies (continued)

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 movements in reserves is recognised in other comprehensive income. The cumulative 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 obligations, 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. Where necessary, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

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.

In the Company's separate financial statements, investments in associated companies are 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.

(m) Joint ventures

(i) Jointly controlled entities

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Joint ventures (continued)

(i) Jointly controlled entities (continued)

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) Intangible assets

(i) Customer acquisition costs

Customer acquisition costs pertains to commission payment made to a dealer intermediary as consideration for signing up a new customer and the expenditures incurred in providing the customer a free or subsidised devide, provided the customer signs a non-cancellable contract for a predetermined contractual period, are capitalised as intangible assets and amortised over the contractual period on a straight line method. Customer acquisition costs are assessed at each reporting date whether there is any indication that the customer acquisition costs may be impaired. See accounting policy Note 2(d) on impairment of non-financial assets.

(ii) 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.

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Inventories (continued)

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).

The cost of developed properties comprises costs associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets

Financial assets 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.

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.

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 are held primarily for trading purposes are presented as current whereas financial assets that are 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(iii) Available-for-sale financial assets (continued)

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 or group of financial assets is impaired.

(i) Assets carried at amortised cost

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.

(ii) Available-for-sale financial assets

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 and bank balances, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) 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.

(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.

(v) Derivatives 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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Derivatives financial instruments and hedging activities (continued)

(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 24. Movements on the hedging reserve in other comprehensive income are shown in Note 29. 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.

(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 nonfinancial 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 property, plant and equipment.

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’.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Derivatives financial instruments and hedging activities (continued)

(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.

(w) 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.

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(v)(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 subsequently 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.

(x) Grants and contributions

Grants and contributions in respect of specific qualifying expenditure on property, plant and 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.

(y) Deferred income

Deferred income represents the cash received in advance from customer and transfer of asset from customer in respect of services which are yet to be provided. Such amounts are recorded as liabilities in the statement of Financial Position and are only recognised in the Income Statement upon the rendering of services to customers.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Share capital

Ordinary shares are equity instruments and recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(bb) 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 earnings or both.

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

The ICULS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar instrument. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or cancellation, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity components based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of the ICULS.

The value of the conversion option is not adjusted in subsequent periods, except in times of ICULS conversion into ordinary shares. Upon conversion of the instrument into ordinary shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised in profit or loss.

(dd) Borrowing cots

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ee) 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.

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)

(ee) Employee benefits (continued)

(iii) Share-based compensation (continued)

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.

(ff) 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.

(gg) 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)

(gg) 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 clean 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, where applicable) derived from the provision of goods and services to third party customers.

(iv) Sale of fuel oil

Revenue from sale of 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) to 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) to 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 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)

(gg) 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 services is deferred if the services have not been rendered at the reporting date.

(hh) 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 and presentation 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.

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.

(ii) 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.

(jj) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(jj) Financial guarantee (continued)

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.

(kk) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements, except in a business combination.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

3. REVENUE

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Sale of electricity	**11,006,805**	11,288,180	–	–
Sale of water, treatment and disposal of waste water	**2,507,191**	2,398,553	–	–
Sale of goods	**2,545,660**	2,528,166	–	–
Sale of fuel oil	**1,523,348**	1,632,803	–	–
Property development projects	**447,831**	960,701	–	–
Hotel operations	**489,975**	284,114	–	–
Construction contracts revenue	**245,112**	214,736	–	–
Rendering of services	**378,682**	277,868	**4**	134
Sale of steam	**188,451**	185,076	–	–
Broadband and telecommunications revenue	**430,300**	209,499	–	–
Rental income				
– investment properties	**54,996**	27,680	–	–
– other properties	**59,549**	41,796	–	–
Interest income				
– loan stocks, in Malaysia				
– quoted	–	–	**11,745**	7,851
– unquoted	–	–	**3,902**	10,739
– others	**94,185**	119,477	**50,889**	63,756
Dividends				
– quoted investment, in Malaysia				
– subsidiaries	–	–	**135,259**	248,074
– other investments	**863**	1,265	**527**	557
– unquoted investment				
– subsidiaries, in Malaysia	–	–	**624,024**	238,665
– other investments, outside Malaysia	–	25,875	–	–
	19,972,948	20,195,789	**826,350**	569,776

4. COST OF SALES

Included in cost of sales are the following:-

	Group 2013 RM'000	Group 2012 RM'000
Cost of inventories	**2,634,976**	2,927,478
Construction contracts costs	**179,337**	159,950
Energy costs	**10,549,333**	10,828,729
Property development costs	**283,501**	673,078

5. FINANCE COSTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense				
– Bonds	**627,634**	650,533	**32,290**	24,184
– Borrowings	**407,380**	403,594	**53,354**	60,995
	1,035,014	1,054,127	**85,644**	85,179
Less: Amount capitalised in				
– Development expenditure	**(2,304)**	(2,464)	–	–
– Property developments costs	**(30,792)**	(41,948)	–	–
– Construction contracts	**(625)**	(495)	–	–
Interest expenses of financial liabilities carried at amortised cost	**1,001,293**	1,009,220	**85,644**	85,179

6. PROFIT BEFORE TAX

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax is stated after charging:-				
Allowance for inventories obsolescence	**5,710**	7,630	–	–
Amortisation of intangible assets	**21,276**	–	–	–
Auditors' remuneration				
– statutory				
– current financial year	**6,076**	5,097	**205**	201
– under-provision in prior financial year	**132**	426	**4**	26
– others	**58**	6	–	–
Bad debts written off	**15,274**	1,741	**28**	–
Depreciation (Note 10)	**1,441,564**	1,348,377	**1,086**	734
Directors' remuneration				
– emoluments	**68,178**	56,697	**5,407**	45
– fees	**2,140**	2,392	**550**	533
– benefits in kind	**252**	170	–	–
Net fair value loss on derivatives	–	50,663	–	–
Hiring of plant and machinery	**18,722**	9,589	**14**	18
Impairment losses on				
– Development expenditure (Note 12)	–	5,065	–	–
– Goodwill (Note 18)	–	8,491	–	–
– Receivables – net of reversal (Note 20)	**170,470**	(13,862)	–	–
– Investments	**300**	9,540	**300**	9,540
Ineffective portion of cash flow hedges	**(130)**	5,283	–	–
Inventories written off	–	14	–	–
Loss on foreign exchange – net				
– realised	**7,300**	7,943	**46**	53
– unrealised	–	36,133	**2**	–
Property, plant and equipment written off	**14,256**	7,310	–	–
Provision of fuel cost	**12,849**	3,867	–	–
Prospective expenditure written off	–	13	–	–
Rental of land and buildings	**188,386**	149,485	**794**	686

6. PROFIT BEFORE TAX (CONTINUED)

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
And crediting (other than those disclosed in Note 3 to the Financial Statements):-				
Adjustment on fair value of investment properties (Note 11)	**1,475**	4,390	**–**	–
Amortisation of deferred income	**2,011**	–	**–**	–
Amortisation of grants and contributions (Note 34)	**9,324**	10,157	**–**	–
Bad debts recovered	**84**	32	**–**	–
Net fair value gains on derivatives	**93,250**	–	**–**	–
Gain/(loss) on disposal of				
– Investments – net	**12,408**	263	**739**	263
– Investment properties	**–**	5,198	**–**	–
– Land	**–**	550	**–**	–
– Property, plant and equipment	**29,614**	6,391	**(22)**	–
– Subsidiaries	**55,134**	71,409	**55,134**	130,814
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares	**39,600**	–	**39,600**	–
Gain on foreign exchange – net				
– realised	**–**	–	**1**	55
– unrealised	**35,658**	–	**–**	8
Gross dividend from quoted investments				
– within Malaysia	**81**	602	**–**	–
Gain on derecognition of preference shares	**–**	87,608	**–**	–
Hiring income from plant, machinery and equipment	**455**	742	**–**	–
Interest income	**57,169**	92,744	**–**	–
Provision for liabilities and charges – net (Note 39)	**(1,611)**	17,059	**–**	–
Rental income				
– investment properties	**14**	1,036	**–**	–
– other properties	**3,439**	1,803	**43**	70

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM6,638,716 (2012: RM4,546,757).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM122,819 (2012: RM162,969).

6. PROFIT BEFORE TAX (CONTINUED)

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended are as follows:-

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group – 2013					
Executive Directors	**1,620**	**27,711**	**25,741**	**14,477**	**69,549**
Non-Executive Directors	**520**	**–**	**–**	**501**	**1,021**
Company – 2013					
Executive Directors	**360**	**–**	**–**	**5,032**	**5,392**
Non-Executive Directors	**190**	**–**	**–**	**375**	**565**

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group – 2012					
Executive Directors	1,889	24,643	25,691	6,423	58,646
Non-Executive Directors	503	–	–	110	613
Company – 2012					
Executive Directors	360	–	–	–	360
Non-Executive Directors	173	–	–	45	218

* *Included in the remuneration of Directors are the following:-*

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Defined contribution plan	**6,017**	5,988	**–**	–
Share options expenses	**8,617**	271	**5,367**	–

6. PROFIT BEFORE TAX (CONTINUED)

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands are as follows:-

2013	Group		Company	
	No. of Directors		No. of Directors	
Range of remuneration	Executive	Non-Executive	Executive	Non-Executive
Below RM50,001	–	1	–	1
RM150,001 – RM200,000	–	–	1	3
RM250,001 – RM300,000	–	1	–	–
RM300,001 – RM350,000	–	1	–	–
RM350,001 – RM400,000	–	1	–	–
RM550,001 – RM600,000	–	–	6	–
RM800,001 – RM850,000	–	–	2	–
RM1,250,001 – RM1,300,000	1	–	–	–
RM1,400,001 – RM1,450,000	1	–	–	–
RM6,400,001 – RM6,450,000	1	–	–	–
RM6,850,001 – RM6,900,000	1	–	–	–
RM7,050,001 – RM7,100,000	1	–	–	–
RM7,350,001 – RM7,400,000	1	–	–	–
RM7,500,001 – RM7,550,000	1	–	–	–
RM8,600,001 – RM8,650,000	1	–	–	–
RM22,850,001 – RM22,900,000	1	–	–	–

2012	Group		Company	
	No. of Directors		No. of Directors	
Range of remuneration	Executive	Non-Executive	Executive	Non-Executive
Below RM50,001	–	1	9	–
RM50,001 – RM100,000	–	–	–	3
RM150,001 – RM200,000	1	2	–	–
RM200,001 – RM250,000	–	1	–	–
RM950,001 – RM1,000,000	1	–	–	–
RM5,400,001 – RM5,450,000	1	–	–	–
RM5,600,001 – RM5,650,000	1	–	–	–
RM6,100,001 – RM6,150,000	1	–	–	–
RM6,200,001 – RM6,250,000	1	–	–	–
RM6,500,001 – RM6,550,000	1	–	–	–
RM7,700,001 – RM7,750,000	1	–	–	–
RM19,850,001 – RM19,900,000	1	–	–	–

6. PROFIT BEFORE TAX (CONTINUED)

EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Employees compensation (excluding Directors' remuneration)				
Salaries, wages and bonus	**670,927**	643,650	**10,049**	8,793
Defined contribution plan	**60,476**	47,491	**1,157**	1,023
Defined benefit plan	**60,473**	79,706	**–**	–
Share options expenses	**19,392**	925	**1,010**	–
Other benefits	**30,690**	25,416	**1,122**	435
	841,958	797,188	**13,338**	10,251

7. INCOME TAX EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax				
– Malaysian income tax	**293,018**	314,782	**16,031**	47,227
– Foreign income tax	**319,358**	300,780	**–**	–
Deferred tax (Note 35)	**(144,769)**	(139,498)	**–**	–
	467,607	476,064	**16,031**	47,227
Current income tax				
– current financial year	**639,596**	681,899	**29,762**	55,300
– Over-provision in prior financial years	**(27,220)**	(66,337)	**(13,731)**	(8,073)
Deferred tax				
– Origination and reversal of temporary differences	**(144,769)**	(139,498)	**–**	–
	467,607	476,064	**16,031**	47,227

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax	**2,313,389**	2,450,154	**791,893**	567,920
Income tax using Malaysian tax rate of 25% (2012: 25%)	**578,347**	612,538	**197,973**	141,980
Non-deductible expenses	**170,908**	297,576	**10,237**	21,911
Income not subject to tax	**(50,111)**	(60,231)	**(178,448)**	(108,591)
Different tax rates in other countries including remeasuring of deferred tax*	**(115,180)**	(205,065)	–	–
Double deductible expenses	**(1,559)**	(1,275)	–	–
Over-provision in prior financial years	**(27,220)**	(66,337)	**(13,731)**	(8,073)
Tax effect on share of profits of associated companies	**(108,396)**	(98,770)	–	–
Tax effect of under-provision of deferred tax	**5,942**	3,306	–	–
Tax effect of unrecognised deferred tax assets	**69,195**	42,815	–	–
Utilisation of reinvestment allowances	**(54,319)**	(48,493)	–	–
	467,607	476,064	**16,031**	47,227

* The remeasuring of deferred tax during the year is due to a reduction in corporation tax rate from 24% to 23% in Wessex Water Limited and its subsidiary (incorporated in England and Wales) with effect from 1 April 2013.

The Company may distribute dividends out of its entire retained earnings as at 30 June 2013 and 2012, respectively under the single-tier system.

In addition, the Company has tax exempt income as at 30 June 2013 arising from the Income Tax (Amendment) Act 1999, relating to tax waived on income earned in 1999 amounting to approximately RM15,009,000 (2012: 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/diluted 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	
	2013 RM'000	2012 RM'000
Profit for the financial year attributable to owners of the parent (RM'000)	**1,274,494**	1,181,123
Weighted average number of ordinary shares in issue for basic EPS ('000)	**10,365,587**	9,641,231
Basic EPS (sen)	**12.30**	12.25
Diluted EPS (sen)	**12.30**	12.25

141,075,000 (2012: Nil) share options granted to employees under ESOS 2011 have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

9. DIVIDENDS

	Group/Company			
	2013		2012	
	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 2011				
– Interim, single tier	–	–	2.0	181,900
(b) Financial year ended 30 June 2012				
– Interim, single tier	–	–	2.0	193,956
(c) Financial year ended 30 June 2013				
– First interim, single tier	**1.0**	**103,436**	–	–
– Second interim, single tier	**1.5**	**155,484**	–	–
Dividend recognised as distribution to ordinary equity holders of the Company	**2.5**	**258,920**	4.0	375,856

Distribution of treasury shares ("Share Dividend")

On 2 July 2012, a total of 647,539,006 treasury shares amounting to RM934,139,770 were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifteen (15) ordinary shares held on 18 June 2012.

10. PROPERTY, PLANT AND EQUIPMENT

Group – 2013

	Land & buildings* RM'000	Infra-structure & 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 1.7.2012	6,420,739	5,178,825	13,993,016	840,921	428,368	1,314,973	927,088	29,103,930
Additions	1,166,596	255,128	279,799	367,504	41,874	12,624	1,211,749	3,335,274
Disposals	(636)	–	(31,337)	(7,088)	(17,870)	(14)	–	(56,945)
Written off	–	–	(41,304)	(14,506)	(6,684)	(2)	(4)	(62,500)
Transfer on commissioning	232,546	43,364	237,511	40,228	–	270,609	(824,258)	–
Transfer from project development expenditures (Note 12)	48,192	–	–	–	–	–	62,363	110,555
Currency translation differences	(164,246)	(130,439)	(162,874)	(28,971)	(3,295)	–	(12,911)	(502,736)
At 30.6.2013	7,703,191	5,346,878	14,274,811	1,198,088	442,393	1,598,190	1,364,027	31,927,578
Accumulated depreciation								
At 1.7.2012	1,593,863	258,687	5,900,048	409,105	224,140	97,976	–	8,483,819
Charge for the financial year	239,953	49,950	943,588	81,701	41,360	89,755	–	1,446,307
Disposals	(302)	–	(26,171)	(5,082)	(16,593)	(1)	–	(48,149)
Written off	–	–	(29,694)	(13,830)	(4,720)	–	–	(48,244)
Transfers/adjustment	–	–	–	–	–	–	–	–
Currency translation differences	(19,480)	(6,034)	(70,476)	(2,913)	(302)	–	–	(99,205)
At 30.6.2013	1,814,034	302,603	6,717,295	468,981	243,885	187,730	–	9,734,528
Net Book Value								
At 30.6.2013	5,889,157	5,044,275	7,557,516	729,107	198,508	1,410,460	1,364,027	22,193,050

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group – 2012

	Land & buildings* RM'000	Infra-structure & 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 1.7.2011	6,179,956	4,729,420	13,269,033	823,850	376,039	923,898	604,783	26,906,979
Additions	121,604	300,893	364,667	3,896	65,755	14,537	871,418	1,742,770
Disposals	(939)	(11)	(8,088)	(8,466)	(14,503)	(194)	–	(32,201)
Written off	(4,240)	–	(75,801)	(5,863)	(1,184)	(58)	(308)	(87,454)
Transfer on commissioning	19,528	31,137	239,424	13,030	2,249	376,790	(682,158)	–
Transfer from project development expenditures (Note 12)	38,714	–	–	–	–	–	121,934	160,648
Currency translation differences	66,116	117,386	203,781	14,474	12	–	11,419	413,188
At 30.6.2012	6,420,739	5,178,825	13,993,016	840,921	428,368	1,314,973	927,088	29,103,930
Accumulated depreciation								
At 1.7.2011	1,358,006	208,214	4,982,773	359,100	202,001	22,424	–	7,132,518
Charge for the financial year	219,409	45,180	926,336	50,784	35,443	75,649	–	1,352,801
Disposals	(42)	(5)	(4,973)	(1,559)	(13,037)	(91)	–	(19,707)
Written off	(1,105)	–	(72,966)	(4,884)	(1,183)	(6)	–	(80,144)
Transfers/adjustment	–	–	–	–	–	–	–	–
Currency translation differences	17,595	5,298	68,878	5,664	916	–	–	98,351
At 30.6.2012	1,593,863	258,687	5,900,048	409,105	224,140	97,976	–	8,483,819
Net Book Value								
At 30.6.2012	4,826,876	4,920,138	8,092,968	431,816	204,228	1,216,997	927,088	20,620,111

