YTL Corporation Berhad
SINCE 1955

YTL CORPORATION BERHAD
198201012898 (92647-H)

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

Tel • 603 2038 0888
Fax • 603 2038 0388

www.ytl.com
www.ytlcommunity.com

YTL Corporation Berhad
SINCE 1955

BUILDING THE RIGHT THING

ANNUAL REPORT 2021

The Journey Continues...

CONTENTS

YTL Corporation Berhad

SINCE 1955

Company No. 198201012898 (92647-H)

OVERVIEW

STRATEGIC & PERFORMANCE REVIEW

GOVERNANCE

ADDITIONAL INFORMATION

FINANCIAL STATEMENTS

INFORMATION ON ANNUAL GENERAL MEETING

Corporate Profile

YTL Corporation Berhad is an integrated infrastructure developer domiciled in Malaysia, with international operations and projects under development in countries including Singapore, the United Kingdom, Australia, France, Indonesia, Japan, Jordan, Myanmar, the Netherlands, Thailand and Vietnam.

YTL Corp is one of the largest companies listed on the Main Market of Bursa Malaysia Securities Berhad and is a component of the FTSE Bursa Malaysia Mid 70 Index as well as the FTSE4Good Bursa Malaysia Index. YTL Corp has a secondary listing on the Foreign Section of the Tokyo Stock Exchange and was the first non-Japanese Asian company to list on the Tokyo exchange in 1996.

The YTL Corp Group's entities listed on the Main Market of Bursa Malaysia Securities Berhad are YTL Power International Berhad, YTL Hospitality REIT and Malayan Cement Berhad. The Group also has a minority stake in Starhill Global Real Estate Investment Trust, which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange, and owns prime retail assets in Singapore, Malaysia, Japan, China and Australia.

BUILDING THE RIGHT THING
The Journey Continues...

BUSINESS SEGMENTS

Utilities

Cement & Building Materials Industry

Construction

Property Investment & Development

Hotel Operations

Management Services & Others

IT & e-Commerce Related Business

KEY FINANCIAL HIGHLIGHTS

Revenue	Profit Before Tax	Total Assets	Market Capitalisation
RM17,270.4 million	RM631.8 million	RM73,863.6 million	RM7,248.4 million
FY2021	FY2021	As at 30 June 2021	As at 30 June 2021

Corporate Information

BOARD OF DIRECTORS

Executive Chairman
Tan Sri (Sir) Francis Yeoh Sock Ping
PSM, KBE, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon LLD (Nottingham), Hon DEng (Kingston), BSc (Hons) Civil Engineering
FFB, F Inst D, MBIM, RIM

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

Directors
Dato' Cheong Keap Tai

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

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Dato' Ahmad Fuaad Bin Mohd Dahalan
ABS, DIMP, SIMP
BA (Hons)

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

Faiz Bin Ishak
Fellow of the Association of Chartered Certified Accountants

Raja Noorma Binti Raja Othman
BBA (Deans List)

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388

BUSINESS OFFICE

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388

REGISTRAR

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388

AUDIT COMMITTEE

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

Dato' Ahmad Fuaad Bin Mohd Dahalan
(Independent Non-Executive Director)

Faiz Bin Ishak
(Independent Non-Executive Director)

NOMINATING COMMITTEE

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

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

Raja Noorma Binti Raja Othman
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

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

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

Raja Noorma Binti Raja Othman
(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum Chew PLT
(201906002362 & AF 0276)
Chartered Accountants
(A member of HLB International)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (3.4.1985)

Tokyo Stock Exchange
Foreign Section (29.2.1996)

TAN SRI (SIR) FRANCIS YEOH SOCK PING PSM, KBE
Executive Chairman

We continued to see good results for the 2021 financial year driven by strong operational performance, underscoring the fundamental financial resilience of our operating units despite challenges faced from the ongoing COVID-19 pandemic.

The Malaysian economy registered a contraction in gross domestic product (GDP) of 5.6% during the 2020 calendar year compared to growth of 4.3% in 2019. This was due to broad-based weaknesses in exports, production and domestic demand which resulted from adverse external spill overs and the imposition of strict domestic containment measures to curb the COVID-19 pandemic. The economy registered a smaller decline in GDP of 0.5% in the first quarter and growth of 16.1% in the second quarter of 2021, supported by the improvement in domestic demand and robust export performance *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia updates & reports)*.

Meanwhile, in other major economies in which the Group operates, the United Kingdom registered a decline in GDP of 9.8% during 2020, with the economy contracting by an estimated 1.6% and registering growth of 4.8%, respectively, in the first and second quarters of the 2021 calendar year. Singapore's economy contracted by 5.4% in 2020, followed by growth of 1.5% and 14.7%, respectively, in the first and second quarters of the 2021 calendar year *(sources: Ministry of Finance Malaysia, Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports)*.

Executive Chairman's Statement

Although the beginning of the financial year under review brought cautiously positive indications of containment of the pandemic, the ensuing months saw the rapid spread of the highly contagious Delta variant across the globe, leading governments to re-impose and/or tighten border controls and restrictions on movement and the provision of non-essential services.

Our key utilities division continued to perform well, owing to the vital nature of the power, water and sewerage and telecommunication services we provide, and bolstered by the ongoing turnaround of the merchant multi-utilities business in Singapore.

We are continuing to work towards completion of our proposed acquisition of the power plant and associated assets of Tuaspring Pte Ltd in Singapore, on which we embarked last year. Upon completion, Tuaspring, which is one of the most technologically advanced plants on Singapore's power generation grid, will be integrated into our existing operations, enabling us to consolidate our power generation capacity and improve synergies across our portfolio of utility businesses.

Our cement division turned in a strong performance on the back of solid operational improvements and the disposal of cement operations in China. The optimisation of our cement operations is also well underway, involving the rationalisation of our cement and ready-mixed concrete businesses under the umbrella of our listed subsidiary, Malayan Cement Berhad. The move will streamline operations and maximise the efficiency of our logistics, distribution and marketing networks. This transaction is the natural progression to bolstering profitability and value enhancement following our acquisition of a majority stake in Malayan Cement Berhad in 2019.

Our more retail customer-facing businesses have continued to be impacted by pandemic-related constraints, including our hotel operations, as the global tourism and hospitality industry has been amongst the most severely affected by pandemic restrictions around the world.

The domestic property market has similarly borne the brunt of cautious consumer sentiment necessitating a more prudent approach in our property development activities. In April 2021, we entered into an agreement to develop part of the Kwasa Damansara green township, the master developer for which is EPF's Kwasa Land subsidiary. This 12.7-acre development will feature future-forward homes and our distinct green aesthetic – stunning parks and landscaping, together with vibrant, natural outdoor spaces.

As we have seen during the volatility of the past two years, the diversified nature of our activities and geographical operations, coupled with our strategy of focusing on regulated utilities, continues to serve us well, cushioning the effects of recent global events on our Group and enabling us to continue to deliver returns to our shareholders.

YTL Corp has consistently declared dividends to shareholders every year since listing on the Kuala Lumpur stock exchange in 1985, and this year marked the 37th consecutive year in our dividend track record. The Board of Directors of YTL Corp declared an interim dividend of 2.5 sen per share in respect of the financial year ended 30 June 2021, representing a yield of approximately 3.8% based on YTL Corp's prevailing share price of 64 sen per share.

We are optimistic that the solid performance from our key operating subsidiaries this year bodes well for the year ahead. The countries with our largest operations, namely Malaysia, the UK and Singapore, have made very good progress with vaccine roll-out programmes and are nearing or have achieved the high vaccination levels seen as necessary to bring the pandemic under control and return to a semblance of normalcy.

Whilst the outlook in terms of pandemic-containment is still uncertain, with the emergence of new variants a persistent issue, each of our operating divisions has been driven to successfully adapt to the changing requirements in order to ensure that the businesses can continue to function and perform as well as possible for the benefit of all our stakeholders.

TAN SRI (SIR) FRANCIS YEOH SOCK PING
PSM, KBE

Managing Director's Review

DATO' YEOH SEOK KIAN
Managing Director

FINANCIAL OVERVIEW

YTL Corporation Berhad ("YTL Corp") and its subsidiaries ("Group") recorded revenue of RM17.3 billion for the financial year ended 30 June 2021 compared to RM19.2 billion for the last financial year ended 30 June 2020, and profit before taxation of RM631.8 million for the financial year under review, compared to RM419.3 million last year.

YTL Corp declared an interim dividend in respect of the financial year ended 30 June 2021 of 2.5 sen per share with an entitlement date of 12 October 2021.

During the year under review, countries in which the Group operates continued to maintain various levels of restrictions in response to the ongoing COVID-19 pandemic. In Malaysia, a full, nationwide movement control order was imposed on 1 June 2021 following a rise in infection rates across the country.

Nevertheless, the Group's key **Utilities** division, which provides essential services, continued to operate largely uninterrupted, and all divisions worked successfully to adapt to new operating requirements in order to deliver strong operational performance.

Managing Director's Review

SEGMENTAL PERFORMANCE

The merchant multi-utilities sub-segment of the Group's Utilities division recorded a strong turnaround this year, on the back of higher volumes of electricity sold and increased fuel oil prices. Growth in the water and sewerage sub-segment's unregulated business contributed to higher revenue although profit before tax was lower as a result of the price reset for the current 5-year regulatory period.

The **Cement & Building Materials Industry** segment's revenue decreased marginally this year due to lower demand in the concrete division. Despite the lower revenue, the segment registered a significant increase in profit before tax due to the gain from disposal of the Group's cement operation in China and increased selling prices and volumes in the cement division, coupled with lower finance costs.

In the Group's **Construction** segment, despite a decrease in revenue owing to the slower progress of construction works, profit before tax increased as a result of lower contract expenses.

The **Property Investment & Development** division's revenue decreased mainly due to the deconsolidation of the results of Starhill Global REIT in Singapore and lower sales of units in completed projects. The division registered a loss before tax resulting from an impairment loss on vendor notes issued by YTL Westwood Pte Ltd (now known as Orchard Westwood Properties Pte Ltd) and lower unrealised foreign exchange gains on borrowings denominated in foreign currencies recorded by YTL Hospitality REIT. This was partially offset by a higher share of profits from Starhill Global REIT and fair value gains on investment properties relating to the Group's Brabazon project in the UK.

The **Hotel Operations** segment continued to see significant impacts resulting from pandemic restrictions around the word. International borders in most jurisdictions where the Group's hospitality businesses operate remained closed to foreign travellers during the year under review, and events such as seminars and meetings were also restricted.

Meanwhile, in the Group's **Management Services & Others** division, the decrease in revenue was mainly due to lower interest income, and the division registered a loss before tax owing primarily to the absence of a one-off gain on derecognition of Starhill Global REIT recorded last year.

The **Information Technology & e-Commerce Related Business** segment recorded lower revenue in its content and digital media division which has been impacted by pandemic restrictions, and a loss before tax due to a fair value loss on investment and lower interest income earned from cash deposits.

Managing Director's Review

LOOKING AHEAD

The Group's actions this year have set the stage well going forward. The Malaysian Government's National Recovery Plan, a four-phase exit strategy from the COVID-19 crisis, was announced on 15 June 2021 and the actions undertaken under the Plan are expected to bring about a recovery of the Malaysian economy in the medium to longer term. In both Malaysia and the wider global economy, increasing vaccination levels are a promising indicator of greater success in containing the ongoing pandemic to enable economic recovery.

The Utilities division is working toward completion of the acquisition of Tuaspring Pte Ltd in Singapore, a strong new asset to complement the existing merchant multi-utilities business. In Jordan, where the Group's 45%-owned oil shale power project is under development, pandemic restrictions imposed by the Jordanian government remained in place during the year under review, necessitating a push-back of the commercial operation date, now expected to commence towards the end of the current calendar year.

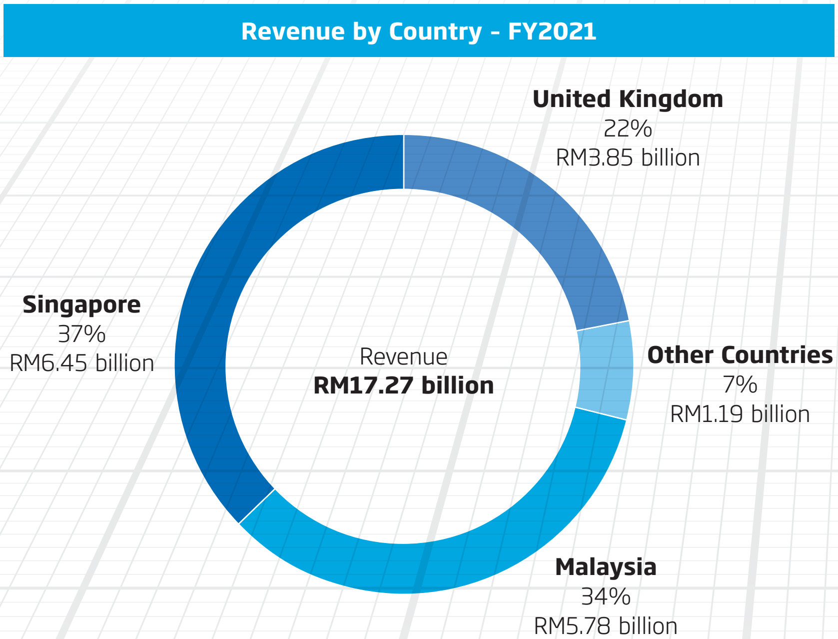
The Group made significant progress this year on its strategic asset plan to streamline its Cement & Building Materials Industry division which began with the acquisition of its majority stake in Malayan Cement Berhad in 2019 to become the leading cement player in the country. The improvements to operations, logistics, distribution and marketing made by leveraging the Group's expertise and experience have been highly successful and the division is well-positioned to move forward.

The Group is confident of the underlying strength of its operations and the solid dynamics of its main markets, and that the key growth drivers, including essential utilities, infrastructure requirements, demand for housing from urbanisation and a resurgence of tourism and hospitality demand, will continue to underpin demand growth in the longer term.

DATO' YEOH SEOK KIAN
DSSA

Management Discussion & Analysis

GROUP OVERVIEW



OVERVIEW

The principal activities of YTL Corporation Berhad ("YTL Corp" or "Company") are those of an investment holding and management company. The key reporting segments of YTL Corp and its subsidiaries ("YTL Corp Group" or "Group") are Utilities, Cement & Building Materials Industry, Construction, Property Investment & Development, Hotel Operations, Management Services & Others and Information Technology ("IT") & e-Commerce Related Business.

The YTL Corp Group has extensive operations in Malaysia, Singapore and the United Kingdom (UK), as well as businesses and projects under development in other countries including Australia, France, Indonesia, Japan, Jordan, Myanmar, the Netherlands, Thailand and Vietnam.

YTL Corp's entities listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") are YTL Power International Berhad ("YTL Power"), YTL Hospitality REIT ("YTL REIT") and Malayan Cement Berhad ("MCB"). The Group also has an investment in Starhill Global Real Estate Investment Trust ("Starhill Global REIT"), which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange.

Management Discussion & Analysis

GROUP OVERVIEW

OBJECTIVES & STRATEGIES

The YTL Corp Group pursues the geographic diversification and expansion of its revenue base through greenfield developments and strategic acquisitions both domestically and overseas, focusing on regulated utility assets and other businesses correlated to its core competencies of cement, construction, property development and hotel operations, with the goal of maximising shareholder value and building and operating strong businesses that are viable and sustainable on a long-term basis.

The YTL Corp Group also derives a significant part of its revenue from operating various regulated utility assets under long-term concessions and/or licenses, enabling the Group to achieve stable earnings and mitigate the downside risks arising from economic uncertainties and changing operating conditions, both in Malaysia and globally.

The principal components of the YTL Corp Group's strategy comprise:-

- **Diversification and expansion of the Group's revenue base through greenfield developments and strategic acquisitions in Malaysia and overseas, particularly in the area of regulated utilities**

  The YTL Corp Group pursues a strategy of acquiring regulated assets operating under long-term concessions and other businesses correlated to its core competencies. The Group's regulated utilities demonstrate ongoing growth, with the regulated asset value of these assets increasing over time. The Group's existing overseas operations in this area continue to generate steady returns and its overseas acquisitions diversify income streams and enable the Group to avoid single-country and single-industry risks.

- **Growth and enhancement of the YTL Corp Group's core businesses**

  The Group's strategy to grow its businesses is to leverage its expertise in its core competencies, particularly in the areas of power generation (in both contracted and merchant markets), water and sewerage services, merchant multi-utility services, communications, construction contracting, property development and investment, manufacturing of cement and other industrial products and supplies, hotel development and management (including restaurant operations), and the provision of consultancy and advisory services for internet businesses and internet-based education solutions and services.

  In implementing its strategy, the Group focuses strongly on governance, compliance and managing the economic, environmental and social impacts of its businesses to ensure the long-term sustainability and viability of its operations.

- **Ongoing optimisation of the Group's capital structure**

  The YTL Corp Group maintains a balanced financial structure by optimising the use of debt and equity financing and ensuring the availability of internally generated funds and external financing to capitalise on acquisition opportunities.

  A key component of the Group's growth strategy is its practice of funding the debt component of its acquisitions and greenfield projects largely through non-recourse financing which has ensured that the Group only invests in projects that are commercially viable on a stand-alone basis.

- **Enhancement of operational efficiencies to maximise returns from the Group's businesses and expand its customer base**

  The Group believes that its cement and power plants on average operate within the highest efficiency levels of their industries and further enhances operational efficiencies where possible through the application of new technologies, production techniques and information technology.

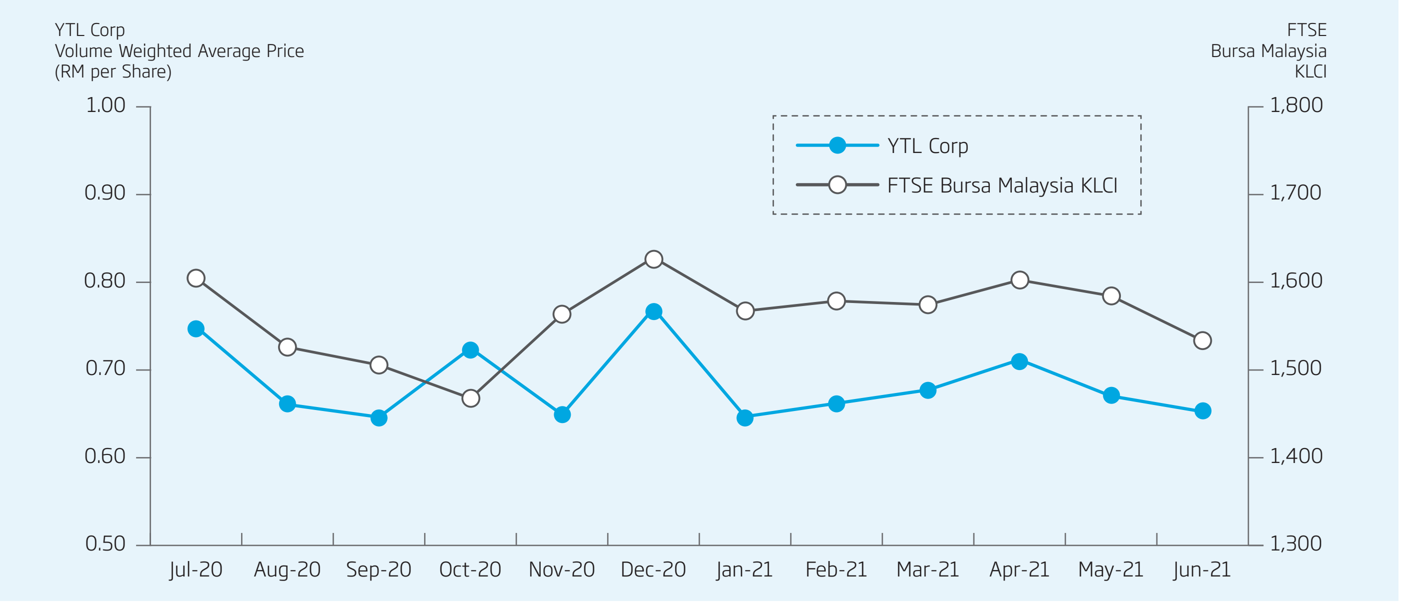
Management Discussion & Analysis
GROUP OVERVIEW

PERFORMANCE INDICATORS

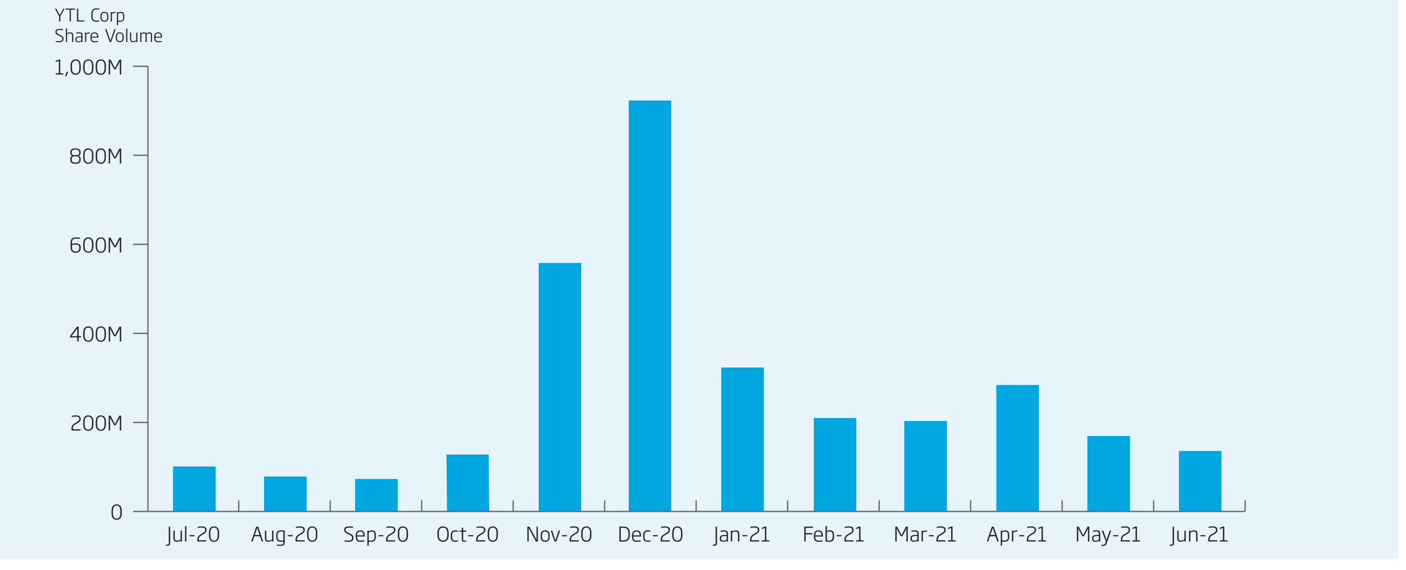
YTL Corp has been listed on Bursa Securities, the Kuala Lumpur stock exchange, since 3 April 1985. YTL Corp is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

The graph below illustrates the performance of YTL Corp's share price compared with the FTSE Bursa Malaysia KLCI during the financial year ended 30 June 2021.

Performance of YTL Corp's Share Price vs FTSE Bursa Malaysia KLCI



Volume of YTL Corp Shares Traded on Bursa Securities



Source: Bloomberg

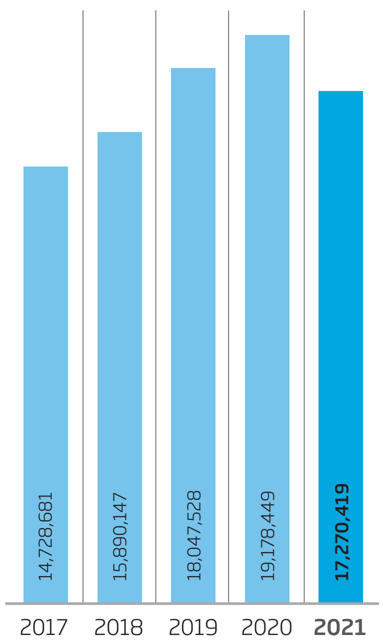
Management Discussion & Analysis

FINANCIAL REVIEW

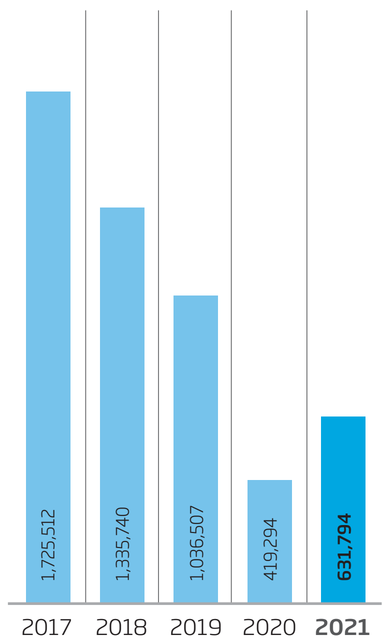
FINANCIAL HIGHLIGHTS

	2021	2020	2019	2018	2017
Revenue (RM'000)	**17,270,419**	19,178,449	18,047,528	15,890,147	14,728,681
Profit Before Taxation (RM'000)	**631,794**	419,294	1,036,507	1,335,740	1,725,512
(Loss)/Profit After Taxation (RM'000)	**(327,384)**	4,658	721,355	970,872	1,442,050
(Loss)/Profit for the Year Attributable to Owners of the Parent (RM'000)	**(367,664)**	(189,221)	242,589	340,999	813,308
Total Equity Attributable to Owners of the Parent (RM'000)	**12,788,485**	12,460,336	13,262,686	14,041,932	14,800,949
(Loss)/Earnings per Share (Sen)	**(3.38)**	(1.78)	2.30	3.24	7.74
Dividend per Share (Sen)	**2.5**	-	4.0	5.0	9.5
Total Assets (RM'000)	**73,863,566**	69,908,435	76,727,093	71,344,380	74,626,713
Net Assets per Share (RM)	**1.17**	1.17	1.25	1.32	1.40

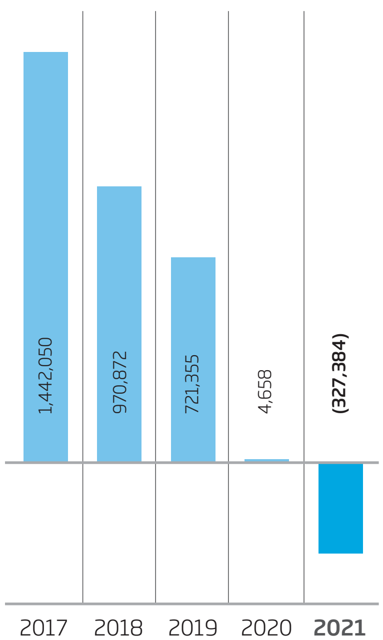
Revenue
(RM'000)



Profit Before Taxation
(RM'000)

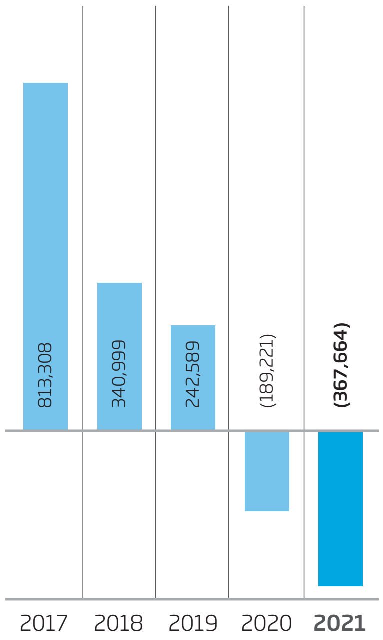


(Loss)/Profit After Taxation
(RM'000)