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Land and buildings of the Group are as follows:-

Group – 2013

	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 1.7.2012									
At cost	365,658	148,661	89,202	–	4,629,512	1,005,361	170,724	2,432	6,411,550
At valuation	4,511	200	–	2,000	2,478	–	–	–	9,189
	370,169	148,861	89,202	2,000	4,631,990	1,005,361	170,724	2,432	6,420,739
Additions	179,669	2,146	6,529	–	966,670	9,063	2,519	–	1,166,596
Disposals	–	–	–	–	(636)	–	–	–	(636)
Written off	–	–	–	–	–	–	–	–	–
Transfers	48,192	38,714	–	–	184,288	9,544	–	–	280,738
Currency translation differences	(15,349)	–	–	–	(136,044)	–	(12,853)	–	(164,246)
At 30.6.2013	582,681	189,721	95,731	2,000	5,646,268	1,023,968	160,390	2,432	7,703,191
Representing:-									
At cost	578,170	189,521	95,731	–	5,643,790	1,023,968	160,390	2,432	7,694,002
At valuation	4,511	200	–	2,000	2,478	–	–	–	9,189
At 30.6.2013	582,681	189,721	95,731	2,000	5,646,268	1,023,968	160,390	2,432	7,703,191
Accumulated depreciation									
At 1.7.2012									
At cost	–	22,549	20,839	–	1,289,840	229,247	29,459	1,774	1,593,708
At valuation	–	18	–	–	137	–	–	–	155
	–	22,567	20,839	–	1,289,977	229,247	29,459	1,774	1,593,863
Charge for the financial year	–	2,316	5,030	–	197,470	24,229	10,838	70	239,953
Disposals	–	–	–	–	(302)	–	–	–	(302)
Written off	–	–	–	–	–	–	–	–	–
Transfers	–	–	–	–	–	–	–	–	–
Currency translation differences	–	–	–	–	(17,452)	–	(2,028)	–	(19,480)
At 30.6.2013	–	24,883	25,869	–	1,469,693	253,476	38,269	1,844	1,814,034
Net Book Value:-									
At cost	578,170	164,658	69,862	–	4,174,240	770,492	122,121	588	5,880,131
At valuation	4,511	180	–	2,000	2,335	–	–	–	9,026
At 30.6.2013	582,681	164,838	69,862	2,000	4,176,575	770,492	122,121	588	5,889,157

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Land and buildings of the Group are as follows:- (continued)

Group – 2012	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 1.7.2011									
At cost	361,875	101,669	89,202	–	4,560,025	902,811	152,753	2,432	6,170,767
At valuation	4,511	200	–	2,000	2,478	–	–	–	9,189
	366,386	101,869	89,202	2,000	4,562,503	902,811	152,753	2,432	6,179,956
Additions	1,732	42,780	–	–	27,409	49,488	195	–	121,604
Disposals	(72)	–	–	–	(867)	–	–	–	(939)
Written off	–	–	–	–	(4,079)	–	(161)	–	(4,240)
Transfers	–	–	–	–	11,217	46,941	84	–	58,242
Currency translation differences	2,123	4,212	–	–	35,807	6,121	17,853	–	66,116
At 30.6.2012	370,169	148,861	89,202	2,000	4,631,990	1,005,361	170,724	2,432	6,420,739
Representing:-									
At cost	365,658	148,661	89,202	–	4,629,512	1,005,361	170,724	2,432	6,411,550
At valuation	4,511	200	–	2,000	2,478	–	–	–	9,189
At 30.6.2012	370,169	148,861	89,202	2,000	4,631,990	1,005,361	170,724	2,432	6,420,739
Accumulated depreciation									
At 1.7.2011									
At cost	–	13,391	20,839	–	1,100,432	211,797	9,671	1,721	1,357,851
At valuation	–	18	–	–	137	–	–	–	155
	–	13,409	20,839	–	1,100,569	211,797	9,671	1,721	1,358,006
Charge for the financial year	–	8,105	–	–	178,424	16,221	16,659	–	219,409
Disposals	–	–	–	–	(42)	–	–	–	(42)
Written off	–	–	–	–	(1,105)	–	–	–	(1,105)
Transfers	–	–	–	–	–	–	–	–	–
Currency translation differences	–	1,053	–	–	12,131	1,229	3,129	53	17,595
At 30.6.2012	–	22,567	20,839	–	1,289,977	229,247	29,459	1,774	1,593,863
Net Book Value:-									
At cost	365,658	126,114	68,363	–	3,339,678	776,114	141,265	658	4,817,850
At valuation	4,511	180	–	2,000	2,335	–	–	–	9,026
At 30.6.2012	370,169	126,294	68,363	2,000	3,342,013	776,114	141,265	658	4,826,876

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company – 2013

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2012	1,207	4,231	3,801	9,239
Additions	–	1,550	903	2,453
Disposals	–	–	(302)	(302)
At 30.6.2013	1,207	5,781	4,402	11,390
Accumulated Depreciation				
At 1.7.2012	415	3,272	2,332	6,019
Charge for the financial year	–	924	162	1,086
Disposals	–	–	(134)	(134)
At 30.6.2013	415	4,196	2,360	6,971
Net Book Value				
At 30.6.2013	792	1,585	2,042	4,419

Company – 2012

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2011	1,207	3,389	3,479	8,075
Additions	–	842	322	1,164
At 30.6.2012	1,207	4,231	3,801	9,239
Accumulated Depreciation				
At 1.7.2011	343	2,696	2,246	5,285
Charge for the financial year	72	576	86	734
At 30.6.2012	415	3,272	2,332	6,019
Net Book Value				
At 30.6.2012	792	959	1,469	3,220

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Depreciation charge for the financial year is allocated as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit or loss (Note 6)	**1,441,564**	1,348,377	**1,086**	734
Amount due from contract customers	**4,743**	4,424	**–**	–
	1,446,307	1,352,801	**1,086**	734

(b) Assets under finance lease

The net book value of the property, plant and equipment as at reporting date held under finance leases are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Plant and machinery	**194,050**	232,049	**–**	–
Vehicles	**10,921**	10,555	**1,104**	292
	204,971	242,604	**1,104**	292

(c) Security

The net book value of the Group's property, plant and equipment that have been pledged as security for the bank facilities and bonds by way of fixed and floating charges are as follows:-

	Group	
	2013 RM'000	2012 RM'000
Buildings	**2,473,087**	973,563
Plant and machinery	**476,931**	506,373
Furniture, fixtures and equipment	**3,440**	3,803
Vehicles	**3,742**	4,491
Assets under construction	**58,534**	18,783
	3,015,734	1,507,013

(d) Borrowing cost

Borrowing costs of RM6,421,710 (2012: RM5,221,738) arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year.

(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 financial year 2012 has increased by RM104,941,176.

11. INVESTMENT PROPERTIES

	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
Group – 2013			
At beginning of the financial year	**313,527**	**314,324**	**627,851**
Additions	**–**	**4,255**	**4,255**
Currency translation differences	**34**	**(7)**	**27**
Change in fair value recognised in profit or loss (Note 6)	**513**	**962**	**1,475**
At end of the financial year	**314,074**	**319,534**	**633,608**
Group – 2012			
At beginning of the financial year	85,635	51,849	137,484
Additions	228,959	262,395	491,354
Disposals	(12,562)	–	(12,562)
Currency translation differences	7,695	2	7,697
Change in fair value recognised in profit or loss (Note 6)	4,312	78	4,390
Transfer to project development expenditure (Note 12)	(512)	–	(512)
At end of the financial year	313,527	314,324	627,851

Investment properties with carrying amount of RM466 million (2012: Nil) are charged as security for a term loan granted to the Group as disclosed in Note 33 to the Financial Statements.

12. DEVELOPMENT EXPENDITURES

The movement in development expenditure of the Group during the financial year areas follows:-

Group – 2013	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	**414,203**	**176,997**	**246,749**	**837,949**
Additions	**62,678**	**–**	**21,257**	**83,935**
Charge to profit or loss	**–**	**(460)**	**–**	**(460)**
At end of the financial year	**476,881**	**176,537**	**268,006**	**921,424**
(b) Project development expenditure				
At beginning of the financial year	**3,637**	**51,998**	**62,041**	**117,676**
Additions	**–**	**–**	**53,416**	**53,416**
Transfer to property, plant and equipment (Note 10)	**–**	**(48,192)**	**(62,363)**	**(110,555)**
Currency translation differences	**–**	**(1,300)**	**(4,787)**	**(6,087)**
At end of the financial year	**3,637**	**2,506**	**48,307**	**54,450**
Total	**480,518**	**179,043**	**316,313**	**975,874**

12. DEVELOPMENT EXPENDITURES (CONTINUED)

Group – 2012

	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	407,698	163,890	230,098	801,686
Additions	1,270	1,400	16,095	18,765
Transfer from project development expenditure	5,235	11,707	556	17,498
At end of the financial year	414,203	176,997	246,749	837,949
(b) Project development expenditure				
At beginning of the financial year	8,872	51,322	98,837	159,031
Additions	–	51,097	103,212	154,309
Charge to profit or loss	–	–	(12,965)	(12,965)
Impairment losses (Note 6)	–	–	(5,065)	(5,065)
Transfer to land held for property development	(5,235)	(11,707)	(556)	(17,498)
Transfer from investment properties (Note 11)	–	–	512	512
Transfer to property, plant and equipment (Note 10)	–	(38,714)	(121,934)	(160,648)
At end of the financial year	3,637	51,998	62,041	117,676
Total	417,840	228,995	308,790	955,625

Included in development expenditure of the Group is interest capitalised during the financial year amounting to RM2,304,023 (2012: RM2,464,684).

12. DEVELOPMENT EXPENDITURES (CONTINUED)

Development expenditure of the Group at the end of the financial year can be analysed as follows:-

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group – 2013				
Cost:-				
Land held for property development	**476,881**	**176,537**	**268,006**	**921,424**
Project development expenditure	**3,637**	**2,506**	**87,387**	**93,530**
	480,518	**179,043**	**355,393**	**1,014,954**
Accumulated amortisation:-				
Project development expenditure	**–**	**–**	**(3,877)**	**(3,877)**
Accumulated impairment losses:-				
Project development expenditure	**–**	**–**	**(35,203)**	**(35,203)**
Net book value:-				
Land held for property development	**476,881**	**176,537**	**268,006**	**921,424**
Project development expenditure	**3,637**	**2,506**	**48,307**	**54,450**
	480,518	**179,043**	**316,313**	**975,874**
Group – 2012				
Cost:-				
Land held for property development	414,203	176,997	246,749	837,949
Project development expenditure	3,637	51,998	101,121	156,756
	417,840	228,995	347,870	994,705
Accumulated amortisation:-				
Project development expenditure	–	–	(3,877)	(3,877)
Accumulated impairment losses:-				
Project development expenditure	–	–	(35,203)	(35,203)
Net book value:-				
Land held for property development	414,203	176,997	246,749	837,949
Project development expenditure	3,637	51,998	62,041	117,676
	417,840	228,995	308,790	955,625

13. SUBSIDIARIES

(a) Investment in subsidiaries

		Company 2013 RM'000	Company 2012 RM'000
	Quoted shares, at cost	**3,352,807**	3,352,807
	Unquoted shares, at cost	**2,195,479**	1,627,385
#	Quoted warrants, at cost	**12,447**	95,147
*	Quoted ICULS, at cost	**391,502**	391,502
*	Unquoted ICULS, at cost	**–**	305,255
		5,952,235	5,772,096
	Market value		
	– Quoted shares	**7,189,377**	7,734,853
	– Quoted warrants	**40,419**	432,900
	– Quoted ICULS	**340,606**	368,012
	The number of warrants held in a subsidiary is as follows ('000):-		
	YTL Power International Berhad		
	– Warrant 2008/2018	**90,830**	780,000

\# 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 RM1.21 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 ("Bursa Securities").

* ICULS

(i) ICULS – YTL Land & Development Berhad

These are related to ten (10) years ICULS issued by YTL Land & Development Berhad, a subsidiary of the Group, on 31 October 2011. These ICULS bear a step-up coupon rate ranging from 3% 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 RM1.32 for one (1) ordinary share in YTL Land & Development Berhad, after which it is at RM0.99 in the next three (3) years and at RM0.66 for the remaining three (3) years.

The ICULS are quoted on Bursa Securities.

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

(ii) ICULS – YTL Cement Berhad

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.

The ICULS were quoted on Bursa Securities and have been delisted effective from 16 April 2012.

Details of the subsidiaries are as follows:-

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held by the company:				
	Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
	Cane Creations Sdn. Bhd.	Malaysia	Manufacture & trading of cane furniture	**100.00**	100.00
	Cornerstone Crest Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
	Divine View Sdn. Bhd.	Malaysia	Commercial trading property dealing investment holding	**100.00**	100.00
	Dynamic Project Development Sdn. Bhd.	Malaysia	Civil engineering works and construction	**100.00**	100.00
	Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
	Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	59.30
	Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
	Starhill Real Estate Investment Trust	Malaysia	Real estate investment	**58.86**	58.82
	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
*	YTL Cayman Limited	Cayman Islands	Investment holding, ownership & chartering of yachts & vessels	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held by the company (Continued):				
	YTL Cement Berhad	Malaysia	Investment holding, management services & hiring of vehicles	**97.94**	98.56
	YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships & vehicles	**100.00**	100.00
*	YTL Corporation (UK) Plc	England & Wales	Inactive	**100.00**	100.00
*	YTL Corp Finance (Cayman) Ltd.	Cayman Islands	Inactive	**100.00**	100.00
	YTL Corp Finance (Labuan) Limited	Malaysia	Special purpose vehicle for issuance of securities & 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**	74.12
	YTL Eco Solutions Sdn. Bhd.	Malaysia	Consultancy services in relation to the promotion of the gasification of municipal solid waste for disposal in cement plant kilns	**100.00**	–
	YTL Energy Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
*	YTL (Guernsey) Limited	Guernsey	Investment & property holding	**100.00**	100.00
*	YTL Hotel Management Saint Tropez SARL	France	Hotel operator & management services	**100.00**	100.00
	YTL Hotels & Properties Sdn. Bhd.	Malaysia	Investment holding & management services	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held by the company (Continued):				
	YTL Industries Berhad	Malaysia	Investment holding, property development & property investment	**100.00**	100.00
	YTL Land Sdn. Bhd.	Malaysia	Property investment & property management	**100.00**	100.00
*	YTL Land & Development Berhad	Malaysia	Investment holding & the provision of financial, treasury & secretarial services	**57.89**	57.89
*	YTL Power International Berhad	Malaysia	Investment holding & provision of administrative & technical support services	**52.63**	51.40
*	YTL Singapore Pte. Ltd.	Singapore	Property investment	**100.00**	100.00
	YTL-SV Carbon Sdn. Bhd.	Malaysia	Providing consultancy services	**75.00**	75.00
	YTL Vacation Club Berhad	Malaysia	Inactive	**100.00**	100.00
	Held through Cane Creations Sdn. Bhd.:				
	Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts, accessories & related services	**100.00**	100.00
	Natural Adventure Sdn. Bhd.	Malaysia	Retailing of merchandise furniture and cafe	**100.00**	100.00
	Niche Retailing Sdn. Bhd.	Malaysia	Retailing business	**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
	Trendy Retailing Sdn. Bhd.	Malaysia	Retailing business	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through Divine View Sdn. Bhd.:				
*	SCI YTL Hotels Saint Tropez	France	Acquisition, management, renting & administration and/or resale of real estate	**100.00**	100.00
	Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.:				
*	Austasia Metal Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
	Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
	Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
	Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase & credit	**100.00**	100.00
	Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00
	Dynamic Property Management Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
	First Commercial Development Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
#	Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	**70.00**	–
	Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	**100.00**	100.00
	Permai Property Management Sdn. Bhd.	Malaysia	Property management & related services	**100.00**	100.00
	Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing & other related services	**70.00**	70.00
	Transportable Camps Sdn. Bhd.	Malaysia	Trading & rental of transportable cabins & wood based products	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	2012 %
	Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd. (Continued):				
	Yap Yew Hup Brickworks (Perak) Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
	Yeoh Tiong Lay Realty Sdn. Bhd.	Malaysia	Realty, investment & management services	**100.00**	100.00
*	YTL Construction GmbH	Germany	Dormant	**100.00**	100.00
*	YTL Construction (S) Pte. Ltd.	Singapore	Construction related activities & real estate developer	**100.00**	100.00
	YTL Civil Engineering Sdn. Bhd.	Malaysia	Civil engineering works & Construction	**90.00**	90.00
	YTL Project Management Services Sdn. Bhd.	Malaysia	Provision of management services for construction projects	**100.00**	100.00
	YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	**99.18**	99.42
	Held through Starhill Real Estate Investment Trust:				
*	Starhill Hospitality (Australia) Pty. Ltd.	Australia	Trustee company	**58.86**	58.82
*	Starhill Hospitality REIT (Australia) Trust	Australia	Real estate investment	**58.86**	58.82
*	Starhill Hospitality REIT (Brisbane) Trust	Australia	Real estate investment	**58.86**	58.82
	Starhill Hospitality REIT (Melbourne) Trust	Australia	Real estate investment	**58.86**	58.82
*	Starhill Hospitality REIT (Sydney) Trust	Australia	Real estate investment	**58.86**	58.82
	Starhill Hospitality REIT (Australia) Sdn. Bhd. *(Formerly known as Versatile Degree Sdn. Bhd.)*	Malaysia	Investment holding	**58.86**	58.82
	Starhill Hotel (Australia) Sdn. Bhd. *(Formerly known as Marvellous Calibre Sdn. Bhd.)*	Malaysia	Investment holding	**58.86**	58.82