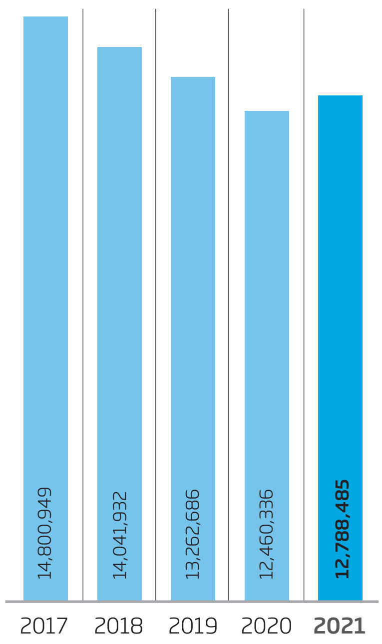


Management Discussion & Analysis
FINANCIAL REVIEW

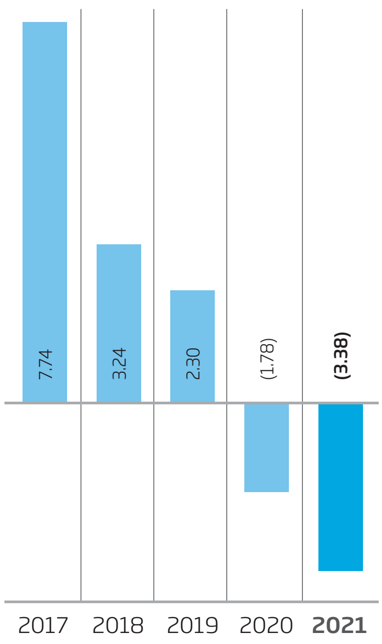
(Loss)/Profit for the Year Attributable to Owners of the Parent
(RM'000)



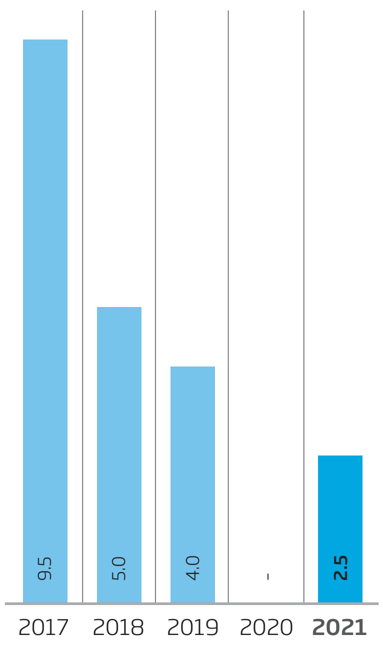
Total Equity Attributable to Owners of the Parent
(RM'000)



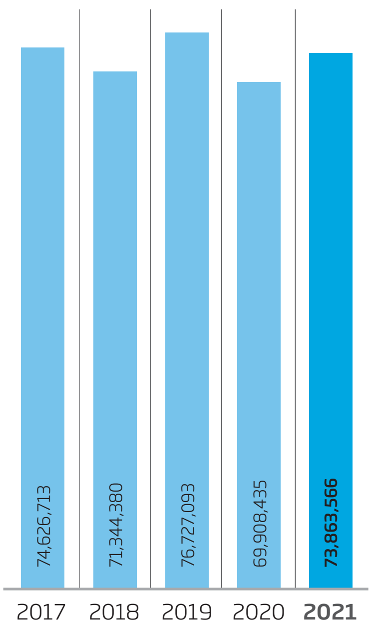
(Loss)/Earnings per Share
(Sen)



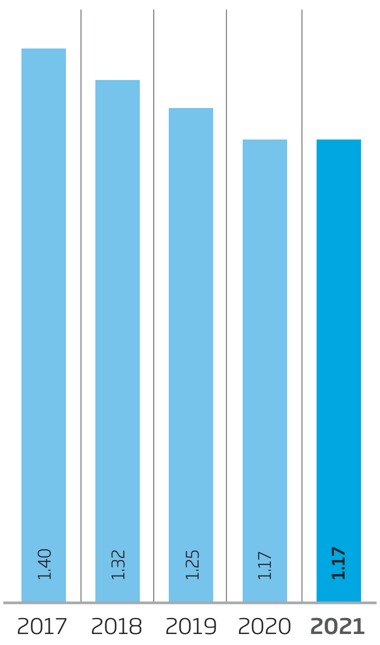
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



Management Discussion & Analysis

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

Group Financial Performance

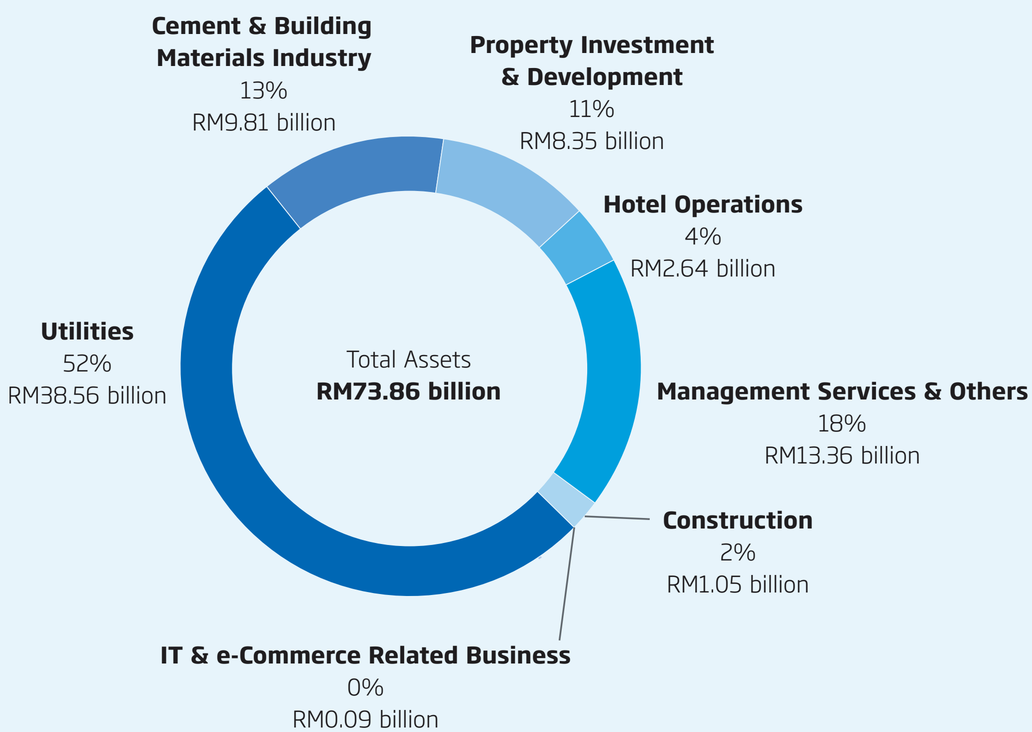
The YTL Corp Group recorded revenue of RM17,270.4 million for the financial year ended 30 June 2021 compared to RM19,178.4 million for the previous financial year ended 30 June 2020. Profit before taxation for the current financial year increased to RM631.8 million, compared to RM419.3 million last year.

Due to the outbreak of the COVID-19 pandemic, countries in which the Group has operations have imposed different levels of restrictions in order to contain the spread of the virus. In Malaysia, a nationwide full movement control order was imposed on 1 June 2021 following the rise in COVID-19 cases across the country. The COVID-19 pandemic has had a direct impact on the performance of some of the Group's operations for the financial year ended 30 June 2021 as set out in further detail below.

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 66% of the Group's revenue and 74% of non-current assets for the 2021 financial year, compared to 61% and 72%, respectively, last year.

Segmental Financial Performance

Total Assets by Segment
(as at 30 June 2021)

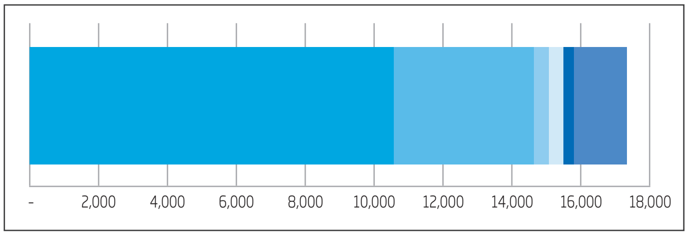


Management Discussion & Analysis

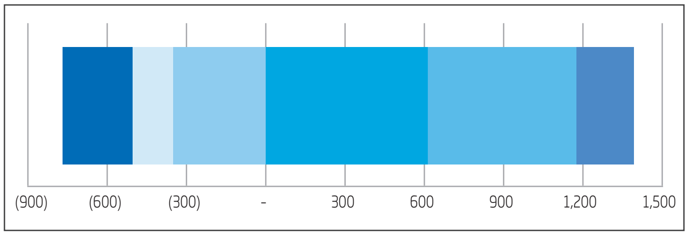
FINANCIAL REVIEW

	Segment Revenue		Segment Profit/(Loss) Before Taxation	
	2021 RM million	**2020 RM million**	**2021 RM million**	**2020 RM million**
Utilities	**10,572.1**	10,275.1	**627.7**	233.6
Cement & Building Materials Industry	**4,093.5**	4,095.2	**562.9**	(2.4)
Construction	**1,514.5**	2,316.0	**217.5**	194.7
Property Investment & Development	**366.6**	995.2	**(380.3)**	(282.8)
Hotel Operations	**420.7**	1,121.7	**(153.6)**	96.6
Management Services & Others	**299.8**	371.7	**(240.2)**	179.6
IT & e-Commerce Related Business	**3.2**	3.5	**(2.2)**	-
	17,270.4	19,178.4	**631.8**	419.3

Breakdown of Revenue by Segment - FY2021 *(RM million)*



Breakdown of Profit Before Taxation by Segment - FY2021 *(RM million)*



Utilities · Cement & Building Materials Industry · Property Investment & Development · Hotel Operations · Management Services & Others · Construction · IT & e-Commerce Related Business

Utilities

The Utilities segment recorded higher revenue and profit before taxation of RM10.572.1 million and RM627.7 million respectively for the financial year ended 30 June 2021 compared to revenue of RM10,275.1 million and profit before taxation of RM233.6 million for the financial year ended 30 June 2020.

The increase in revenue and profit before taxation was mainly due to the better performance in the merchant multi-utilities and telecommunication sub-segments.

The Utilities segment continues to be the Group's largest operating segment, contributing 61% of revenue and 99% of profit before taxation for the financial year ended 30 June 2021, compared to 54% of revenue and 56% of profit before tax last year.

Cement & Building Materials Industry

The Cement & Building Materials Industry segment recorded marginally lower revenue of RM4,093.5 million and higher profit before taxation of RM562.9 million for the financial year ended 30 June 2021 compared to revenue of RM4,095.2 million and a loss before taxation of RM2.4 million for the financial year ended 30 June 2020.

Revenue decreased marginally due to lower demand in the concrete business. However, profit before tax increased due to a gain on disposal of the Group's cement operation in China, as well as increased selling prices and volumes in the cement business, coupled with lower finance costs.

For the current financial year, the Cement & Building Materials Industry segment was the Group's second largest operating segment, contributing 24% of revenue for the financial year ended 30 June 2021, compared to 21% last year.

Management Discussion & Analysis

FINANCIAL REVIEW

Construction

The Construction segment recorded lower revenue of RM1,514.5 million and higher profit before taxation of RM217.5 million for the financial year ended 30 June 2021 compared to revenue of RM2,316.0 million and profit before taxation of RM194.7 million for the financial year ended 30 June 2020.

The decrease in revenue was mainly due to the lower progress of construction works, whilst the increase in profit before tax was mainly due to lower contract expenses incurred.

Property Investment & Development

The Property Investment & Development segment recorded lower revenue of RM366.6 million and a loss before taxation of RM380.3 million for the financial year ended 30 June 2021 compared to revenue of RM995.2 million and a loss before taxation of RM282.8 million for the financial year ended 30 June 2020.

The decrease in revenue was mainly due to the deconsolidation of the results of Starhill Global REIT and lower sales recorded in The Fennel project and the 3-Orchard By-The-Park project. The higher loss before taxation was mainly due to an impairment loss on vendor notes issued by YTL Westwood Properties Pte Ltd (now known as Orchard Westwood Properties Pte Ltd) and lower unrealised foreign exchange gains on borrowings denominated in foreign currencies recorded by YTL Hospitality REIT, and was partially offset by a higher share of profits from Starhill Global REIT and the fair value gain on investment properties recorded by the Group's UK project.

Hotel Operations

The Hotel Operations segment recorded lower revenue of RM420.7 million and a loss before taxation of RM153.6 million for the financial year ended 30 June 2021 compared to revenue of RM1,121.7 million and profit before taxation of RM96.6 million for the financial year ended 30 June 2020.

The segment was significantly impacted amidst the extremely challenging conditions which resulted from the unprecedented disruption caused by the COVID-19 pandemic. Country borders in most jurisdictions where the hospitality businesses operate were closed to foreign travellers. Ancillary businesses such as seminars and meetings were also curtailed in these jurisdictions.

Management Services & Others

The Management Services & Others segment recorded lower revenue of RM299.8 million and a loss before taxation of RM240.2 million for the financial year ended 30 June 2021 compared to revenue of RM371.7 million and profit before taxation of RM179.6 million for the financial year ended 30 June 2020.

The decrease in revenue was mainly due to the lower interest income recorded by YTL Power, whilst the loss before tax was recorded primarily due to absence of the one-off gain on derecognition of Starhill Global REIT.

IT & e-Commerce Related Business

The IT & e-Commerce Related Business segment recorded marginally lower revenue of RM3.2 million and a loss before taxation of RM2.2 million for the financial year ended 30 June 2021 compared to revenue of RM3.5 million and profit before taxation of RM0.04 million for the financial year ended 30 June 2020.

The decrease in revenue was mainly due to the lower revenue recorded by the content and digital media division following the impact of the COVID-19 pandemic, whilst a loss before taxation was recorded primarily due to the fair value loss on investment, lower interest income earned from cash deposits and lower revenue incurred.

DIVIDENDS

On 8 September 2021, the Board of Directors of YTL Corp ("Board") declared an interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021 for payment on 12 October 2021. The book closure for the aforesaid dividend was 24 September 2021.

The Board did not recommend a final dividend for the financial year ended 30 June 2021.

Dividend Policy

The Board of Directors of YTL Corp has not adopted a set dividend policy. It is the present intention of the Directors to continue to propose the payment of cash dividends on an annual basis, subject to future earnings and the financial condition of YTL Corp and other factors, including the profit and cash flow position of the YTL Corp Group, restrictions imposed by law or under credit facilities on the payment of dividends by members of YTL Corp Group and the availability of funds.

Management Discussion & Analysis

FINANCIAL REVIEW

Distribution of Treasury Shares

On 28 August 2020, YTL Corp announced a distribution of treasury shares on the basis of one (1) treasury share for every thirty (30) ordinary shares held. The book closure date for the distribution was 28 October 2020 and the treasury shares were credited into the CDS accounts of entitled shareholders on 12 November 2020.

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 shareholder value. Debts undertaken by the Group's operating entities are substantially non-recourse to the Company.

The Group manages its capital structure and adjusts 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-capital 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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Bonds	**23,328,057**	19,875,639	**3,240,000**	2,500,000
Borrowings	**21,746,386**	23,710,605	**1,066,995**	1,751,205
Bonds and borrowings	**45,074,443**	43,586,244	**4,306,995**	4,251,205
Less: Cash and cash equivalents	**(13,678,647)**	(11,661,232)	**(250,218)**	(103,999)
Net debt	**31,395,796**	31,925,012	**4,056,777**	4,147,206
Equity attributable to owners of the parent	**12,788,485**	12,460,336	**6,307,840**	6,086,744
Capital and net debt	**44,184,281**	44,385,348	**10,364,617**	10,233,950
Debt-to-capital ratio	**71%**	72%	**39%**	41%

Under Practice Note 17 of the Listing Requirements of Bursa Securities, the Company is required to maintain 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 than RM40 million. The Company has complied with this requirement with total equity attributable to owners of the parent as at 30 June 2021 of RM12.8 billion.

Management Discussion & Analysis

SIGNIFICANT CORPORATE DEVELOPMENTS

PROPOSED ACQUISITION OF POWER PLANT & ASSOCIATED ASSETS OF TUASPRING PTE LTD

As reported last year, on 12 March 2020, YTL Power and Taser Power Pte Ltd, entered into a put and call option agreement for the proposed acquisition of the power plant and associated assets of Tuaspring Pte Ltd ("Tuaspring") by YTL PowerSeraya Pte Ltd ("YTL PowerSeraya"), from the receivers and managers of Tuaspring for a total purchase consideration of SGD331.45 million to be settled as to SGD230.0 million in cash and SGD101.45 million comprising ordinary shares and loan notes amounting to 7.54% of the post-acquisition equity in YTL Utilities (S) Pte Ltd, the immediate holding company of YTL PowerSeraya.

The approval for the proposed acquisition from the Energy Market Authority of Singapore was received on 20 May 2020. Completion is conditional *inter alia* on approval of the Public Utilities Board of Singapore and completion of financing which are currently pending.

ESTABLISHMENT OF NEW EMPLOYEES SHARE OPTION SCHEME

As reported last year, the Company announced on 29 April 2020 the proposed establishment and implementation of a new employees share option scheme ("ESOS") for eligible employees and directors of the Company and/or its subsidiaries. The Company received shareholders' approval for the proposed ESOS at an extraordinary general meeting held on 1 December 2020 and the ESOS was implemented on 6 January 2021.

YTL REIT RENTAL VARIATION PROGRAMME

On 30 July 2020, Pintar Projek Sdn Bhd, the Manager of YTL REIT, and Maybank Trustees Berhad, the Trustee of YTL REIT, agreed to rental variations in respect of YTL REIT's properties in Malaysia, namely the JW Marriott Hotel Kuala Lumpur, The Ritz Carlton, Kuala Lumpur (Hotel and Suite wings), AC Hotels in Kuala Lumpur, Penang and Kuantan, the Pangkor Laut, Tanjong Jara and Cameron Highlands resorts and The Majestic Hotel Kuala Lumpur, as well as Hilton Niseko Village in Japan (collectively, the "Properties").

The rental variations involve the reduction of lease rentals in respect of the Properties by 50% for 24 months commencing 1 July 2020 until 30 June 2022 ("Rental Adjustment Period") and the payment of the difference between the original rentals and reduced rentals on a staggered basis within 7 years after the Rental Adjustment Period or over the remaining tenures of the existing leases whichever is earlier.

The Manager and the Trustee agreed to the rental variations after considering, among others, the unprecedented impact of the ongoing COVID-19 pandemic on the hospitality sector and the estimated time frame of 2 years for the respective lessees of the Properties to recover their market position plus market share and return to profitability.

PLACEMENT OF 85 MILLION NEW ORDINARY SHARES IN MCB

On 15 April 2021, MCB announced the proposed issuance of up to 85 million new ordinary shares in the Company representing approximately 10% of the total number of issued shares of MCB as at 14 April 2021. The application for the listing and quotation of the placement shares was approved by Bursa Securities via its letter dated 23 April 2021. The placement was completed on 14 June 2021 following the listing and quotation of 85 million placement shares on the Main Market of Bursa Securities at an issue price of RM2.79 per share.

The placement raised gross proceeds of RM237.15 million, of which RM64.15 million was utilised for working capital purposes, RM170.00 million was utilised for repayment of bank borrowings and RM2.56 million was utilised to defray expenses relating to the placement. The remaining proceeds of approximately RM0.44 million are earmarked to defray further expenses relating to the placement.

Management Discussion & Analysis

SIGNIFICANT CORPORATE DEVELOPMENTS

DIVESTMENT OF CEMENT OPERATION IN CHINA

On 30 April 2021, YTL Cement (Hong Kong) Limited, subsidiary of YTL Corp, finalised the disposal of its 100% equity interest in Zhejiang Hangzhou Dama Cement Co Ltd.

STRATEGIC ASSET RATIONALISATION & OPTIMISATION PLAN FOR CEMENT OPERATIONS

On 12 May 2021, MCB announced that it had entered into a conditional share sale and purchase agreement ("SSPA") with YTL Cement Berhad ("YTL Cement"), its immediate holding company, for the proposed acquisition of the entire equity interest of its 10 companies and their respective subsidiaries which are involved in cement and ready-mixed concrete businesses in Malaysia for a total consideration of RM5,158 million (subject to adjustments).

The purchase consideration comprised RM2.0 billion in cash, RM1.408 billion through the issuance of 375.5 million new ordinary shares in MCB ("Consideration Shares") and RM1.75 billion through the issue of 466.7 million new irredeemable convertible preference shares ("ICPS") in MCB. The issue price for the new MCB shares and ICPS to be issued was fixed at RM3.75 per Consideration Share/ICPS. This is the price per share paid by YTL Cement for the acquisition of its 76.98% equity interest in MCB in 2019, which was premised on the potential synergies that would arise from the integration of businesses between the two groups.

Bursa Securities, via its letter dated 23 July 2021, approved the listing and quotation of the Consideration Shares and the new MCB shares to be issued upon conversion of the ICPS on the Main Market of Bursa Securities subject to certain conditions. In addition, via its letter dated 21 July 2021, Bursa Securities granted MCB a period of 6 months from the listing date of the Consideration Shares to comply with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements.

In view of this, MCB entered into a supplemental letter with YTL Cement on 26 July 2021 to waive the condition precedent stipulated in the SSPA to obtain approval from Bursa Securities for MCB for a lower public shareholding spread of 20% on completion of the proposed acquisition as the application for the said approval will be submitted after completion of the proposed acquisition instead of prior to completion.

The proposed acquisition and proposed amendment of the Constitution of MCB to facilitate the issuance of the ICPS pursuant to the proposed acquisition were approved by the shareholders of MCB at an extraordinary general meeting held on 30 August 2021 and were completed on 21 September 2021.

Management Discussion & Analysis

SEGMENTAL REVIEW

UTILITIES

SEGMENT OVERVIEW

The Utilities segment of the YTL Corp Group comprises the activities undertaken through its subsidiary, YTL Power, and its subsidiaries ("YTL Power Group"). As at 30 June 2021, YTL Corp held a 55.57% stake in YTL Power. The YTL Power Group has utilities businesses, investments and projects under development in Malaysia, the UK, Singapore, Australia, Indonesia and Jordan.

The YTL Power Group owns Wessex Water Services Limited ("Wessex Water"), a water and sewerage provider in the UK, YTL PowerSeraya, which has a total licensed generation capacity of 3,100 megawatts ("MW") and multi-utility operations in Singapore, and YTL Power Generation Sdn Bhd ("YTLPG"), an independent power producer in Malaysia.

YTL Power also has a 60% stake in YTL Communications Sdn Bhd ("YTL Comms"), the operator of the Yes 4G platform providing high-speed mobile internet with voice services across Malaysia, and a 45% equity interest in Attarat Power Company PSC ("APCO"), which is developing a 554 MW oil shale-fired power generation project at Attarat um Ghudran in the Hashemite Kingdom of Jordan.

OPERATIONAL REVIEW

Power Generation (Contracted)

YTLPG

YTLPG was the first IPP (independent power producer) in Malaysia when it was awarded its licence in 1993, operating under a 21-year power purchase agreement, which was completed on 30 September 2015. YTLPG was subsequently awarded the project for the supply of power from Paka Power Station under a short term capacity bid called by the Malaysian Energy Commission.

Supply from Paka Power Station re-commenced on 1 September 2017 under the new power purchase agreement ("PPA") entered into between YTLPG and Tenaga Nasional Berhad for the supply of 585 MW of capacity for a term of 3 years 10 months (an additional 12 months from the original award of 2 years 10 months) until 30 June 2021. Operation and maintenance ("O&M") of the power station is carried out by YTL Power Services Sdn Bhd, a wholly-owned subsidiary of YTL Corp.

Management Discussion & Analysis
SEGMENTAL REVIEW

Paka Power Station continued to fulfil all performance guarantees under the PPA and produced a net generation output of 0.892 gigawatt hours ("GWh") of electricity during the financial year ended 30 June 2021. For the period under review, the station's two generating blocks, GB1 and GB2, achieved reliability factors of 96.08% and 99.28% and load factors of 27.56% and 12.71%, respectively. The lower load factor was mainly due to measures introduced to control the COVID-19 pandemic resulting in the national electricity demand dropping more than 30%.

The PPA was successfully completed on 30 June 2021.

APCO

APCO is developing a 554 MW oil shale-fired mine-mouth power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project's second unit).

Construction commenced on the project with commercial operations for the first unit scheduled to commence in the middle of the 2020 calendar year and the second unit in the last quarter of the 2020 calendar year. However, the global COVID-19 pandemic has led to a delay in the project due to travel and movement restrictions imposed by the Government of Jordan with commercial operations for both units now expected to be in the latter part of the second half of the 2021 calendar year. APCO has invoked the *force majeure* provisions under the Power Purchase Agreement with NEPCO. As the effects of the pandemic are still on-going, the *force majeure* provisions are still in effect.

Management Discussion & Analysis

SEGMENTAL REVIEW

When it comes into operation, the 554 MW oil shale-fired power plant will be the first power plant in Jordan to utilise its indigenous oil shale resources which will account for approximately 15% of its installed power generation capacity. This will reduce the Kingdom's import of oil products for power generation, and its development is a key milestone in the Jordanian Government's goal of furthering its energy independence.

APCO is indirectly owned by YTL Power (45%), Guangdong Energy Group of China (45%) and Eesti Energia AS of Estonia (10%).

Multi Utilities Business (Merchant)

YTL Power owns a 100% equity interest in YTL PowerSeraya, a Singapore-based energy company with a total licensed generation capacity of 3,100 MW, consisting of steam turbine plants, combined-cycle plants and co-generation combined-cycle plants.

Situated on Jurong Island, Singapore's oil, gas and petrochemicals hub, YTL PowerSeraya is a diversified energy company with a core business centred on the generation and retailing of electricity, in addition to operating other multi-utility businesses comprising utilities supply (steam, natural gas and water), oil storage tank leasing and oil trading and bunkering.

For the financial year under review, YTL PowerSeraya sold 8,766 GWh of electricity, while generation market share saw an increase of 9.2%, to approximately 17%, as compared to the last financial year. As Singapore exited the COVID-19 'Circuit Breaker' on 1 June 2020 and progressively reopened the economy, the country's electricity demand rose during the year under review.

Navigating under the backdrop of challenges posed by tight COVID-19 restrictions on the availability of specialist manpower and resources, the Group continued to achieve major milestones such as the timely completion of the major and minor maintenance inspection activities on its combined cycle and co-generation power plant units. Overall plant performance for these units showed significant improvements with a higher reliability and availability percentage improvements of 1.0% and 4.6% respectively as compared to last year.

Making efforts towards better energy efficiency and sustainability, the Group participated in the Singapore Energy Market Authority's Energy Efficiency Grant for Power Generation Companies. The project will look into optimising the performance of YTL PowerSeraya's power plants by installing variable speed drives (VSDs) on its co-generation power plant unit's boiler feedwater pumps. Upon completion, annual power consumption savings of about 6,800 MWh are expected. This amount of energy savings could power an estimated 1,300 households for an entire year in Singapore.

Supporting the health and mental well-being of employees during the pandemic was a top priority in the past financial year. In addition to annual health screening and audiometric examination sessions held for colleagues at the plant, the division rolled out a series of programmes and initiatives focused on aiding employees to cope with any challenges that they might be experiencing during the pandemic.

Management Discussion & Analysis
SEGMENTAL REVIEW

Learning and development continued to be a key focus for the year with the development of learning roadmaps for every function in YTL PowerSeraya via a myriad of online and on-site seminars, workshops, share and learn sessions by in-house commercial and technology experts, as well as on the job functional training. At the plant level, experienced technical specialists were deployed to focus on technical engineering training development and execution to further enhance organisational capability building and ensure transfer of technical skills by retiring engineers.

Retail

YTL PowerSeraya's retail brand, Geneco, held a market share of approximately 13.8% in the electricity retail market for the financial year ended 30 June 2021, comprising customers from the residential, commercial and industrial sectors. Correspondingly, sales volume was 7,134 GWh for the financial year under review, an increase of 8.4% compared to last year.

Geneco launched a comprehensive suite of sustainable energy solutions for its customers during the financial year. These included collaborations with various solar panel installation partners to provide rooftop solar panel installation services for commercial and industrial customers, as well as the BizSunny Plan to enable this group of customers to choose the level of renewable solar energy (i.e. 1.0%, 5.0% or 10.0%) to incorporate into their electricity price plan.

Geneco also launched the Power Eco Total Solution for residential customers. This solution comprises three key elements to enable these customers to reach 100% carbon-neutrality for their electricity consumption, namely, to engage Geneco to install solar panels on their rooftop, take up a competitive loan to fund the solar panel investment and purchase Carbon Credits (CC) or Renewable Energy Certificates (REC) to offset the carbon emission for their balance electricity consumption. These customised energy options highlight Geneco's continued commitment in moving towards a sustainable energy future, alongside the Singapore Green Plan 2030.

Fuel Management

PetroSeraya Pte Ltd, the Group's fuel management arm, managed to pull in a steady performance despite continuous challenges in the oil industry and the COVID-19 pandemic. The division handled 7.48 million metric tonnes of fuel oil and diesel during the year under review, whilst the number of berthings for bunkering and cargo vessels saw 552 vessels berthed at the terminal in this year, compared to 656 vessels last year, with the drop in average berth utilisation rate attributed mainly to challenging economic conditions fuelled by the pandemic.

Since the inception of IMO2020 (by the International Maritime Organisation) to cap sulphur content of bunker fuel at 0.5%, the division has been handling both HSFO (high sulphur fuel oil) and LSFO (low sulphur fuel oil). As even a very minor contamination will render the LSFO (<0.5% sulphur fuel oil) out of specifications, it was imperative that the team exercised extreme caution and care in handling the fuel.

Due to COVID-19, the Maritime and Port Authority of Singapore also introduced more stringent requirements on contactless operations. Despite these challenges, the team managed to overcome these requirements with no delays in operations.

In light of the on-going economic disruptions, the division continues to look into strengthening its tank leasing and fuel management activities, as well as optimising its jetty and oil terminal operations.

Management Discussion & Analysis

SEGMENTAL REVIEW

Technology

To support YTL PowerSeraya's digital transformation, the division focused on three key areas during the financial year: Analytics, Automation and Digitisation. This involved streamlining business processes and workflows, managing to map more than 90% of these, alongside the various business groups, enabling the division to gain more visibility into its operations. Its documentation also allows for process institutionalisation, thereby encouraging a company-wide commitment and consistency to achieve greater operational efficiencies.

Through various initiatives implemented throughout the year, a more robust digital culture was created, with improved productivity from smoother process workflows. As various business groups gained traction in digital adaptation, employees also increasingly acquired the ability to make data-driven informed decisions.

Going forward, efforts continue to intensify in the three key focus areas, with the aim of increasing employee and organisational capabilities and equipping employees with the knowledge of turning data into actionable insights, as well as achieving higher productivity and efficiencies through process automation.

Water & Sewerage

In the UK, YTL Power owns a 100% equity interest in Wessex Water, a regional water and sewerage business serving 2.8 million customers across a geographic area of approximately 10,000 square kilometres in the south west of England, including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire.

Wessex Water is regulated by the Water Services Regulation Authority (known as Ofwat), the economic regulator for the UK water industry, and holds a license from the UK government under an instrument of appointment to supply clean water and treat and dispose of waste water from its operating region in the south west of England.

Challenges posed by COVID-19 made it more important than ever for Wessex Water to provide excellent customer service. The division has given extra support to those financially affected by the pandemic and those shielding or with additional needs, awarding more than 4,000 payment breaks and setting up more than 2,000 flexible plans linked to the ongoing pandemic.

The division launched a GBP50 rebate on metered bills for National Health Service (NHS) workers to cover the cost of additional uniform washing, benefitting more than 14,500 customers, and reviewed the delivery of its community programmes in order to be COVID-19 safe and to keep providing connection and support to local communities.

Wessex Water remains one of the top performers in the water sector for customer service, first of the water and sewerage companies in C-MeX, which is Ofwat's measure of customer experience. CCW, the independent voice for water consumers in the UK, confirmed that Wessex Water continues to have the lowest number of complaints of all the water and sewerage companies and 78% of customers rated its service as good or very good value for money.

This year, Wessex Water introduced its new customer feedback strategy, aimed at gathering a greater number of views on its service, rapidly spotting any dissatisfied customers and ensuring continuous improvement, with 94% customers being satisfied and with 87% giving the company a five-star rating on Trustpilot.

Management Discussion & Analysis

SEGMENTAL REVIEW

Wessex Water again received the Customer Service Excellence award and achieved the Service Mark with distinction from the Institute of Customer Service, one of only 15 companies to hold the accreditation to this level. The division has set itself the challenge of being in the top 20 UK service providers on the institute's survey by 2025.

In 2020, the Wessex Water Foundation was launched to provide funding for projects that bring people together and build stronger communities. Working with community foundations across its operating region, the foundation has already supported a variety of groups in local communities and engaged extensively with customers and stakeholders, in day-to-day business and for specific programmes of work.

Wessex Water's tailored assistance programme (tap) continues to offer customers financial support through a range of schemes and low-rate tariffs, to help them afford their ongoing charges and repay their debt. Just over 15,000 customers are receiving discounts of up to 90% through its Assist tariff and more than 22,000 low-income pensioners are receiving at least GBP60 off their bill.

Wessex Water is committed to providing the highest quality drinking water to customers and the division's compliance with drinking water standards is very high, with more than 99.9% of tests meeting the required standards. In 2020, Wessex Water was rated as 'leading' in the UK Environment Agency's annual environmental performance assessment and discharges from its water recycling centres were assessed as 99.1% compliant with the agency's quality permits.

The division's biggest ongoing sewerage project is construction of a 6.5km long tunnel in West Bristol, which will cater for significant property development in this area as well as reducing discharges from storm overflows to the River Trym.

Wessex Water's net greenhouse gas emissions fell to 109 kilotonnes of carbon dioxide equivalent in 2020-21, continuing a 10-year trend. This is the division's lowest annual operational carbon footprint since reporting began in 1997, achieved through a combination of energy efficiency improvements, renewable energy generation and the rapidly falling carbon dioxide intensity of UK grid electricity. Electricity use fell in 2020-21 from the previous year and 28% of the division's electricity demand came from renewable energy generation on its sites.

Management Discussion & Analysis

SEGMENTAL REVIEW

Mobile Broadband Network

YTL Power owns a 60% stake in YTL Comms, which owns and operates the YES nationwide 4G LTE wireless broadband platform.

While Malaysia's fight against the pandemic was a tumultuous one in 2021, YTL Comms bolstered its advocacy efforts to democratise data for all Malaysians, leading the way in the local telecommunications industry despite being one of the younger players. This year, forming strategic partnerships to level up ongoing initiatives became YES' key focus in helping all walks of life thrive – not just survive – in an increasingly digital economy.

The Learn From Home initiative, formed with YTL Foundation in response to the implementation of the movement control order (MCO) in March 2020, furthered its impact in the education landscape in 2021. In addition to the 180,000 mobile phones and 400,000 SIM cards given away for free to students in national schools, children from B40 families and university undergraduates, YTL Foundation partnered with the National Union of the Teaching Profession (NUTP) in April to extend free SIM cards with 40GB of data to 230,000 educators.

Keeping abreast of the effects from a prolonged lockdown, YTL Comms also announced an extension to the Learn From Home initiative in August. The move enabled B40 families to continue enjoying free 5GB of monthly data until 31 August 2022, upon the expiry of their existing 12-month plan.

In May, YTL Comms heeded with a resounding 'yes' to the Government's Jaringan Prihatin initiative, offering 8 million B40 individuals and families a free smartphone, year-long data, free access to the FrogPlay learning platform and cashback vouchers in partnership with Shopee. With its no-strings-attached accessibility, YES' take on the Prihatin plans stood out from its competitors. B40 individuals were able to sign up with "no deposit, contract, or payment" – in other words, focus on learning, working and building their businesses without worries. Working with the Government compounded the impact of the Learn From Home programme, creating long-term relief for the B40 group.

The e-commerce boom during the pandemic flung open the doors for YES to partner with Malaysia's #1 platform Shopee, making it the first and only telco to be present in an online marketplace. Launched in December 2020 as part of YES' Kasi Up campaign, the YES DATABACK initiative rewarded shoppers with 5GB of free data with every RM50 spent on Shopee.

Staying true to its purpose of adding value to consumers and stretching their every ringgit, YTL Comms announced a giveaway of 150 million GB of data just one month later, following the movement restriction order that kicked in nationwide. By empowering the people with the data they needed, YES also enjoyed a growth of subscribers. These new initiatives garnered new YES subscribers, bringing the Group's total subscriber base to 2.36 million customers at the end of the year under review.

As a brand with a mission to enrich the lives of Malaysians with the power of data, staying attuned to the economic climate and needs of the people is only one piece of the puzzle. YTL Comms' agile attitude and proactive efforts, coupled with a sense of urgency, will continue to meaningfully impact the underserved community, ensuring no one is left behind in the new normal within this digital age.

CEMENT & BUILDING MATERIALS INDUSTRY

SEGMENT OVERVIEW

The YTL Corp Group's Cement & Building Materials Industry activities are undertaken through the YTL Cement Group of companies operating in Malaysia, Singapore, Vietnam and Myanmar.

OPERATIONAL REVIEW

Operations in Malaysia

The YTL Cement Group expanded its Malaysian operations with the acquisition of the majority stake in Malayan Cement Berhad. The YTL Cement Group is now the leading building materials group in Malaysia, offering customers end-to-end building solutions. It has the most comprehensive network of operations consisting of five integrated cement plants, 70 ready-mixed concrete batching plants, 16 quarry sites, two drymix mortar plants, grinding stations and cement terminals throughout Peninsular Malaysia. These facilities are connected by road, rail and sea, enabling the YTL Cement Group to serve its customers.

The Construction Development Laboratory (CDL) is Malaysia's premier building materials research and development centre, focusing on innovation and product development for evolving construction needs.

Operations in Singapore

Contribution from the Group's operations in Singapore grew this year with the acquisition of Jurong Cement Limited (formerly, Holcim (Singapore) Limited) in 2019. Jurong Cement operates two cement terminal facilities and a drymix mortar plant. It is involved in the supply of building materials, including cement and drymix mortar.

The YTL Cement Group is now a leading supplier of cementitious products in Singapore. The Group's cement terminals have the largest storage, blending and delivery capacities in the country.

Operations in Vietnam

Fico Tay Ninh Cement Joint-Stock Company ("Fico-YTL") is one of only three integrated cement plants in southern Vietnam, and a major cement supplier to Ho Chi Minh City and the Mekong Delta region. Fico-YTL achieved a good operational performance and continued profitability for the year under review, owing to its superior product range and cost control efforts. Its operations include an integrated plant and two grinding stations totalling 2.3 mtpa cement production capacity.

Operations in Myanmar

The Group's cement grinding plant in Myanmar is situated in the Thilawa Special Economic Zone. Its strategic location next to a deep-sea port in Yangon enables it to serve Myanmar's commercial hub and nearby regions. The plant is well-positioned to support Myanmar's construction needs, including large-scale infrastructure developments.

Management Discussion & Analysis

SEGMENTAL REVIEW

CONSTRUCTION

SEGMENT OVERVIEW

The Construction segment of the YTL Corp Group comprises the activities undertaken by its wholly-owned subsidiary, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), which is principally involved in the construction of large-scale infrastructure including railway lines, highways and power plants, as well as commercial and residential properties.

OPERATIONAL REVIEW

During the financial year under review, construction continued on the Gemas-Johor Bahru electrified rail link. SPYTL, together with its joint venture partner, SIPP Rail Sdn Bhd, has been appointed as the local subcontractor to carry out the design, construction, supply, installation, completion, testing, commissioning and maintenance for the electrified double track project from Gemas to Johor Bahru.

The project is progressing as scheduled, adjusted to accommodate work stoppages resulting from the ongoing series of movement control orders first implemented in March 2020 and continuing into 2021 to curb the spread of COVID-19. However, the project has not incurred any cost overruns.

The Gemas-Johor Bahru rail link will form another vital component of the country's blueprint to develop world-class rail infrastructure. Comprising approximately 197 kilometres of double track rail lines, stations, electric trains, depots, land viaduct, bridges, electrification and signalling systems, upon completion, the new link will reduce the travelling time between Gemas and Johor Bahru to just 90 minutes.

The project is a key part of the Malaysian Ministry of Transport's Electrified Double Track Project ("EDTP") initiative, intended to reduce travelling time and traffic congestion. The EDTP's use of electric locomotives is expected to benefit local business, delivery services and cargo services by increasing the frequency and effectiveness of services via reduced travelling time and fuel costs in comparison to land or air transport. The project also brings environmental benefits arising from the use of electric locomotives, which do not emit hazardous waste and reduce fuel consumption.

In April 2021, SPYTL entered into an agreement with Kwasa Land Sdn Bhd ("Kwasa Land"), a wholly-owned subsidiary of The Employees Provident Fund, to develop a residential project in Kwasa Damansara with an estimated gross development value of RM200 million.

Kwasa Land is the master developer of Kwasa Damansara, a green, inclusive and connected township that will comprise future-forward residential, commercial and mixed-use projects. Its strategic location is supported by key transportation infrastructure including Subang Airport, Kwasa Sentral and Kwasa Damansara MRT stations and a network of four expressways.

The 12.7-acre development, which is identified as plot R2-1 in the Kwasa Damansara township, will entail the construction of 1.5-storey townhouses and 3-storey landed terrace houses enclaved within a lush green space that includes a 1.28-acre central park and 2.71-acre linear park.

With a built-up area of between 1,200 sq ft and 2,300 sq ft, the homes will feature modern and minimalistic designs true to the Group's aesthetics and the development's green ethos. SPYTL and Kwasa Land are working toward launching the development in early 2022.

Meanwhile, construction is also progressing on-schedule on a 30-storey office block which includes shops and a food court situated along Jalan Tun Sambanthan in Brickfields, Kuala Lumpur, due for completion in 2022. The project is being undertaken for Arah Asas Sdn Bhd, a wholly-owned subsidiary of YTL Corp, under a privatisation agreement with Perbadanan Aset Keretapi (Railway Assets Corporation).

Management Discussion & Analysis
SEGMENTAL REVIEW

PROPERTY INVESTMENT & DEVELOPMENT

SEGMENT OVERVIEW

The Property Investment & Development segment of the YTL Corp Group comprises the activities undertaken by YTL Land & Development Berhad ("YTL L&D") and its subsidiaries, SPYTL, YTL Land & Property (UK) Ltd ("YTL Property UK") and Starhill Global REIT.

As at 30 June 2021, YTL Corp held a 96.64% stake in YTL L&D, whilst YTL Property UK is wholly owned by YTL Power. YTL Corp also has an effective interest of 37.08% in Starhill Global REIT, which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange.

OPERATIONAL REVIEW

Property Development

Sentul

The preservation and repurposing of Sentul Works in Sentul West into a new-age boutique office is being undertaken by Sentul Raya Sdn Bhd, a wholly-owned subsidiary of YTL L&D. This is in line with conservation and rejuvenation initiatives in Sentul West under the ongoing urban regeneration of Sentul.

Occupying a dilapidated century-old colonial structure that once housed railway offices under British rule, Sentul Works was adapted to meet modern demands while retaining its historical integrity. The masterfully restored building is a contribution to Sentul's railway heritage by providing a destination for the appreciation of a heritage-designated work and play environment in KL city.

Projects in the pipeline include the 'd'-series commercial developments in Sentul East – d2, d5 and d8 with state-of-the-art architecture to push the limits of conventional working and living environments. The overall development concept captures the eclectic diversity of Sentul East with SOHO, commercial, retail, leisure and placemaking elements to infuse vibrance and excitement into this urbanised downtown precinct.

Management Discussion & Analysis

SEGMENTAL REVIEW

Puchong

Tulips, Puchong, is undertaken by Pakatan Perakbina Sdn Bhd, a wholly-owned subsidiary of YTL L&D. This project is conceived under the "Rumah Selangorku" housing scheme based in Selangor to provide quality homes to meet the accommodation needs of local citizens in an affordable way.

Tulips comprises 98 units of 2-storey link houses on a standard lot size of 20ft x 60ft and is located adjacent to Lake Edge, Puchong.

Another project in the pipeline is Clarity at Lake Edge, a serviced apartment featuring two high-rise towers with 34 residential floors each within an idyllic setting overlooking a pristine lake.

Taman Pakatan Jaya, Ipoh

Developments in Taman Pakatan Jaya, Ipoh, are undertaken by PYP Sendirian Berhad, a wholly-owned subsidiary of YTL L&D.

Camellia, completed in 2019 is fully sold and successfully handed to homebuyers with CCC. The development comprises 108 units of 2-storey link houses on a standard lot size of 20ft by 75ft.

Olive Grove, a project in the pipeline, is a gated and guarded development which offers modern 2-storey link houses complemented with a clubhouse and lifestyle facilities. The project features 380 units of spacious homes on a standard lot size of 20ft by 75ft, all set within a lushly landscaped environment.

Kwasa Damansara Development

During the year under review, SPYTL entered into an agreement with Kwasa Land, the master developer of the Kwasa Damansara township, to develop a residential project in Kwasa Damansara with an estimated gross development value of RM200 million.

Strategically located in close proximity to key transportation infrastructure including Subang Airport, Kwasa Sentral and Kwasa Damansara MRT stations and a network of four expressways, the development will entail 1.5-storey townhouses and 3-storey landed terrace houses. In keeping with the development's green ethos, residents will be able to enjoy open, spacious living spaces and be connected outdoors with well-landscaped walking trails and jogging paths, along with stunning views of the surrounding parks and green spaces.

Management Discussion & Analysis

SEGMENTAL REVIEW

3 Orchard By-The-Park

On 28 June 2021, YTL L&D disposed of its entire stake in YTL Westwood Properties Pte. Ltd. ("YTL Westwood"), which undertook the 3 Orchard By-The-Park development. As a result of the disposal, YTL Westwood in no longer part of the Group.

Brabazon

As the birthplace of Concorde, the former Filton Airfield in North Bristol is steeped in history. Now YTL Property UK is transforming this historic local landmark into Brabazon, a thriving new neighbourhood that is setting new standards for modern city living.

Brabazon will be an urban, master-planned, mixed-use development designed to live up to the former Airfield's legacy of ambition and achievement. Having acquired the 380-acre brownfield site in 2015, Brabazon is the Group's first UK property development project.

Located at the centre of North Bristol's world-leading cluster of engineering, aerospace and technology businesses, over 20,000 high-skilled employees already work within 1.5 miles of Brabazon. Both of Bristol's renowned universities are within easy reach in a city where over 50% of the working age population is educated to degree-level.

Brabazon will also be Bristol's best connected new neighbourhood. A train station – scheduled to open in 2024 – will connect to Bristol Temple Meads in less than 15 minutes, while London Paddington is only a 70-minute journey from Bristol Parkway. A dedicated Metrobus, as well as a network of walking routes and cycle paths, will link Brabazon to both the city centre and to Cribbs Causeway – a major regional shopping complex with 13 million visitors per year.

Brabazon will build on this incredible strategic position to offer the space, the connectivity and the opportunity to take the local eco-system of trail-blazing businesses and talented people to the next level.

Set out around a series of distinctive districts, this new urban community will have architecturally-designed homes a short walk away from innovative workplaces, cutting-edge research centres and advanced manufacturing facilities. Residents, visitors and employees alike will be able to wander around independent stores, discover new restaurants or relax in the largest new urban public park built in the region for 50 years.

And at its heart – in the former aircraft hangars where Concorde was built – will be the new 17,080-capacity YTL Arena Bristol: a supersonic venue that will put the city on the world stage for live music and entertainment. Having received planning approval in March 2020, detailed design is underway ahead of the scheduled opening in 2024.

Construction of the first phase of 302 one and two-bedroom apartments and two, three and four-bedroom homes at Brabazon began in September 2019. Designed by globally renowned local architects Feilden Clegg Bradley Studios, the distinctive new homes – featuring generous rooms, over-sized windows and soaring double-height spaces in selected properties – have already been recognised through a number of awards.

In 2020 – before the first homes went on sale – Brabazon was shortlisted for a Housing Design Award. Supported by all five major institutions for property professionals, including The Royal Institute of Chartered Surveyors (RICS), The Royal Institute of British Architects (RIBA) and the Royal Town Planning Institute (RTPI), the Housing Design Awards are amongst the most prestigious accolades available for residential developments in the UK.

Brabazon has also been recognised locally with nominations for the SW Insider, Bristol Life and Bristol Property Awards, with the winners set to be announced in Autumn this year. This commitment to quality has ensured that Brabazon is already setting new market benchmarks for both sales rates and values achieved.

Property Investment

Starhill Global REIT owns retail and office assets in Singapore, Malaysia, Australia, Japan and China. YTL Starhill Global REIT Management Limited, the manager of Starhill Global REIT, is a wholly-owned subsidiary of the Group. Starhill Global REIT's property portfolio comprises stakes in Ngee Ann City and Wisma Atria in Singapore, the David Jones building, Plaza Arcade and Myer Centre in Australia, Starhill Gallery and parcels in Lot 10 Shopping Centre in Malaysia, boutique retail properties in Tokyo and a retail property in China.

Starhill Global REIT's property portfolio was valued at SGD2.96 billion as at 30 June 2021, remaining relatively stable since last year. The trust's distribution per unit was SGD0.0395 for the financial year under review, compared to SGD0.0296 last year.

Management Discussion & Analysis

SEGMENTAL REVIEW

HOTEL OPERATIONS

SEGMENT OVERVIEW

The YTL Corp Group's hotel management and development activities are undertaken primarily through its listed entity, YTL REIT, and through its wholly-owned subsidiary, YTL Hotels & Properties Sdn Bhd ("YTL Hotels"), and its subsidiaries ("YTL Hotels Group"). As at 30 June 2021, YTL Corp held a 56.96% stake in YTL REIT.

OPERATIONAL REVIEW

YTL Hotels Group

In the past year the world has continued to face the on-going challenges of the global pandemic, with tourism and hospitality industries amongst the most critically affected. International border closures, lockdowns and restrictions have prevailed throughout the year, severely impacting operations. The focus for all countries has been on rolling out vaccination programmes to mitigate the effects of the virus. As vaccination rates rise, travel bubbles have been created, allowing some movement across several international borders, boosting hopes for the future.

Management Discussion & Analysis
SEGMENTAL REVIEW

The YTL Hotels Group has remained focused on its measures to reduce the commercial impact of the pandemic, streamlining operations, redeploying staff, yet staying flexible in order to move quickly to capitalise on opportunities in between lockdowns. The YTL Hotels Group continues to actively engage with its existing and new clients for forward corporate bookings as well as leisure travel, which is expected to rebound quickly with pent-up demand once restrictions ease.

In Malaysia, 2021 has been a challenging year with rising infection rates leading to several lockdowns and a state of emergency being declared early in the year. Pangkor Laut Resort, Tanjong Jara Resort, Cameron Highlands Resort as well as the AC Hotels in Penang and Kuantan were able to operate with good staycation business until the second quarter of the year when the second national lockdown was implemented. The Ritz-Carlton, Kuala Lumpur has remained open throughout, while home deliveries and takeaway played a major role in maintaining the momentum for food and beverage operations of several restaurants in the Kuala Lumpur city hotels.

The recent introduction of the government's four phase National Recovery Plan and the country's high vaccination rate provide some positive outlook for the future. As restrictions ease with the transition to each stage of the plan, the demand for domestic travel and staycations is expected to rebound.

The UK has been one of the countries hardest hit by the pandemic and had one of the highest vaccination rates in the world early this year. Its 3rd national lockdown ended in May 2021 and all restrictive measures were removed in July. The Gainsborough Bath Spa initially reopened in July 2020 with half its inventory, and has since been extremely successful, enjoying high occupancies on a regular basis. The Gainsborough Townhouse has also proved very popular throughout the pandemic, with guests being able to enjoy exclusive use of the Cross Bath.

In the second quarter of 2021, with the success of the UK's vaccination roll-out programme and the economy slowly opening up, both The Glasshouse Edinburgh and Monkey Island Estate have re-opened, and have done very well hosting events, with many weddings at The Glasshouse in Scotland and Island Takeovers in Bray, where guests enjoy exclusive use of the entire island. The Academy Hotel reopened on 10 August, with Threadneedles Hotel scheduled to reopen on 16 September.

The Hague Marriott Hotel continued to be severely impacted by the pandemic, as changing government guidelines, travel restrictions and lockdowns saw all large city events and meetings cancelled. The hotel remained open throughout the entire period, focussing on the domestic leisure market, making the necessary changes to operations to facilitate the needs of guests and finding new distribution channels. Across Europe, many countries have lifted lockdowns and eased travel and entry requirements. The Hague Marriott has been able to capitalise on its seaside location for the summer period.

In Niseko Village Japan, with restrictions on international travel, YTL Hotels' properties remained open to a domestic clientele. The Japanese government's "Go To Travel" stimulus campaign offering highly discounted travel, opened Niseko Village to a new market of domestic travellers who usually spend their winter holidays overseas. Higashiyama Niseko Village, a Ritz-Carlton Reserve, was launched in December 2020 according to schedule. The property has since received several awards, including making US Travel + Leisure's IT List 2021 – The Best New Hotels in the World, Condé Nast Traveller UK's The Hot List 2021 – The Best New Hotels in the World, Robb Report's Best of the Best, Time magazine's World's Greatest Places and DestinAsian magazine's The Luxe List 2021: Best New Hotels in Asia-Pacific.

Management Discussion & Analysis

SEGMENTAL REVIEW

The Thai government has started to relaunch the country's tourism industry with the introduction of the Phuket Sandbox Programme, followed by the Samui Plus travel arrangement. Under these plans, fully vaccinated international and domestic travellers are allowed to visit without quarantine requirements. The Surin Phuket reopened on 1 July 2021 with The Ritz-Carlton, Koh Samui reopening on 15 July. Both hotels are accredited Safety and Health Administration Plus (SHA+) Hotels.

YTL REIT

YTL REIT's investment portfolio was valued at RM4,719.0 million as at 30 June 2021, an increase of RM181.5 million or 4.0% compared to the previous valuation of RM4,537.5 million as at 30 June 2020, mainly due to the increase in valuations of the Sydney Harbour Marriott and Brisbane Marriott in Australia and Hilton Niseko Village in Japan.

YTL REIT's net asset value per unit increased to RM1.587 as at 30 June 2021 compared to RM1.500 as at 30 June 2020.

Malaysian Portfolio

YTL REIT's Malaysian portfolio is made up of a diverse range of ten assets, from five-star properties and luxury resorts to business hotels in key city centres across the Peninsula. YTL REIT maintains fixed lease arrangements for the properties and benefits from the stable income produced by this revenue structure.