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through Starhill Real Estate Investment Trust (Continued):				
*	Starhill Hotel (Brisbane) Pty. Ltd.	Australia	Hotel operator	**58.86**	58.82
*	Starhill Hotel (Melbourne) Pty. Ltd.	Australia	Hotel operator	**58.86**	58.82
*	Starhill Hotel (Sydney) Pty. Ltd.	Australia	Hotel operator	**58.86**	58.82
*	Starhill REIT (Australia) Pty. Ltd.	Australia	Trustee company	**58.86**	58.82
*	Starhill REIT Niseko G.K.	Japan	Purchase, possession, disposal lease and management of real properties	**58.86**	58.82
	Held through YTL Cayman Limited:				
*	Just Heritage Sdn. Bhd.	Malaysia	Property management & related services	**100.00**	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
*	YTL Construction International (Cayman) Ltd.	Cayman Islands	Investment holding in construction related activities	**100.00**	100.00
*	YTL Construction (Thailand) Limited	Thailand	Construction activities	**74.89**	74.89
*	YTL Power Services (Cayman) Ltd.	Cayman Islands	Investment holding & provision of operations & maintenance services of power plants	**100.00**	100.00
*	YTL Property Investments Limited	Cayman Islands	Investment holding	**100.00**	100.00
*	YTL Power Services (Leb) SARL	Lebanon	Operation & maintenance of power station	**100.00**	100.00
	YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power station	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Cayman Limited (Continued):				
*	YTL Power Services (S) Pte. Ltd.	Singapore	Operation & maintenance of power station	**100.00**	100.00
*	YTL Starhill Global Property Management Pte. Ltd.	Singapore	Property management services	**100.00**	100.00
*	YTL Starhill Global REIT Management Holdings Pte. Ltd.	Singapore	Investment holding	**100.00**	100.00
*	YTL Starhill Global REIT Management Limited	Singapore	Investment advisor, property fund management	**100.00**	100.00
	Held through YTL Cement Berhad:				
	Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**97.94**	98.56
	Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**97.94**	98.56
	Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.41**	49.72
	Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**97.94**	98.56
	Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**97.94**	98.56
	Buildcon Desa Sdn. Bhd.	Malaysia	Inactive	**97.94**	98.56
	C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Granite quarrying	**97.94**	98.56
	C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**97.94**	98.56
*	Concrete Industries Pte. Ltd.	Singapore	Dormant	**97.94**	98.56

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Cement Berhad (Continued):				
	Gemilang Pintar Sdn. Bhd.	Malaysia	Marketing & trading of quarry products	**68.56**	68.99
*	Industrial Procurement Limited	Cayman Islands	Dormant	**97.94**	98.56
	Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry operator, manufacture of granite blocks, aggregates, chippings & crusher runs	**97.94**	98.56
	Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**97.94**	98.56
	Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**97.94**	98.56
*	Linan Lu Hong Transport Co., Ltd.	The People's Republic of China	Road transport of goods, storage & associated services	**97.94**	98.56
	Mini-Mix Sdn. Bhd.	Malaysia	Inactive	**97.94**	98.56
	Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**97.94**	98.56
*	Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**97.94**	98.56
*	Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**97.94**	98.56
	Permodalan Hitec Sdn. Bhd.	Malaysia	Dormant	**97.94**	98.56
	Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary Portland cement & blended cement	**97.94**	98.56
	PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	**97.94**	98.56
*	P.T. YTL Simen Indonesia	Indonesia	Dormant	**97.94**	98.56

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Cement Berhad (Continued):				
	Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**97.94**	98.56
	Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**97.94**	98.56
	SMC Mix Sdn. Bhd.	Malaysia	Inactive	**97.94**	98.56
	Straits Cement Sdn. Bhd.	Malaysia	Inactive	**97.94**	98.56
	Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**97.94**	98.56
	YTL Cement Enterprise Sdn. Bhd.	Malaysia	Dormant	**97.94**	98.56
*	YTL Cement (Hong Kong) Limited	Hong Kong	Investment holding	**97.94**	98.56
	YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale & marketing of cementitious products	**97.94**	98.56
*	YTL Cement Marketing Singapore Pte. Ltd.	Singapore	Sales & marketing of cement, cementitious products & other related construction products	**97.94**	98.56
	YTL Cement (Sabah) Sdn. Bhd. *(Formerly known as Awan Serunding Sdn. Bhd.)*	Malaysia	Dormant	**97.94**	98.56
*	YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding, sale & marketing of construction products	**97.94**	98.56
*	YTL Cement Terminal Services Pte. Ltd.	Singapore	Operation of port terminal & specialise in handling of cementitious products	**97.94**	98.56
*	YTL Cement (Vietnam) Pte. Ltd.	Singapore	Investment holding	**97.94**	–

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Cement Berhad (Continued):				
*	YTL Concrete (S) Pte. Ltd.	Singapore	Manufacture & sale of ready-mixed concrete & related products	**97.94**	98.56
	YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**97.94**	98.56
	YTL Quarry Sdn. Bhd.	Malaysia	Dormant	**97.94**	98.56
*	Zhejiang Hangzhou Dama Cement Co., Ltd.	The People's Republic of China	Manufacture & sale of cement & cementitious products	**97.94**	98.56
*	Zhejiang YTL Cement Marketing Co., Ltd.	The People's Republic of China	Sale & marketing of cement & cementitious products	**97.94**	98.56
	Held through YTL Charters Sdn. Bhd.:				
	Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	80.00
	Nusantara Sakti Sdn. Bhd.	Malaysia	Carriage of passengers & air carriers	**80.00**	80.00
	Held through YTL e-Solutions Berhad:				
	Airzed Services Sdn. Bhd.	Malaysia	Inactive	**41.50**	41.50
	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	**51.88**	51.88
	Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	**44.47**	44.47

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL e-Solutions Berhad (Continued):				
*	Infoscreen Networks Plc	England & Wales	Investment holding	**73.96**	73.96
	PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	**74.12**	74.12
	YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media & up to date information via electronic media	**73.96**	73.96
	YMax Sdn. Bhd.	Malaysia	Inactive	**74.12**	68.19
	Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**44.47**	44.47
	Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**74.12**	74.12
	Held through YTL (Guernsey) Limited:				
*	YTL Construction (SA) (Proprietary) Ltd.	South Africa	Inactive	**100.00**	100.00
	Held through YTL Hotels & Properties Sdn. Bhd.:				
	Autodome Sdn. Bhd.	Malaysia	Operator of food & beverage outlets & sub-letting of premises	**100.00**	100.00
*	Bath Hotel & SPA B.V.	Netherlands	Investment holding	**100.00**	100.00
*	Bath Hotel and SPA Limited	England & Wales	Hotel developer and operator	**100.00**	–
	Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	**90.00**	90.00
	Borneo Island Villas Sdn. Bhd.	Malaysia	Dormant	**80.00**	80.00
	Business & Budget Hotels Sdn. Bhd.	Malaysia	Investment holding & property investment	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Hotels & Properties Sdn. Bhd. (Continued):				
	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
	Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**51.00**	51.00
*	Gainsborough Hotel (Bath) Limited	England & Wales	Hotel operations	**100.00**	100.00
	Happy Steamboat Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**100.00**	100.00
#	Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	–	70.00
	Magna Boundary Sdn. Bhd.	Malaysia	Hotel & resort operator	**90.00**	90.00
	Marble Valley Sdn. Bhd.	Malaysia	Management & investment holding	**80.00**	80.00
	Marble Valley Two Sdn. Bhd.	Malaysia	Hotel & resort operator	**64.00**	64.00
*	M Hotel Management Pte. Ltd.	Singapore	Hotel management services	**51.00**	51.00
*	Niseko Village K.K.	Japan	Owning, managing, maintaining and developing the Niseko Village Resort	**100.00**	100.00
*	Niseko Village (S) Pte. Ltd.	Singapore	Investment holding	**100.00**	100.00
*	P.T. Jepun Bali	Indonesia	Managing & operating a hotel	**100.00**	100.00
	Restoran Kisap Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
*	Samui Hotel 2 Co., Ltd.	Thailand	Hotel operator	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Hotels & Properties Sdn. Bhd. (Continued):				
	Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers & distributors of Koi fish	**100.00**	55.00
	Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
	YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	**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 Hotels Central Services 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 (Singapore) Pte. Ltd.	Singapore	Travel and hospitality related business	**100.00**	100.00
	Held through YTL Industries Berhad:				
	Yeoh Tiong Lay Brickworks Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
	Yeoh Tiong Lay Management Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
	Held through YTL Land Sdn. Bhd.:				
	Katagreen Development Sdn. Bhd.	Malaysia	Property leasing management & related services	**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

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Land Sdn. Bhd. (Continued):				
	Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
	YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
	YTL Majestic Hotel Sdn. Bhd.	Malaysia	Development of hotel	**100.00**	100.00
	Held through YTL Land & Development Berhad:				
	Amanresorts Sdn. Bhd.	Malaysia	Dormant	**57.89**	57.89
	Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**57.89**	57.89
*	Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**57.89**	57.89
	Budaya Bersatu Sdn. Bhd.	Malaysia	Dormant	**57.89**	57.89
	Emerald Hectares Sdn. Bhd.	Malaysia	Property development	**40.52**	40.52
*	Lakefront Pte. Ltd.	Singapore	Real estate developer	**57.89**	57.89
*	Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**57.89**	57.89
*	Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**57.89**	57.89
	Noriwasa Sdn. Bhd.	Malaysia	Dormant	**57.89**	57.89
	Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development & building construction	**57.89**	57.89
	Pinnacle Trend Sdn. Bhd.	Malaysia	Investment holding & property development	**57.89**	57.89
	PYP Sendirian Berhad	Malaysia	Property development	**57.89**	57.89
*	Sandy Island Pte. Ltd.	Singapore	Real estate developer & related services	**57.89**	57.89
	Satria Sewira Sdn. Bhd.	Malaysia	Property development & property investment	**57.89**	57.89

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	2012 %
	Held through YTL Land & Development Berhad (Continued):				
*	Sentul Raya Sdn. Bhd.	Malaysia	Property development & property investment	**40.52**	40.52
*	Sentul Raya Golf Club Berhad	Malaysia	Inactive	**40.52**	40.52
*	Sentul Raya City Sdn. Bhd.	Malaysia	Inactive	**40.52**	40.52
*	Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**40.52**	40.52
*	SR Property Management Sdn. Bhd.	Malaysia	Property development	**57.89**	57.89
	Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**57.89**	57.89
	Trend Acres Sdn. Bhd.	Malaysia	Investment holding & property development	**57.89**	57.89
	Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**57.89**	57.89
*	YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**57.89**	57.89
*	YTL Land & Development Management Pte. Ltd.	Singapore	Provision of financial services and management consultancy services	**57.89**	57.89
*	YTL Westwood Properties Pte. Ltd.	Singapore	Real estate developer	**57.89**	57.89
	Held through YTL Power International Berhad:				
*	Enterprise Laundry Services Limited	England & Wales	Provision of laundry services	**52.63**	–
	Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VoIP telephony and other advanced network media appliance for services provider and enterprise telephony markets	**31.58**	30.84

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Power International Berhad (Continued):				
	FrogAsia Sdn. Bhd.	Malaysia	Software license reseller focusing on virtual education learning platforms	**52.63**	51.40
*	Frogtrade Limited	England & Wales	Sale into the education market and further development of the company's web environment products	**30.30**	29.60
*	Geneco Limited	England & Wales	Dormant	**52.63**	51.40
*	Granite Investments (Cayman Islands) Limited	Cayman Islands	Dormant	**52.63**	51.40
*	I Education Limited	England & Wales	Providing internet services, development and provision of software	**15.45**	–
*	Pagabo Limited	England & Wales	Providing internet services, development and provision of software	**15.45**	–
*	PowerSeraya Limited	Singapore	In voluntary liquidation	**52.63**	51.40
*	PetroSeraya Pte. Limited	Singapore	Oil trading & oil tank leasing	**52.63**	51.40
*	P.T. YTL Jawa Timur	Indonesia	Provision construction management, consultancy services & power station operation services	**52.63**	51.40
*	Seraya Energy & Investment Pte. Ltd.	Singapore	Investment holding	**52.63**	51.40
*	Seraya Energy Pte. Ltd.	Singapore	Sale of electricity	**52.63**	51.40
*	SC Technology Deutschland GmbH	Germany	Waste treatment processes	**52.63**	51.40
*	SC Technology GmbH	Switzerland	Waste treatment processes	**52.63**	51.40
*	SC Technology Nederlands B.V.	Netherlands	Waste treatment processes	**52.63**	51.40

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Power International Berhad (Continued):				
*	Swiss Water System AG	Switzerland	Dormant	–	30.33
*	Sword Bidco (Holdings) Limited	England & Wales	Investment holding	**52.63**	–
*	Sword Bidco Limited	England & Wales	Investment holding	**52.63**	–
*	Sword Holdings Limited	Cayman Islands	Investment holding	**52.63**	–
*	Sword Midco Limited	England & Wales	Investment holding	**52.63**	–
*	Water 2 Business Limited	England & Wales	Licenced water supplier, providing retail water services to business customers	**52.63**	–
*	Wessex Electricity Utilities Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Engineering & Construction Services Ltd.	England & Wales	Engineering & construction services	**52.63**	51.40
*	Wessex Logistics Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Promotions Limited	England & Wales	Entertainment promotion	**52.63**	51.40
*	Wessex Property Services Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Spring Water Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Water Commercial Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Water Engineering Services Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Water Enterprises Limited	England & Wales	Water supply & waste water services	**52.63**	51.40
	Wessex Water International Limited	Cayman Islands	Investment holding	**52.63**	51.40

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Power International Berhad (Continued):				
*	Wessex Water Limited	England & Wales	Investment holding	**52.63**	51.40
*	Wessex Water Pension Scheme Trustee Limited	England & Wales	Management of Wessex Water Pension Scheme	**52.63**	51.40
*	Wessex Water Services Finance Plc	England & Wales	Issue of bonds	**52.63**	51.40
*	Wessex Water Services Limited	England & Wales	Water supply & waste water services	**52.63**	51.40
*	Wessex Water Trustee Company Limited	England & Wales	Dormant	**52.63**	51.40
*	Wessex Water Utility Solutions Ltd.	England & Wales	Dormant	**52.63**	51.40
*	YTL Communications International Ltd.	Cayman Islands	Inactive	**31.58**	30.84
	YTL Communications Sdn. Bhd.	Malaysia	Providing wired, line & wireless broadband access services	**31.58**	30.84
*	YTL Communications (S) Pte. Ltd.	Singapore	Dormant	**31.58**	30.84
*	YTL-CPI Power Limited	Hong Kong	Inactive	**–**	26.21
	YTL Digital Sdn. Bhd.	Malaysia	Sale and marketing of telecommunication products	**31.58**	30.84
*	YTL EcoGreen Pte. Ltd.	Singapore	Dormant	**52.63**	51.40
*	YTL Education (UK) Limited	England & Wales	Investment holdings	**52.63**	51.40
*	YTL Engineering Limited	England & Wales	Dormant	**52.63**	51.40
*	YTL Events Limited	England & Wales	Providing public entertainment events & public relations services	**52.63**	51.40
*	YTL Global Networks Limited	Cayman Islands	Dormant	**31.58**	30.84

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Power International Berhad (Continued):				
*	YTL Infrastructure Limited	Cayman Islands	Investment holding	**52.63**	–
	YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	**52.63**	51.40
	YTL Jawa O & M Holdings Limited	Cyprus	Investment holding	**52.63**	51.40
	YTL Jawa Power B.V.	Netherlands	Investment holding	**52.63**	51.40
	YTL Jawa Power Finance Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**30.07**	29.37
	YTL Jawa Power Holdings Limited	Cyprus	Investment holding	**52.63**	51.40
	YTL Jawa Power Services B.V.	Netherlands	Investment holding	**52.63**	51.40
	YTL Power Australia Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Power Finance (Cayman) Limited	Cayman Islands	Dormant	**52.63**	51.40
*	YTL Power Generation Sdn. Bhd.	Malaysia	Developing, constructing, completing, maintaining & operating power plants	**52.63**	51.40
	YTL Power Investments Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Power International Holdings Limited	Cayman Islands	Investment holding	**52.63**	51.40
*	YTL PowerSeraya Pte. Ltd.	Singapore	Own and operate energy facilities and services (full value chain of electricity generation including trading of physical fuels and fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process)	**52.63**	51.40

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Power International Berhad (Continued):				
*	YTL Power (Thailand) Limited	Cayman Islands	Investment holding	**52.63**	–
	YTL Power Trading (Labuan) Limited	Malaysia	Dormant	**52.63**	51.40
	YTL Seraya Limited	Cayman Islands	Investment holding	**52.63**	51.40
*	YTL Services Limited	England & Wales	Dormant	**52.63**	51.40
	YTL Utilities Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Utilities Finance Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Utilities Finance 3 Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Utilities Finance 4 Limited	Cayman Islands	Financial services	**52.63**	51.40
	YTL Utilities Finance 5 Limited	Cayman Islands	Financial services	**52.63**	51.40
	YTL Utilities Finance 6 Limited	Cayman Islands	Investment holding	**52.63**	51.40
	YTL Utilities Finance 7 Limited	Cayman Islands	Financial services	**52.63**	51.40
	YTL Utilities Holdings Limited	Cayman Islands	Investment holding	**52.63**	51.40
*	YTL Utilities Holdings (S) Pte. Limited	Singapore	Investment holding	**52.63**	51.40
*	YTL Utilities (S) Pte. Limited	Singapore	Investment holding	**52.63**	51.40

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Held through YTL Power International Berhad (Continued):				
*	YTL Utilities (UK) Limited	England & Wales	Investment holding	**52.63**	51.40
	Held through YTL Singapore Pte. Ltd.:				
*	Ideal World Pte. Ltd.	Singapore	Wholesale of furniture	**51.00**	51.00
*	Genesis-Alliance Retail Pte. Ltd.	Singapore	Retailing of furniture	**51.00**	51.00
*	Guangzhou Autodome Food & Beverage Management Co., Ltd.	The People's Republic of China	Operator of food & beverage outlets	**100.00**	–
	Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture, accessories & related services	**51.00**	51.00
*	Shanghai Autodome Food & Beverage Co., Ltd.	The People's Republic of China	Operator of food & beverage outlets	**100.00**	100.00
*	Shanghai YTL Hotels Management Co., Ltd.	The People's Republic of China	Dormant	**100.00**	100.00

* Subsidiaries not audited by HLB Ler Lum

\# Restructuring

13. SUBSIDIARIES (CONTINUED)

(b) Subsidiaries' financial statements

The unaudited financial statements of Bath Hotel & SPA B.V., Gainsborough Hotel (Bath) Limited, Industrial Procurement Limited, Niseko Village K.K., 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, SCI YTL Hotels Saint Tropez, YTL Power Services (Cayman) Ltd. and YTL Property Investments Limited, 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 changes in group structure

(i) On 29 October 2012, YTL Power announced that Frogtrade Limited ("Frogtrade"), a 57.58% owned subsidiary of YTLPIL, which in turn is an indirect subsidiary of YTL Power, had entered into an agreement with Steven John Holt, Micheal Luke Wilkinson and Simon Marshall, for the acquisition of a total 1,020 ordinary shares of 5 pence each in the capital of I Education Limited ("I Education"), representing 51% of the issued and paid-up share capital of I Education, for a cash consideration of GBP1,020,000 ("Acquisition"). As a result of the Acquisition, I Education became a subsidiary of Frogtrade and indirect subsidiary of YTL Power and the Company.