YTL REIT's domestic portfolio consists of luxury assets situated in the Golden Triangle commercial precinct of Kuala Lumpur, namely the JW Marriott Hotel Kuala Lumpur and The Ritz Carlton, Kuala Lumpur (Hotel and Suite wings), as well as The Majestic Hotel Kuala Lumpur, Pangkor Laut Resort, Tanjong Jara Resort, Cameron Highlands Resort and the AC Hotels operating in Kuala Lumpur, Kuantan and Penang.

During the financial year ended 30 June 2021, the hospitality and tourism industries remained amongst the worst hit economic sectors due to the COVID-19 pandemic, with ongoing travel restrictions, movement controls and lockdown orders being imposed by governments worldwide. Border controls remained in place throughout the financial year under review, severely impacting the hospitality sector in Malaysia which is highly dependent on international tourism.

The unprecedented global impact on the pandemic on the hospitality sector worldwide is akin to a *force majeure* event. Internationally, governments have introduced legislation to provide relief to tenants and, in recognition of the devastating impact, property owners (including certain listed real estate investment trusts in Malaysia) have also granted rental waivers to sustain their tenants' business operations, with the intention of preserving the lease and keeping the property occupied such that the property can continue to generate rental cash flows during this challenging period.

Following several months of operational losses by the lessees due to minimal revenue and taking into consideration the ongoing impact on the hospitality sector, a rental deferral programme was approved for the Trust's Malaysian properties, i.e. reducing the lease rentals by 50% for twenty-four months commencing 1 July 2020 until 30 June 2022, with the difference between the original and reduced rental amounts to be paid on a staggered basis within seven years after the rental adjustment period or over the remaining tenures of the existing leases, whichever is earlier. The programme does not involve any waiver of the rentals as the difference will be paid to YTL REIT over time, and the payments (unlike rental waivers) will increase the distributable income for the benefit of YTL REIT's unitholders in the relevant financial years ahead.

Management Discussion & Analysis
SEGMENTAL REVIEW

During the period when interstate travel was permitted, domestic tourism rebounded, leading to strong occupancies at the resorts. Presently, maintenance and upgrading works are being planned or carried out at several properties to ensure that the Trust's portfolio maintains and improves on its competitive positioning as business and leisure travel recovers when the pandemic is contained with the global vaccination rollout.

International Portfolio - Japan

YTL REIT's portfolio in Japan comprises the Hilton Niseko Village and The Green Leaf, both of which are situated in Hokkaido, Japan, and operate under fixed lease arrangements, ensuring a certain level of income for the Trust. During the financial year under review, inbound tourism into Japan continued to be negatively affected by the outbreak of COVID-19. Entry bans imposed on most countries remained in place, and the Niseko area was similarly impacted by the restrictions. Therefore, the rental deferral programme (on the same terms as the Malaysian properties) was also approved for Hilton Niseko Village.

The negative impacts on the Niseko resort district are expected to be alleviated in the future as increasing vaccination levels and other measures to bring the virus under control start to take effect, considering the strong demand conventionally seen during the winter season. The government's economic policies such as the "Go To Travel" campaign, are also expected to become key drivers in improving the hospitality market in the Niseko resort district.

International Portfolio - Australia

YTL REIT's Australian portfolio is made up of the Sydney Harbour Marriott, Brisbane Marriott and Melbourne Marriott. The Trust is afforded the benefit of a variable source of income from the operation of these hotel assets. The Australian properties continued to be affected by measures to contain the pandemic during the financial year under review as Australia has seen some of the strictest travel restrictions being implemented internationally and domestically.

The Sydney Harbour Marriott secured several quarantine contracts with the New South Wales government, which enabled the hotel to continue to operate profitably. The Sydney Harbour Marriott is a 5-star, 595-room hotel set in the heart of Circular Quay, overlooking iconic landmarks including Harbour Bridge and the Sydney Opera House.

The Melbourne Marriott was selected as a quarantine hotel by the Victorian government for international repatriation and, therefore, continued to operate periodically during the financial year under review. The Melbourne Marriott is located close to the city's theatre precinct and is within minutes of the Bourke and Collins street shopping districts, Chinatown, the Melbourne Museum and the Royal Exhibition Building.

Meanwhile, the Brisbane Marriott was also allowed to remain open during the pandemic as it was selected as a quarantine hotel by the Queensland government for international repatriation which allowed the business to remain profitable. The Brisbane Marriott is located between Brisbane's central business district and the Fortitude Valley hub, close to shopping, riverside dining along the Brisbane River, and the city's corporate and cultural locales.

Management Discussion & Analysis

SEGMENTAL REVIEW

MANAGEMENT SERVICES & OTHERS

SEGMENT OVERVIEW

The Management Services & Others segment carries out investment holding activities and other services of the YTL Corp Group, including O&M activities for power stations, cement plants and other related businesses.

These mainly comprise YTL Power Services Sdn Bhd ("YTLPS"), a wholly-owned subsidiary of YTL Corp, Express Rail Link Sdn Bhd ("ERL"), a 45%-owned associated company, and its wholly-owned subsidiary, ERL Maintenance Support Sdn Bhd, and the investment holding activities of the YTL Power Group, namely its 33.5% indirect investment in ElectraNet Pty Ltd ("ElectraNet") and its effective interest of 20% in PT Jawa Power ("Jawa Power").

OPERATIONAL REVIEW

ERL

ERL experienced a significant drop in ridership along with the decline in airport passenger traffic from the first quarter of the last financial year ended 30 June 2020 onwards as the COVID-19 pandemic hit the country. The severity of the drop became worse when the Movement Control Order (MCO) was in full force. However, there was a turnaround when the Recovery MCO (RMCO) began in June 2020 as domestic travel was allowed and both the Ministry of Tourism, Arts and Culture and local airlines started promoting domestic travel through various campaigns.

The year under review started off with the hope that the Conditional MCO would gradually improve to the RMCO phase, with the corresponding easing of travel restrictions. However, it quickly worsened by mid-January 2021 with a stricter MCO imposed. The situation improved in March and April, however the turnaround did not last, as the MCO was reinstated in May. ERL train services have been temporarily suspended since 4 June 2021 upon the implementation of a full lockdown in order to ensure ERL is able continue to provide services to all customers and remain sustainable in the long run.

Despite the many challenges and the resurgence of COVID-19 cases, ERL continued to focus on short and long-term marketing and sales plans that focus on domestic market first, then international segment as borders reopen, cashless solutions and customer retention.

ERL continues to practise a strict regimen of cleaning, sanitising and disinfecting in order to meet and exceed the highest standards of safety and hygiene.

A new KLIA Ekspres App was introduced, along with the EkspreSmiles Loyalty Program. These initiatives are aimed at encouraging customers to go cashless, improve the user experience with technology and grant rewards through the new loyalty program.

The app employs a QR code to encourage customers to use their mobile devices and rather than printed tickets. In addition to reducing paper usage, customers also benefit from faster boarding by scanning the QR code directly at the gate.

Management Discussion & Analysis
SEGMENTAL REVIEW

Continuing its digitalisation journey, ERL has switched KLIA Transit Concession Fare and TravelCard users to the MyKad platform. Users can register, activate and reload their MyKad before using it directly at the gate to board the train. The switch to MyKad was implemented on 1 May 2021.

ERL has also continued its partnerships with TNG Digital and Bank Islam with the extension of discount promotions until 31 December 2021. The 15% discount with TNG eWallet has also been made available online through the new app and website from April 2021. The 15% discount with Bank Islam Visa Card-1 is applicable to contactless transactions at the gate.

With the use of MyKad and eWallets, ERL aims to provide a seamless user experience in line with the national Go Cashless initiative. The move is also aimed at improving its Go Cashless implementation and operational efficiency. Other than TNG eWallet, customers can also use Alipay, Boost, GrabPay, Maybank QRPay and UnionPay QR code to buy their train tickets at the counter or online. From 1 May 2021, ELR also began to accept ShopeePay at the counter.

ERL continued to partner with airlines, online travel agents (OTAs), eWallet providers, e-commerce and B2B/wholesaler platforms to expand KLIA Ekspres sales channels globally and reach a wider audience through their platforms and communication channels. To date, ERL has 39 partners onboard (3 airlines, 28 OTAs, travel aggregators and technology providers, 2 e-commerce platforms, 6 eWallet providers).

YTLPS

YTLPS is the O&M provider for the Group's power stations, owned by YTLPG. YTLPG's 21-year power purchase agreement for the power stations was completed in September 2015 and YTLPG was subsequently awarded the project for the supply of power from Paka Power Station under a short term capacity bid called by the Malaysian Energy Commission.

In May 2017, YTLPG and Tenaga Nasional Berhad entered into a new power purchase agreement for the supply of 585 MW of capacity from Paka Power Station for a term of 3 years 10 months and supply commenced on 1 September 2017. The PPA was successfully completed at the end of June 2021.

Management Discussion & Analysis

SEGMENTAL REVIEW

ElectraNet

ElectraNet owns and operates the high voltage electricity transmission system throughout South Australia under a 200-year lease, transmitting power from regional generators and interstate sources over long distances to metropolitan and regional areas including large, direct-connect industrial customers. The South Australian transmission network is one of the most extensive regional transmission systems in Australia and consists of 97 high-voltage substations and approximately 5,900 circuit kilometres of transmission lines covering a total area of 200,000 square kilometres.

ElectraNet is in the fourth year of its current 5-year regulatory period and has received approval from the Australian Energy Regulator (AER) to recover approximately AUD1.6 billion of revenue on its regulated electricity transmission network over the current regulatory period. ElectraNet is currently undertaking a consultation exercise with consumer advisory groups and the AER in relation to its preliminary revenue proposal for the next regulatory period. The final revenue proposal will be submitted to the AER in January 2022.

System security and reliability are critically important as Australia's energy supply transitions to a lower carbon emissions future and South Australia is at the forefront of this energy transformation with world-leading levels of intermittent renewable energy compared to energy demand. ElectraNet has been exploring options to support this energy transformation, while helping to lower electricity prices and improve system security. ElectraNet has been successful in receiving full regulatory approval for the following projects:

- Constructing a new, high capacity interconnector between South Australia and New South Wales. The proposed 920km 330kV transmission line will deliver economic benefits to customers by better sharing of energy resources in the National Electricity Market (NEM). The project is called Project EnergyConnect, and is being delivered in conjunction with TransGrid, the owner and operator of the New South Wales electricity transmission network. ElectraNet is responsible for constructing the infrastructure in South Australia and TransGrid is responsible for constructing the infrastructure in New South Wales.

- Installing four large synchronous condensers to raise the existing cap on non-synchronous generation and ensure ongoing system security with adequate levels of system strength, system inertia and voltage control for South Australia's electricity transmission system. The synchronous condensers are in the final stages of commissioning, with two units currently commissioned and the remaining units to be fully commissioned by late 2021.

- Building a new transmission line to improve reliability for the towns and communities on the Eyre Peninsula in South Australia. The Project is called EP Link and is being undertaken with Downer as the principal contractor. Construction works commenced in early 2021 and energisation is expected in late 2022.

In October 2020, ElectraNet completed construction and energised the Prominent Hill/Upper North connection project, which is the largest contracted revenue project ElectraNet has ever undertaken. The project comprised the construction of approximately 300 kilometres of 132kV and 275kV transmission lines and two substations to connect and supply about 100 MW of power to OZ Minerals' Carrapateena and Prominent Hill mine sites. The Carrapateena mine site was energised in mid-2019 with Prominent Hill energised in late 2020.

ElectraNet is also positioning to pursue potential contestable revenue investment opportunities which may include building, owning and operating new electricity transmission infrastructure.

Jawa Power

Jawa Power's 1,220 MW power station supplies power to Indonesia's national utility company, PT PLN (Persero) ("PLN"), under a 30-year power purchase agreement. O&M for Jawa Power is carried out by PT YTL Jawa Timur, a subsidiary of YTL Power, under a 30-year agreement.

Jawa Power achieved average availability of 85.2% for its financial year ended 31 December 2020 and 91.8% availability for the six months ended 30 June 2021. The station generated 7,263 GWh of electricity for its financial year compared to 8,029 GWh for its previous financial year, for its sole offtaker, PLN.

Management Discussion & Analysis
SEGMENTAL REVIEW

IT & E-COMMERCE RELATED BUSINESS

SEGMENT OVERVIEW

The YTL Corp Group's IT & e-Commerce Related Business activities are undertaken by its wholly-owned subsidiary, YTL e-Solutions Berhad, and its subsidiaries, ("YTL e-Solutions Group"). The YTL e-Solutions Group undertakes the provision of IT consultancy services and digital media content. The YTL e-Solutions Group also owns a controlling interest in Y-Max Networks Sdn Bhd which was granted one of four Worldwide Interoperability for Microwave Access (WiMAX) licenses in Malaysia.

OPERATIONAL REVIEW

For the financial year under review, the division continued to develop its core content and digital media business by improving its integrated Out of Home ("OOH") digital network to attract advertisers in this highly competitive area. The division also provides OOH digital media solutions and targets renowned brand names to fulfil their outdoor marketing needs.

The division progressed well with its ongoing efforts to improve its proprietary content management solutions and content production, delivering advertising on its digital narrowcast media networks in Bintang Walk and the iconic LED cube, "The Cube"@ Bukit Bintang. Services are also provided via digital networks in other retail and commercial areas such as Lot 10 Shopping Centre and on the Kuala Lumpur Express Rail Link (KLIA Ekspres and KLIA Transit) trains which service the Kuala Lumpur International Airport (KLIA) and the KLIA2 low-cost carrier terminal.

Management Discussion & Analysis

RISK MANAGEMENT

The overall risk management objective of the YTL Corp Group is to ensure that adequate resources are available to protect its assets and to create value for its shareholders. Risk management is carried out through regular risk review analysis, internal control systems and adherence to Group's risk management policies. The Board regularly reviews these risks and approves the appropriate control environment frameworks.

FINANCIAL RISK MANAGEMENT

The Group's operations are subject to foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Further details on the Group's financial risk management can be found in *Note 38* of the *Notes to the Financial Statements* in this Annual Report.

OPERATING RISK MANAGEMENT

Concessions and key contracts

A number of the YTL Corp Group's businesses and projects are reliant, in some cases to a significant extent, on concessions or other key contracts. Cancellation, expiration, termination or renegotiation of any such concession or key contract or the imposition of restrictive regulatory controls could have a material adverse effect on the financial condition and results of operations of certain subsidiaries of YTL Corp and accordingly the YTL Corp Group as a whole.

However, the Group's strategy of investing in regulated assets with long-term concessions or contracts has enabled it to establish a solid track record and operating performance to date, and is a measure to mitigate the vagaries of short-term contracts or more cyclical industries. Furthermore, the Group addresses these risks by investing in assets operating in stable economies and/or established markets or sectors with strong legal protections.

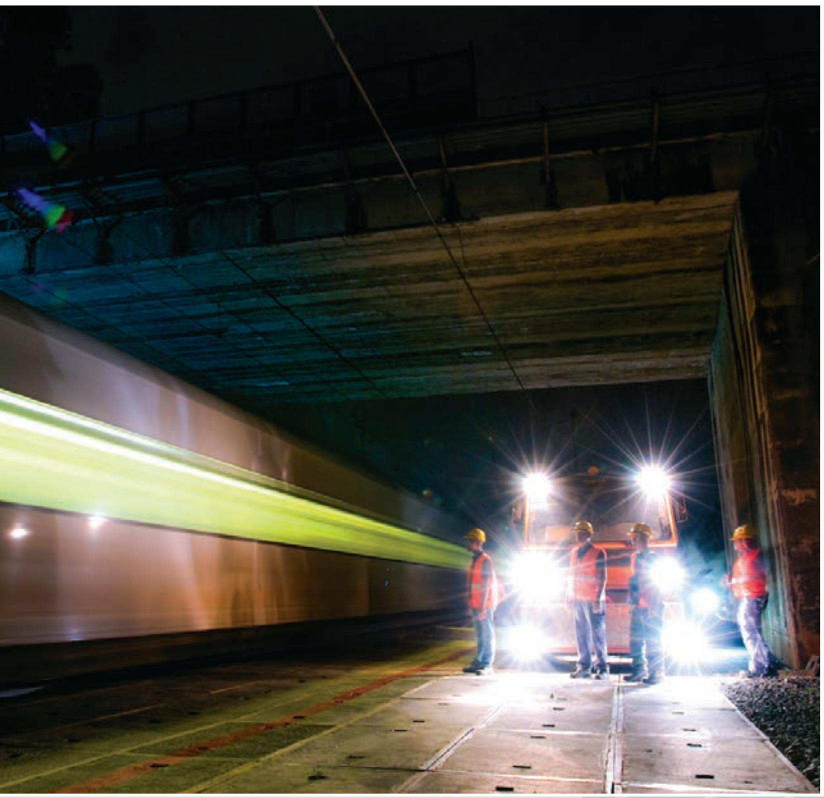
Management Discussion & Analysis

RISK MANAGEMENT

Business risk

The YTL Corp Group's principal activities are subject to certain risks inherent in their respective sectors. These may include shortages of labour and raw materials, increases in the cost of labour, raw materials, equipment and electricity tariffs, changes in the general economic, business, credit and interest rate conditions, inflation, taxation and changes in the legal and environmental framework within which the industries operate.

Whilst it is not possible to prevent the occurrence of these events, the Group addresses these matters by maintaining sound financial risk management policies as set out above, and high standards of preventive maintenance and cost efficiency coupled with technical and operating efficiency of its assets.



Dependence on key management

The continued success of YTL Corp is, to a significant extent, dependent on the abilities and continued efforts of the Board and senior management of YTL Corp. The loss of any key member of the Board or senior management personnel could affect YTL Corp's ability to compete in the sectors in which it operates. The future success of YTL Corp will also depend on its ability to attract and retain skilled personnel for smooth business operations of the Group to continue without undue disruption.

Therefore, appropriate measures are taken which include the provision of training programmes, the offering of attractive incentives such as employees' share option schemes and competitive remuneration packages, and efforts to ensure smooth succession in the management team.

Political, economic, environmental and regulatory considerations

Like all other businesses, adverse developments in political, economic and regulatory conditions (including changes in environmental legislation and regulations) in Malaysia, Singapore, the UK, Indonesia, China, Australia, Japan, Jordan and other overseas markets in which the YTL Corp Group from time to time has operations could materially and adversely affect the financial and business prospects of the YTL Corp Group and the markets for its products and/or services which may result in a loss or reduction in revenue to Group.

Whilst it is not possible to prevent the occurrence of these events, the Group attempts to mitigate the effects of these risks through thorough due diligence assessments prior to the commitment to any project, ensuring compliance with applicable laws and regulations, as well as its strategy of maintaining the geographic diversity of its operations, and remaining vigilant in monitoring events and conducting ongoing assessments of any operational and financial impacts of such external developments.

Management Discussion & Analysis

OUTLOOK

Global growth is expected to continue on a gradual and uneven recovery path in 2021, dependent on major developments surrounding the COVID-19 pandemic, especially the implementation of vaccine rollout programmes, ongoing global structural shifts and the extent of economic scarring. The recovery of the Malaysian economy is expected to be uneven and subject to several factors, including the course of pandemic and vaccination levels, the extent of spillover effects, sector-specific developments and the degree of improvement in labour market conditions. Private consumption is also expected to recover, supported by improvement in overall income and employment growth, along with the relatively less stringent mobility restrictions compared to 2020 *(source: Bank Negara Malaysia updates)*.

In the Utilities division, YTL PowerSeraya has seen a marked turnaround and, as power generation is an essential service, electricity demand is expected to remain stable going forward despite the continuous control measures implemented by the Singapore government to curb the COVID-19 pandemic. In addition, the proposed acquisition of Tuaspring, the newest combined cycle power plant in Singapore, is a logical extension of the Group's existing multi utilities operations and, upon completion, is expected to contribute positively to future earnings.

On the UK front, Wessex Water has entered the second year of its 5-year regulatory period and will continue to work towards delivering the investment commitments agreed with the regulator.

The outlook for the telecommunications sub-segment remains stable, with the division well positioned to continue to grow its subscriber base with innovative, competitive and affordable products and services, as well as successful collaborations.

The Construction division's order book remains robust, supported by large-scale infrastructure, as well as residential and commercial projects. Although construction activities and the corresponding demand for cement and building materials have been impacted by COVID-19 restrictions, the four-phase National Recovery Plan announced on 15 June 2021 is expected to bring about a recovery to the economy. The domestic construction sector is expected to rebound due to acceleration and revival of major infrastructure projects, coupled with affordable housing projects.

The Group made solid progress during the year under review on the rationalisation of its Cement & Building Material Industry division. MCB's acquisition from YTL Cement of 10 companies and their respective subsidiaries involved in cement and ready-mixed concrete businesses in Malaysia, which was completed on 21 September 2021, is expected to bolster profitability and value enhancement, increasing the size of MCB's cement and ready-mixed concrete businesses. The effectiveness and efficiency of MCB's cement operations and ability to deliver seamless solutions to customers will be optimised, boding well for the positive growth and outlook of the division as a whole and the industry going forward.

In the Property Development & Investment division, with the first phase of homes in the Brabazon development successfully launched, the project is off to a good start on delivery of its master plan, and the Group will continue to ensure development proceeds in line with market demand. The Group's new projects in Sentul, Puchong, Ipoh and Kwasa Damansara are also expected to prove highly attractive to buyers.

The short-term outlook for the Hotel Operations division remains challenging as demand from international business and leisure travellers is expected to remain subdued, subject to the success of pandemic containment measures around the world. The roll-out of vaccination programmes in many countries in the past few months bodes well for the recovery of global tourism. In the near term, demand is expected to come from the substitution of international travel with local travel until restrictions on overseas and inter-state travel restrictions are lifted.

Managing Sustainability

YTL Group recognises the importance of integrating sustainability into business continuity planning as one of the fundamental principles in creating long-term value for stakeholders through sustainable and responsible business practices. We believe in the importance of conducting business responsibly with due consideration given not only to YTL Group's financial performance, but also to environmental, social and governance (ESG) aspects of sustainability, optimising value for shareholders and other key stakeholders.

YTL Group Sustainability Framework

Brand Values
Building the right thing

HONESTY | HARD WORK | MORAL RESPONSIBILITY | TOGETHERNESS | VITALITY

Sustainability Commitment
Making a good future happen

PROTECTION OF THE ENVIRONMENT | EMPOWERING OUR PEOPLE | ENRICHING COMMUNITIES | EMBRACING THE MARKETPLACE

Aligned with **Sustainable Development Goals**

4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER

Core

3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

Peripheral

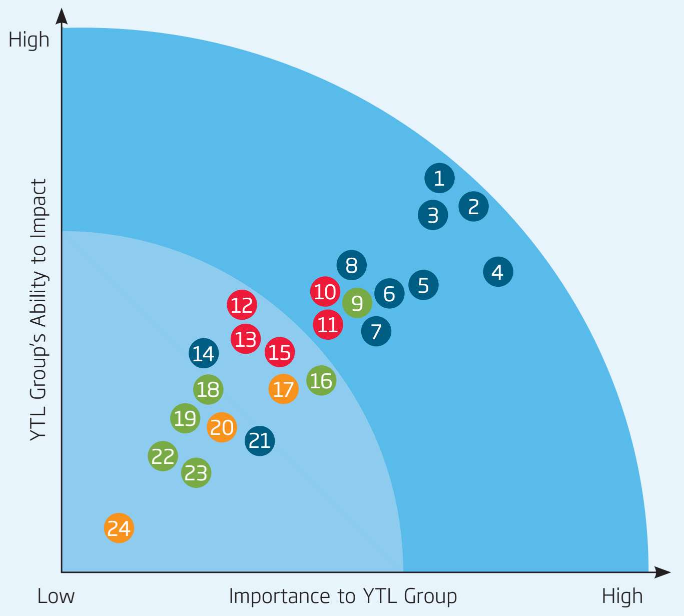
Policies			Code of Conduct	Corporate Statements			
Anti-Bribery and Corruption (ABC Policy)	Global Privacy Policy	Remuneration Policy and Procedures for Directors and Senior Management	Code of Conduct and Business Ethics (The Code)	Human Rights and Ethics	Environment	Health and Safety	Commitment to Ethical Purchasing

Managing Sustainability

MATERIALITY

We conduct materiality assessment exercises in order to achieve a better understanding of various interests of stakeholders that affect our businesses. To ensure the continued relevance of our material matters, we carefully review and refine them annually, where necessary. In 2021, we reassessed our ESG matters and found that there were no changes to the 24 material matters compared to the previous year, as they were deemed to still be relevant to our businesses and stakeholders. COVID-19 pandemic impacts on public health and business activity should be deemed as a material matter. However, it is not found in the matrix because we deal with COVID-19 pandemic in the Marketplace, Health and Safety and Community sections of YTL Group Sustainability Report. Moving forward, a fresh review of our ESG material matters will be undertaken in order to ensure that we address each of them and that they are kept active and up to date.

YTL Group Materiality Matrix



Highly Material

1. Ethical business and compliance
2. Anti-bribery and corruption
3. Governance and transparency
4. Financial sustainability
5. Risk management
6. Customer privacy
7. Customer satisfaction
8. Product and services
9. Scheduled waste disposal
10. Health and safety
11. Diversity and anti-discrimination

Material

12. Employee benefits
13. Employee engagement
14. Sustainable supply chain
15. Training and education
16. Climate and energy
17. Education
18. Waste management
19. Air emissions
20. Local community
21. Innovation and technology
22. Biodiversity
23. Water efficiency
24. Arts and culture

We are proud that in 2021, YTL Corp was once again named as one of the constituents of the FTSE4Good Bursa Malaysia Index for the fifth consecutive year. Information on YTL Group's governance structure, ESG material matters, initiatives, performance and achievements during the financial year ending 30 June 2021 can be found in our 15th standalone ***YTL Group Sustainability Report 2021*** which is available for download at www.ytl.com/sustainability. The report focuses on YTL Group's key businesses in Malaysia and globally.

Profile of the Board of Directors

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 67, was appointed to the Board on 6 April 1984 as an Executive Director and was the Managing Director of the Company from April 1988 till June 2018 when he was redesignated as Executive Chairman. 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. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws from University of Nottingham. 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 global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global Real Estate Investment Trust.

He was the Managing Director of YTL Power International Berhad, and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is the Executive Chairman and Managing Director of YTL e-Solutions Berhad. He is also the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis is the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri Francis is also an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited, and is a director of YTL Industries Berhad. He also sits on the board of trustees of YTL Foundation. He also serves on the board of directors of Suu Foundation, a humanitarian organisation committed to improving healthcare and education in Myanmar.

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 is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri Francis was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

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 in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri Francis 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. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy.

Profile of the Board of Directors

DATO' YEOH SEOK KIAN

Malaysian, male, aged 64, was appointed to the Board on 24 June 1984 as an Executive Director. He was the Deputy Managing Director of the Company till 29 June 2018 when he was redesignated as 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 and was conferred an Honorary Degree of Doctor of the University in 2017. 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 served as Deputy Managing Director of YTL Power International Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. Dato' Yeoh Seok Kian also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, 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 Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

DATO' CHEONG KEAP TAI

Malaysian, male, aged 73, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee, a member of the Nominating Committee and Remuneration 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 member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong is also a Licensed Tax Agent and a Licensed Goods & Service Tax Agent. 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 Gromutual Berhad, Tanah Makmur Berhad and several private limited companies.

DATO' YEOH SOO MIN

Malaysian, female, aged 65, has been 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 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 Court Of Emeritus Fellows of the Malaysian Institute of Management and Life Member of the Women's Institute of Management, Malaysia. Dato' Yeoh Soo Min sits on the board of trustees of Asia School of Business Trust Fund. She is currently an Honorary Fellow of the Governors of International Students House, London, and Sir Thomas Pope, Trinity College, University of Oxford, UK, and member of the Vice-Chancellor's Circle of University of Oxford, UK. She is also a Trustee of Yayasan Tuanku Fauziah and IJN Foundation. 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. She also sits on the board of trustees of YTL Foundation.