Concurrently with the Acquisition, Pagabo Limited, a wholly-owned subsidiary of I Education, became an indirect subsidiary of Frogtrade, YTL Power and the Company.

(ii) On 17 April 2013, the Company acquired the balance of 8,712,402 ordinary shares of RM1.00 each in Prisma Tulin Sdn. Bhd. ("PTSB"), representing the balance 40.67% of the total issued and paid-up share capital in PTSB, not owned by the Company, from Amcorp Properties Berhad for a total consideration of RM19,461,764.00 ("Acquisition"). As a result of the Acquisition, PTSB became a wholly-owned subsidiary of the Company.

14. INVESTMENT IN ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at cost	**1,211,356**	1,078,162	**205,241**	210,641
Quoted shares, outside Malaysia, at cost	**817,369**	817,369	–	–
Unquoted Convertible Preference Units, ("CPU")* outside Malaysia, at cost	**405,000**	405,000	–	–
Share of post acquisition profits	**985,015**	902,940	–	–
	3,418,740	3,203,471	**205,241**	210,641
Market value of quoted shares outside Malaysia	**1,207,842**	950,550	–	–

* The CPUs are issued by Starhill Global Real Estate Investment Trust ("SG REIT"), in which the Group has an interest in 570,777,858 (2012: 570,777,858) units representing 29.38% (2012: 29.38%). The CPU holders are 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.

The CPU to be held by the YTL Corporation Berhad Group in accordance with the SC's approval vide its letter dated 24 February 2010.

14. 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 2013 %	Effective Equity Interest 2012 %
	Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	Hotel operator	**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
ß*	ElectraNet Transmission Services Pty. Ltd.	Australia	In the process of deregistration	–	17.22
*	ElectraNet Pty. Ltd.	Australia	Trade as ElectraNet SA (operates& manages the electricity transmission network throughout South Australia)	**17.63**	17.22
*	Enefit Jordan B.V.	Netherlands	Investment holding	**15.79**	15.42
*	Express Rail Link Sdn. Bhd.	Malaysia	Operation & maintenance of the ERL railway system between KLIA in Sepang & KL Sentral Station	**50.00**	50.00
^	Jimah Power Generation Sdn. Bhd.	Malaysia	Dormant	**25.78**	25.18
	North South Development Sdn. Bhd.	Malaysia	Realty, investment & management services	**49.00**	49.00
*	P.T. Jawa Power	Indonesia	To construct, commission & operate a coal-fired thermal power station	**10.52**	13.78
^*	Starhill Global Real Estate Investment Trust	Singapore	Invest in prime real estate	**29.38**	29.38
	Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**48.97**	49.28
^*	Surin Bay Company Limited	Thailand	Hotel operator	**49.00**	49.00
@*	Teknologi Tenaga Perlis (Overseas) Consortium Sdn. Bhd.	Malaysia	Dormant	**15.79**	15.42

14. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(a) Investment in associated companies (continued)

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
	Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
	Trans-Pacific Resorts Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
	Xchanging Malaysia Sdn. Bhd.	Malaysia	Provision of information technology outsourcing services	**15.79**	15.42
*	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
ß Deregistered 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) The summarised financial information of the associated companies are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
Non-current assets	**22,488,968**	21,156,496
Current assets	**2,018,936**	2,148,757
Current liabilities	**(3,162,909)**	(2,089,548)
Non-current liabilities	**(11,481,122)**	(11,163,795)
Net assets	**9,863,873**	10,051,910
Revenue	**3,337,202**	3,029,975
Profit for the financial year	**958,921**	989,628

Goodwill amounting to RM18,416,000 (2012: 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 RM20,726,000 (2012: RM27,963,000) 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 RM261,224,000 (2012: RM200,898,000) at reporting date.

15. JOINT VENTURES

(a) Investments in a jointly controlled entity

	Group 2013 RM'000	Group 2012 RM'000
Unquoted investments, at cost	**22,900**	22,900
Share of post acquisition losses	**(410)**	(407)
	22,490	22,493

(i) Details of the jointly controlled entity are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %
PDC Heritage Hotel Sdn. Bhd.	Malaysia	Property development	**28.95**	28.95

(i) 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 2013 RM'000	Group 2012 RM'000
Non-current assets	**135**	–
Current assets	**16,101**	15,638
Current liabilities	**(3,305)**	(2,705)
Net assets	**12,931**	12,933
Income	**3**	2
Expenses	**(6)**	(406)

15. JOINT VENTURES (CONTINUED)

(b) Jointly controlled operations

Bristol Wessex Billing Services Limited ("BWWSL")

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	
	2013 RM'000	2012 RM'000
Non-current assets	**155**	259
Current assets	**4,019**	3,535
Current liabilities	**(4,174)**	(3,794)
Net assets	**–**	–
Expenses	**51,035**	51,879

16. INVESTMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Available-for-sale financial assets	**155,035**	168,010	**174,141**	120,360

The investments are in relation to the following:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Quoted equity investments				
– Within Malaysia	**2,496**	89,685	**4,415**	5,426
– Outside Malaysia	**122**	5,688	**7,303**	2,776
Unquoted equity investments				
– Within Malaysia	**44,100**	18,933	**19,483**	19,483
– Outside Malaysia	**108,317**	53,704	**142,940**	92,675
	155,035	168,010	**174,141**	120,360

16. INVESTMENTS (CONTINUED)

During the financial year, the gains arising from the changes in fair values recognised in other comprehensive income amounted to RM13,013,000 (2012: loss of RM47,762,000) and RM1,083,000 (2012: RM538,000), for the Group and Company, respectively.

During the financial year, the Group and the Company recognised an impairment loss of RM299,591 (2012: RM9,540,491) and RM299,591 (2012: RM9,540,491) against equity investments whose trade prices had been below cost for a prolonged period, respectively.

During the last financial year, a change in the terms of the preference shares was introduced. Under this change the holder of the preference shares was granted an option to convert the preference shares into ordinary shares of YTL Power Investments Limited ("YTLPIL"). In June 2012 the holder exercised the convertible option and further acquired all remaining shares in YTLPIL making it a wholly owned subsidiary of the Group. As a result of this conversion, the preference shares were derecognised.

A gain of RM87.6 million was recorded in the Group Income Statement as a result of the derecognition of the preference shares in the previous financial year.

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Deposits with licensed banks	**13,145,698**	12,569,307	**1,750,043**	774,765
Cash and bank balances	**668,315**	783,068	**4,405**	3,560
Cash and cash equivalents	**13,814,013**	13,352,375	**1,754,448**	778,325
Bank overdrafts (Note 33)	**(71,402)**	(75,300)	**–**	–
Cash and cash equivalents as per statements of cash flows	**13,742,611**	13,277,075	**1,754,448**	778,325

Cash and bank balances of the Group included amounts totalling RM14,902,871 (2012: RM33,363,271) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and Nil (2012: RM184,303,941 [SGD73,594,993]) 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	
	2013 %	**2012 %**	**2013 %**	**2012 %**
Deposits with licensed banks	**0.01 – 3.70**	0.01 – 4.68	**2.50 – 3.40**	2.95 – 3.40

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2012: 1 day to 365 days). Bank balances are deposits held at call with banks.

17. CASH AND CASH EQUIVALENTS (CONTINUED)

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.

18. INTANGIBLE ASSETS

The details of intangible assets are as follows:-

	Group	
	2013	**2012**
	RM'000	**RM'000**
Customer acquisition costs (Note a)	**40,201**	–
Goodwill on consolidation (Note b)	**4,745,284**	4,717,126
	4,785,485	4,717,126

(a) Customer acquisition costs

At beginning of the financial year	–	–
Additions	**61,477**	–
Amortisation (Note 6)	**(21,276)**	–
At end of the financial year	**40,201**	–

(b) Goodwill on consolidation

At cost:		
At beginning of the financial year	**4,734,795**	4,579,164
Arising from acquisition of new subsidiaries	–	36,685
Currency translation differences	**28,158**	118,946
At end of the financial year	**4,762,953**	4,734,795
Accumulated impairment:		
At beginning of the financial year	**(17,669)**	(9,178)
Impairment losses (Note 6)	–	(8,491)
At end of the financial year	**(17,669)**	(17,669)
Carrying amount at end of the financial year	**4,745,284**	4,717,126

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.

18. INTANGIBLE ASSETS (CONTINUED)

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	
	2013 RM'000	2012 RM'000
Utilities	**4,241,269**	4,215,452
Management services	**245,445**	243,104
Cement manufacturing & trading	**114,025**	114,025
Property investment & development	**98,093**	98,082
Hotel & restaurant operations	**21,698**	21,709
Others	**24,754**	24,754
	4,745,284	4,717,126

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs.

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 two of major goodwill in utilities segment of amounting of RM3.00 billion (2012: RM2.99 billion) ("A") and RM214 million (2012: RM214 million) ("B"), respectively, one of major goodwill in management services ("C") and cement manufacturing & trading ("D") segment of amounting to RM245 million (2012: RM244 million) and RM114 million (2012: RM119 million), respectively.

	2013				2012			
	A %	B %	C %	D %	A %	B %	C %	D %
Pre-tax discounts	**6.0**	**7.1**	**4.5**	**4.5**	6.0	5.5	7.0	6.7
Terminal growth rate	**2.0**	**1.5**	N/A	N/A	2.0	0.2	N/A	N/A
Revenue growth	**1.2**	**2.7**	**3.0**	**3.0**	2.1	4.0	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.

18. INTANGIBLE ASSETS (CONTINUED)

(b) Sensitivity to change in key assumptions

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 sensitivity of key assumptions to 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 amounts assuming no change in the other variables are as follows:-

	2013		2012	
	A %	B %	A %	B %
Pre-tax discount	**9.4**	**14.7**	9.1	17.4
Terminal growth rate	**(5.5)**	**(0.3)**	(6.1)	(1.0)
Revenue growth	**(0.2)**	**(13.1)**	0.3	(10.8)

The management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the units to materially differ from their recoverable amounts except the above mentioned CGU "A" and "B".

No impairment was recognised for the financial year ended 30 June 2013 and 30 June 2012 for the goodwill of the respective CGUs as their recoverable amounts were in excess of their carrying amounts

19. BIOLOGICAL ASSETS

	Group	
	2013 RM'000	2012 RM'000
Plantation development expenditure – at cost		
At beginning of the financial year	**1,316**	1,128
Addition	**384**	188
At end of the financial year	**1,700**	1,316

20. TRADE AND OTHER RECEIVABLES

	Group 2013 RM'000	Group 2012 RM'000
Non-current		
Amounts recoverable from supplier*	**357,235**	331,380
Less: Allowance for impairment	**(102,605)**	–
Amounts recoverable from supplier (net)	**254,630**	331,380
Accrued income	**1,162**	–
Deposits	**13,188**	13,185
Receivables in associated company^	**289,541**	433,503
	558,521	778,068

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current				
Trade receivables	**3,029,499**	2,379,475	–	–
Shareholder amounts held by solicitors	**15,728**	41,716	–	–
	3,045,227	2,421,191	–	–
Less: Allowance for impairment	**(260,887)**	(228,934)	–	–
Trade receivables – net	**2,784,340**	2,192,257	–	–
Other receivables	**298,592**	298,103	**17,129**	13,286
Less: Allowance for impairment	**(1,503)**	(1,430)		–
Other receivables – net	**297,089**	296,673	**17,129**	13,286
Progress billings and final sum receivables	**1,133**	535,824	–	–
Retention sum	**7,861**	21,338	–	–
Accrued income	**358,700**	305,594	–	–
Deposits	**87,878**	206,473	**232**	232
	3,537,001	3,558,159	**17,361**	13,518

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

^ Receivables from associate comprises of three loan notes to the associate. The notes have been issued by the associate in accordance to a loan note facility agreement. These receivables will mature in October 2030. Contingent interests are receivable on loan notes to the extent that there is sufficient available cash. In the event that cash is insufficient, interest will be accrued.

* A subsidiary of the Group had 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 of Malaysia had on 12 May 2005 informed the subsidiary 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 that effective from 1 January 2002 the discount has been withdrawn.

Consequently, as at 30 June 2013, the amounts paid to the gas supplier under protest and which is due and owing to the subsidiary. The Directors have obtained legal advice on the matter and based on the advice received believe that the amounts are fully recoverable. The remaining balances within other receivable are neither past due nor impaired.

The ageing analysis of the Group's trade receivables is as follows:-

	Group	
	2013	**2012**
	RM'000	**RM'000**
Neither past due nor impaired	**2,266,662**	1,708,699
1 to 90 days past due not impaired	**188,258**	214,039
91 to 120 days past due not impaired	**72,086**	113,331
More than 120 days past due not impaired	**257,334**	156,188
Total past due not impaired	**517,678**	483,558
Impaired	**260,887**	228,934
	3,045,227	2,421,191

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Receivables amounting to RM116.5 million (2012: RM123.8 million) are secured by financial guarantees given by banks and RM11.9 million (2012: RM39.4 million) are secured by cash collateral.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM517,678,000 (2012: RM483,558,000) 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.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables that are impaired

The Group's receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:-

	Trade receivables RM'000	Others RM'000	Total RM'000
Group – 2013			
At beginning of the financial year	**228,934**	**1,430**	**230,364**
Charge for the year	**69,177**	**102,678**	**171,855**
Reversal of impairment losses	**(1,385)**	**–**	**(1,385)**
Bad debts written off	**(31,702)**	**–**	**(31,702)**
Currency translation differences	**(4,137)**	**–**	**(4,137)**
At end of the financial year	**260,887**	**104,108**	**364,995**
Group – 2012			
At beginning of the financial year	209,774	34,452	244,226
Charge for the year	49,669	390	50,059
Reversal of impairment losses	(34,369)	(33,412)	(67,781)
Currency translation differences	3,860	–	3,860
At end of the financial year	228,934	1,430	230,364

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. INVENTORIES

	Group 2013 RM'000	2012 RM'000
At cost		
Consumable stores	**17,780**	10,648
Finished goods	**79,838**	83,466
Fuel	**270,278**	323,188
Properties held for sale	**153,593**	187,462
Raw materials	**107,871**	88,587
Spare parts	**194,581**	196,551
Work-in-progress	**31,491**	36,830
At fair value less cost to sell		
Fuel	**37,137**	1,922
	892,569	928,654

22. PROPERTY DEVELOPMENT COSTS

Group – 2013	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	**1,165,856**	**105,716**	**424,928**	**1,696,500**
Cost incurred during the financial year	**–**	**20,243**	**407,655**	**427,898**
Transfer to inventories	**–**	**(285)**	**(2,916)**	**(3,201)**
Reversal of completed projects	**(14,449)**	**(59,097)**	**(357,541)**	**(431,087)**
Currency translation differences	**3,785**	**–**	**1,272**	**5,057**
At end of the financial year	**1,155,192**	**66,577**	**473,398**	**1,695,167**
Cumulative cost recognised in profit or loss:-				
At beginning of the financial year				**(471,872)**
Recognised during the financial year				**(283,501)**
Reversal of completed projects				**431,087**
At end of the financial year				**(324,286)**
Property development costs at end of the financial year				**1,370,881**

Group – 2012	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	1,122,035	429,551	761,789	2,313,375
Cost incurred during the financial year	–	20,336	472,872	493,208
Transfer to inventories	(979)	(43,925)	(87,072)	(131,976)
Reversal of completed projects	(1,467)	(299,824)	(725,756)	(1,027,047)
Currency translation differences	46,267	(422)	3,095	48,940
At end of the financial year	1,165,856	105,716	424,928	1,696,500
Cumulative cost recognised in profit or loss:-				
At beginning of the financial year				(827,675)
Recognised during the financial year				(673,078)
Reversal of completed projects				1,027,047
Currency translation differences				1,834
At end of the financial year				(471,872)
Property development costs at end of the financial year				1,224,628

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM30,791,596 (2012: RM41,948,084).

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,316,000,000 (2012: RM1,188,847,000) pledged as security for a borrowing granted to the Group as disclosed in Note 33 to the Financial Statements.