Profile of the Board of Directors

DATO' YEOH SEOK HONG

Malaysian, male, aged 62, was appointed to the Board on 19 June 1985 as an Executive Director. He serves as Managing Director of YTL Power International Berhad and Executive Director of Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. 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 and serves as the Managing Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm. 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 the building of the fourth generation (4G) network by YTL Communications Sdn Bhd, where he serves as the Managing Director. Dato' Yeoh Seok Hong sits on the boards of other public companies such as YTL Cement Berhad, YTL Land & Development Berhad and YTL Industries Berhad, and private utilities corporations, 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 trustees of YTL Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 61, 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 Managing Director of Malayan Cement Berhad and Executive Director of YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also sits on the boards of other public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad, Kedah Cement Holdings Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO KENG

Malaysian, female, aged 58, was appointed to the Board on 16 May 1996 as an Executive Director. She started her career with the group in 1986 as an engineer upon her graduation from Leeds University, United Kingdom with a Bachelor of Science (Hons) in Civil Engineering. She has held key executive positions in numerous industries and sectors in which the group has presence. She led numerous construction and infrastructure projects of strategic and national significance. She headed the group's procurement division and later set up the sales and marketing division of YTL Cement Berhad when the group entered the industry in 1992. She was subsequently appointed the director of sales and marketing for the group's mobile communications division in 2012.

Dato' Yeoh also serves on the boards of YTL Power International Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad, YTL Cement Berhad and Kedah Cement Holdings Berhad.

Dato' Yeoh is the President of the ASEAN Federation of Cement Manufacturers (AFCM) and is also the Chairman of The Cement and Concrete Association Malaysia (CNCA).

Dato' Yeoh is actively involved in various community work at national and international levels. She serves on the board of YTL Foundation, and is the President of the Girl Guides Association Malaysia, Federal Territory of Kuala Lumpur Branch. She sits on the EXCO of the Girl Guides Association Malaysia. She sits on the board of the World Scout Foundation (WSF) where she chairs the Global Network Committee. She also represents the WSF on the Finance Committee of the World Organisation of the Scout Movement (WOSM).

Profile of the Board of Directors

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 56, 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. He was awarded Fellowship of King's College London in July 2014.

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, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an Executive Director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is also a board member of YTL Land & Development Berhad, YTL Cement Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore.

DATO' AHMAD FUAAD BIN MOHD DAHALAN

Malaysian, male, aged 71, was appointed to the Board on 26 November 2015 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Ahmad Fuaad holds a Bachelor of Arts (Hons) degree from the University of Malaya. He was attached with Wisma Putra, Ministry of Foreign Affairs as Malaysian Civil Service ("MCS") Officer in April 1973 before joining Malaysia Airlines in July 1973. While in Malaysia Airlines, Dato' Ahmad Fuaad served various posts and his last position was as the Managing Director. He was formerly a director of Lembaga Penggalakan Pelanchongan Malaysia, Malaysia Industry-Government Group for High Technology, Malaysia Airports Holdings Berhad, Tokio Marine Insurances (Malaysia) Berhad, Hong Leong Capital Berhad and YTL e-Solutions Berhad. Currently, Dato' Ahmad Fuaad is a director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He also sits on the board of trustees of YTL Foundation.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 67, 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 which is listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad.

FAIZ BIN ISHAK

Malaysian, male, aged 63, was appointed to the Board on 1 December 2011 as an Independent Non-Executive Director. He is the Chairman of the Nominating Committee and Remuneration Committee. He is also a member of the Audit Committee. He became a graduate member of the Association of Chartered Certified Accountants (ACCA), United Kingdom in 1982. He was admitted to Associateship and Fellowship of ACCA in 1993 and 1999, respectively.

He served in various roles related to finance in The New Straits Times Press (M) Berhad ("NSTP") from 1982 and his last appointment with NSTP was as Managing Director, which he held from 1999 to 2003. He joined Commerce Assurance Berhad (a licensed general insurance underwriter, now part of Allianz General Insurance Berhad) as Executive Director in 2003 and assumed the role of Chief Executive Officer from 2006 to 2007. He presently serves on the boards of YTL Power International Berhad and Transocean Holdings Bhd, both listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an entrepreneur in the retail food and beverage industry.

Profile of the Board of Directors

RAJA NOORMA BINTI RAJA OTHMAN

Malaysian, female, aged 62, was appointed to the Board on 5 September 2019 as an Independent Non-Executive Director. She is also a member of the Nominating Committee and Remuneration Committee. She holds a Bachelor of Business Administration degree from Ohio University, United States of America under a twinning program with MARA Institute of Technology and was the best student in her cohort. She attended the Global Leadership Development Program at Harvard Business School in 2008 organised by International Centre for Leadership in Finance (ICLIF) Malaysia. She is a member of the Malaysian Institute of Accountants.

Puan Raja Noorma Othman has more than 30 years of experience in banking, asset management and the corporate sector. Prior to her retirement in December 2018, she was the Head of London Branch of CIMB Bank Berhad from years 2015 to 2018. She was a Director of Group Asset Management ("GAM") in CIMB Investment Bank Berhad ("CIMB IB") from years 2007 to 2015 overseeing the entire Asset Management businesses of CIMB Group. During her term as Director of GAM in CIMB IB, she was also the Chief Executive Officer of CIMB-Mapletree Management Sdn Bhd, an adviser to a privately held real estate fund.

Prior to joining CIMB Group, she was the Vice-President of Investment Banking at JP Morgan, a position she held for over 5 years. She was attached to JP Morgan's offices in Hong Kong, Singapore and Malaysia as industry and client coverage banker.

She had served Telekom Malaysia Berhad, a public listed corporation for about 10 years where the last position held was Head of Corporate Finance. While in Telekom Malaysia, she was a board member of several of their overseas ventures.

Puan Raja Noorma Othman currently holds directorships in Hong Leong Financial Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She also sits on the board of other public corporations namely Hong Leong Investment Bank Berhad, As-Salihin Trustee Berhad and Ncell Axiata Limited. She is an Independent Investment Committee Member of Mapletree Australia Commercial Private Trust (MASCOT), a private equity real estate fund which holds a portfolio of commercial office properties in Australia and a member of the Investment Panel of the Employees Provident Fund Malaysia.

Puan Raja Noorma Othman is currently the President of the Soroptimist International Club of Damansara, a volunteer movement, for a 2-year term ending April 2022.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 6 Board meetings were held and the details of attendance are as follows:-

	Attendance
Tan Sri (Sir) Francis Yeoh Sock Ping	6
Dato' Yeoh Seok Kian	6
Dato' Cheong Keap Tai	6
Dato' Yeoh Soo Min	6
Dato' Yeoh Seok Hong	6
Dato' Sri Michael Yeoh Sock Siong	6
Dato' Yeoh Soo Keng	6
Dato' Mark Yeoh Seok Kah	6
Dato' Ahmad Fuaad Bin Mohd Dahalan	6
Syed Abdullah Bin Syed Abd. Kadir	6
Faiz Bin Ishak	6
Raja Noorma Binti Raja Othman	6

Notes:-

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

   Tan Sri (Sir) 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 are siblings. Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong who is a deemed major shareholder of the Company, is the mother of Tan Sri (Sir) 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 (other than traffic offences)**

   None of the Directors has been convicted of any offences within the past five (5) years.

4. **Public Sanction or Penalty imposed**

   None of the Directors has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

COLIN FRANK SKELLETT

British, male, aged 76, was appointed to the board of directors of Wessex Water Services Limited on 1 September 1988.

Colin is a scientist and engineer by training and a Fellow of the Royal Society of Chemistry. He has worked largely in the water industry and was appointed Chief Executive in 1988. He took the company through privatisation creating a business that consistently delivers the highest environmental and customer service performance within the industry.

He has had non-executive roles in rail, travel and international infrastructure businesses, served on the board of the South West Regional Development Agency and is involved with a number of charities. Colin was also Chair of the West of England Local Enterprise Partnership from 2011 until the beginning of 2016.

Colin was awarded an OBE for services to business and WaterAid in the 2012 Queen's Birthday Honours and has an Honorary Doctorate in Engineering from the Universities of the West of England and Bristol.

JOHN NG PENG WAH

Singaporean, male, aged 62, was appointed to the board of directors and the Chief Executive Officer of YTL PowerSeraya Pte Limited ("YTL PowerSeraya") on 15 January 2019. He holds a Bachelor of Mechanical Engineering degree from Nanyang Technological Institute in Singapore, a Master of Science in Systems Engineering from National University of Singapore and a Master of Science in Material Science from Carnegie Mellon University, USA.

He joined the Public Utilities Board, which was established by the Singapore Government to be sole supplier of electricity, gas and water in Singapore, as an Engineer in 1985 and transitioned with the company following the restructuring of the Public Utilities Board which resulted in the creation of various entities, including YTL PowerSeraya. He was promoted to Deputy General Manager (Business) in 2001 and Senior Vice President (Retail & Regulation) in 2004 before assuming the position of Chief Executive Officer in 2009. He left YTL PowerSeraya in 2013, taking on the role of Chief Executive Officer of Singapore LNG Corporation Pte Ltd.

In January 2019, he re-joined YTL PowerSeraya as the Chief Executive Officer. He is currently the Chairman of the Workplace Safety and Health Council, Vice-President of the Singapore National Employers Federation (SNEF) as well as a member of the Diabetes Prevention and Care Taskforce. He also serves as a board member of the Public Utilities Board and Orchard Westwood Properties Pte Ltd.

LEE WING KUI

American, male, aged 54, was appointed the Chief Executive Officer of YTL Communications Sdn Bhd ("YTL Communications") on 1 November 2009 and subsequently appointed as a member of the board of directors of YTL Communications on 3 March 2011.

As the CEO of YTL Communications, Wing maximises his expertise in innovative product development with a deep understanding of communications and internet technologies to deliver affordable, world-class quality products and services that improve the way people in Malaysia live, learn, work and play.

Prior to joining YTL Communications, Wing led next-generation mobile internet product development at Clearwire in the United States. Earlier, he spent 15 years at Sprint Nextel, where he held senior management positions leading product development, led Sprint's Innovation Program, and spearheaded IT Architecture for the launch of the first nationwide wireless data network in the United States.

Wing holds 33 U.S. patents in wireless and distributed systems and was recognised as the Asian American Engineer of the Year during the 2002 U.S. National Engineers Week.

A graduate of the University of Texas at Austin, Wing also holds an Executive Certificate in Management and Leadership from MIT's Sloan School of Management.

Notes:-

None of the Key Senior Management has –

- any directorship in public companies and/or listed issuers;
- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest with the Company;
- been convicted of any offences (other than traffic offences) within the past five (5) years; nor
- been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

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" or "Group"). The YTL Corp Group has a long-standing commitment to corporate governance and protection of stakeholder 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 practices set out in the Malaysian Code on Corporate Governance ("Code") issued by the Securities Commission Malaysia ("SC").

An overview of the Board's implementation of and compliance with the Code issued by the SC in April 2017 during the financial year ended 30 June 2021 is detailed in this statement. On 28 April 2021, the SC issued the revised version of the Code which introduced new or enhanced best practices and further guidance to strengthen the corporate governance culture of listed companies. Companies are expected to report their application of the revised Code from the financial year ending 31 December 2021, and as such, the Board is in the process of determining the necessary changes and/or enhancements to its practices and procedures and will report on compliance with the revised Code in YTL Corp's next annual report for the financial year ending 30 June 2022.

The Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2021 is available at the Company's website at www.ytl.com and has been released via the website of Bursa Securities at www.bursamalaysia.com in conjunction with the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

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:-

- Reviewing and adopting strategic plans for the YTL Corp Group to ensure long-term, sustainable value creation for the benefit of its stakeholders;
- Overseeing the conduct of the YTL Corp Group's business operations and financial performance, including the economic, environmental and social impacts of its operations;
- Identifying and understanding the principal risks affecting the YTL Corp Group's businesses in order to determine the appropriate risk appetite within which management is expected to operate;
- Maintaining a sound risk management and internal control framework, supported by appropriate mitigation measures;
- Succession planning; and
- Overseeing the development and implementation of stakeholder communications policies.

The Board is led by the Executive Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

There is a balance of power, authority and accountability between the Executive Chairman, Tan Sri (Sir) Francis Yeoh Sock Ping, and the Managing Director, Dato' Yeoh Seok Kian, with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Executive Chairman and Managing Director are separate and clearly defined, and are held by different members of the Board.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

The Executive Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, the orderly and effective conduct of the meetings of the Board and shareholders, maintaining a relationship of trust with and between the Executive and Non-Executive Directors, ensuring the provision of accurate, timely and clear information to Directors, facilitating the effective contribution of Non-Executive Directors and ensuring that constructive relations are maintained between Executive and Non-Executive Directors.

The Managing Director is responsible for, amongst others, overseeing the day-to-day running of the business, implementation of Board policies and strategies, and making of operational decisions, serving as the conduit between the Board and the management in ensuring the success of the Company's governance and management functions, ensuring effective communication with shareholders and relevant stakeholders, providing strong leadership, i.e., effectively communicating the vision, management philosophy and business strategy to employees, and keeping the Board informed of salient aspects and issues concerning the Group's operations.

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 roles of Executive and Non-Executive Directors are differentiated, 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.

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 2021*, a separate report published in conjunction with this Annual Report.

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Corp Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 6 times during the financial year ended 30 June 2021.

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. At least one week 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.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

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.

The minutes of the Board and/or Board Committee meetings are circulated and confirmed at the next meeting. Once confirmed, the minutes of the Board Committee meetings are subsequently presented to the Board for notation.

Company Secretary

The Board is supported by a professionally qualified and competent Company Secretary. The Company Secretary, Ms Ho Say Keng, is a Fellow of the Association of Chartered Certified Accountants, a registered member of the Malaysian Institute of Accountants and an affiliate member of the Malaysian Institute of Chartered Secretaries and Administrators, and is qualified to act as Company Secretary under Section 235(2)(a) of the Companies Act 2016.

The Company Secretary 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.

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary briefed the Board on the changes and enhancements introduced in the new Code issued on 28 April 2021, carried out an ongoing review of existing practices in comparison with the new measures introduced in the Code and updated the Board.

Board Charter

The Board's functions are governed and regulated by its Charter, the Constitution of the Company, various applicable legislation, Listing Requirements and other regulations and codes. The Board's Charter was updated and adopted on 29 August 2019, and a copy can be found under the "*Governance*" section on the Company's website at www.ytl.com. The Board Charter clearly sets out the role and responsibilities of the Board, Board committees, Directors and management and the issues and decisions reserved for the Board. The Board Charter is reviewed and updated periodically when necessary.

Business Conduct, Ethics & Whistleblowing

The Directors 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. YTL Corp has an established track record for good governance and ethical conduct. Key guidance is contained in the Code of Conduct and Business Ethics of the YTL Group of Companies ("YTL Group"), which also sets out the whistleblowing policy and procedures, and the YTL Group's Anti-Bribery and Corruption Policy, as detailed in the following section. A copy of the Code of Conduct and Business Ethics can be found on the Company's website at www.ytl.com.

Anti-Bribery & Corruption Policy ("ABC Policy")

The ABC Policy was formalised for the YTL Group during the last financial year ended 30 June 2020. The objective of the ABC Policy is to further enforce the YTL Group's Code of Conduct and Business Ethics in order to ensure that all Directors and employees understand their responsibilities in compliance with the YTL Group's zero tolerance for bribery and corruption within the organisation. This is in line with the new corporate liability provision in Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which came into force on 1 June 2020.

The ABC Policy outlines the YTL Group's strategies in identifying, preventing and managing bribery and corruption issues. The policies and procedures put in place are guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of MACC Act. The ABC Policy applies to all Directors, managers and employees of the Company in dealing with external parties in the commercial context. The policy will be reviewed at least once every three years to ensure that it continues to remain relevant, appropriate and

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

effective to enforce the principles highlighted therein and to ensure continued compliance with the prevailing law. A copy of the ABC Policy can be found on the Company's website at www.ytl.com.

A comprehensive implementation plan has been established to communicate and disseminate the ABC Policy throughout the YTL Group through online training modules and other communication methods. Previously planned town hall sessions have been substituted with more electronic communications in compliance with the physical distancing guidelines implemented in response to the COVID-19 pandemic.

All directors and employees of the YTL Group are required to read and understand the ABC Policy and the Code of Conduct and Business Ethics, successfully complete the online training modules to reinforce their understanding of the policy and sign the YTL Group's Integrity Pledge in acknowledgement of their obligations and responsibilities.

Compliance with the ABC Policy continues to be monitored closely, both on an ongoing basis and in conjunction with the annual assessment of the Group's corruption risks. The annual risk assessment is carried out to identify the corruption risks to which the Group is exposed and the appropriateness of the mitigation measures established to minimise the exposure to these risks.

Composition of the Board

The Board has 12 Directors, comprising 8 executive members and 4 independent non-executive members. The Independent Directors comprise 33.3% of the Board, in compliance with the Listing Requirements, which require one-third of the Board to be independent.

The Directors are cognisant of the recommendation in the Code for the Board to comprise a majority of independent directors, and will assess the composition and size of the Board on an ongoing basis to ensure the needs of the Company are met.

YTL Corp is 50.20%-owned by Yeoh Tiong Lay & Sons Holdings Sdn Bhd (as at 30 June 2021). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company. The interests of the major shareholder are fully aligned with those of all shareholders of the Company.

YTL Corp is majority-owned by a single shareholder, unlike other listed companies that may have a dispersed shareholder base which enables a shareholder to exercise control despite holding a minority stake.

The expertise and experience in both the day-to-day running of the Group's businesses and the determination and setting of its broader strategy lies with the Executive Directors in order to ensure the ongoing ability to fulfil their roles and responsibilities as stewards of the Group's businesses.

Nevertheless, the Company has in place appropriate and rigorous governance structures and internal controls necessary to safeguard the assets of the Group and protect shareholder value. There is robust oversight in the form of the Board's Audit, Remuneration and Nominating committees, all of which are chaired by and comprise solely Independent Non-Executive Directors.

The Board is of the view that the current Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions, and act in the best interests of the shareholders.

There are currently two Independent Non-Executive Directors, Dato' Cheong Keap Tai and Encik Faiz Bin Ishak, who have served on the Board for a period exceeding the nine-year term limit recommended in the Code. In accordance with current practice, approval through a vote of all shareholders via the single-tier voting process will continue to be sought at the forthcoming 38th Annual General Meeting ("AGM") of YTL Corp for Dato' Cheong Keap Tai and Encik Faiz Bin Ishak to continue to serve as an Independent Non-Executive Director. Further information on the review and assessment process can be found in the *Nominating Committee Statement*, whilst details of the resolution, together with the rationale for approval sought, can be found in the *Notice of Annual General Meeting* in this Annual Report.

In accordance with the Company's Constitution, at least one-third of the Directors are required to retire from office at each 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.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

The names of Directors seeking re-election at the forthcoming AGM are disclosed in the *Notice of Annual General Meeting*, which can be found in this Annual Report. The details of the Directors can be found in the *Profile of the Board of Directors* set out in this Annual Report and this information is also available under the "*Governance*" section on the Company's website at www.ytl.com.

Board & Senior Management Appointments

The Nominating Committee is chaired by an Independent Non-Executive Director and is responsible for assessing suitable candidates for appointment to the Board for approval, with due regard for diversity, taking into account the required mix of skills, experience, age, gender, ethnicity, background and perspective of members of the Board before submitting its recommendation to the Board for decision. The Nominating Committee is chaired by and comprises solely Independent Non-Executive Directors.

Whilst it has, to date, not been necessary to do so given the expertise of the Independent Non-Executive Directors, the Board will also endeavour to utilise independent sources including external human resources consultants and specialised databases, as appropriate.

Meanwhile, members of senior management are selected based on relevant industry experience, with due regard for diversity in skills, experience, age, gender, ethnicity, background and perspective, and are appointed by the Executive Chairman and/or the Managing Director following recommendation by the Executive Director in charge of the relevant division.

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective.

The Board recognises the importance of encouraging and developing female talent at all levels and has a strong complement of female divisional heads and chief executive officers. Currently there are three female Directors comprising 25.0% of the Board and, therefore, whilst the Board has not met the target of 30% women directors set out in the Code, it will continue to seek Board members of the highest calibre, and with the necessary strength, experience and skills to meet the needs of the YTL Corp Group.

Evaluation of the Board

Annual evaluation of the Board as a whole, Board Committees and the individual Directors is carried out by the Nominating Committee. The evaluation carried out during the financial year under review involved an annual assessment of the effectiveness of each individual Director and the Board as a whole with the objectives of assessing whether the Board and the Directors had effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs, in addition to recommending areas for improvement.

The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms comprising a Board & Nominating and Remuneration Committees Effectiveness Evaluation Form, Individual Director Performance Evaluation Form, Independent Directors' Evaluation Form, Audit Committee Effectiveness Evaluation Form and Audit Committee Members Evaluation by Nominating Committee Form. As recommended in the Code, the Board will endeavour to utilise independent experts to facilitate the evaluation process, as and when appropriate. Further information on the activities of the Nominating Committee can be found in the *Nominating Committee Statement* set out in this Annual Report. This information is also available under the "*Governance*" section on the Company's website at www.ytl.com.

Remuneration

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre 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.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

The Remuneration Committee ("RC") was established on 16 June 2020 comprising all Independent Non-Executive Directors, in compliance with the Code. The composition of the RC is set out below:-

- Encik Faiz Bin Ishak *(Appointed on 16 June 2020)*
- Dato' Cheong Keap Tai *(Appointed on 16 June 2020)*
- Puan Raja Noorma Binti Raja Othman *(Appointed on 16 June 2020)*

Its terms of reference can be found under the "*Governance*" section on the Company's website at www.ytl.com.

During the financial year ended 30 June 2021, the RC met twice, attended by all members, wherein the following activities were carried out:-

(i) Review of the remuneration policy and procedures for Directors and senior management to ensure that they are fair, support and promote long term sustainable success of the Group and take into account other factors including relevant legal and regulatory requirements, the recommendations of the Code and associated guidance;

(ii) Assessment of the fees and meeting attendance allowance (benefits) proposed for the Independent Non-Executive Directors based on benchmarking against comparable listed companies in Malaysia (in terms of industry and size/market capitalisation), performance of the Independent Non-Executive Directors as indicated by the evaluations conducted, and overall performance of the Group; and

(iii) Review of the remuneration packages for Executive Directors and senior management to ensure that the remuneration outcomes for the financial year under review reflect an appropriate alignment with performances of the individual and the Group and gives consideration to equitability, retention and market competitiveness and practices.

The RC ensured that no Director or senior manager was involved in any decisions as to their own remuneration outcome.

The terms of reference of the RC and *Remuneration Policy and Procedures for Directors and Senior Management* can be found under the "*Governance*" section on the Company's website at www.ytl.com.

Details of the Directors' remuneration categorised into appropriate components can be found in *Note 7* in the *Notes to the Financial Statements* in this Annual Report. Meanwhile, as regards the remuneration of the YTL Corp Group's senior management team, the Board is of the view that the disclosure of these details would not be in the best interests of YTL Corp Group due to confidentiality and the competitive nature of the industries in which the YTL Corp Group operates, as well as for business and personal security reasons.

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.

Presently, each Board member is required to assess (via the annual assessment process) whether he/she devotes the necessary time and energy to fulfilling his/her commitments to the Company. The Board recognises that an individual's capacity for work varies depending on various factors that weigh very much on his/her own assessment. Hence, having rigid protocols in place before any new directorships may be accepted is not practical. Each Board member is also expected to inform the Board whenever he/she is appointed as an officer of a corporation.

The details of each Director's attendance of Board meetings can be found in the *Profile of the Board of Directors* whilst details of the training programmes attended during the year under review are disclosed in the *Nominating Committee Statement* in this Annual Report. This information is also available under the "*Governance*" section on the Company's website at www.ytl.com.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Listing Requirements, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The *Statement of Directors' Responsibilities* made pursuant to Section 248-249 of the Companies Act 2016 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 reports were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities.

Audit Committee

The Company has in place an Audit Committee which comprises solely Independent Non-Executive Directors, in compliance with the Listing Requirements and the Code, namely Dato' Cheong Keap Tai, Dato' Ahmad Fuaad Bin Mohd Dahalan and Encik Faiz Bin Ishak. The Chairman of the Audit Committee is Dato' Cheong Keap Tai, which fulfils the recommendation under the Code that the chairman of the audit committee should not be the chairman of the Board.

The members of the Audit Committee possess a wide range of necessary skills to discharge their duties, and are financially literate and able to understand matters under the purview of the Audit Committee including the financial reporting process. The members of the Audit Committee also intend to continue to undertake professional development by attending training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

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 5 times during the financial year ended 30 June 2021. Full details of the composition and a summary of the work carried out by the Audit Committee during the financial year can be found in the *Audit Committee Report* set out in this Annual Report. This information and the terms of reference of the Audit Committee are available under the "*Governance*" section on the Company's website at www.ytl.com.

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

The Audit Committee has formal policies to assess the suitability, objectivity and independence of the external auditors. These policies also include a requirement that a former key audit partner must observe a cooling-off period of two years before being appointed as a member of the Audit Committee. None of the Audit Committee members were formerly audit partners of YTL Corp's external auditors.

Details of the audit and non-audit fees paid/payable to HLB for the financial year ended 30 June 2021 are as follows:-

	Company RM'000	**Group RM'000**
Statutory audit fees paid/ payable to HLB	**244**	**2,231**
Non-audit fees paid/payable to:-		
- HLB	**16**	**73**
- Affiliates of HLB	**12**	**310**
Total	**28**	**383**

Risk Management & Internal Control

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, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

Details of the YTL Corp Group's system of risk management and internal control are contained in the *Statement on Risk Management & Internal Control* and the *Audit Committee Report* as set out in this Annual Report.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

Internal Audit

YTL Corp's internal audit function is undertaken by its Internal Audit department ("YTLIA"), which reports directly to the Audit Committee. The Head of YTLIA, Mr Choong Hon Chow, is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experiences covering many areas of diversified commercial businesses and activities. He has a total of 38 years of internal and external audit experience.

During the financial year ended 30 June 2021, YTLIA comprised 9 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

The internal audit function adopts the framework based on the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

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

- Developing the annual internal audit plan and proposing this plan to the Audit Committee;
- Conducting scheduled internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommending improvements where necessary;
- Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in audit reports;
- Presenting significant audit findings to the Audit Committee for consideration;
- Conducting review of recurrent related party transactions;
- Conducting discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan; and
- Conducting discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure.

Further details of the YTL Corp Group's internal audit function are contained in the *Statement on Risk Management & Internal Control* and the *Audit Committee Report* as set out in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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 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 Executive Chairman, Managing Director and/or 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, the 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.

Corporate Governance Overview Statement

for the financial year ended 30 June 2021

Conduct of General Meetings

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 28 days prior to the AGM in accordance with the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM. This provides shareholders with sufficient time to review the YTL Corp Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

The Executive Chairman, 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. The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings. All Directors attended the Company's 37th AGM held on 1 December 2020.

Extraordinary general meetings are held as and when required to seek shareholders' approval. The Executive Chairman, Managing Director and Executive Directors take the opportunity to fully explain the rationale for proposals put forth for approval and the implications of such proposals for the Company and to reply to shareholders' questions.

Where applicable, 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. All resolutions are put to vote by electronic poll voting and an independent scrutineer is appointed to verify poll results. The results of the electronic poll voting are announced in a timely manner, usually within half an hour of the voting process to enable sufficient time for the results to be tabulated and verified by the independent scrutineer.