23. OTHER ASSETS

	Group 2013 RM'000	Group 2012 RM'000
Non-current		
Prepayments	**147,762**	72,646

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current				
Prepayments	**304,326**	526,657	**1,054**	1,481
Accrued billings in respect of property development costs	**84,815**	100,706	**–**	–
Amount due from contract customers (Note 25)	**9,154**	40,100	**–**	–
	398,295	667,463	**1,054**	1,481

24. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets RM'000	Liabilities RM'000	Total RM'000
Group – 2013			
At beginning of the financial year	**79,653**	**(524,367)**	**(444,714)**
Movement during the year	**(34,167)**	**319,387**	**285,220**
Currency translation differences	**18**	**3,366**	**3,384**
At end of the financial year	**45,504**	**(201,614)**	**(156,110)**

	Assets RM'000	Liabilities RM'000	Total RM'000
Group – 2012			
At beginning of the financial year	98,515	(268,637)	(170,122)
Movement during the year	(20,282)	(239,254)	(259,536)
Currency translation differences	1,420	(16,476)	(15,056)
At end of the financial year	79,653	(524,367)	(444,714)

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Analysed as:-

	Group		
	Contract/ notional amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
2013			
Cash-flow hedges			
– fuel oil swaps	1,889,283	5,140	60,069
– currency forwards	1,955,169	35,088	1,828
– Interest rate swaps	431,922	–	12,653
Fair value through profit or loss			
– fuel oil swaps	376,657	4,208	2,937
– currency forwards	109,795	1,068	57
– 1.875% exchangeable bonds	–	–	124,070
		45,504	201,614
Current portion		37,654	61,282
Non-current portion		7,850	140,332
		45,504	201,614
2012			
Cash-flow hedges			
– fuel oil swaps	2,275,887	40,734	235,311
– currency forwards	2,349,746	25,649	15,483
– Interest rate swaps	508,686	–	42,545
Fair value through profit or loss			
– fuel oil swaps	477,935	13,129	36,785
– currency forwards	39,085	141	2
– 1.875% exchangeable bonds	–	–	194,241
		79,653	524,367
Current portion		75,856	284,648
Non-current portion		3,797	239,719
		79,653	524,367

The changes in fair value that arose from fair value through profit or loss and the ineffective portion of cash flow hedge recognised in the profit or loss amounted to a gain of RM25.7 million (2012: loss of RM20.6 million) and a gain of RM67.5 million (2012: loss of RM30.0 million), respectively.

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Financial 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.

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) 1.875% 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 ordinary shares of RM0.10 each in the Company ("YTL Corp Shares") at fixed exchange prices as disclosed in Note 32(I). The derivative financial instruments are carried at fair value through profit or loss.

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(d) 1.875% Exchangeable bonds (continued)

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:-

	Group	
	2013 RM'000	2012 RM'000
YTL Corp Share price (RM)	**1.66**	2.02
Exchange price (RM)	**1.67**	1.80
Expected volatility (%)	**26.5**	15.0
Expected life of exchange feature (years)	**1.72**	2.62
Risk free rate per annum (%)	**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.

25. CONSTRUCTION CONTRACTS

	Group	
	2013 RM'000	2012 RM'000
Aggregate costs incurred to date	**1,520,238**	1,343,776
Recognised profits less recognised losses	**204,321**	172,527
Exchange differences	**(1,508)**	(1,418)
	1,723,051	1,514,885
Less: Progress billings	**(1,746,337)**	(1,512,543)
Total	**(23,286)**	2,342
Representing:		
Amount due to contract customers (Note 38)	**(32,440)**	(37,758)
Amount due from contract customers (Note 23)	**9,154**	40,100
Total	**(23,286)**	2,342

Included in aggregate costs incurred to date of the Group are depreciation and interest capitalised during the financial year amounting to RM4,742,875 (2012: RM4,424,003) and RM624,831 (2012: RM494,514), respectively.

26. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
(a) Amounts due from related parties				
Amounts due from:-				
– Holding company	**1,000**	87	**–**	–
– Subsidiaries	**–**	–	**2,384,099**	1,994,419
– Related companies	**9,744**	11,900	**930**	764
– Associated companies	**23,646**	7,910	**340**	342
– Jointly controlled entity	**6,610**	5,406	**–**	–
	41,000	25,303	**2,385,369**	1,995,525
(b) Amounts due to related parties				
Amounts due to:-				
– Subsidiaries	**–**	–	**1,048,085**	760,631
– Related companies	**4,679**	6,003	**30**	99
– Associated companies	**680**	3,803	**–**	–
	5,359	9,806	**1,048,115**	760,730

(c) The amounts due from/to related parties pertain 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 RM38.7 million (2012: RM44.8 million) which bear interest rate of 4.4% per annum (2012: 4.4% per annum).

The significant related parties' transactions of the Group and the Company are disclosed in Note 42 to the Financial Statements.

(d) Holding company

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

27. SHORT TERM INVESTMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Available-for-sale financial assets				
Unquoted unit trusts in Malaysia				
– at cost	**590,715**	572,881	**590,715**	572,881

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.

28. SHARE CAPITAL

	Group/Company 2013 RM'000	Group/Company 2012 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 – 10,546,774,669 (2012: 9,528,017,190) ordinary shares of RM0.10 each	**1,054,677**	952,802
Exercise of share options under ESOS 2001 – Nil (2012: 182,107,000) ordinary shares of RM0.10 each	**–**	18,210
Share Exchange Offer – Nil (2012: 787,951,284) ordinary shares of RM0.10 each	**–**	78,795
Conversion of exchangeable bonds – 192,156,804 (2012: 48,699,195) ordinary shares of RM0.10 each	**19,216**	4,870
At end of the financial year – 10,738,931,473 (2012: 10,546,774,669) ordinary shares of RM0.10 each	**1,073,893**	1,054,677

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	86,699,323	Otherwise than cash	1.80	Conversion of exchangeable bonds
Ordinary	2,238,471	Otherwise than cash	1.78	Conversion of exchangeable bonds
Ordinary	103,219,010	Otherwise than cash	1.67	Conversion of exchangeable bonds

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

Out of a total of 10,738,931,473 (2012: 10,546,774,669) ordinary shares of RM0.10 issued and fully paid-up ordinary shares, the Company holds 373,343,939 (2012: 868,588,445) ordinary shares of RM0.10 as treasury shares. As at 30 June 2013, the number of ordinary shares in issue and fully paid net of treasury shares are 10,365,587,534 (2012: 9,678,186,224).

28. SHARE CAPITAL (CONTINUED)

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 27 November 2012. 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 152,294,500 ordinary shares of RM0.10 each (2012: 319,275,900) ordinary shares of RM0.10 each of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.80 (2012: RM1.66) 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 2 July 2012, a total of 647,539,006 treasury shares amounting to RM934,139,770 were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifteen (15) ordinary shares held on 18 June 2012.

As at 30 June 2013, the Company held as treasury shares a total of 373,343,939 (2012: 868,588,445) of its 10,738,931,473 (2012: 10,546,774,669) issued ordinary shares. Such treasury shares are held at a carrying amount of RM593,338,983 (2012: RM1,253,032,153).

(b) Employees Share Option Scheme ("ESOS")

On 1 April 2011, the Company implemented a new share issuance scheme known as the Employees Share Option Scheme which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 30 November 2010, the ESOS is for eligible employees and directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation as set out in the by-laws of the ESOS ("By-Laws").

The salient terms of the ESOS 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.

28. SHARE CAPITAL (CONTINUED)

(b) Employees Share Option Scheme ("ESOS") (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, save for the following:-

On 16 July 2012, 146,830,000 options were offered by the Company to eligible employees and directors under the ESOS 2011 at an exercise price of RM1.75 per ordinary share.

28. SHARE CAPITAL (CONTINUED)

The movements during the financial year in the number of share options of the Company are as follows:-

Financial year ended 30 June 2013

Grant date	Expiry date	Exercise price RM	At beginning of financial year '000	Granted '000	Lapsed '000	At end of financial year '000
			Number of share options over ordinary shares of RM0.10 each			
Scheme						
16.07.2012	31.03.2021	1.75	–	146,830	(5,755)	141,075
			–	146,830	(5,755)	141,075

None of the 141,075,000 (2012: Nil) outstanding options are exercisable.

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 16.07.2012
Valuation assumptions:-	
Expected volatility	23.6%
Expected dividend yield	4.5%
Expected option life	3 – 4 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.1%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Value of employee services received for issue of share options:-

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Share options granted				
by the Company	**15,860**	–	**15,860**	–
by the subsidiaries	**9,443**	1,181	**–**	–
Allocation to subsidiaries	**–**	–	**(9,483)**	–
Total share options expenses	**25,303**	1,181	**6,377**	–

29. NON-DISTRIBUTABLE RESERVES

(A) Share premium

	Group/Company 2013 RM'000	Group/Company 2012 RM'000
At beginning of the financial year	**1,674,496**	1,317,192
Shares issued upon exercise of share options under ESOS 2001	–	156,641
Transfer from share options reserve on exercise of ESOS 2001[Note 29(B)]	–	22,799
Share exchange offer	–	1,040,096
Conversion of exchangeable bonds	**313,204**	82,788
Share issuance expense	–	(10,880)
Share dividend declared	–	(934,140)
At end of the financial year	**1,987,700**	1,674,496

(B) Other reserves

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Capital reserve	**101,991**	101,994	–	–
Equity component of Irredeemable Convertible Unsecured Loan Stocks	**74,066**	74,119	–	–
Foreign currency translation reserve	**(742,041)**	(614,643)		–
Share options reserve	**26,601**	1,298	**15,860**	–
Statutory reserve	**27,141**	27,236	–	–
Available-for-sale reserve	**5,299**	(13,945)	**1,700**	1,142
Hedging reserve	**(23,483)**	(112,882)	–	–
Share dividend payable reserve	–	934,140	–	934,140
	(530,426)	397,317	**17,560**	935,282

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(B) Other reserves – Group

	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Statutory reserve[1] RM'000	Available-for-sale reserve RM'000	Hedging reserve RM'000	Share dividend payable reserve RM'000	Total other reserves RM'000
2013									
At beginning of the financial year	101,994	74,119	(614,643)	1,298	27,236	(13,945)	(112,882)	934,140	397,317
Changes in fair values	–	–	–	–	–	19,244	87,217	–	106,461
Exchange differences	–	–	(125,394)	–	–	–	–	–	(125,394)
Total comprehensive (loss)/ income for the year	–	–	(125,394)	–	–	19,244	87,217	–	(18,933)
Share options granted	–	–	–	15,860	–	–	–	–	15,860
Share option issued by subsidiary	–	–	–	9,443	–	–	–	–	9,443
Conversion of ICULS	–	(53)	–	–	–	–	–	–	(53)
Share dividend distributed	–	–	–	–	–	–	–	(934,140)	(934,140)
Changes in composition of the group	–	–	80	–	–	–	–	–	80
Currency translation differences	(3)	–	(2,084)	–	(95)	–	2,182	–	–
At end of the financial year	101,991	74,066	(742,041)	26,601	27,141	5,299	(23,483)	–	(530,426)

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(B) Other reserves – Group

	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Statutory reserve[1] RM'000	Available-for-sale reserve RM'000	Hedging reserve RM'000	Share dividend payable reserve RM'000	Total other reserves RM'000
2012									
At beginning of the financial year	102,625	21,382	(675,518)	45,028	45,136	31,788	14,133	–	(415,426)
Changes in fair values	–	–	–	–	–	(45,733)	(126,624)	–	(172,357)
Exchange differences	–	–	61,944	–	–	–	–	–	61,944
Total comprehensive income/(loss) for the year	–	–	61,944	–	–	(45,733)	(126,624)	–	(110,413)
Issue of share capital	–	–	–	(22,799)	–	–	–	–	(22,799)
Effect of issue of shares by subsidiaries to non-controlling interest	–	–	–	(9,446)	–	–	–	–	(9,446)
Share options lapsed	–	–	–	(12,666)	–	–	–	–	(12,666)
Share option issued by subsidiary	–	–	–	1,181	–	–	–	–	1,181
Issue of ICULS	–	60,305	–	–	–	–	–	–	60,305
Conversion of ICULS	–	(7,568)	–	–	–	–	–	–	(7,568)
Share dividend declared	–	–	–	–	–	–	–	934,140	934,140
Changes in composition of the group	(648)	–	–	–	(19,343)	–	–	–	(19,991)
Currency translation differences	17	–	(1,069)	–	1,443	–	(391)	–	–
At end of the financial year	101,994	74,119	(614,643)	1,298	27,236	(13,945)	(112,882)	934,140	397,317

Note:

[1] *This represents a reserve which needs to be set aside pursuant to local statutory requirement of an associated company.*

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(B) Other reserves – Company

	Share options reserve RM'000	Available-for-sale reserve RM'000	Share dividend payable reserve RM'000	Total other reserves RM'000
2013				
At beginning of the financial year	–	**1,142**	**934,140**	**935,282**
Changes in fair values	–	**1,083**	–	**1,083**
Disposal of available-for-sales investment securities	–	**(525)**	–	**(525)**
Share dividend distributed	–	–	**(934,140)**	**(934,140)**
Issue of share capital	–	–	–	–
Share options granted	**15,860**	–	–	**15,860**
At end of the financial year	**15,860**	**1,700**	–	**17,560**
2012				
At beginning of the financial year	23,630	1,221	–	24,851
Changes in fair values	–	538	–	538
Disposal of available-for-sales investment securities	–	(617)	–	(617)
Share dividend declared	–	–	934,140	934,140
Issue of share capital	(22,799)	–	–	(22,799)
Share options lapsed	(831)	–	–	(831)
At end of the financial year	–	1,142	934,140	935,282

30. LONG TERM PAYABLES

	Group 2013 RM'000	Group 2012 RM'000
Deferred income	**160,002**	164,055
Deposits	**78,685**	70,979
Loan from non-controlling interest	**79,145**	79,419
Other payables	**2,449**	–
	320,281	314,453

Non-current payables comprises of deposits collected from retail customers in relation to the provision of electricity, deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure and deferred income in relation to assets transferred from customer.

31. OTHER NON-CURRENT LIABILITIES

	Group	
	2013 RM'000	2012 RM'000
Amount due to contract customer	**67,696**	67,696

This represents the balance of the total purchase consideration of not less than RM105,616,000 (2012: 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 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.

32. BONDS

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current:-					
Medium Term Notes	32(A)	**1,350,000**	615,500	**500,000**	–
		1,350,000	615,500	**500,000**	–
Non-current:-					
Medium Term Notes	32(A)	**5,041,625**	4,288,191	**1,000,000**	500,000
3.52% Retail Price Index Guaranteed Bonds	32(B)	**337,548**	342,309	–	–
5.75% Guaranteed Unsecured Bonds	32(C)	**1,676,908**	1,699,265	–	–
5.375% Guaranteed Unsecured Bonds	32(D)	**961,599**	997,157	–	–
1.75% Index Linked Guaranteed Bonds	32(E)	**908,032**	893,983	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	32(F)	**908,032**	893,983	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	32(G)	**860,054**	852,291	–	–
2.186% Index Linked Guaranteed Bonds Due 2039	32(H)	**281,679**	279,780	–	–
1.875% Guaranteed Exchangeable Bonds Due 2015	32(I)	**878,128**	1,188,441	–	–
4.0% Unsecured Fixed rate Bonds Due 2021	32(J)	**1,482,505**	983,813	–	–
		13,336,110	12,419,213	**1,000,000**	500,000
Total		**14,686,110**	13,034,713	**1,500,000**	500,000

32. BONDS (CONTINUED)

The bonds are repayable:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Not later than 1 year	**1,350,000**	615,500	**500,000**	–
Later than 1 year but not later than 5 years	**1,178,101**	5,476,633	**–**	500,000
Later than 5 years	**12,158,009**	6,942,580	**1,000,000**	–
Total	**14,686,110**	13,034,713	**1,500,000**	500,000

The weighted average effective interest rates of the bonds of the Group and the Company as at the reporting date are as follows:-

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Medium Term Notes	**2.28**	4.63	**4.615**	4.85
Bonds	**4.95**	3.05	**–**	–

The fair values of the bonds of the Group as at the reporting date are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
3.52% Retail Price Index Guaranteed Bonds	**313,440**	361,453	**–**	–
5.75% Guaranteed Unsecured Bonds	**1,973,643**	2,075,365	**–**	–
5.375% Guaranteed Unsecured Bonds	**1,090,743**	1,153,092	**–**	–
1.75% Index Linked Guaranteed Bonds	**1,272,083**	1,312,950	**–**	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,134,892**	1,117,075	**–**	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,128,934**	1,117,477	**–**	–
2.186% Index Linked Guaranteed Bonds Due 2039	**273,911**	282,521	**–**	–
1.875% Guaranteed Exchangeable Bonds Due 2015	**868,945**	1,426,129	**–**	–
4.0% Unsecured Fixed rate Bonds Due 2021	**1,507,729**	1,053,733	**–**	–
Medium Term Notes	**5,904,360**	5,094,484	**1,492,327**	548,500
Total	**15,468,680**	14,994,279	**1,492,327**	548,500

32. BONDS (CONTINUED)

(A) MEDIUM TERM NOTES ("MTNs")

(i) The MTNs of the Company were issued pursuant to:-

(a) An MTN issuance programme of up to RM500 million constituted by a Trust Deed and Programme Agreement, both dated 18 June 2004, and the First Supplemental MTN 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% (2012: 4.85%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 25 June 2014 at nominal value.

(b) An MTN issuance programme of up to RM2.0 billion constituted by a Trust Deed and Programme Agreement, both dated 26 March 2013.

During the financial year, a nominal value of RM1,000,000,000 of MTNs was issued under the programme on 25 April 2013 at a coupon rate 4.38% (2012: Nil) per annum, payable semi-annually in arrears. The MTNs are redeemable on 25 April 2023 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 4.00% to 4.05% (2012: 3.93% to 4.05%) per annum.

(iii) The MTNs of YTL Power International Berhad ("YTLPI") were issued pursuant to:-

(a) 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; and

(b) an MTN issuance programme of up to RM5.0 billion ("MTN Programme") constituted by a Trust Deed and MTN Programme Agreement, both dated 11 August 2011.

During the financial year, YTLPI issued new MTNs with a nominal value of RM1,100,000,000. YTLPI's outstanding MTNs bear interest rates ranging from 3.80% to 5.55% (2012: 3.80% to 5.55%) per annum. The MTN repaid during the year was RM310,500,000 (2012: RM934,500,000).

(B) 3.52% RETAIL PRICE INDEX GUARANTEED BONDS ('RPIG Bonds')

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 2013 is 6.50% (2012: 8.68%) per annum. Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the RPIG Bonds will be redeemed in full on 30 July 2023 at their indexed value together with all accrued interest.

32. BONDS (CONTINUED)

(C) 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 2013 GBP345,490,751 (2012: GBP345,375,188) 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 GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest.

(D) 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 GBP198,116,716 (2012: GBP198,036,108) remained outstanding as at 30 June 2013, 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 GU Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The GU bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with all accrued interest.

(E) 1.75% INDEX LINKED GUARANTEED BONDS

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 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 2013 is 4.73% (2012: 6.91%) per annum. 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.

(F) 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 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 2013 is 4.353% (2012: 6.53%) per annum. 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.

32. BONDS (CONTINUED)

(G) 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 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 2013 is 4.78% (2012: 5.06%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

(H) 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 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 2013 is 4.03% (2012: 3.40%) per annum.

The ILG Bonds are redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(I) 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.

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 prevailing exchange price is RM1.67 per share.

The Bonds bear interest at the rate of 1.875% per annum calculated semi-annually and payable in arrears on 18 March and 18 September each year. 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.

32. BONDS (CONTINUED)

(J) 4% GUARANTEED UNSECURED BONDS DUE 2021

On 24 January 2012, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP200,000,000 nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ('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 24 January 2012. The nominal value of GU Bonds issued amounted to GBP200,000,000, of which GBP197,803,224 (2012: GBP197,536,948) remained outstanding as at 30 June 2013, 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.

On 30 August 2012, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP100,000,000 nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ('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 30 August 2012. The nominal value of GU Bonds issued amounted to GBP100,000,000 of which GBP107,634,926 remained outstanding as at 30 June 2013, 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 GU Bonds bear interest at 4.00% per annum, payable annually on 24 September of each year. The GU Bonds will be redeemed in full by the Issuer on 24 September 2021 at their nominal value together with all accrued interest.

The 4% GU Bonds GBP100,000,000 due 24 September 2021 were consolidated to form a single series with the 4.00% GU Bonds GBP200,000,000 which was issued on 24 January 2012.

33. BORROWINGS

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current					
Bankers' acceptances	33(A)	**40,211**	95,324	–	–
Bank overdrafts	33(B)	**71,402**	75,300	–	–
Commercial papers	33(C)	–	250,000	–	250,000
Committed bank loans	33(D)	**17,434**	22,620	–	–
Finance lease liabilities	33(E)	**44,137**	41,812	**361**	89
Irredeemable Convertible Unsecured Loan Stocks	33(F)	**4,958**	4,630	–	–
Revolving credit	33(G)	**2,548,855**	2,794,285	**1,403,855**	1,403,855
Term loans	33(H)	**150,260**	7,719,312	–	–
		2,877,257	11,003,283	**1,404,216**	1,653,944

33. BORROWINGS (CONTINUED)

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Non-current					
Finance lease liabilities	33(E)	**217,981**	264,491	**545**	183
Irredeemable Convertible Unsecured Loan Stocks	33(F)	**29,117**	24,444	–	–
Term loans	33(H)	**12,931,603**	4,876,442	–	–
		13,178,701	5,165,377	**545**	183
Total					
Bankers' acceptances	33(A)	**40,211**	95,324	–	–
Bank overdrafts	33(B)	**71,402**	75,300	–	–
Commercial papers	33(C)	–	250,000	–	250,000
Committed bank loans	33(D)	**17,434**	22,620	–	–
Finance lease liabilities	33(E)	**262,118**	306,303	**906**	272
Irredeemable Convertible Unsecured Loan Stocks	33(F)	**34,075**	29,074	–	–
Revolving credit	33(G)	**2,548,855**	2,794,285	**1,403,855**	1,403,855
Term loans	33(H)	**13,081,863**	12,595,754	–	–
		16,055,958	16,168,660	**1,404,761**	1,654,127

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 2013				
Bankers' acceptances	**40,211**	–	–	**40,211**
Bank overdrafts	**71,402**	–	–	**71,402**
Committed bank loans	**17,434**	–	–	**17,434**
Finance lease liabilities	**44,137**	**204,283**	**13,698**	**262,118**
Irredeemable Convertible Unsecured Loan Stocks	**4,958**	–	**29,117**	**34,075**
Revolving credit	**2,548,855**	–	–	**2,548,855**
Term loans	**150,260**	**9,909,418**	**3,022,185**	**13,081,863**
	2,877,257	**10,113,701**	**3,065,000**	**16,055,958**

33. BORROWINGS (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 2012				
Bankers' acceptances	95,324	–	–	95,324
Bank overdrafts	75,300	–	–	75,300
Committed bank loans	22,620	–	–	22,620
Commercial papers	250,000	–	–	250,000
Finance lease liabilities	41,812	193,700	70,791	306,303
Irredeemable Convertible Unsecured Loan Stocks	4,630	–	24,444	29,074
Revolving credit	2,794,285	–	–	2,794,285
Term loans	7,719,312	4,009,554	866,888	12,595,754
	11,003,283	4,203,254	962,123	16,168,660

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 2013				
Finance lease liabilities	**361**	**545**	–	**906**
Revolving credit	**1,403,855**	–	–	**1,403,855**
	1,404,216	**545**	–	**1,404,761**
At 30 June 2012				
Commercial papers	250,000	–	–	250,000
Finance lease liabilities	89	183	–	272
Revolving credit	1,403,855	–	–	1,403,855
	1,653,944	183	–	1,654,127

The carrying amounts of borrowings of the Group and of the Company at the reporting date approximated their fair values.

33. BORROWINGS (CONTINUED)

The weighted average effective interest rates of the borrowings of the Group and the Company as at the reporting date are as follows:-

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Term loans	**2.12**	0.72	–	–
Revolving credit	**4.23**	2.44	**3.73**	3.72
Committed bank loans	**1.78**	3.14	–	–
Commercial papers	–	2.88	–	3.41
Irredeemable convertible unsecured loan stocks	**7.49**	7.93	–	–
Bankers' acceptances	**3.53**	7.23	–	–
Bank overdrafts	**2.25**	7.48	–	–
Finance lease liabilities	**1.11**	4.94	**2.39**	2.40

Group		
2013 RM'000	2012 RM'000	Securities
1,766,796	2,353,402	– Clean
–	6,511,180	– A charge over the shares and assets of a subsidiary
180,000	277,335	– 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 – An assignment of insurance proceeds of a subsidiary
10,867,536	5,215,783	– Corporate guarantee by subsidiaries
1,575,469	180,000	– A first fixed charge over the properties of subsidiaries – An assignment of insurance proceeds of subsidiaries – A charge over the fixed deposit account of subsidiaries
26,925	–	– A first party first fixed charge over the land of a subsidiary – A debenture creating a first fixed and floating charge over a subsidiary's present and future assets – Charge over the shares of a subsidiary
774,004	771,324	– Corporate guarantee by subsidiary – A fixed charge over the freehold land under development – An assignment of insurance proceeds of a subsidiary
477,457	365,510	– Corporate guarantee by the Company
262,118	306,303	– A fixed charge over the respective vehicles, plant and machinery of the Group
125,650	187,823	– A charge over quoted shares of the subsidiaries
16,055,955	16,168,660	

33. BORROWINGS (CONTINUED)

Company 2013 RM'000	Company 2012 RM'000	Securities
1,403,855	1,653,855	– Clean
906	272	– A fixed charge over the respective vehicles of the Company
1,404,761	1,654,127	

(A) Bankers' acceptances

All the bankers' acceptances are unsecured and repayable on demand.

(B) Bank overdrafts

All the bank overdraft facilities are unsecured and repayable on demand.

(C) Commercial Papers ("CPs")

The CPs of the Company were issued pursuant to a CP issuance programme of up to RM500 million constituted under the Trust Deed dated 18 June 2004, which expired on 19 October 2012.

During the financial year, the Company has issued and repaid RM250,000,000 (2012: RM750,000,000), respectively of the CPs, bearing upfront interest rates ranging from 3.37% to 3.41% (2012: 3.40% to 3.41%) per annum.

As at 30 June 2013, the CPs have been fully repaid.

(D) Committed bank loans

Committed bank loan amounted to RM17,433,971 [EUR3,591,893] (2012: RM22,620,143 [EUR5,700,000]) is a direct obligation of Wessex Water Limited and bears an interest rate between 1.02% to 2.28% per annum.

(E) Finance lease liabilities

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Minimum lease payments:-				
Payable not later than 1 year	**56,449**	56,676	**393**	100
Payable later than 1 year and not later than 5 years	**232,340**	226,840	**564**	191
Payable later than 5 years	**14,357**	80,127	**–**	–
	303,146	363,643	**957**	291
Less: Finance charges	**(41,028)**	(57,340)	**(51)**	(19)
Present value of finance lease liabilities	**262,118**	306,303	**906**	272

Finance lease of RM251,769,051 (2012: RM291,671,046) 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 0.91% to 3.62% per annum.

33. BORROWINGS (CONTINUED)

(F) Irredeemable convertible unsecured loan stocks ("ICULS")

ICULS 2005/2015

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% ICULS at a nominal value of RM1.00 each, maturing 10 November 2015 ("Maturity Date").

The salient terms of the ICULS 2005/2015 are as follows:-

(i) The ICULS 2005/2015 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 2005/2015 bear interest at 6% per annum up to the maturity date. The interest is payable semi-annually in arrears.

(ii) The ICULS 2005/2015 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; and
- For conversion at any time after seventh anniversary of issue up to the maturity date, conversion price is RM1.82

(iii) The ICULS 2005/2015 are not redeemable and any ICULS 2005/2015 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 2005/2015 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 2005/2015.

A certain amount of the ICULS 2005/2015 are held by the Company (refer Note 13(a) to the Financial Statements) and other companies within the Group. The relevant amounts have been eliminated in the Consolidated Statement of Financial Position.

ICULS 2011/2021

On 31 October 2011, YTL Land & Development Berhad ("YTL Land"), a subsidiary of the Group issued 992,378,023 10 years 3% stepping up to 6% ICULS at a nominal value of RM0.50 each, maturing 31 October 2021 ("Maturity Date").

The salient terms of the ICULS 2011/2021 are as follows:-

(i) The ICULS 2011/2021 bear interest of 3% per annum from date of issue up to fourth anniversary and 4.5% per annum from the date after the fourth anniversary up to the seventh anniversary. Thereafter, the ICULS 2011/2021 bear interest at 6% per annum up to the maturity date. The interest is payable semi-annually in arrears.

33. BORROWINGS (CONTINUED)

(F) Irredeemable convertible unsecured loan stocks ("ICULS") (continued)

ICULS 2011/2021 (continued)

(ii) The ICULS 2011/2021 are convertible at any time on or after its issuance date into new ordinary shares of YTL Land 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 RM1.32;
- For conversion at any time after fourth anniversary of issue up to the seventh anniversary, conversion price is RM0.99; and
- For conversion at any time after seventh anniversary of issue up to the maturity date, conversion price is RM0.66

(iii) The ICULS 2011/2021 are not redeemable and any ICULS 2011/2021 remaining immediately after the maturity date shall be mandatorily converted into ordinary shares at the conversion price.

(iv) The new ordinary shares issued from the conversion of ICULS 2011/2021 will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of YTL Land.

A certain amount of the ICULS 2011/2021 are held by the Company (refer Note 13(a) to the Financial Statements). The relevant amounts have been eliminated in the Consolidated Statement of Financial Position.

(G) Revolving credit

All the revolving credit facilities are unsecured and repayable on demand.

(H) Term loans

(i) Term loans denominated in Great Britain Pounds

The term loans of RM849,397,500 [GBP175,000,000] (2012: RM871,570,000 [GBP175,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates between 0.76% to 1.2% per annum on the GBP100,000,000 loan and 1.13% to 1.52% per annum on the GBP75,000,000 loan.

The term loan of RM679,518,000 [GBP140,000,000] (2012: RM697,256,000 [GBP140,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loan bears an interest rates between 0.78% to 1.23% per annum.

During the financial year, a term loan of RM242,685,000 [GBP50,000,000] (2012: RM249,020,000 [GBP50,000,000]) previously drawn by Wessex Water Services Limited has been fully repaid on 8 October 2012. The loan bears interest rate of 1.98% per annum.

The term loan of RM498,040,000 [GBP100,000,000] was drawn by YTL Utilities Finance 7 Ltd. The term loan is unsecured and is guaranteed by the Company. The loan bears an interest rate between 1.17% to 1.34% per annum. The loan was fully repaid on 19 April 2013.

33. BORROWINGS (CONTINUED)

(H) Term loans (continued)

(ii) Term loans denominated in US Dollars

Term loans of RM1,263,122,353 [USD397,395,738] (2012: RM1,270,428,039 [USD398,315,736]) are unsecured and guaranteed by YTL Power International Berhad. On 17 December 2012, the loan of USD200.0 million was fully repaid at maturity and a new term loan of the same amount was drawn by the subsidiary. The loans of USD200 million each are repayable on 30 June 2015 and 17 December 2015, respectively. These loans bear average interest rate between 1.34% and 1.90% per annum, respectively.

(iii) Term loans denominated in Ringgit Malaysia

During the financial year, a term loan of RM1,581,000,000 was drawn by Starhill Real Estate Investment Trust which are secured by first fixed charge over the properties of the subsidiary. The facility bears a weighted average interest rate of 4.52% per annum.

Save for the term loans of certain subsidiaries amounting to RM1,180,000,000 (2012: RM457,335,000) which are secured by first fixed charge over the properties of the respective subsidiaries, the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollars

During the financial year, a term loan of RM6,511,180,000 (SGD2,600,000,000) previously drawn by YTL PowerSeraya Pte. Limited which was secured by a charge over its shares and assets has been fully refinanced by the same amount of term loan. The new term loan is unsecured and repayable in 3 tranches, RM954,940,000 (SGD380,000,000), RM3,668,980,000 (SGD1,460,000,000) and RM1,909,880,000 (SGD760,000,000) on 14 September 2015, 14 September 2017 and 14 September 2019, respectively.

During the financial year, a term loan of RM144,554,369 (SGD57,722,465) which previously drawn by Sandy Island Pte. Ltd. has been fully repaid.

Term loan of RM774,004,000 [SGD308,000,000] (2012: RM771,324,400 [SGD308,000,000]) is a secured loan of YTL Westwood Properties Pte. Ltd. ("YTLW"). This term loan bears interest rates between 2.14% and 2.30% (2012: 2.21% and 2.26%) per annum and is secured by legal mortgage of the property of YTLW.

(v) Term loan denominated in Japanese Yen

Term loan of Niseko Village (S) Pte. Ltd. amounting to RM257,280,000 [Yen8,000,000,000] (2012: RM315,739,300 [Yen7,900,000,000]) is unsecured and matures on 31 March 2015. The term loan bears average interest rate of 1.24% (2012: 1.24%) per annum and guaranteed by the Company.

34. GRANTS AND CONTRIBUTIONS

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**280,011**	256,834
Currency translation differences	**(3,972)**	5,859
Amortisation of grants and contributions (Note 6)	**(9,324)**	(10,157)
Received during the financial year	**29,059**	27,475
At end of the financial year	**295,774**	280,011

This represents government grants in foreign subsidiaries in respect of specific qualifying expenditure on infrastructure assets, non-infrastructure assets and a cogeneration plant.

35. DEFERRED TAX LIABILITIES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
At beginning of the financial year	**2,696,881**	2,785,365	**100**	100
Credited to profit or loss (Note 7)	**(144,769)**	(139,498)	**–**	–
Currency translation differences	**(40,890)**	51,014		–
Arising from acquisition	**(2,554)**	–	**–**	–
Recognised directly in equity	**4,469**	–	**–**	–
At end of the financial year	**2,513,137**	2,696,881	**100**	100

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 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Deferred tax provided are in respect of:-				
Deferred tax assets before offsetting				
Unutilised capital allowances	**(27)**	(164)	**–**	–
Retirement benefits	**(19,387)**	(29,275)	**–**	–
Unabsorbed tax losses	**(1,589)**	(8,127)	**–**	–
Provisions	**(36,731)**	(45,347)	**–**	–
Others	**(11,714)**	(5,601)	**–**	–
	(69,448)	(88,514)	**–**	–
Offsetting	**69,448**	88,514	**–**	–
Deferred tax assets after offsetting	**–**	–	**–**	–

35. DEFERRED TAX LIABILITIES (CONTINUED)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deferred tax liabilities before offsetting				
Property, plant and equipment				
– capital allowances in excess of depreciation	**2,513,907**	2,730,702	**100**	100
Land held for property development	**54,614**	44,086	**–**	–
Others	**14,064**	10,607	**–**	–
	2,582,585	2,785,395	**100**	100
Offsetting	**(69,448)**	(88,514)	**–**	–
Deferred tax liabilities after offsetting	**2,513,137**	2,696,881	**100**	100

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	2013 RM'000	2012 RM'000
Unabsorbed tax losses	**866,736**	666,830
Unutilised capital allowances	**738,972**	596,351
Unutilised investment tax allowance	**41,267**	42,520
Deductible temporary differences	**38,987**	43,370
Taxable temporary differences		
– property, plant and equipment	**(44,295)**	(35,073)
	1,641,667	1,313,998

The unabsorbed tax losses and unutilised capital allowances are subject to agreement with the Inland Revenue Board.

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS

(a) Defined contribution plan – Current

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Malaysia	**4,949**	4,589	**264**	235

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 2013 RM'000	Group 2012 RM'000
Overseas		
– United Kingdom	**92,071**	120,575
– Indonesia	**7,941**	7,323
	100,012	127,898

Overseas

(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 2013 using revised assumptions.