The rights of shareholders, including the right to demand a poll, are found in the Constitution of the Company. At the 37th AGM of the Company, held on 1 December 2020, the resolutions put forth for shareholders' approval were voted on by way of a poll.

Due to the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 37th AGM of the Company was conducted as a fully virtual meeting through live streaming from the broadcast venue and online remote voting using the Remote Participation Voting facilities provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

In view of the ongoing COVID-19 pandemic, the forthcoming 38th AGM will also be held on a fully virtual basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

This statement and the CG Report were approved by the Board on 30 September 2021.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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 practices of the Malaysian Code on Corporate Governance ("Code").

This statement details YTL Corp's implementation of and compliance during the financial year ended 30 June 2021 with the Code issued by the Securities Commission Malaysia ("SC") in April 2017. On 28 April 2021, the SC issued the revised version of the Code. Companies are expected to report their application of the revised Code from the financial year ending 31 December 2021, which will commence accordingly in YTL Corp's next annual report for the financial year ending 30 June 2022.

The Board of Directors of YTL Corp ("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 Chairman/Managing Directors/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.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

- **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. YTLIA also carries out work for YTL Corp's listed subsidiaries, namely YTL Power International Berhad and Malayan Cement Berhad, and their respective groups of companies, and reports directly to the audit committees of those listed subsidiaries on matters pertaining to them.

  A description of the work of the internal audit function can be found in the *Audit Committee Report*, whilst additional details about the personnel and resources of YTLIA are contained in the *Corporate Governance Overview Statement* set out in this Annual Report. This information is also available under the "*Governance*" section on the Company's website at www.ytl.com.

  YTLIA operates independently of the work it audits and provides periodic reports to the Audit Committee, reporting on the outcome of the audits conducted which highlight the efficiency and 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 Minister of Trade and Industry of Singapore. YTL PowerSeraya outsourced its internal audit functions to a reputable professional firm which reports to its audit committee, and its findings are also presented to YTL Power's audit committee. YTL PowerSeraya 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.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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.

- **Executive Board/Senior Management Meetings:** The YTL Corp Group conducts regular meetings of the executive board/ senior management which comprise the Executive Chairman/ Managing Directors/Executive Directors and divisional heads/ senior managers. These meetings are convened to deliberate and decide upon urgent company matters and to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL Corp Group. They also serve to ensure that any new financial developments and/ or areas of concern are highlighted early and can be dealt with promptly. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the executive board/management is able to identify significant operational and financial risks of the business units concerned.

- **Site Visits:** The Managing Directors/Executive Directors undertake visits to production and operating units and property development sites 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 respective Managing Directors/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, Wessex Water and YTL PowerSeraya, as well as its interests in ElectraNet Pty Ltd, P.T. Jawa Power and Attarat Power Company PSC. 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 by the senior management at each level of operations and by the Audit Committee, which assesses and analyses these findings and reports to the Board. At the same time, YTLIA, in the performance of its internal audit function, will identify and evaluate any significant risks faced by the YTL Corp Group and report these findings to the Audit Committee. During the financial year under review, the Board's functions in the risk management framework were exercised primarily by the Managing Directors/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 risk management is contained in the *Management Discussion & Analysis* in this Annual Report.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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, HLB Ler Lum Chew PLT, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2021, 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 is primarily responsible for the financial management of YTL Corp and has 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 on 8 September 2021.

Audit Committee Report

COMPOSITION

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

Dato' Ahmad Fuaad Bin Mohd Dahalan
(Member/Independent Non-Executive Director)

Faiz Bin Ishak
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

The terms of reference of the Audit Committee can be found under the "Governance" section on the Company's website a www.ytl.com.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of 5 Audit Committee Meetings were held and the details of attendance are as follows:-

	Attendance
Dato' Cheong Keap Tai	5
Dato' Ahmad Fuaad Bin Mohd Dahalan	5
Faiz Bin Ishak	5

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2021 in the discharge of its functions and duties:-

1. Overseeing Financial Reporting

(a) Reviewed the following quarterly financial results and annual financial statements ("Financial Reports") prior to its recommendation to the Board of Directors for approval:-

- Quarterly financial results for the fourth quarter of financial year ended 30 June 2020, and the annual audited financial statements for the financial year ended 30 June 2020 at the Audit Committee meetings held on 27 August 2020 and 29 September 2020, respectively;
- First, second and third quarters of the quarterly results for the financial year ended 30 June 2021 at the Audit Committee meetings held on 25 November 2020, 24 February 2021 and 27 May 2021, respectively.

(b) At the Audit Committee meetings, the Financial Reports were presented by the Senior Finance Manager wherein the following matters were reviewed and confirmed, with clarification and/or additional information provided wherever required by the Managing Director/Executive Director primarily in charge of the financial management of the Company:-

- Appropriate accounting policies had been adopted and applied consistently, and other statutory and regulatory requirements had been complied with;
- The Company has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern;
- Significant judgements made by management in respect of matters such as impairment assessment of goodwill, carrying value of investment, and post-employment benefit obligations and the underlying assumptions and/or estimates used were reasonable and appropriate in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS");
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

Audit Committee Report

2. **External Audit**

   (a) Reviewed with the external auditors, HLB Ler Lum Chew PLT ("HLB"):-

   - their final report on the audit of the financial statements for financial year ended 30 June 2020 setting out their comments and conclusions on the significant audit and accounting matters highlighted, including management's judgements, estimates and/or assessments made, and adequacy of disclosures in the financial statements;
   - the audit plan for the financial year ended 30 June 2021 outlining, amongst others, their scope of work, and areas of audit emphasis and multi-location audit, and development in laws and regulations affecting financial reporting and the roles and responsibilities of directors/audit committee members and auditors;

   (b) Reviewed the audit fees proposed by the HLB together with management and recommended the negotiated fees agreed by HLB to the Board of Directors for approval;

   (c) Had discussions with HLB twice during the financial year, on 29 September 2020 and 27 May 2021, without the presence of management, to discuss matters concerning the audit and financial statements. The Audit Committee also enquired about the assistance and co-operation given by management to HLB.

   (d) Reviewed the profiles of the audit engagement team which enabled the Audit Committee to assess their qualifications, expertise, resources, and independence, as well as the effectiveness of the audit process. The external auditors also confirmed their independence in each of the reports presented to the Audit Committee. The Audit Committee also reviewed on a regular basis, the nature and extent of the non-audit services provided by HLB and was satisfied with the suitability, performance, independence and objectivity of HLB.

   (e) Assessed the performance of HLB for the financial year ended 30 June 2020 and recommended to the Board of Directors for re-appointment at the annual general meeting held on 1 December 2020.

3. **Internal Audit**

   (a) Reviewed with the internal auditors the internal audit reports (including follow-up review reports), the audit findings and recommendations, management's responses and/or actions taken thereto, and ensured that material findings were satisfactorily addressed by management;

   (b) Reviewed and adopted the internal audit risk analysis reports for 2021. Internal audit would leverage on the Group's risk analysis to focus on the business processes and relevant areas that address the key risks identified;

   (c) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2022 to ensure sufficient scope and coverage of activities of the Company and the Group;

   (d) Reviewed internal audit resourcing, with focus on ensuring that the function has sufficient resources together with the right calibre of personnel to perform effectively, and that the head of internal audit has adequate authority to discharge his functions objectively and independently.

4. **Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")**

   (a) Reviewed, on a quarterly basis, the RRPT entered into by the Company and/or its subsidiaries with related parties to ensure that the Group's internal policies and procedures governing RRPT are adhered to, the terms of the shareholder mandate are not contravened, and disclosure requirements of the Listing Requirements are observed;

   (b) Received updates on the directorships and shareholdings held by the Directors of the Company and persons connected with them via the general notices given under and in accordance with Section 221 of the Companies Act, 2016 tabled at board meetings. These disclosures enabled an assessment of the potential or actual conflicts of interest which may arise in relation to related party transactions or RRPT;

   (c) Reviewed the RRPT for financial year ended 30 June 2020 and assessed whether shareholder mandate should be sought at the Annual General Meeting, prior to its recommendation to the Board of Directors for approval.

Audit Committee Report

5. Annual Report

(a) Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2020 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.

During the year, the IA Department evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation's governance, operations and information systems regarding–

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with relevant laws, regulations and contractual obligations.

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

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

2. Conducted scheduled and special internal audit engagements, focusing primarily on the adequacy and 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 significant audit findings and areas for improvements raised by the IA to the Audit Committee for consideration on the recommended corrective measures together with the management's response.

5. Conducted recurrent related party transactions reviews to assess accuracy and completeness of reporting for presentation to the Audit Committee, and ensure compliance with the Listing Requirements.

6. Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan.

7. Conducted discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure.

Costs amounting to RM2,908,262 were incurred in relation to the internal audit function for the financial year ended 30 June 2021.

Nominating Committee Statement

for the financial year ended 30 June 2021

NOMINATING COMMITTEE ("NC")

The NC assists the Board of Directors of YTL Corporation Berhad (the "Company") ("Board") in discharging its responsibilities by overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the needs of the Company and its subsidiaries ("YTL Corp Group").

The terms of reference of the NC can be found under the "Governance" section on the Company's website at www.ytl.com.

Members of the NC are as follows:-

- Faiz Bin Ishak *(Chairman)*
- Dato' Cheong Keap Tai
- Raja Noorma Binti Raja Othman

The NC met twice during financial year ended 30 June 2021, attended by all members.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(a) Board nomination and election process and criteria used

The NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. In assessing the suitability of a candidate, the NC will take into consideration a number of factors including but not limited to the candidate's skills, knowledge, expertise, competence and experience, time commitment, character, professionalism and integrity. For the position of independent non-executive director, the NC will evaluate the candidate's ability to discharge such responsibilities as expected from an independent non-executive director.

i. Review of Directors proposed for re-election

In accordance with Article 86 of the Company's Constitution ("Article 86"), Directors are to be elected at every annual general meeting when one-third of the Directors longest in office shall retire, subject always to the requirement that all Directors shall retire from office once at least in each three years, and if eligible, may offer themselves for re-election.

In June 2021, based on the results of the evaluations undertaken for the financial year, the NC resolved to recommend to the Board that Tan Sri (Sir) Francis Yeoh Sock Ping, Dato' Sri Michael Yeoh Sock Siong, Dato' Mark Yeoh Seok Kah and Faiz Bin Ishak, who are due to retire pursuant to Article 86 at the Thirty-Eighth Annual General Meeting of the Company ("AGM"), stand for re-election.

The Board, save for the members who had abstained from deliberations on their own re-election, supported the NC's views and recommends that shareholders vote in favour of the resolutions for their re-election at the forthcoming AGM.

ii. Review of Directors proposed for continuing in office as Independent Non-Executive Directors ("INED")

As part of the annual assessment of Directors, an assessment of independence was conducted on the INED. In addition to the criteria for independence prescribed in the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and Practice Note 13, the INED were assessed on their ability and commitment to continue to bring independent and objective judgment to board deliberations.

Dato' Cheong Keap Tai and Faiz Bin Ishak have each served on the Board for more than 12 years and 9 years, respectively. The NC (save for Dato' Cheong Keap Tai and Faiz Bin Ishak who had abstained from deliberations on their individual evaluation), considered that they bring with them a collective wealth of experience, knowledge and insights of the businesses, operations and growth strategies of the YTL Corp Group. They continue to demonstrate the independence of character and judgement expected which enable them to discharge their responsibilities effectively and with integrity, and devote the necessary time required to their roles. For these reasons, the NC, save for Dato' Cheong Keap Tai

Nominating Committee Statement

for the financial year ended 30 June 2021

and Faiz Bin Ishak, recommended to the Board that shareholders' approval be sought for their continuing in office as INED of the Company. The Board also resolved that the single-tier voting process will be adopted on the resolutions to be proposed to the shareholders on this matter.

(b) Annual evaluation

In May 2021, the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and individual Directors was carried out with the objectives of assessing whether the Board and the Board Committees, as well as the Directors have effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs; and to recommend areas for improvement. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

In evaluating the effectiveness of the Board, several areas were reviewed including the composition, degree of independence, right mix of expertise, experience and skills, quality of information and decision making, and boardroom activities. Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

The evaluation of the individual Directors covered areas such as fit and properness, contribution and performance, calibre, character/personality and time commitment and whether they have shown the will and ability to deliberate constructively, ask the right questions and confidence to stand up for a point of view.

Results of the evaluations were summarised and discussed at the NC meeting held in June 2021 and reported to the Board by the Chairman of the NC. No evident weakness or shortcoming was identified which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2021 were satisfactory.

(c) Review of the NC Statement for financial year ended 30 June 2020

The NC Statement was reviewed by the NC prior to its recommendation to the Board for inclusion in 2020 Annual Report.

(d) Review of the evaluation criteria in the evaluation forms

The NC reviewed the revised evaluation criteria in the evaluation forms to ensure consistency with the Malaysian Code on Corporate Governance and the Listing Requirements.

POLICY ON BOARD COMPOSITION

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective. The Board recognises the importance of encouraging and developing female talent at all levels. Currently, there are three female directors on the Board and make up 25% of the full Board. Although it has not set any specific measurable objectives, the Board intends to continue its current approach to diversity in all aspects while at the same time seeking Board members of the highest calibre, and with the necessary strength, experience and skills to meet the needs of the Company.

INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon joining the Board, a newly appointed Director will be given an induction pack containing the Company's annual report, Constitution, and schedule of meetings of the Board and Committee (if the Director is also a Committee member) which will serve as an initial introduction to the YTL Corp Group as well as an ongoing reference.

The Board, through the NC, assesses the training needs of its Directors on an ongoing basis by determining areas that would best strengthen their contributions to the Board.

Besides the findings from the annual performance evaluation of Directors, which provide the NC with useful insights into the training needs of the Directors, each Director is requested to identify appropriate training that he/she believes will enhance his/her contribution to the Board.

Nominating Committee Statement

for the financial year ended 30 June 2021

The Board has taken steps to ensure that its members have access to appropriate continuing education programmes. The Company Secretary facilitates the organisation of in-house development programmes and keeps Directors informed of relevant external training programmes.

During the financial year ended 30 June 2021, the following five in-house training programmes were organised for the Directors:-

- YTL Anti-Bribery & Corruption Online Training – Module II: Gifts, Hospitality and Entertainment;
- YTL Anti-Bribery & Corruption Online Training – Module III: Whistleblowing and Code of Conduct & Business Ethics;
- YTL LEAD Conference 2020;
- Succeeding in the New Normal; Preparing for the Next Normal;
- Top 10 Issues for Boards in 2021: A Brave New World.

All the Directors have undergone training programmes during the financial year ended 30 June 2021. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
▸ Corporate Governance/Risk Management and Internal Controls/Anti-Bribery & Corruption/ Environmental, Social & Governance/Economics	
Financial Institutions Directors' Education Programme ("FIDE") Core Programme (Bank): Module A (29 June 2020 – 2 July 2020) (6 July 2020 – 9 July 2020)	Raja Noorma Binti Raja Othman
FIDE Core Programme (Bank): Module B (13 July 2020 – 17 July 2020) (20 July 2020 – 21 July 2020)	Raja Noorma Binti Raja Othman
AML/CFT & TPS – Compliance A Need to Protect Business (18 August 2020)	Raja Noorma Binti Raja Othman
Strengthening Anti-Bribery & Corruption Practices in Vulnerable Areas (26 August 2020)	Raja Noorma Binti Raja Othman
YTL Anti-Bribery & Corruption Online Training – Module II: Gifts, Hospitality and Entertainment (August 2020)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' 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 Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman
Creating Social Impact in a Post-COVID World (23 October 2020)	Dato' Yeoh Soo Min

Nominating Committee Statement
for the financial year ended 30 June 2021

Seminars/Conferences/Training	Attended by
▸ **Corporate Governance/Risk Management and Internal Controls/Anti-Bribery & Corruption/ Environmental, Social & Governance/Economics (Cont'd.)**	
YTL Foundation Scholar Induction Programme (30 October 2020)	Dato' Yeoh Soo Min
FIDE Core Programme (Bank): Module B – Board Simulation (9 December 2020)	Raja Noorma Binti Raja Othman
YTL Anti-Bribery & Corruption Online Training – Module III: Whistleblowing and Code of Conduct & Business Ethics (December 2020)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' 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 Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman
Institute for Democracy and Economic Affairs (IDEAS) – Malaysia Outlook Conference 2021: "Bina Malaysia Bersama" (2 – 4 February 2021)	Dato' Yeoh Soo Min
Herbert Smith Freehills Training series – Overview of Environmental, Social & Governance (ESG) and Sustainable Finance (25 February 2021)	Raja Noorma Binti Raja Othman
Leaps of Knowledge – Leap Episode H: Here to Make a Difference (3 March 2021)	Dato' Yeoh Soo Min
Succeeding in the New Normal; Preparing for the Next Normal (3 & 4 May 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' 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 Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman
Section 17A MACC Act and parallels with the UK offence and lessons learnt in the UK (11 June 2021)	Raja Noorma Binti Raja Othman

Nominating Committee Statement
for the financial year ended 30 June 2021

Seminars/Conferences/Training	Attended by
▸ **Corporate Governance/Risk Management and Internal Controls/Anti-Bribery & Corruption/ Environmental, Social & Governance/Economics (Cont'd.)**	
Top 10 Issues for Boards in 2021: A Brave New World (14 & 22 June 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' 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 Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman
▸ **Trade/Investment/Technology/Finance/Taxation**	
MIA Webinar Series – Auditor's Report, Audit Modifications, Going Concern and Other Matters Paragraph (27 July 2020)	Dato' Cheong Keap Tai
National Tax Conference 2020 – Navigating Tax Through Challenging Times (25 & 26 August 2020)	Dato' Cheong Keap Tai
MIA Webinar Series – Applying ISAs in A Pandemic Environment Including Implications of Going Concern (30 October 2020)	Dato' Cheong Keap Tai
National Tax Seminar 2020 (12 November 2020)	Dato' Cheong Keap Tai
Qualcomm Smart Cities Accelerate 2020 (9 December 2020)	Dato' Yeoh Seok Kian
HSBC 2021 Investment Outlook: Capturing Opportunities on the Path to Recovery and Rebuilding (12 January 2021)	Dato' Yeoh Soo Min
HSBC 2021 Investment Outlook Southeast Asia: Recovery and Rebuilding (15 January 2021)	Dato' Yeoh Soo Min
FIDE Forum – 1st Distinguished Board Leadership Webinar: Rethinking Our Approach to Cyber Defence in Financial Institutions (11 March 2021)	Raja Noorma Binti Raja Othman
Financing Healthcare Week – Investing in Future Breakthroughs (22 – 26 March 2021)	Dato' Yeoh Soo Min
Corporate Treasurer Week: Resilience Through Digitalisation (26 – 30 April 2021)	Dato' Yeoh Soo Min

Nominating Committee Statement

for the financial year ended 30 June 2021

Seminars/Conferences/Training	Attended by
Trade/Investment/Technology/Finance/Taxation (Cont'd.)	
MIA International Accountants Conference 2021 (8 – 10 June 2021)	Dato' Cheong Keap Tai
FinanceAsia – The Investor-Issuer Dialogue: Financing Climate Change (21 – 25 June 2021)	Dato' Yeoh Soo Min
Leadership and Business Management/Corporate Responsibility/Sustainability	
Second CEO Action Network Meeting (20 October 2020)	Dato' Yeoh Soo Min
Leadership Energy Summit Asia 2020 (16 – 19 November 2020)	Dato' Yeoh Soo Min
YTL LEAD Conference 2020 (24 – 27 November 2020)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' 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 Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman
Debate Mate × Now Pensions × UN Women: Is the Future Female? (8 March 2021)	Dato' Yeoh Soo Min
Women@YTL – Women in Leadership During a Pandemic (12 March 2021)	Dato' Yeoh Soo Min
Women in Leadership – Achieving a Gender Equal Future in a COVID-19 World (8 April 2021)	Dato' Yeoh Soo Min
A.T. Kearney – Mega Trends in Banking, Insurance and Stockbroking (24 May 2021)	Raja Noorma Binti Raja Othman

Statement of Directors' Responsibilities

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance 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 2021, the Directors have:-

- considered the applicable approved accounting standards in Malaysia;
- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements 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 Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

Analysis of Shareholdings

as at 24 September 2021

Class of shares : Ordinary Shares
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	3,810	9.04	134,484	0.00
100 - 1,000	4,294	10.19	1,899,682	0.02
1,001 - 10,000	19,315	45.84	80,691,238	0.74
10,001 - 100,000	12,457	29.57	374,529,637	3.41
100,001 to less than 5% of issued shares	2,256	5.36	5,009,257,731	45.69
5% and above of issued shares	2	0.00	5,497,575,618	50.14
Total	**42,134**	**100.00**	**10,964,088,390**	**100.00**

Excluding 58,673,950 shares bought back and retained by the Company as treasury shares.

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	4,861,307,766	44.34
2	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	636,267,852	5.80
3	HSBC Nominees (Asing) Sdn Bhd – Credit Suisse (Hong Kong) Limited	507,657,017	4.63
4	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd	475,333,333	4.34
5	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	293,712,438	2.68
6	Jamaican Gold Limited	270,524,927	2.47
7	Tien Shia International Limited	224,314,344	2.05
8	Orchestral Harmony Limited	203,356,233	1.85
9	Steeloak International Limited	189,190,672	1.73
10	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	142,138,041	1.30
11	Bara Aktif Sdn Bhd	119,058,456	1.09
12	Kerajaan Negeri Pahang	103,040,249	0.94
13	Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	102,741,331	0.94
14	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	96,576,264	0.88
15	Seri Yakin Sdn Bhd	76,053,100	0.69
16	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Emerging Markets Stock Index Fund	58,893,950	0.54

Analysis of Shareholdings

as at 24 September 2021

	Name	No. of Shares	%
17	Dato' Yeoh Seok Kian	58,508,722	0.53
18	Dato' Yeoh Soo Keng	57,053,832	0.52
19	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hasil Mayang Sdn Bhd	56,549,770	0.52
20	Cartaban Nominees (Tempatan) Sdn Bhd - Pamb for Prulink Equity Fund	55,821,006	0.51
21	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	55,120,000	0.50
22	Dato' Yeoh Soo Min	54,595,019	0.50
23	Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	51,715,646	0.47
24	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	51,326,050	0.47
25	Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	47,103,615	0.43
26	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	44,398,101	0.40
27	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	36,976,006	0.34
28	HSBC Nominees (Asing) Sdn Bhd - SIX SIS for Bank Sarasin CIE	35,511,620	0.32
29	Perbadanan Kemajuan Pertanian Negeri Pahang	31,968,879	0.29
30	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for Japan Securities Depository Center, Inc	30,307,342	0.28
	Total	**9,027,121,581**	**82.33**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,504,396,992	50.20	-	-
Yeoh Tiong Lay & Sons Family Holdings Limited	-	-	5,504,396,992(1)	50.20
Yeoh Tiong Lay & Sons Trust Company Limited	-	-	5,504,396,992(2)	50.20
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	142,138,041	1.30	5,504,396,992(3)	50.20
Employees Provident Fund Board	686,800,357	6.26	-	-

(1) *Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

(2) *Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 arising from its ownership of 100% of Yeoh Tiong Lay & Sons Family Holdings Limited in its capacity as trustee.*

(3) *Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 arising from her beneficial interest (held through Yeoh Tiong Lay & Sons Trust Company Limited in its capacity as trustee) in Yeoh Tiong Lay & Sons Family Holdings Limited.*

Statement of Directors' Interests

in the Company and Related Corporations as at 24 September 2021

THE COMPANY

YTL Corporation Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	149,844,946	1.37	516,665[1]	*
Dato' Yeoh Seok Kian	58,508,722	0.53	13,895,816[1]	0.13
Dato' Yeoh Soo Min	56,101,999	0.51	2,495,456[1][2]	0.02
Dato' Yeoh Seok Hong	54,173,305	0.49	24,821,442[1]	0.23
Dato' Sri Michael Yeoh Sock Siong	–	–	77,595,817[1][3]	0.71
Dato' Yeoh Soo Keng	58,087,165	0.53	799,157[1]	0.01
Dato' Mark Yeoh Seok Kah	23,232,200	0.21	4,508,586[1]	0.04
Syed Abdullah Bin Syed Abd Kadir	9,911,955	0.09	20,701[1]	*

SUBSIDIARY COMPANIES

YTL Power International Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,370,694	0.26	362,153[1]	*
Dato' Yeoh Seok Kian	11,276,298	0.14	13,816,426[1]	0.17
Dato' Yeoh Soo Min	19,066,325	0.24	4,980,017[1][2]	0.06
Dato' Yeoh Seok Hong	135,438,169	1.67	5,435,235[1]	0.07
Dato' Sri Michael Yeoh Sock Siong	–	–	18,112,912[1][3]	0.22
Dato' Yeoh Soo Keng	17,042,049	0.21	197,431[1]	*
Dato' Mark Yeoh Seok Kah	12,299,200	0.15	1,563,315[1]	0.02
Syed Abdullah Bin Syed Abd Kadir	2,581,072	0.03	596[1]	*

Malayan Cement Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	–	–	500,000[1]	0.04
Dato' Sri Michael Yeoh Sock Siong	–	–	2,100[1]	*

YTL Corporation (UK) PLC

Name	No. of Shares Held	
	Direct	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	*

Statement of Directors' Interests

in the Company and Related Corporations as at 24 September 2021

YTL Construction (Thailand) Limited

	No. of Shares Held	
Name	**Direct**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	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

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

* *Negligible*

(1) *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Companies Act, 2016.*

(2) *Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

(3) *Deemed interests by virtue of interests held by Hasil Mayang Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

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

List of Properties

as at 30 June 2021

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 2021 (RM'000)	Date of Acquisition
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 595 rooms including 3 levels of basement with car parking bays	47,276	32	-	1,434,008	29.11.2012
Filton Airfield, Filton, Bristol	Freehold	1,416,400 sq.m.	Disused Airfield & Hangars	-	-	-	635,004	1.12.2015
Grant No. 28678/M1/B5/1, within Parcel No. 1, Storey No. B5 of Building No. M1 and 8 accessory parcels for Lot No. 1267 Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur@	Freehold	12,338 sq.m.	A 5-star hotel with 578 rooms located on part of an 8-level podium block and the entire 24-level tower block of a shopping centre together with car park bays located partially at basement 1 and 4 and the entire basement 2, 3 and 5	45,834	24	-	523,500	16.12.2005
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Water Recycling Centre	-	-	-	448,757	21.5.2002
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	-	-	Year 2087	400,016	30.7.1998
HS (D) 461/88 PT 1123#, Lot 15445, PN 395004	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#, Lot 4529 PN 212336	Leasehold	14.55 acres	Cement plant	-	-	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant - Safety Zone	-	-	Year 2095		17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant - Safety Zone	-	-	Year 2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant - Safety Zone	-	-	Year 2095		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant - Clay Quarry Area	-	-	Year 2026		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant - Clay Quarry Area	-	-	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

List of Properties

as at 30 June 2021

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 2021 (RM'000)	Date of Acquisition
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant - Limestone Hill/ Quarry	-	-	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
Geran 23849 Lot 74 Section 59, City and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur@	Registered lease	13,219 sq.m.	A 5-star hotel comprising Majestic Wing (original historic hotel building) comprising 2-storey, 4-storey and 5-storey buildings with 47 rooms and 15-storey Tower Wing with 253 rooms and 3 levels of basement car park	57,722	Majestic Wing: 89 (refurbished in Year 2012) Tower Wing: 8	11.05.2091	396,500	03.11.2017
Geran 80069, Lot 20091, Menara YTL, 205, Jalan Bukit Bintang, 55100, Kuala Lumpur	Freehold	0.643 acre	42-storey office building known as Menara YTL	-	-	-	380,390	25.1.2008
Grant No. 26579 for Lot No. 225, Section 67, Town and District of Kuala Lumpur, State of 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	31,613.30	24	-	360,000	15.11.2011
Grant No. 47693 for Lot No. 1308 Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur@	Freehold	2,810 sq.m.	110 units of hotel suites, 4, units of penthouse, 4 levels of commercial podium, 1 level of facilities deck and 3 levels of basement car parks, all located on part of a 38-storey block	42,548	16	-	316,500	16.05.2007 & 15.11.2011
Lot No. 919-15, 919-18, 919-19, 920-4, 920-5 and 920-7, Aza-Soga, Niseko-cho, Abuta-gun; and Lot No. 214-6, 252-2 and 264-4 Aza-Kabayama, Kutchan-cho, Abuta-gun, Hokkaido, Japan@	Freehold	19,015 sq.m.	16-storey hotel building with 1-storey of basement comprising 506 rooms	35,481.33	27	-	303,056	22.12.2011

@ Based on valuation on 31 May 2021

Mukim Kampung Buaya, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan

FINANCIAL STATEMENTS

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

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 15 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
(Loss)/profit for the year	(327,384)	239,852
Attributable to:		
Owners of the parent	(367,664)	239,852
Non-controlling interests	40,280	-
	(327,384)	239,852

DIVIDENDS

On 8 September 2021, the Board of Directors declared an interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021. The book closure and payment dates in respect of the aforesaid dividend are 24 September 2021 and 12 October 2021, respectively.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2021.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

There were no issues of shares or debentures during the financial year.

Directors' Report

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 1 December 2020. 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.

A total of 354,982,768 treasury shares were distributed on 12 November 2020 to shareholders on the basis of one (1) treasury share for every thirty (30) ordinary shares held as at 28 October 2020.

Details of treasury shares are set out in Note 27(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 is governed by the by-laws approved by the shareholder at an Extraordinary General Meeting ("EGM") held on 30 November 2010 ("2011 Scheme"). The 2011 Scheme expired on 31 March 2021 and all unexercised share options lapsed as at that date. The salient features and terms of the 2011 Scheme, and the ordinary shares issued during the period prior to expiry by virtue of the exercise of options under the 2011 Scheme are set out in Note 27(b) to the financial statements.

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 1 December 2020 ("2020 Scheme"). The scheme was implemented on 6 January 2021.

DIRECTORS

The Directors who served on the Board of the Company during the financial year until the date of this report are:-

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE
Dato' Yeoh Seok Kian
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Ahmad Fuaad Bin Mohd Dahalan
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Soo Keng
Dato' Mark Yeoh Seok Kah
Syed Abdullah Bin Syed Abd. Kadir
Faiz Bin Ishak
Raja Noorma Binti Raja Othman

The names of directors of subsidiaries are not disclosed in this Report as a relief order under Section 255(1) of the Companies Act, 2016 (the "Act") has been granted by the Companies Commission of Malaysia relieving the Directors of the Company from full compliance with the requirements of Section 253(2) of the Act. The names of these directors are set out in the respective subsidiaries' financial statements, where applicable.

Directors' Report

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 59 of the Companies Act 2016, interests in the shares of the Company and related companies as follows:-

	Number of ordinary shares			
The Company	**Balance at 1.7.2020**	**Acquired**	**Disposed**	**Balance at 30.6.2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	145,011,239	4,833,707	-	149,844,946
Dato' Yeoh Seok Kian	56,621,344	1,887,378	-	58,508,722
Dato' Yeoh Soo Min	53,421,290	1,780,709	-	55,201,999
Dato' Yeoh Seok Hong	52,425,780	1,747,525	-	54,173,305
Dato' Yeoh Soo Keng	56,213,386	1,873,779	-	58,087,165
Dato' Mark Yeoh Seok Kah	21,932,775	1,299,425	-	23,232,200
Syed Abdullah Bin Syed Abd. Kadir	9,592,215	319,740	-	9,911,955
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000 (1)	16,665	-	516,665 (1)
Dato' Yeoh Seok Kian	13,447,566 (1)	448,250	-	13,895,816 (1)
Dato' Yeoh Soo Min	2,414,960 (1)(2)	80,496	-	2,495,456 (1)(2)
Dato' Yeoh Seok Hong	24,020,752 (1)	800,690	-	24,821,442 (1)
Dato' Sri Michael Yeoh Sock Siong	75,092,727 (1)(3)	2,503,090	-	77,595,817 (1)(3)
Dato' Yeoh Soo Keng	773,378 (1)	25,779	-	799,157 (1)
Dato' Mark Yeoh Seok Kah	4,085,708 (1)	422,878	-	4,508,586 (1)
Syed Abdullah Bin Syed Abd. Kadir	20,034 (1)	667	-	20,701 (1)

	Number of share options over ordinary shares^			
The Company	**Balance at 1.7.2020**	**Granted**	**Lapsed**	**Balance at 30.6.2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	17,000,000	-	(17,000,000)	-
Dato' Yeoh Seok Kian	15,000,000	-	(15,000,000)	-
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	-	(1,000,000)	-
Dato' Yeoh Soo Min	15,000,000	-	(15,000,000)	-
Dato' Yeoh Seok Hong	15,000,000	-	(15,000,000)	-
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	(15,000,000)	-
Dato' Yeoh Soo Keng	15,000,000	-	(15,000,000)	-
Dato' Mark Yeoh Seok Kah	15,000,000	-	(15,000,000)	-
Syed Abdullah Bin Syed Abd. Kadir	2,000,000	-	(2,000,000)	-

^ *Options granted pursuant to the 2011 scheme which expired on 31.03.2021.*

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

The Company	Number of share options over ordinary shares^ Balance at 1.7.2020	Granted	Lapsed	Balance at 30.6.2021
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	12,000,000 (1)	-	(12,000,000)	-
Dato' Yeoh Seok Kian	6,000,000 (1)	-	(6,000,000)	-
Dato' Yeoh Soo Min	2,000,000 (1)	-	(2,000,000)	-
Dato' Yeoh Seok Hong	12,000,000 (1)	-	(12,000,000)	-

^ *Options granted pursuant to the 2011 scheme which expired on 31.03.2021.*

Subsidiary - Malayan Cement Berhad	Number of ordinary shares Balance at 1.7.2020	Acquired	Disposed	Balance at 30.6.2021
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000 (1)	-	-	500,000 (1)
Dato' Sri Michael Yeoh Sock Siong	2,100 (1)	-	-	2,100 (1)

Subsidiary - YTL Power International Berhad	Number of ordinary shares Balance at 1.7.2020	Acquired	Disposed	Balance at 30.6.2021
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	20,113,596	1,257,098	-	21,370,694
Dato' Yeoh Seok Kian	10,612,987	663,311	-	11,276,298
Dato' Yeoh Soo Min	17,944,778	1,121,547	-	19,066,325
Dato' Yeoh Seok Hong	126,028,219	9,409,950	-	135,438,169
Dato' Yeoh Soo Keng	16,039,576	1,002,473	-	17,042,049
Dato' Mark Yeoh Seok Kah	11,315,718	983,482	-	12,299,200
Syed Abdullah Bin Syed Abd. Kadir	2,429,245	151,827	-	2,581,072

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Subsidiary - YTL Power International Berhad	Number of ordinary shares			
	Balance at 1.7.2020	Acquired	Disposed	Balance at 30.6.2021
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	290,780 (1)	18,173	-	308,953 (1)
Dato' Yeoh Seok Kian	12,909,578 (1)	906,848	-	13,816,426 (1)
Dato' Yeoh Soo Min	4,687,077 (1)(2)	292,940	-	4,980,017 (1)(2)
Dato' Yeoh Seok Hong	5,115,520 (1)	319,715	-	5,435,235 (1)
Dato' Sri Michael Yeoh Sock Siong	17,047,448 (1)(3)	1,065,464	-	18,112,912 (1)(3)
Dato' Yeoh Soo Keng	185,818 (1)	11,613	-	197,431 (1)
Dato' Mark Yeoh Seok Kah	1,443,626 (1)	119,689	-	1,563,315 (1)
Syed Abdullah Bin Syed Abd. Kadir	561 (1)	35	-	596 (1)

Subsidiary - YTL Power International Berhad	Number of share options over ordinary shares#			
	Balance at 1.7.2020	Granted	Lapsed	Balance at 30.6.2021
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	17,000,000	-	(17,000,000)	-
Dato' Yeoh Seok Kian	15,000,000	-	(15,000,000)	-
Dato' Yeoh Soo Min	13,000,000	-	(13,000,000)	-
Dato' Yeoh Seok Hong	10,000,000	-	(10,000,000)	-
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	(15,000,000)	-
Dato' Yeoh Soo Keng	13,000,000	-	(13,000,000)	-
Dato' Mark Yeoh Seok Kah	15,000,000	-	(15,000,000)	-
Syed Abdullah Bin Syed Abd. Kadir	4,000,000	-	(4,000,000)	-
Deemed interests				
Dato' Yeoh Seok Hong	4,500,000 (1)	-	(4,500,000)	-

Options granted pursuant to the 2011 employees share option scheme of YTL Power International Berhad which expired on 31.03.2021.

Subsidiary - YTL Corporation (UK) PLC*	Number of ordinary shares of £0.25 each			
	Balance at 1.7.2020	Acquired	Disposed	Balance at 30.6.2021
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1

* *Incorporated in England & Wales*

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Subsidiary - YTL Construction (Thailand) Limited+	Number of ordinary shares of THB100 each Balance at 1.7.2020	Acquired	Disposed	Balance at 30.6.2021
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

\+ *Incorporated in Thailand*

Subsidiary - Samui Hotel 2 Co., Ltd+	Number of ordinary shares of THB10 each Balance at 1.7.2020	Acquired	Disposed	Balance at 30.6.2021
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

\+ *Incorporated in Thailand*

Related company - Syarikat Pelanchongan Seri Andalan (M) Sdn. Bhd. (In Member's Voluntary Winding-up)	Number of ordinary shares Balance at 1.7.2020	Acquired	Disposed	Balance at 17.6.2021@
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	1

@ *Dissolved on 17.06.2021*

(1) *Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 59(11)(c) of the Companies Act 2016.*

(2) *Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

(3) *Deemed interests by virtue of interests held by Hasil Mayang Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

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' Report

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a Directors' and officers' liability insurance in respect of any legal action taken against the Directors and officers in the discharge of their duties while holding office for the Group and of the Company. The total amount of insurance premium effected for any Director and officer of the Company as at the financial year ended was RM381,000 (2020: RM351,000). The Directors and officers shall be indemnified by such insurance except for acts attributable to any deliberate criminal or fraudulent acts committed by them, provided such act is established by a final non-appealable adjudication.

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.

Since the end of the previous financial year, no directors 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 the Directors as shown in Note 7 to the financial statements of the Group and of the Company) by reason of 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.

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 had been written off and that adequate allowance had 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 had 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.

Directors' Report

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D.)

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 except as disclosed in Note 44 to the financial statements; and

(b) except as disclosed in Note 44 to the financial statements, 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.

ULTIMATE HOLDING COMPANY

The Directors regard Yeoh Tiong Lay & Sons Family Holdings Limited, a Company incorporated in Jersey, as the Company's ultimate holding company.

Directors' Report

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 15 to the financial statements.

AUDITORS

The auditors, HLB Ler Lum Chew PLT (formerly known as HLB Ler Lum PLT), have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 7 to the financial statements.

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

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE

Dato' Yeoh Seok Kian
30 September 2021
Kuala Lumpur

Statement by Directors

pursuant to Section 251(2) of the Companies Act, 2016

We, Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE and Dato' Yeoh Seok Kian, 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 September 2021.

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE

Dato' Yeoh Seok Kian

Statutory Declaration

pursuant to Section 251(1) of the Companies Act, 2016

I, Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE, 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 (Sir) Francis Yeoh Sock Ping, PSM, KBE

Subscribed and solemnly declared by the abovenamed
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE
at Kuala Lumpur on 30 September 2021.

Before me,

Tan Seok Kett
Commissioner for Oaths

Independent Auditors' Report

to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of YTL Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2021 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 99 to 296.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfiled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment assessment of goodwill

The risk

We refer to Note 3 and 19 to the Financial Statements, respectively.

As at 30 June 2021, goodwill arising on consolidation amounted to RM8,026 million which represents 10.9% of the Group's total assets. The goodwill is primarily allocated to the multi utilities business in Singapore, listed cement manufacturing business in Malaysia and water and sewerage business in the United Kingdom ("UK"). The goodwill for these businesses comprises 86.5% of total goodwill.

The recoverable amounts of the cash generating units ("CGU") are determined based on value-in-use ("VIU") calculation. The key assumptions and sensitivities are disclosed in Note 19(a) and 19(b) to the Financial Statements, respectively.

We focused on this area as the estimation of the recoverable amount is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and the discount rate applied to the projected cash flows.

Independent Auditors' Report

to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

1. Impairment assessment of goodwill (cont'd.)

Our response:

Ours and component auditors audit procedures included the following:

- agreed the VIU cash flows of each CGU to the financial budgets approved by the Directors;
- discussed with management the key assumptions used in the respective VIU cash flows and compared the revenue growth rates to the historical performance of the respective CGUs and assessed the potential impact of COVID-19 outbreak of the VIU cash flows;
- checked the reasonableness of the discount rates and terminal growth rates with the assistance of valuation expert by benchmarking to the respective industries which included the impact of COVID-19 outbreak as at year end;
- checked the sensitivity analysis performed by management over discount rates, terminal growth rates, and revenue growth rates, used in deriving the respective VIU cash flows; and
- compared historical forecasting for the current financial year to actual results achieved to ascertain the reasonableness of management's estimates.

2. Impairment assessment of property, plant and equipment ("PPE") of the mobile broadband network business

The risk

We refer to Note 3 and 11 to the Financial Statements, respectively.

The property, plant and equipment of the mobile broadband network business accounts for 6.8% (RM2,196.7 million) of the Group's property, plant and equipment as at 30 June 2021.

The Group performed an impairment assessment on the carrying values of the PPE due to losses recorded by the segment which is an impairment indicator.

The impairment assessment was performed by management using fair value less costs of disposal ("FVLCD") cash flows which requires significant judgement as the timing and quantum of the cash flows is dependent on the achievement of the next five years' business plans and financial budgets which are dependent on the use of key assumptions comprising its growth targets and sourcing contract renewals.

We focused on this area as the estimation of the recoverable amount is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and the discount rate applied to the calculation of the FVLCD.

Independent Auditors' Report

to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

2. Impairment assessment of property, plant and equipment ("PPE") of the mobile broadband network business (cont'd.)

Our response:

Our audit procedures include the following:

- agreed the FVLCD cash flows of the CGU to the financial budgets approved by the Directors, adjusted to reflect market participants assumptions;
- checked the assumptions used, in particular average revenue growth rate and useful life of the assets and benchmarked against the comparable companies within the industry, including assessing the impact of COVID-19 outbreak using industry data;
- discussed with management the rationale applied on the assumption of sourcing contract renewals by considering the Company's historical experience;
- assessed reasonableness of the discount rate which reflects the specific risk relating to the PPE based on inputs that are publicly available; and
- checked sensitivity analysis performed by management on the discount rate used in deriving the FVLCD.

3. Capitalisation policy on infrastructure assets of the water and sewerage business

The risk

We refer to Note 3 and 11 to the Financial Statements, respectively.

The water and sewerage business's net book value of infrastructure assets comprise 28.4% (RM9,137.4 million) of the Group's total property, plant and equipment. The infrastructure assets comprise capital expenditure incurred to meet the development and regulatory requirement of the business, employee and overhead costs that are directly attributable to the construction of the asset.

There is a significant judgement involved in determining whether costs incurred, specifically employee and overhead costs meet the relevant criteria for capitalisation in accordance with MFRS 116, Property, Plant and Equipment ("MFRS 116").

Our response:

Ours and component auditors' audit procedures include the following:

- tested the operating effectiveness of the controls over authorisation of selected projects' infrastructure assets and identification of capital expenditures attributable to the infrastructure assets;
- understood the nature of costs incurred in relation to employee and overhead costs through discussion with management and corroborated with supporting information provided and checked whether the costs incurred met the capitalisation criteria in accordance with MFRS 116; and
- compared the level of employee and overhead costs capitalised against prior year balances and current year budget information to identify material changes in the nature or quantum of costs capitalised, with any significant variances discussed and corroborated with management.

Independent Auditors' Report

to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

4. Assumptions used in determining the present value of the funded defined benefit obligations of the water and sewerage segment

The risk

We refer to Note 3 and 35 to the Financial Statements, respectively.

As at 30 June 2021, the water and sewerage business's post-employment benefit obligations comprise 89.6% (RM437.9 million) of the Group's total post-employment benefit obligations.

The present value of the funded defined benefit obligations depends on a number of assumptions determined on an actuarial basis. The key assumptions are disclosed in Note 35 (c) to the financial statements.

We focused on this area due to the key assumptions used in determining the present value of the funded defined benefit obligations and any changes in these assumptions will materially impact the carrying amount of the post-employment benefit obligations.

Our response

Ours and component auditors' audit procedures include the following:

- understood and assessed the scope of work by the external actuary engaged by the management;
- assessed the fair value of the scheme assets by obtaining the valuation from the relevant fund managers as at balance sheet date and corroborated with independent sources;
- assessed the competencies, objectivity and capabilities of external actuary;
- obtained the external actuarial report and understood the key assumptions used in determining the present value of the funded defined benefit obligations;
- compared the key assumptions used by the actuary on discount rate, expected rate of increase in pension payment, and price inflation against external market data and similar schemes with assistance of an actuary expert;
- evaluated the impact of COVID-19 outbreak on the valuation of assets held within the pension scheme;
- compared the expected rate of salary increases used by the actuary against historical trend; and
- checked the disclosures in respect of the sensitivity of the carrying amounts of the post-employment benefit obligations to changes in key assumptions, performed by the actuary.

Independent Auditors' Report
to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

5. Impairment assessment on trade receivables of the Group's water and sewerage segment

The risk

We refer to Note 3 and 20 to the Financial Statements, respectively.

The trade receivables of the water and sewerage segment accounts for 31.4% (RM543.1 million is net of expected credit losses of RM248.7 million) of the Group's trade receivables as at 30 June 2021.

As this segment operates in the UK, there is a statutory requirement to continue to provide water to all customers who has defaulted in payment. Therefore, the Group has estimated the expected credit losses of trade receivables on a portfolio basis for the year based on the historical cash collection trends and economic trends, which are subjective in nature.

We focused on this area given the use of significant estimates and judgement in determining the appropriate level of expected credit losses for trade receivables.

Our response

Ours and component auditors' audit procedures include the following:

- tested the operating effectiveness of the key IT systems used for generating billings and cash collection data used for the expected credit losses assessment;
- obtained the historical cash collection trends of each ageing bracket of the trade receivables and payment methods and compared against the percentage of expected credit losses used by management against each ageing bracket and payment methods;
- checked the appropriateness of the forward-looking forecasts assumptions used to determine the expected credit losses, which included management's scenario analysis of the impact of COVID-19 outbreak; and
- compared the level of expected credit losses applied against similar companies within the industry in the UK.

6. Revenue recognition from construction contracts

The risk

Revenue and cost of sales recognised from construction contracts during the financial year as disclosed in Note 3, 4 and 5 to the financial statements is RM1,515 million and RM1,254 million respectively.

The Group has significant long-term construction contracts. The recognition of revenue and profit on these contracts is based on input method (on the basis of the entity's efforts or inputs to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation).

Revenue and profit recognition on long-term construction contract is a key audit matter because of the judgement and estimates exercised by the management based on the assessment of performance obligation, revenue recognition arising from variations to the original contracts, assessment of progress towards complete satisfaction of the performance obligation and contract costs and appropriate of provision for foreseeable losses and liquidated damages.

Independent Auditors' Report

to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

6. Revenue recognition from construction contracts (cont'd.)

Our response

Ours and component auditors' audit procedures include the following:

- reviewed and assessed the forecast budget and appropriateness of assumption used based on historical performance in the Group and industry knowledge, including obtained and assessed information provided by management to determine whether the forecast assumptions are consistent with the terms of the relevant contracts;
- evaluated the management's updated budget costs and forecast costs to complete by assessing the basis of their calculation;
- recalculated the revenue using approved contract sum, actual costs incurred to date that reflect the progress towards completion of the agreed works to customer and latest revised budgets; and
- inspected the actual costs incurred to the corresponding supporting documents.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Director are also responsible for such internal control as the Director determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report
to the Members of YTL Corporation Berhad

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report

to the Members of YTL Corporation Berhad

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the Financial Statements.

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 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 CHEW PLT
201906002362 & AF 0276
Chartered Accountants

WONG CHEE HONG
03160/09/2022 J
Chartered Accountant

Dated: 30 September 2021
Kuala Lumpur

Income Statements

for the financial year ended 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	4	**17,270,419**	19,178,449	**469,976**	415,331
Cost of sales	5	**(14,111,193)**	(15,594,783)	**-**	-
Gross profit		**3,159,226**	3,583,666	**469,976**	415,331
Other operating income		**1,015,062**	623,644	**19,931**	6,255
Selling and distribution costs		**(496,336)**	(470,836)	**-**	-
Administration expenses		**(1,167,496)**	(1,428,981)	**(76,310)**	(73,645)
Other operating expenses		**(719,138)**	(284,651)	**-**	-
Finance costs	6	**(1,555,047)**	(1,860,747)	**(170,672)**	(171,886)
Share of results of associated companies and joint ventures, net of tax		**395,523**	257,199	**-**	-
Profit before tax	7	**631,794**	419,294	**242,925**	176,055
Income tax expense	8	**(959,178)**	(414,636)	**(3,073)**	(6,462)
(Loss)/profit for the year		**(327,384)**	4,658	**239,852**	169,593
Attributable to:					
Owners of the parent		**(367,664)**	(189,221)	**239,852**	169,593
Non-controlling interests		**40,280**	193,879	**-**	-
		(327,384)	4,658	**239,852**	169,593
Loss per share					
Basic/diluted (sen)	9	**(3.38)**	(1.78)		
Dividend per ordinary shares (sen)	10	**-**	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 2021

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
(Loss)/Profit for the year	**(327,384)**	4,658	**239,852**	169,593
Other comprehensive income/(loss):-				
Items that will not be reclassified subsequently to income statement:-				
- re-measurement of post-employment benefit obligations	**354,623**	(183,829)	**-**	-
- changes in the fair value of equity investments at fair value through other comprehensive income	**(91,770)**	(35,344)	**-**	123
- foreign currency translation	**208,870**	(5,302)	**-**	-
Items that will be reclassified subsequently to income statement:-				
- cash flow hedges	**453,671**	(149,487)	**-**	-
- foreign currency translation, net of investment hedges of foreign operations				
- gain/(loss)	**368,445**	(17,419)	**-**	-
- reclassification	**(47,875)**	(256,748)	**-**	-
Other comprehensive income/(loss) for the year, net of tax	**1,245,964**	(648,129)	**-**	123
Total comprehensive income/(loss) for the year	**918,580**	(643,471)	**239,852**	169,716
Total comprehensive income/(loss) attributable to:-				
Owners of the parent	**312,310**	(657,305)	**239,852**	169,716
Non-controlling interests	**606,270**	13,834	**-**	-
	918,580	(643,471)	**239,852**	169,716

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

Statements of Financial Position

as at 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**32,120,318**	30,475,254	**3,720**	3,852
Right-of-use assets	12	**1,712,517**	1,636,035	**15,580**	9,069
Investment properties	13	**1,976,498**	1,811,126	**-**	-
Development expenditures	14	**1,067,428**	1,128,221	**-**	-
Investment in subsidiaries	15	**-**	-	**7,764,294**	7,764,014
Investment in associates	16	**4,243,074**	4,216,843	**564,021**	376,235
Investment in joint ventures	17	**162,048**	165,174	**-**	-
Investments	18	**305,718**	404,911	**53,899**	44,825
Intangible assets	19	**8,500,075**	8,631,094	**-**	-
Trade and other receivables	20	**1,812,014**	1,419,705	**-**	-
Contract assets	24	**168**	1,705	**-**	-
Derivative financial instruments	21	**26,461**	10,585	**-**	-
		51,926,319	49,900,653	**8,401,514**	8,197,995
Current assets					
Inventories	22	**1,136,927**	2,184,363	**-**	-
Property development costs	23	**232,249**	165,186	**-**	-
Trade and other receivables	20	**3,706,772**	3,204,981	**7,827**	6,110
Contract assets	24	**217,590**	227,619	**-**	-
Derivative financial instruments	21	**263,719**	74,259	**-**	-
Income tax assets		**134,979**	134,459	**6,687**	2,930
Amounts due from related parties	25	**92,910**	53,694	**1,342,599**	1,303,468
Investments	18	**2,473,454**	2,301,989	**654,708**	755,199
Fixed deposits	26	**11,522,776**	10,396,221	**247,147**	102,070
Cash and bank balances	26	**2,155,871**	1,265,011	**3,071**	1,929
		21,937,247	20,007,782	**2,262,039**	2,171,706
TOTAL ASSETS		**73,863,566**	69,908,435	**10,663,553**	10,369,701

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

Statements of Financial Position

as at 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	27	**3,467,555**	3,467,555	**3,467,555**	3,467,555
Other reserves	28(a)	**892,399**	512,535	**2,759**	82,781
Retained earnings		**8,482,982**	8,982,083	**2,891,977**	3,038,245
Treasury shares, at cost	27(a)	**(54,451)**	(501,837)	**(54,451)**	(501,837)
		12,788,485	12,460,336	**6,307,840**	6,086,744
Non-controlling interests		**3,549,476**	3,149,593	**-**	-
Total Equity		**16,337,961**	15,609,929	**6,307,840**	6,086,744
Non-current liabilities					
Long-term payables	29	**1,464,641**	1,257,300	**-**	-
Contract liabilities	24	**31,958**	31,326	**-**	-
Bonds	30	**20,756,133**	19,655,639	**3,240,000**	2,500,000
Borrowings	31	**14,654,414**	12,596,167	**-**	140
Lease liabilities	32	**1,303,867**	1,443,868	**9,056**	2,339
Grants and contributions	33	**661,614**	596,669	**-**	-
Deferred tax liabilities	34	**3,060,349**	2,164,004	**113**	113
Post-employment benefit obligations	35	**481,682**	910,898	**-**	-
Provision for liabilities and charges	36	**27,752**	-	**-**	-
Derivative financial instruments	21	**713**	15,401	**-**	-
		42,443,123	38,671,272	**3,249,169**	2,502,592
Current liabilities					
Trade and other payables	37	**3,695,939**	3,044,929	**28,058**	17,462
Contract liabilities	24	**1,182,102**	633,343	**-**	-
Derivative financial instruments	21	**34,074**	174,944	**-**	-
Amounts due to related parties	25	**38,411**	39,212	**4,460**	4,708
Bonds	30	**2,571,924**	220,000	**-**	-
Borrowings	31	**7,091,972**	11,114,438	**1,066,995**	1,751,065
Lease liabilities	32	**180,091**	159,613	**6,716**	6,843
Provision for liabilities and charges	36	**121,229**	136,601	**-**	-
Post-employment benefit obligations	35	**7,048**	5,281	**315**	287
Income tax liabilities		**159,692**	98,873	**-**	-
		15,082,482	15,627,234	**1,106,544**	1,780,365
TOTAL LIABILITIES		**57,525,605**	54,298,506	**4,355,713**	4,282,957
TOTAL EQUITY AND LIABILITIES		**73,863,566**	69,908,435	**10,663,553**	10,369,701