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**120,575**	126,608
Pension cost	**70,280**	83,616
Contributions and benefits paid	**(89,757)**	(92,495)
Currency translation differences	**(9,027)**	2,846
At end of the financial year	**92,071**	120,575

36. 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 are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
Present value of funded obligations	**2,607,480**	2,579,100
Fair value of plan assets	**(2,048,746)**	(1,896,536)
Status of funded plan	**558,734**	682,564
Unrecognised actuarial loss	**(466,663)**	(561,989)
Liability in the Statement of Financial Position	**92,071**	120,575

Changes in present value of defined benefit obligations are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**2,579,100**	2,110,915
Currency translation differences	**(65,573)**	52,198
Interest cost	**109,649**	117,386
Current service cost	**51,258**	45,297
Contributions by scheme participants	**970**	1,467
Past service cost	**970**	1,467
Net benefits paid	**(81,994)**	(78,747)
Actuarial loss on obligation	**13,100**	329,117
At end of the financial year	**2,607,480**	2,579,100

Changes in fair value of plan assets are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**1,896,536**	1,750,355
Currency translation differences	**(48,165)**	43,468
Expected return on plan assets	**98,490**	111,517
Contributions by employer	**89,756**	92,442
Contributions by scheme participants	**970**	1,467
Net benefits paid	**(81,994)**	(78,747)
Actuarial gain/(loss) on plan assets	**93,153**	(23,966)
At end of the financial year	**2,048,746**	1,896,536

36. 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	
	2013 RM'000	2012 RM'000
Current service cost	**51,258**	45,297
Interest cost	**109,649**	117,386
Expected return on plan assets	**(98,490)**	(111,517)
Past service cost	**970**	1,467
Actuarial loss recognised	**6,893**	30,983
Total	**70,280**	83,616
Actual return on plan assets	**144,448**	132,486

	Group	
	2013 RM'000	2012 RM'000
The charge to the profit or loss was included in the following line items:-		
– Cost of sales	**46,064**	66,056
– Administration expenses	**13,057**	11,691
– Interest cost	**11,159**	5,869
Total	**70,280**	83,616

The principal actuarial assumptions used in respect of the Group's defined benefit plans were as follows:-

	Group	
	2013 %	2012 %
Discount rate	**4.60**	4.40
Expected rate of increase in pension payment	**2.20 – 3.20**	2.10 – 2.90
Expected rate of salary increases	**4.20**	3.80
Price inflation	**3.40**	3.00

36. 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 Indonesia subsidiary's regulations are as presented below:-

	Group	
	2013 RM'000	**2012 RM'000**
Obligation relating to post-employment benefits	**6,389**	5,444
Obligation relating to other long term employee benefits	**1,552**	1,879
Total	**7,941**	7,323

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 2013.

Post employment benefits obligation

The movements during the financial year in the amounts recognised in the profit or loss are as follows:-

	Group	
	2013 RM'000	**2012 RM'000**
At beginning of the financial year	**5,444**	4,453
Pension cost	**1,376**	1,445
Contributions and benefits paid	**(115)**	(263)
Currency translation differences	**(316)**	(191)
At end of the financial year	**6,389**	5,444

The obligations relating to post-employment benefits recognised in the Statement of Financial Position are as follows:-

	Group	
	2013 RM'000	**2012 RM'000**
Present value of obligations	**6,025**	7,992
Unrecognised actuarial loss	**637**	(2,223)
Unrecognised past service cost	**(273)**	(325)
Liability in the Statement of Financial Position	**6,389**	5,444

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia (continued)

Changes in present value of defined benefit obligations are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**5,444**	4,453
Currency translation differences	**(316)**	(191)
Interest cost	**519**	592
Current service cost	**720**	704
Past service cost	**33**	35
Net benefits paid	**(115)**	(263)
Actuarial loss on obligation	**104**	114
At end of the financial year	**6,389**	5,444

The pension cost recognised can be analysed as follows:-

	Group 2013 RM'000	Group 2012 RM'000
Current service cost	**720**	704
Interest cost	**519**	592
Past service cost	**33**	35
Net actuarial losses	**104**	114
Total	**1,376**	1,445

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 2013 RM'000	Group 2012 RM'000
Present value of obligations	**1,552**	1,879

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia (continued)

The movements during the financial year in the amount recognised in the Consolidated Statement of Financial Position are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**1,879**	1,709
Pension cost	**(24)**	507
Contributions and benefits paid	**(197)**	(268)
Currency translation differences	**(106)**	(69)
At end of the financial year	**1,552**	1,879

Changes in present value of defined benefit obligations are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
At beginning of the financial year	**1,879**	1,709
Currency translation differences	**(106)**	(69)
Interest cost	**118**	137
Current service cost	**200**	209
Net benefits paid	**(197)**	(268)
Actuarial (gain)/loss on obligation	**(342)**	161
At end of the financial year	**1,552**	1,879

The amounts relating to other long term employee benefits obligation recognised in the Consolidated Statement of Comprehensive Income are as follows:-

	Group 2013 RM'000	Group 2012 RM'000
Current service cost	**200**	209
Interest cost	**118**	137
Net actuarial (gain)/losses	**(342)**	161
At end of the financial year	**(24)**	507

All of the charges above were included in the cost of revenue.

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans – Non-current (continued)

Overseas (continued)

(ii) Indonesia (continued)

The principal actuarial assumptions used are as follows:-

	Group	
	2013	**2012**
	%	**%**
Discount rate	**7.8**	7.0
Expected rate of return on plan assets	**6.0**	8.0
Expected rate of salary increase	**8.0**	8.0

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**1,503,628**	1,524,263	**–**	–
Other payables	**347,203**	483,378	**3,248**	19,165
Receipts in advance	**256,818**	275,537	**–**	–
Accruals	**1,053,099**	908,124	**11,638**	3,292
Deferred income	**134,745**	117,907	**–**	–
Security deposits	**164,906**	200,002	**–**	–
	3,460,399	3,509,211	**14,886**	22,457

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2012: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

38 OTHER CURRENT LIABILITIES

	Group	
	2013	**2012**
	RM'000	**RM'000**
Progress billings in respect of property development cost	**–**	56,181
Amount due to contract customers (Note 25)	**32,440**	37,758
Accrual for rectification works	**1,996**	4,138
	34,436	98,077

39. PROVISION FOR LIABILITIES AND CHARGES

	Group 2013 RM'000	Group 2012 RM'000
Restructuring (Note a)	**870**	773
Damages claims (Note b)	**4,405**	4,004
	5,275	4,777

Movements in the provision are as follows:-

	Restructuring RM'000	Damages claims RM'000	Total RM'000
Group – 2013			
At beginning of the financial year	**773**	**4,004**	**4,777**
Currency translation differences	**(20)**	**–**	**(20)**
Charged to profit or loss (Note 6)	**1,206**	**405**	**1,611**
Payments	**(1,089)**	**(4)**	**(1,093)**
At end of the financial year	**870**	**4,405**	**5,275**
Group – 2012			
At beginning of the financial year	20,099	4,692	24,791
Currency translation differences	(44)	–	(44)
(Credited)/Charged to profit or loss (Note 6)	(17,278)	219	(17,059)
Payments	(2,004)	(907)	(2,911)
At end of the financial year	773	4,004	4,777

(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.

40. FINANCIAL RISK MANAGEMENT

The Group's and the Company's operations are subject to foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. It is not the Group's and the Company's policy to engage in speculative transactions.

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 values 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.

The following table illustrates the effects on the Group's net assets resulting from currency sensitivities (on the basis all other remains other variables remain constant).

	Increase/Decrease in Net assets	
	2013 RM'000	2012 RM'000
Group		
5% changes on GBP exchange rate	**166,894**	85,553
5% changes on SGD exchange rate	**408,493**	314,184

There is no significant exposure to 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 arise 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 and the Company manage their 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.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (continued)

The interest rate profile of the Group's and of the Company's significant interest–bearing financial instruments, based on their carrying amounts as at the reporting date, was:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed rate instruments				
Financial liabilities	**16,264,966**	8,811,022	**1,500,000**	500,000
Variable rate instruments				
Financial assets	**13,736,413**	13,142,188	**2,340,758**	1,347,646
Financial liabilities	**14,477,099**	20,392,351	**1,404,761**	1,654,127
	28,213,512	33,534,539	**3,745,519**	3,001,773

At the reporting date, if the interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit after tax would be higher/lower by approximately RM72.4 million (2012: RM98.9 million) and RM7.0 million (2012: RM8.3 million), respectively, as a result of lower/higher interest expense on borrowings.

The Group and the Company do 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 their profit after tax.

The excess funds of the Group and of the Company are invested in bank deposits and other short term instruments. The Group and the Company manage their 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 of the Group and of the Company for the financial year would increase/decrease by RM13.7 million (2012: RM13.1 million) and RM1.3 million (2012: RM1.3 million), respectively.

(c) Price risk

Equity price risk

The Group's and the Company's exposure to equity price risk arise 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 RM2,618,000 (2012: RM95,373,000) and RM11,718,000 (2012: RM8,202,000), respectively.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Price risk (continued)

Equity price risk (continued)

The following table demonstrates the indicative effects on the Group's and the Company's equity applying reasonably foreseeable market movements in the quoted market prices at the reporting date, assuming all other variables remain constant.

	Carrying amounts RM'000	Increase/ Decrease in quoted market prices %	Effect on equity RM'000
Group – 2013			
Local equities	**2,496**	+/– **10**	**250**
Foreign equities	**122**	+/– **10**	**12**
Group – 2012			
Local equities	89,685	+/– 10	8,967
Foreign equities	5,688	+/– 10	57
Company – 2013			
Local equities	**4,415**	+/– **10**	**442**
Foreign equities	**7,303**	+/– **10**	**730**
Company – 2012			
Local equities	5,426	+/– 10	543
Foreign equities	2,776	+/– 10	278

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 2013, if the forward fuel oil price curve increased/decreased by 1% (2012: 2%), the profit before tax would be lower/higher by RM0.2 million (2012: RM2.7 million) for the Group.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 arise primarily from trade and other receivables. For other financial assets (including investments securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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 20 to the Financial Statements.

At the reporting date, the maximum exposure to credit risk arising from receivables are represented by their carrying amounts in the Statements of Financial Position.

Financial guarantees

The Company provides financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the financial results and repayments of the subsidiaries.

A nominal amount of RM1,365,227,000 (2012: RM1,581,202,000) relating to corporate guarantees provided by the Company to the banks is in respect of subsidiaries' banking facilities.

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 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 2013, 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 2013, there was no indication that the advances extended to the subsidiaries are not recoverable.

40. 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 arise 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:-

	2013			
	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
Non-derivative				
Bonds and borrowings	4,537,641	10,680,611	17,292,775	32,511,027
Trade and other payables	3,772,011	110,801	–	3,882,812
Related parties	5,359	–	–	5,359
	8,315,011	10,791,412	17,292,775	36,399,198
Derivative				
Net – Interest rate swaps	9,532	3,120	–	12,652
Gross – fuel oil swaps	50,262	12,744	–	63,006
Gross – currency forwards	1,487	398	–	1,885
Exchangeable bonds	–	124,070	–	124,070
	61,281	140,332	–	201,613
Company				
Non-derivative				
Bonds and borrowings	1,972,298	155,883	1,219,120	3,347,301
Trade and other payables	14,886	–	–	14,886
Related parties	1,048,115	–	–	1,048,115
	3,035,299	155,883	1,219,120	4,410,302

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

	2012			
	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
Non-derivative				
Bonds and borrowings	11,796,260	7,259,431	10,604,090	29,659,781
Trade and other payables	3,607,288	382,149	–	3,989,437
Related parties	9,806	–	–	9,806
	15,413,354	7,641,580	10,604,090	33,659,024
Derivative				
Net – Interest rate swaps	14,803	27,742	–	42,545
Gross – fuel oil swaps	255,426	16,670	–	272,096
Gross – currency forwards	14,419	1,066	–	15,485
Exchangeable bonds	–	194,241	–	194,241
	284,648	239,719	–	524,367
Company				
Non-derivative				
Bonds and borrowings	1,653,944	548,683	–	2,202,627
Trade and other payables	22,457	–	–	22,457
Related parties	760,730	–	–	760,730
	2,437,131	548,683	–	2,985,814

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

		Financial Assets				
	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-sale for- RM'000	Total RM'000
Group – 2013						
Non-current						
Investments	16	**–**	**–**	**–**	**155,035**	**155,035**
Trade and other receivables	20	**558,521**	**–**	**–**	**–**	**558,521**
Derivative financial instruments	24	**–**	**–**	**7,850**	**–**	**7,850**
Current						
Derivative financial instruments	24	**–**	**5,276**	**32,378**	**–**	**37,654**
Trade and other receivables	20	**3,537,001**	**–**	**–**	**–**	**3,537,001**
Amount due from related parties	26	**41,000**	**–**	**–**	**–**	**41,000**
Short term investments	27	**590,715**	**–**	**–**	**–**	**590,715**
Fixed deposits	17	**13,145,698**	**–**	**–**	**–**	**13,145,698**
Cash and bank balances	17	**668,315**	**–**	**–**	**–**	**668,315**
Total		**18,541,250**	**5,276**	**40,228**	**155,035**	**18,741,789**
Group – 2012						
Non-current						
Investments	16	–	–	–	168,010	168,010
Trade and other receivables	20	778,068	–	–	–	778,068
Derivative financial instruments	24	–	–	3,797	–	3,797
Current						
Derivative financial instruments	24	–	13,270	62,586	–	75,856
Trade and other receivables	20	3,558,159	–	–	–	3,558,159
Amount due from related parties	26	25,303	–	–	–	25,303
Short term investments	27	572,881	–	–	–	572,881
Fixed deposits	17	12,569,307	–	–	–	12,569,307
Cash and bank balances	17	783,068	–	–	–	783,068
Total		18,286,786	13,270	66,383	168,010	18,534,449

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	Financial Liabilities: 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
Group – 2013					
Non-current					
Long term payables	30	–	–	160,279	160,279
Bonds	32	–	–	13,336,110	13,336,110
Borrowings	33	–	–	13,178,701	13,178,701
Derivative financial instruments	24	124,070	16,262	–	140,332
Current					
Trade and other payables	37	–	–	3,325,654	3,325,654
Derivative financial instruments	24	2,994	58,288	–	61,282
Amount due to related parties	26	–	–	5,359	5,359
Bonds	32	–	–	1,350,000	1,350,000
Borrowings	33	–	–	2,877,257	2,877,257
Total		127,064	74,550	34,233,360	34,434,974
Group – 2012					
Non-current					
Long term payables	30	–	–	150,398	150,398
Bonds	32	–	–	12,419,213	12,419,213
Borrowings	33	–	–	5,165,377	5,165,377
Derivative financial instruments	24	194,241	45,478	–	239,719
Current					
Trade and other payables	37	–	–	3,419,695	3,419,695
Derivative financial instruments	24	36,787	247,861	–	284,648
Amount due to related parties	26	–	–	9,806	9,806
Bonds	32	–	–	615,500	615,500
Borrowings	33	–	–	11,003,283	11,003,283
Total		231,028	293,339	32,783,272	33,307,639

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	Financial Assets Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Company – 2013				
Non-current				
Investments	16	–	**174,141**	**174,141**
Current				
Trade and other receivables	20	**17,361**	–	**17,361**
Amount due from related parties	26	**2,385,369**	–	**2,385,369**
Short term investments	27	**590,715**	–	**590,715**
Fixed deposits	17	**1,750,043**	–	**1,750,043**
Cash and bank balances	17	**4,405**	–	**4,405**
Total		**4,747,893**	**174,141**	**4,922,034**
Company – 2012				
Non-current				
Investments	16	–	120,360	120,360
Current				
Trade and other receivables	20	13,518	–	13,518
Amount due from related parties	26	1,995,525	–	1,995,525
Short term investments	27	572,881	–	572,881
Fixed deposits	17	774,765	–	774,765
Cash and bank balances	17	3,560	–	3,560
Total		3,360,249	120,360	3,480,609

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	Financial Liabilities: Other financial liabilities at amortised cost RM'000	Total RM'000
Company – 2013			
Non-current			
Bonds	32	**1,000,000**	**1,000,000**
Borrowings	33	**545**	**545**
Current			
Trade and other payables	37	**14,886**	**14,886**
Amount due to related parties	26	**1,048,115**	**1,048,115**
Bonds	32	**500,000**	**500,000**
Borrowings	33	**1,404,216**	**1,404,216**
Total		**3,967,762**	**3,967,762**
Company – 2012			
Non-current			
Bonds	32	500,000	500,000
Borrowings	33	183	183
Current			
Trade and other payables	37	22,457	22,457
Amount due to related parties	26	760,730	760,730
Borrowings	33	1,653,944	1,653,944
Total		2,937,314	2,937,314

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement

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

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group – 2013			
Assets			
Financial assets at fair value through profit and loss:			
– Trading derivatives	–	5,276	5,276
Derivative used for hedging	–	40,228	40,228
Available-for-sale financial assets	2,618	–	2,618
Total	2,618	45,504	48,122
Liabilities			
Financial assets at fair value through profit and loss:			
– Trading derivatives	–	2,994	2,994
Derivative used for hedging	–	198,620	198,620
Total	–	201,614	201,614

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group – 2012			
Assets			
Financial assets at fair value through profit and loss:			
– Trading derivatives	–	13,270	13,270
Derivative used for hedging	–	66,383	66,383
Available-for-sale financial assets	95,373	–	95,373
Total	95,373	79,653	175,026
Liabilities			
Financial assets at fair value through profit and loss:			
– Trading derivatives		36,787	36,787
Derivative used for hedging	–	487,580	487,580
Total	–	524,367	524,367
Company – 2013			
Assets			
Available-for-sale financial assets	**11,718**	–	**11,718**
Total	**11,718**	–	**11,718**
Company – 2012			
Assets			
Available-for-sale financial assets	8,202	–	8,202
Total	8,202	–	8,202

During the current financial year, there were no transfers between Level 1 and Level 2 fair value measurements.

41. FINANCIAL INSTRUMENTS (CONTINUED)

(c) 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	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2013				
Financial assets:				
Unquoted equity investments				
– Within Malaysia	**44,100**	*	**19,483**	*
– Outside Malaysia	**108,317**	*	**142,940**	-
Financial liabilities:				
Bonds	**14,686,110**	^	**1,500,000**	^
2012				
Financial assets:				
Unquoted equity investments				
– Within Malaysia	18,933	*	19,483	*
– Outside Malaysia	53,704	*	92,675	-
Financial liabilities:				
Bonds	13,034,714	^	500,000	^

* **Unquoted equity and debt investments carried at cost (Note 16)**

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.

^ **Bonds (Note 32)**

Fair value information regarding these bonds is as disclosed in the Note 32 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.

41. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:-

	Note
Other receivables (non-current)	20
Trade and other receivables (current)	20
Short term investments (current)	27
Fixed deposits (current)	17
Cash and bank balances (current)	17
Long term payables (non-current)	30
Trade and other payables (current)	37
Borrowings (current)	33

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.

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.

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.

42. 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.

(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 2013 RM'000	Group 2012 RM'000
Ara Bintang Berhad	A special purpose vehicle of SG REIT^	Service fees charged	**2,601**	2,596
		Rental of premises expenses	**73,894**	73,427
		Turnkey contract fee charged	–	25,000
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Management fee, incentive fee and software maintenance cost	**1,155**	1,089
		Lease rental of investment property	**6,000**	3,767
		Acquisition of investment property	–	75,000
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of office and car park	**2,206**	2,234
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion expenses	**8,891**	5,062
Express Rail Link Sdn. Bhd.	Associated company	Progress billing related to civil engineering & construction works income	**38,885**	69,437
		Sale of computer equipment & services income	**1,336**	2,780
		Advertising & maintenance fees	**1,368**	1,350

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (continued)

(i) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. (continued)

Entity	Relationship	Type of transactions	Group 2013 RM'000	Group 2012 RM'000
Megahub Development Sdn. Bhd.	Subsidiary of holding company	Rental of properties expenses	–	1,407
		Acquisition of investment property	–	73,000
Oriental Place Sdn. Bhd.	Subsidiary of holding company	Rental of premises expenses	**7,434**	6,278
Starhill Global Real Estate Investment Trust ("SG REIT")	Real Estate Investment Trust^	Management fees	**51,795**	44,821
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**19,250**	12,085
		Acquisition of investment properties	–	250,000
Superb Agregates Sdn. Bhd.	Associated company	Purchase of building materials	**2,018**	2,356
Syarikat Pelancongan Pangkor Laut Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**8,400**	5,273
		Hotel accommodation	**3,680**	1,804
		Management fees & data processing fees & royalty income	**1,511**	2,198
		Acquisition of investment properties	–	97,000

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (continued)

(i) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. (continued)

Entity	Relationship	Type of transactions	Company 2013 RM'000	Company 2012 RM'000
Construction Lease (M) Sdn. Bhd	Subsidiary	Other interest income	**1,960**	1,974
Express Rail Link Sdn. Bhd.	Associate	Proceed from redemption of preference share	**45,600**	–
Prisma Tulin Sdn. Bhd.	Subsidiary	Acquisition of investment	**50,265**	–
YTL Cement Berhad	Subsidiary	ICULS interest income	**3,902**	10,739
YTL Corporation Finance (Labuan) Ltd.	Subsidiary	Issue of shares for exchangeable bonds	**332,419**	87,659
YTL Industries Berhad	Subsidiary	Acquisition of investment	**243,097**	109,358
YTL Land & Development Berhad	Subsidiary	ICULS interest income	**11,745**	7,852
YTL e-Solutions Berhad	Subsidiary	Computer equipment & services income	**1,324**	1,264

^ The Group has an interest of 570,777,885 (2012: 570,777,885) units in SG REIT representing 29.38% (2012: 29.38%).

(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 2013 RM'000	Group 2012 RM'000
Progress billings related to purchase of properties	**29,717**	60,926

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.

(b) Key management personnel compensation

Compensation to key management personnel comprise solely the directors' remuneration as disclosed in Note 6 to the Financial Statements.

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant related party balances

In addition to the information disclosed in Note 26 to the Financial Statements, the outstanding balances due from the related parties as at reporting date are as follows:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Progress billings related tosale of properties				
– close family members of key management personnel	**177**	312	–	–
Disposal of investment				
– Cornerstone Crest Sdn. Bhd.	–	–	**384,190**	384,190

43. 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 will be required or the amount is not capable of reliable measurement.

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 RM37,061,310 (2012: RM37,189,570) 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.

44. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

(a) Capital commitments:-

	Group	
	2013 RM'000	2012 RM'000
Authorised but not contracted for	**33,692**	27,487
Contracted but not provided for	**1,558,025**	1,473,538

The above commitments mainly comprise purchase of spare parts and property, plant and equipment.

	Company	
	2013 RM'000	2012 RM'000
Capital commitments in relation to addition investment	**310,000**	–

Details of the addition investment are included in Note 48(i) of the Financial Statements.

(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 retail shopping complexes, hotel properties and land, the Group's leases generally range from one to five years. None of the leases included contingent rentals.

44. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) Operating lease arrangements (continued):-

(i) The Group as lessee (continued)

The future minimum lease payables under non-cancellable operating leases at the reporting date are as follows:-

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	**170,024**	131,971
Later than 1 year and not later than 5 years	**404,974**	417,942
Later than 5 years	**152,130**	92,767
	727,128	642,680

The Group leases hotel properties and retail shopping complexes (master lease arrangement) under operating leases from related parties. The hotel leases run for a period of 25 years and 15 years and the retail shopping complexes runs for a period of 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 retail shopping complexes are approximately RM238 million (2012: RM341 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 3 years. Sublease payments from non-related parties of approximately RM76 million (2012: RM68 million) are expected to be received during the sublet periods.

(ii) The Group as lessor

The future minimum lease receivables under non-cancellable operating leases at the reporting date are as follows:-

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	**109,405**	102,003
Later than 1 year and not later than 5 years	**247,240**	256,897
Later than 5 years	**325,454**	331,623
	682,099	690,523

The Group leases out its hotel properties under operating leases for the lease term of twenty five years and fifteen years. All lease arrangements are provided with a step-up rate of 5% every five years and an option to grant the respective lessees to renew the lease for a further term similar to the original lease agreements. The future minimum lease payments receivable related to hotel properties from non-related parties are approximately RM573 million (2012: RM615 million).

In addition, the payments receivables under the PPA which are classified as operating lease are as follows:-

	Group	
	2013 RM'000	2012 RM'000
Not later than 1 year	**420,960**	444,510
Later than 1 year but not later than 5 years	**532,894**	953,855
	953,854	1,398,365

The future minimum lease receivables are an estimate as they include minimum lease payments and other elements.

45. SEGMENTAL INFORMATION

The Group has seven reportable segments as described below:-

(i) Construction
(ii) Information technology & e-commerce related business
(iii) Hotel 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 the 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 operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2013								
Total revenue	487,677	87,884	519,122	2,409,900	748,652	743,444	15,746,897	20,743,576
Inter-segment revenue	(239,096)	(82,665)	(14,337)	(43,259)	(254,634)	(136,422)	(215)	(770,628)
External revenue	248,581	5,219	504,785	2,366,641	494,018	607,022	15,746,682	19,972,948
Results								
Interest income	1,099	3,251	972	17,898	4,671	6,065	23,213	57,169
Finance costs	(12)	(8)	(10,058)	(27,601)	(321,808)	(50,679)	(591,127)	(1,001,293)
Share of results of associated companies and joint ventures	–	–	(3,228)	(60)	5,214	93,888	355,987	451,801
Segment profit before tax	16,752	2,947	32,757	509,106	118,085	292,937	1,340,805	2,313,389
Segment assets								
Investment in associated companies and joint ventures	–	–	31,916	949	11,652	1,670,530	1,726,183	3,441,230
Other segment assets	972,789	146,839	1,925,741	4,177,561	12,478,944	4,302,911	26,173,479	50,178,264
Segment liabilities								
Bonds and Borrowings	35,042	313	500,962	620,295	9,464,832	2,878,319	17,242,305	30,742,068
Other segment liabilities	244,023	4,240	200,709	678,868	537,166	214,617	5,440,058	7,319,681
Other segment information								
Capital expenditure	6,526	1,833	215,657	320,634	13,252	1,403,066	1,515,912	3,476,880
Impairment losses	–	–	(2)	3,657	3,478	3,672	159,665	170,470
Depreciation and amortisation	7,493	412	13,680	150,946	9,901	68,019	1,217,132	1,467,583

45. SEGMENTAL INFORMATION (CONTINUED)

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2012								
Total revenue	504,674	86,054	294,413	2,425,644	643,171	1,203,713	15,772,002	20,929,671
Inter-segment revenue	(289,938)	(82,787)	(10,299)	(41,760)	(207,820)	(101,278)	–	(733,882)
External revenue	214,736	3,267	284,114	2,383,884	435,351	1,102,435	15,772,002	20,195,789
Results								
Interest income	1,481	5,757	1,178	27,389	11,687	21,441	23,811	92,744
Finance costs	(12)	–	(9,923)	(32,160)	(371,387)	(9,540)	(586,198)	(1,009,220)
Share of results of associated companies and joint ventures	–	–	23,282	144	(1,452)	72,726	285,239	379,939
Segment profit before tax	25,630	1,867	15,457	533,270	88,951	387,824	1,397,155	2,450,154
Segment assets								
Investment in associated companies and joint ventures	–	–	30,878	1,009	11,561	1,657,748	1,524,768	3,225,964
Other segment assets	1,022,796	220,579	643,022	4,047,007	4,073,130	4,398,449	33,992,366	48,397,349
Segment liabilities								
Bonds and Borrowings	45,069	–	326,447	598,321	10,487,971	2,905,085	14,840,480	29,203,373
Other segment liabilities	477,509	7,422	5,160	798,046	410,038	419,381	5,923,128	8,040,684
Other segment information								
Capital expenditure	8,304	358,342	122,405	161,322	6,274	589,227	1,161,513	2,407,387
Depreciation and amortisation	6,877	84,804	7,684	142,006	7,486	22,475	1,081,469	1,352,801

45. SEGMENTAL INFORMATION (CONTINUED)

(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 operations – Cement manufacturing & trading – Management services & others – Property investment & development – Utilities
(ii)	United Kingdom	– Utilities
(iii)	Singapore	– Utilities – Cement trading – Property investment & development

	Revenue		Non-current assets	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	**4,935,794**	4,906,030	**7,889,353**	7,667,745
United Kingdom	**2,507,191**	2,396,160	**11,975,599**	11,689,585
Singapore	**11,865,825**	12,442,250	**6,261,178**	6,438,474
Other countries	**664,138**	451,349	**2,463,587**	1,126,225
	19,972,948	20,195,789	**28,589,717**	26,922,029

Non-current assets information presented above consist of the followings items as presented in the Consolidated Statement of Financial Position.

	Non-current assets	
	2013 RM'000	2012 RM'000
Property, plant and equipment	**22,193,050**	20,620,111
Investment properties	**633,608**	627,851
Development expenditure	**975,874**	955,625
Intangible assets	**4,785,485**	4,717,126
Biological assets	**1,700**	1,316
	28,589,717	26,922,029

45. SEGMENTAL INFORMATION (CONTINUED)

(c) Major customers

The following are major customers with revenue equal or more than 10 per cent of the Group's revenue:

	Revenue		
	2013 RM'000	2012 RM'000	Segment
Energy Market Company	**5,703,228**	6,139,438	Utilities

46. 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 and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value in use of the property, plant and 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 and equipment

The residual value and the useful lives of the property, plant and 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.

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 and buildings and leasehold land and buildings that are held to earn rentals or for capital appreciation.

46. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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 18 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.

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 and the Company 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 20 to 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.

46. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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 28(b) to Financial Statements.

(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 36 to the Financial Statements.

47. 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 Interpretations have been issued but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2013

FRS 10: Consolidated Financial Statements
FRS 11: Joint Arrangements
FRS 12: Disclosure of Interests in Other Entities
FRS 13: Fair Value Measurement
FRS 119: Employee Benefits
FRS 127: Separate Financial Statements
FRS 128: Investment in Associates and Joint Ventures
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards – Government Loan
Amendments to FRS 7: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10: Consolidated Financial Statements – Transition Guidance
Amendments to FRS 11: Joint Arrangements – Transition Guidance
Amendments to FRS 12: Disclosure of Interests in Other Entities – Transition Guidance
Amendments to FRS 134: Interim Financial Reporting
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine Improvements to FRSs (2012) issued in July 2012

47. THE NEW OR REVISED FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE (CONTINUED)

Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 10: Consolidated Financial Statements – Investment Entities
Amendments to FRS 12: Disclosure of Interests in Other Entities – Investment Entities
Amendments to FRS 127: Separate Financial Statements – Investment Entities
Amendments to FRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136: Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets
IC Interpretation 21: Levies

Effective for financial periods beginning on or after 1 January 2015

FRS 9: Financial Instruments

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial periods. However, the adoption of Amendments to FRS 1 and IC Interpretation 20 are not relevant to the Group's and the Company's operations. These pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009 – 2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

47. THE NEW OR REVISED FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE (CONTINUED)

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

Upon adoption of FRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of FRS 13 is expected to result in higher fair value of certain properties of the Group.

Malaysia Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for two years.

On 7 August 2013, MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 June 2016.

The Group and the Company are in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework.

48. CORPORATE PROPOSAL

(i) On 14 June 2013, Pintar Projek Sdn Bhd, a 70% subsidiary of the Company and the Manager for Starhill Real Estate Investment Trust ("Starhill REIT") proposed to undertake the following proposals:-

(a) Proposed placement of new units in Starhill REIT ("Placement Units"), at a price to be determined later, to raise gross proceeds of up to RM800 million to partially repay Starhill REIT's borrowings and reduce its gearing level ("Proposed Placement")

(b) Proposed increase in the existing approved fund size of Starhill REIT from 1,324,388,889 units up to a maximum of 2,125,000,000 units to facilitate the issuance of the Placement Units pursuant to the Proposed Placement; and

48. CORPORATE PROPOSAL (CONTINUED)

(i) (c) Proposed increase in borrowing limit to 60% of total asset value of Starhill REIT and its subsidiaries, to provide Starhill REIT with the flexibility of funding larger acquisition opportunities through borrowings in the future. This flexibility will be essential in situations where potential acquisitions are made through bidding or tender process as raising finance through borrowings may be more expedient as compared to an equity fund raising via issuance of new units.

On 28 June 2013, the Company accepted the Starhill REIT's conditional invitation to subscribe for the Placement Units of up to RM310 million in value ("Proposed Subscription").

The Proposed Placement and the Proposed Subscription are subject to all requisite approvals being obtained by Starhill REIT.

49. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 29 May 2012, the Company announced to undertake a renounceable offer for sale of its holdings of warrants 2008/2018 in YTL Power International Berhad ("YTL Power Warrants") to the entitled shareholders of the Company at an offer price RM0.20 per YTL Power Warrant on the basis of 1 YTL Power Warrant for every 15 ordinary shares of RM0.10 each in the Company held by the shareholders on 2 October 2012. As a result, a total of 689,170,452 YTL Power Warrants were credited into the respective Central Depository System accounts of the successful applicants ie whose acceptances and/or excess applications are valid and successful, on 31 October 2012.

(ii) As announced on 13 June 2012, the following wholly-owned subsidiaries and trusts of Starhill REIT:-

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

(b) Starhill Hotel Sydney, Starhill Hotel Brisbane and Starhill Hotel Melbourne, the Hotel Business Buyers

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

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

[1] *Based on the RM:AUD exchange rate of RM3.158:AUD1.00*

(hereinafter referred to as the "Acquisition")

The Acquisition was completed on 29 November 2012.

50. 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 includes within net debt, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Bonds (Note 32)	**14,686,110**	13,034,713	**1,500,000**	500,000
Borrowings (Note 33)	**16,055,958**	16,168,660	**1,404,761**	1,654,127
Loans and borrowings	**30,742,068**	29,203,373	**2,904,761**	2,154,127
Less: Cash and cash equivalents (Note 17)	**(13,814,013)**	(13,352,375)	**(1,754,448)**	(778,325)
Net debt	**16,928,055**	15,850,998	**1,150,313**	1,375,802
Equity attributable to owners of the parent	**13,333,471**	12,178,674	**7,137,507**	6,546,174
Capital and net debt	**30,261,526**	28,029,672	**8,287,820**	7,921,976
Debt-to-equity ratio (%)	**56**	57	**14**	17

Under the requirement of Bursa Malaysia Securities Berhad 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.

51. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 5 July 2013, the Group's interest in Starhill Global REIT ("SGR") has been increased by 6.89% from 29.38% to 36.27% as a result of the issuance of 210,195,189 new units by SGR through the conversion of 152,727,825 convertible preferred units of SGR.

52. 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 3 October 2013.

SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2013 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Retained earnings of the Company and its subsidiaries				
– Realised	**16,386,422**	15,553,424	**4,651,795**	4,134,843
– Unrealised	**(1,562,792)**	(1,547,816)	**(102)**	(92)
	14,823,630	14,005,608	**4,651,693**	4,134,751
Share of retained earnings from associated companies and jointly controlled entities				
– Realised	**1,622,684**	1,577,314	**–**	–
– Unrealised	**(140,136)**	(150,392)	**–**	–
	16,306,178	15,432,530	**4,651,693**	4,134,751
Less: Consolidated adjustments	**(4,910,535)**	(5,127,314)	**–**	–
Total retained earnings	**11,395,643**	10,305,216	**4,651,693**	4,134,751

FORM OF PROXY

I/We *(full name as per NRIC/company name in block letters)* ____

____

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 letters)* ______________________

____

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 30th Annual General Meeting of the Company to be held at The Banquet Hall, Level 3, Conference Center, The Ritz Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 26 November 2013 at 4.00 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 Seok Kian		
2.	Re-election of Dato' Mark Yeoh Seok Kah		
3.	Re-election of Dato' Cheong Keap Tai		
4.	Re-appointment of Tan Sri Datuk Seri Panglima (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.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
10.	Approval for Dato' (Dr) Yahya Bin Ismail to continue in office as Independent Non-Executive Director		
11.	Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director		
12.	Authorisation for Directors to Allot and Issue Shares		
13.	Proposed Renewal of Share Buy-Back Authority		
14.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
15.	Proposed Issue of Options to Faiz Bin Ishak		
16.	Proposed Amendments to the Articles of Association of the Company		

Number of shares held

Signed this __________ day of ______________________ 2013.　　　　Signature ______________________

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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. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarially 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 19 November 2013. Only a depositor whose name appears on the General Meeting Record of Depositors as at 19 November 2013 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

The Company Secretary

YTL CORPORATION BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

First fold here

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