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

Statements of Changes in Equity

for the financial year ended 30 June 2021

Group	Share capital (Note 27) RM'000	Other reserves (Note 28(a)) RM'000	Retained earnings RM'000	Treasury shares (Note 27(a)) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	<------------------------ Attributable to Owners of the Parent				------------------------>		
	<------ Non-distributable	------->	<--------- Distributable	-------->			
At 1 July 2020	**3,467,555**	**512,535**	**8,982,083**	**(501,837)**	**12,460,336**	**3,149,593**	**15,609,929**
(Loss)/Profit for the year	**-**	**-**	**(367,664)**	**-**	**(367,664)**	**40,280**	**(327,384)**
Other comprehensive income for the year	**-**	**482,902**	**197,072**	**-**	**679,974**	**565,990**	**1,245,964**
Total comprehensive income/(loss) for the year	**-**	**482,902**	**(170,592)**	**-**	**312,310**	**606,270**	**918,580**
Transactions with owners							
Changes in composition of the Group	**-**	**-**	**28,860**	**-**	**28,860**	**68,653**	**97,513**
Reclassification upon disposal of investments designated at FVOCI	**-**	**8,313**	**(8,333)**	**-**	**(20)**	**-**	**(20)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(271,239)**	**(271,239)**
Share dividend	**-**	**-**	**(477,700)**	**477,700**	**-**	**-**	**-**
Share option expenses	**-**	**13,512**	**-**	**-**	**13,512**	**-**	**13,512**
Share option lapsed	**-**	**(91,580)**	**91,580**	**-**	**-**	**-**	**-**
Subsidiary's share option lapsed	**-**	**(33,283)**	**37,084**	**-**	**3,801**	**(3,801)**	**-**
Treasury shares	**-**	**-**	**-**	**(30,314)**	**(30,314)**	**-**	**(30,314)**
At 30 June 2021	**3,467,555**	**892,399**	**8,482,982**	**(54,451)**	**12,788,485**	**3,549,476**	**16,337,961**
At 1 July 2019	3,340,111	907,066	9,466,735	(472,793)	13,241,119	7,597,274	20,838,393
(Loss)/Profit for the year	-	-	(189,221)	-	(189,221)	193,879	4,658
Other comprehensive loss for the year	-	(366,176)	(101,908)	-	(468,084)	(180,045)	(648,129)
Total comprehensive (loss)/income for the year	-	(366,176)	(291,129)	-	(657,305)	13,834	(643,471)
Transactions with owners							
Changes in composition of the Group	-	-	311,615	-	311,615	(3,820,251)	(3,508,636)
Conversion of ICULS	-	(46,825)	(79,524)	-	(126,349)	-	(126,349)
Dividends paid	-	-	(426,770)	-	(426,770)	(641,264)	(1,068,034)
Issue of share capital	127,444	-	-	-	127,444	-	127,444
Share option expenses	-	19,343	-	-	19,343	-	19,343
Share option lapsed	-	(527)	527	-	-	-	-
Subsidiary's share option lapsed	-	(346)	629	-	283	-	283
Treasury shares	-	-	-	(29,044)	(29,044)	-	(29,044)
At 30 June 2020	3,467,555	512,535	8,982,083	(501,837)	12,460,336	3,149,593	15,609,929

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

Statements of Changes in Equity

for the financial year ended 30 June 2021

	<------------------------- Attributable to Owners of the Parent ------------------------->				
	<------- Non-distributable -------->		<---------- Distributable ---------->		
Company	**Share capital (Note 27) RM'000**	**Other reserves (Note 28(a)) RM'000**	**Retained earnings RM'000**	**Treasury shares (Note 27(a)) RM'000**	**Total RM'000**
At 1 July 2020	**3,467,555**	**82,781**	**3,038,245**	**(501,837)**	**6,086,744**
Profit for the year, representing total comprehensive income for the year	**-**	**-**	**239,852**	**-**	**239,852**
Transactions with owners					
Share dividend	**-**	**-**	**(477,700)**	**477,700**	**-**
Share option expenses	**-**	**11,558**	**-**	**-**	**11,558**
Share option lapsed	**-**	**(91,580)**	**91,580**	**-**	**-**
Treasury shares	**-**	**-**	**-**	**(30,314)**	**(30,314)**
At 30 June 2021	**3,467,555**	**2,759**	**2,891,977**	**(54,451)**	**6,307,840**
At 1 July 2019	3,340,111	66,676	3,294,895	(472,793)	6,228,889
Profit for the year	-	-	169,593	-	169,593
Other comprehensive income	-	123	-	-	123
Total comprehensive income	-	123	169,593	-	169,716
Transactions with owners					
Issue of share capital	127,444	-	-	-	127,444
Dividends paid	-	-	(426,770)	-	(426,770)
Share option expenses	-	16,509	-	-	16,509
Share option lapsed	-	(527)	527	-	-
Treasury shares	-	-	-	(29,044)	(29,044)
At 30 June 2020	3,467,555	82,781	3,038,245	(501,837)	6,086,744

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 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**631,794**	419,294	**242,925**	176,055
Adjustments for:				
Adjustment on fair value of investment properties	**(70,707)**	12,808	**-**	-
Amortisation of contract costs	**3,043**	7,842	**-**	-
Amortisation of deferred income	**(5,924)**	(5,209)	**-**	-
Amortisation of grants and contributions	**(21,548)**	(15,166)	**-**	-
Amortisation of intangible assets	**79,508**	69,606	**-**	-
Bad debts recovered	**(3,930)**	(2,949)	**(50)**	-
Bad debts written off	**1,327**	10,901	**-**	-
Depreciation of property, plant and equipment	**1,641,525**	1,554,423	**781**	809
Depreciation of right-of-use assets	**183,038**	193,895	**6,719**	4,535
Dividend income	**(11,290)**	(10,083)	**(446,865)**	(371,871)
Fair value changes of derivatives	**-**	16,765	**-**	-
Fair value changes of financial assets	**374,937**	(25,976)	**(7,191)**	(823)
Gain on disposal of investments	**(21,718)**	(1,172)	**10,055**	-
(Gain)/loss on disposal of property, plant and equipment	**(43,735)**	(18,739)	**2**	-
Gain on disposal/derecognition of subsidiaries	**(407,641)**	(258,506)	**-**	-
Gain on lease modification and reassessment	**(934)**	-	**-**	-
Gain on lease termination	**(575)**	-	**(129)**	-
Impairment losses - net	**49,822**	183,203	**(194)**	-
Interest expense	**1,555,047**	1,860,747	**170,672**	171,886
Interest income	**(161,732)**	(279,072)	**(22,855)**	(43,200)
Inventories written down - net	**997**	44,656	**-**	-
Investment properties written off	**8,916**	7,675	**-**	-
Property, plant and equipment written off	**12,411**	51,896	**-**	-
Prospective expenditure written off	**5,335**	8,175	**-**	-
Provision for post-employment benefits	**63,329**	43,790	**-**	-
Write back of liabilities and charges	**(7,304)**	(4,437)	**-**	-
Share option expenses	**15,071**	21,637	**4,695**	6,654
Share of results of associated companies and joint ventures	**(395,523)**	(257,199)	**-**	-
Unrealised gain on foreign exchange - net	**(27,270)**	(96,052)	**-**	-
Operating profit/(loss) before changes in working capital	**3,446,269**	3,532,753	**(41,435)**	(55,955)

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 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)				
Changes in working capital:				
Inventories	**137,830**	638,001	**-**	-
Property development costs	**(67,063)**	481	**-**	-
Receivables	**(826,177)**	690,251	**(1,674)**	7,234
Contract assets	**29,194**	(39,277)	**-**	-
Contract liabilities	**544,271**	(405,019)	**-**	-
Payables	**928,656**	93,104	**10,632**	(40)
Related parties balances	**(40,017)**	(12,666)	**(220,113)**	(237,265)
Cash flow generated from/(used in) operations	**4,152,963**	4,497,628	**(252,590)**	(286,026)
Dividends received	**471,677**	399,216	**446,865**	347,132
Interest paid	**(1,364,148)**	(1,723,489)	**(170,108)**	(171,591)
Interest received	**162,829**	311,049	**22,855**	43,200
Payment to post-employment benefit obligations	**(136,007)**	(129,759)	**-**	-
Income tax paid	**(287,272)**	(376,563)	**(6,829)**	(11,092)
Income tax refunded	**10,261**	64,621	**-**	23,971
Net cash flow from/(used in) operating activities	**3,010,303**	3,042,703	**40,193**	(54,406)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares in existing subsidiaries	**-**	(20,677)	**(279)**	(47)
Acquisition of new subsidiaries (net of cash acquired)	**-**	18,977	**-**	-
Additional investment in associated companies and joint venture	**(23,984)**	(19,253)	**-**	-
Development expenditures incurred	**(31,745)**	(92,311)	**-**	-
Decrease/(increase) in deposits maturing more than 90 days	**544,576**	(519,204)	**-**	-
Grants received in respect of infrastructure assets	**38,482**	49,342	**-**	-
Increase in shareholder loan	**(80,808)**	(94,651)	**-**	-
Net disposal/derecognition of subsidiaries (net of cash and cash equivalents)	**419,136**	(245,871)	**-**	-
(Placement)/Maturities of income funds	**(301,958)**	176,000	**-**	-
Proceeds from disposal of property, plant and equipment	**87,443**	42,521	**10**	-
Proceeds from disposal of investments	**216,563**	238,148	**88,554**	42,642
Proceeds from finance lease receivables	**4,766**	4,129	**-**	-
Purchase of intangible assets	**(31,164)**	(175,368)	**-**	-
Purchase of investment properties	**(37,065)**	(559,216)	**-**	-
Purchase of property, plant and equipment	**(1,910,842)**	(1,579,690)	**(661)**	(187)
Purchase of investments	**(2,887)**	(265,855)	**-**	-
Net cash flow (used in)/from investing activities	**(1,109,487)**	(3,042,979)	**87,624**	42,408

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 2021

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**-**	(426,770)	**-**	(426,770)
Dividends paid to non-controlling interests by subsidiaries	**(271,239)**	(641,264)	**-**	-
Repurchase of own shares by the company (at net)	**(30,314)**	(29,044)	**(30,314)**	(29,044)
Repurchase of subsidiaries' shares by subsidiaries	**(38,047)**	(2)	**-**	-
Proceeds from bonds	**2,407,070**	1,312,199	**740,000**	-
Proceeds from borrowings	**1,142,376**	5,514,829	**-**	465,784
Proceeds from issue of shares in subsidiaries to non-controlling interests	**237,150**	-	**-**	-
Repayment of bonds	**-**	(10,000)	**-**	(10,000)
Repayment of borrowings	**(2,901,744)**	(6,097,544)	**(684,210)**	(200,565)
Repayment of lease liabilities	**(238,856)**	(429,879)	**(7,074)**	(4,716)
Upfront fees and discounts on borrowings	**(7,479)**	-	**-**	-
Net cash flow from/(used in) financing activities	**298,917**	(807,475)	**18,402**	(205,311)
Net increase/(decrease) in cash and cash equivalents	**2,199,733**	(807,751)	**146,219**	(217,309)
Effects of exchange rate changes	**352,797**	143,990	**-**	-
Cash and cash equivalents at beginning of year	**11,100,066**	11,763,827	**103,999**	321,308
Cash and cash equivalents at end of year (Note 26)	**13,652,596**	11,100,066	**250,218**	103,999

NOTE TO THE STATEMENTS OF CASH FLOWS

Analysis of acquisition of property, plant and equipment:-

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Cash	**1,910,842**	1,579,690	**661**	187
Interest expense paid/payable	**23,733**	18,554	**-**	-
Transfer of assets from customers	**-**	91,836	**-**	-
Transfer from prepayments	**-**	58,733	**-**	-
Payables	**3,868**	16,182	**-**	-
Provision for liabilities and charges	**11,501**	-	**-**	-
	1,949,944	1,764,995	**661**	187

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 2021

NOTE TO THE STATEMENTS OF CASH FLOWS (CONT'D.)

Reconciliation of liabilities arising from financing activities:-

1. Bonds and borrowings

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 July	**43,586,244**	46,079,788	**4,251,205**	3,978,521
Changes from financing cash flows				
Interest paid	**(1,360,225)**	(1,723,489)	**(170,108)**	(171,591)
Proceeds from bonds	**2,407,070**	1,312,199	**740,000**	-
Proceeds from borrowings	**1,142,376**	5,514,829	**-**	465,784
Upfront fees on borrowings	**(7,479)**	-	**-**	-
Repayment of bonds	**-**	(10,000)	**-**	(10,000)
Repayment of borrowings	**(2,901,744)**	(6,097,544)	**(684,210)**	(200,565)
Transactions costs paid	**(3,923)**	(6,405)	**-**	-
Other changes in bonds and borrowings				
Amortisation of issuance cost/unwinding of premium	**110,363**	138,134	**-**	-
Bank overdrafts	**(22,491)**	24,607	**-**	-
Conversion of ICULS into ordinary shares	**-**	(2,736)	**-**	-
Disposal/derecognition of subsidiary	**(526,749)**	(3,493,431)	**-**	-
Finance costs capitalised in property development costs	**-**	4,906	**-**	-
Interest expenses	**1,448,839**	1,797,567	**170,108**	171,591
Foreign exchange movement	**1,202,162**	47,819	**-**	17,465
At 30 June	**45,074,443**	43,586,244	**4,306,995**	4,251,205

2. Lease liabilities

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 July	**1,603,481**	953,623	**9,182**	-
Changes from financing cash flows				
Repayment of lease liabilities	**(238,856)**	(429,879)	**(7,074)**	(4,716)
Other changes in lease liabilities				
Additions	**115,874**	1,032,704	**20,031**	13,603
Disposal of subsidiary	**(113)**	-	**-**	-
Interest expenses	**92,316**	47,286	**564**	295
Modification	**(44,286)**	-	**-**	-
Expiry/Termination	**(21,156)**	(420)	**(6,931)**	-
Transfer to payables	**(30,485)**	-	**-**	-
Foreign exchange movement	**7,183**	167	**-**	-
At 30 June	**1,483,958**	1,603,481	**15,772**	9,182

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

Notes to the Financial Statements
– 30 June 2021

1. CORPORATE 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 15 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 is as follows:-

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and the Company have been prepared under historical cost convention (unless stated otherwise in the significant accounting policies below) and in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with the MFRS and the Companies Act 2016 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 3 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

The accounting policies adopted are consistent with those of the previous financial year except as follows:-

On 1 July 2020, the Group and the Company have adopted the following MFRSs, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 July 2020.

Description	**Effective for annual periods beginning on or after**
Amendments to References to the Conceptual Framework in MFRSs Standards:-	
– Amendment to MFRS 2 Share-Based Payment	1 January 2020
– Amendment to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation	1 January 2020

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) Changes in accounting policies (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in MFRSs Standards:- (cont'd.)	
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
- Amendment to MFRS 101 Presentation of Financial Statements	1 January 2020
- Amendment to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
- Amendment to MFRS 134 Interim Financial Reporting	1 January 2020
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
- Amendment to MFRS 138 Intangible Assets	1 January 2020
- Amendment to IC Interpretation 12 Service Concession Arrangements	1 January 2020
- Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
- Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
- Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
- Amendment to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
Amendments to MFRS 3 Business Combination - Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material	1 January 2020
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures on Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 16 Leases - COVID-19-Related Rent Concessions	1 June 2020

The adoption of the above new standards, IC interpretations and amendments to published standards have not given rise to any material impact on the financial statements of the Group and the Company.

(c) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark Reform' - Phase 2	1 January 2021
Amendment to MFRS 16 'Leases' - COVID-19 Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 3 'Reference to the Conceptual Framework'	1 January 2022
Amendments to MFRS 116 'Property, Plant and Equipment - Proceeds before Intended Use'	1 January 2022

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Standards issued but not yet effective (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts: Costs of Fulfiling a Contract'	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	
– Amendments to MFRS 1 'First-time Adoption of International Financial Reporting Standards – Subsidiary as A First-time Adopter'	1 January 2022
– Amendments to MFRS 9 Financial Instruments – Fees in the 10% test for derecognition of financial liabilities'	1 January 2022
– Amendments to MFRS 141 'Agriculture – Taxation in Fair Value Measurements'	1 January 2022
MFRS 17 'Insurance Contracts'	1 January 2023
Amendments to MFRS 101 'Presentation of Financial Statements'	
– Classification of Liabilities as Current or Non-current	1 January 2023
– Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates'	1 January 2023
Amendments to MFRS 112 'Income tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	1 January 2023
Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	Deferred

(d) 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) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or services promised in the contract. Depending on the substances of the respective contract with the customer, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

a) *Sale of electricity*

The Group's electricity is generated and sold into national electricity company or market in the respective countries in which the Group operates.

Revenue from the sale of electricity is recognised over time as customers simultaneously receive and consume the benefits provided by the Group's performance when electricity is delivered based on contractual terms stipulated in respective agreements with customers.

Revenue are presented, net of goods and service tax, penalties, rebates and discounts. Collection of the contract consideration from customers is considered probable. No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.

Electricity revenue includes an estimated value of the electricity consumed by customer from the date of the last meter reading available and reporting period end. Accrued unbilled revenue is recognised as receivables and is reversed the following month when actual billings occur.

b) *Sale of clean water and the treatment and disposal of waste water*

The Group, under the license granted by the United Kingdom ("UK") Government, has the right to supply water and sewerage services to customers, together with an obligation to maintain and develop the network and ensure its continued availability.

The nature of the water industry in the UK is such that revenue recognition is subject to a degree of estimation. The assessment of water sales to customers is based on internal data where final settlement data is not yet available. At the end of each period, amounts of water delivered to customers are estimated and the corresponding billed and unbilled revenue is assessed and recorded in revenue. For the purpose of the judgement, various factors are considered such as seasonality, historic billing profiles, leakage data and general economic conditions.

For metered customers, revenue is determined by the meter reading. For unmetered customers, the amount to which the Group has a right to receive is determined by the passage of time during which the customer occupies a property within the Group's licenced region. Revenue represents income receivable in the ordinary course of business, excluding VAT, for services provided. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

b) Sale of clean water and the treatment and disposal of waste water (cont'd.)

Developer services related to the obligation under statute to allow property developers to establish an authorised connection to the water and/or sewerage network. In obtaining the connection, the developer may require the Group to undertake one or more of the following:-

i) Connections and meter installation in exchange for payment;
ii) Requisitions of water mains in exchange for payment; and
iii) Adoptions of water and waste water mains.

The developer is also required to pay infrastructure charges being a contribution to network reinforcement.

These activities are not separable nor distinct and instead form a bundle of activities necessary to establish an authorised connection from which the network access can be obtained. Also, the Group has an additional obligation under statute to keep the connection in place for all current and future occupiers and facilitate ongoing access to the network for as long as the property requires service provision. Consequently, revenue from developer services will be deferred over the shorter of expected period of service provision or the need to replace the assets at the end of their useful life (typically in the range 60 to 125 years).

No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.

Unbilled receivables are considered to be a variable consideration which is not constrained as the Group considers it to be highly probable that a significant amount will not be reversed after year end. Unbilled receivables and the variable consideration are estimated using the most likely outcome approach.

c) Sale of cement and related products

Revenue from sale of cement and related products is recognised at the point in time when control of the goods is transferred to the customer.

A contract with customer exists when the contract has commercial substance, the Group and their customers have approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled in exchange of those goods or services.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

c) *Sale of cement and related products (cont'd.)*

In determining the transaction price for the sale of cement and related products, the Group considers the effects of variable consideration.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which they will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of cement and related products provide customers with prompt payment rebates and volume rebates. The early payment rebates, prompt payment rebates and volume rebates give rise to variable consideration.

d) *Hotel operations*

The Group generates revenue mainly from providing the service of room rentals to tenants within the hotel and rental of spaces for functions and banquets. The Group also generates revenue from the sale of goods and services such as food and beverage, as well as minor services such as telecommunication, laundry, internet and other minor services.

Revenue is recognised when the terms of a contract have been satisfied, which occurs when control has been transferred to customers and performance obligations are satisfied. For room revenue, this occurs evenly throughout the duration of the tenant's use on a straight-line basis. For functions and banquets, revenue is recognised at a point in time when the performance obligation is satisfied, generally at the provision of the space.

e) *Construction contracts*

Under such contracts, the Group is engaged to construct buildings and related infrastructure and in certain instances to supply equipments. These contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated based on relative stand-alone selling price of the considerations of each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

The Group determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, the Group estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

e) Construction contracts (cont'd.)

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

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs for the respective construction projects.

If control of the asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

f) Broadband and telecommunications

The Group generates revenue from providing telecommunication services, such as access to the network, airtime usage, messaging, and internet services as well as from sales of products. Products and services may be sold separately or in bundled packages. The typical length of a contract for bundled packages is 11 months to 24 months.

For bundled packages, the Group accounts for individual products and services separately if they are distinct, i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their Relative Stand-alone Selling Prices ("RSSP"). The RSSP are determined based on the list prices at which the Group sells the products and telecommunication services. RSSP are based on observable sales prices; however, where RSSP are not directly observable, estimates will be made maximising the use of observable inputs.

i) Telecommunication services

Telecommunication revenue from postpaid and prepaid services provided by the Group is recognised over time, as the benefits of telecommunication services are simultaneously received and consumed by the customer.

Revenue from prepaid services is recognised when services are rendered. Starter packs with a sim card and reload voucher is accounted for as a single performance obligation as the sim card can only be used together with the services provided by the Group. Prepaid credits are recognised as contract liability in the statements of financial position. Revenue is recognised when the credits are utilised or up to the point of customer churn or upon expiry, whichever is earlier.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

f) Broadband and telecommunications (cont'd.)

i) Telecommunication services (cont'd.)

Postpaid services are provided in postpaid packages which consist of various services (i.e. call minutes, internet data, sms and etc.). As the services are separately identifiable and the customers can benefit from each of the services on its own, each service is accounted for as a separate performance obligation.

Postpaid packages are either sold separately or bundled together with the sale of device to a customer. As postpaid packages and device are capable of being distinct and separately identifiable, there are two performance obligations within a bundled transaction. Accordingly, the Group allocates the transaction price based on the RSSP of the postpaid packages and device.

ii) Devices

Devices may be sold separately or in bundled packages. The Group recognises revenue when control of the device has transferred to the customer upon delivery and acceptance of the device at the point of sale.

For devices sold separately, the consideration is received in full at the point of sale. The amount of revenue recognised is measured at the consideration specified in the contract. For devices sold in bundled packages, the customers usually offered to pay at a discounted price on the device. The amount of revenue recognised for devices sold in bundled packages is measured at the allocated consideration based on the RSSP as explained previously.

Devices that the Group promises to transfer as part of the bundled package with network service plans are considered distinct and thus accounted for as a separate performance obligation. Devices that are transferred as part of a fixed line telecommunication services bundled package which can only be used together with the services provided by the Group, are considered as a single performance obligation in telecommunications service revenue.

A contract asset is recognised when the Group delivers the devices before the payment is due. If the payment happens before the delivery of device, then a contract liability is recognised. Contract assets and contract liabilities are presented in the statements of financial position.

The Group generates revenue from telecommunication infrastructure business. Telecommunication infrastructure business revenue is generated from the leasing of space on the Group's telecommunication towers, where the customers install and maintain their individual communication network equipment. The revenue is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payment are due.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

g) Property development projects

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

The revenue from property development is measured at fixed transaction price agreed under the sale and purchase agreement.

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

The promised properties are specifically identified by its lot and unit number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan. The purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive use to the Group. The Group is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

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

The Group recognised revenue over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for respective development projects.

The Group recognised sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

The Group has determined that it has a significant financing component related to the sales of its property units being developed under the deferred payment scheme. As a result of this the amount of the promised consideration is adjusted for the significant financing component and the related interest income is recognised using the effective interest method over the term of the deferment.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

h) Sale of steam

The Group's sale of steam is mainly derived from wholesale market customers. Revenue from sales of steam is recognised as and when the Group's customers simultaneously receive and consume the benefits (i.e. the customers are able to utilise the steam for their benefit as and when the steam is being supplied) arising from the Group performing its obligations based on the terms of the contracts with the customers. Accordingly, revenue from the supply of steam is recognised over time; i.e. as and when the steam supplied is consumed by the customers.

No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.

i) Others

Other income earned by the Group is recognised as the following bases:-

i) Sale of fuel oil

Sale of fuel oil is recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

ii) Sale of natural gas

Revenue from sale of natural gas is recognised as and when the Group's customers simultaneously receive and consume the benefits (i.e. the customers are able to utilise the gas for their benefit as and when the gas is being supplied) arising from the Group performing its obligations based on the terms of the contracts with the customers. Accordingly, revenue from the supply of gas is recognised over time; i.e. as and when the gas supplied is consumed by the customers. No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.

Notes to the Financial Statements

– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Revenue recognition (cont'd.)

(i) Revenue from contracts with customers (cont'd.)

i) Others (cont'd.)

iii) Operation and maintenance fees

Management fees is recognised over the period in which the services are rendered.

iv) Tank leasing fees

Tank leasing fees from operating leases are recognised on a straight line basis over the lease term.

v) Rendering of services

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

vi) Revenue from sales of land

Revenue from sales of land is recognised when control of the assets is transferred to the customer and the collectability of the related receivables is reasonably assured.

vii) Hiring income

Hiring income is recognised on an accrual basis.

viii) Commission income

Commission income is recognised on received and receivable basis.

(ii) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group and the Company are as follows:-

a) Interest income

Interest income is recognised as the interest income accrues, taking into account the effective yield on the asset.

b) Dividend income

Dividend income is recognised when the shareholder's right to receive the payment is established.

c) 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.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(e) 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 and the Company.

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*

A defined contribution plan is a pension plan under which the Group and the Company 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.

The Group's and the Company's contributions to a defined contribution plan are charged to the Income Statement in the period to which they relate.

b) *Defined benefit plan*

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.

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.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using 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 approximating to the terms of the related pension obligation.

Re-measurement gains and losses of post-employment benefit obligations are recognised in Other Comprehensive Income.

Past-service costs are recognised immediately in the Income Statements.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(e) Employee benefits (cont'd.)

(iii) Share-based compensation

The Company and certain subsidiaries operate equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the Income Statement 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 Income Statement, 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 when the options are exercised.

(f) Borrowing costs

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. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in Income Statement 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.

(g) Income tax and deferred tax

Income tax on the Income Statement 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.

Notes to the Financial Statements

– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(h) 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 Income Statement 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 MFRS 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 use.

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 & site facilities	0.9 - 20
Plant & machinery	4 - 20
Furniture, fixtures & equipment	10 - 50
Vehicles	10 - 33⅓
Telecommunication equipment	4 - 20

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 Income Statement.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(i) Investment properties

Investment properties include those portions of buildings that are held for long-term rental yields and/or for capital appreciation and freehold land and/or land under leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in Income Statement 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 the Income Statement in the period in which the item is derecognised. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS15 "Revenue from Contracts with Customers".

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property/inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(j) Development expenditure

(i) Land held for property development

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 the lower of cost and net realisable value.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is reclassified as property development costs and included under current assets 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.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(k) Impairment of non-financial assets

The carrying amounts of 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 of disposal 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 Income Statement 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 Income Statement 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 Income Statement a reversal of that impairment loss is recognised as income in the Income Statement.

(l) 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. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group controls an investee if and only if the Group has all the following:-

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:-

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(l) Basis of consolidation (cont'd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Income Statement and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:-

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in Income Statement; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to Income Statement or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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 in the statements of financial position. The accounting policy for goodwill is set out in Note 2(q) 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 Income Statement 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.

Notes to the Financial Statements

– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) 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 shares 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.

(n) Investment in subsidiaries

A subsidiary is an entity over which the Group has all the following:-

- Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

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 Income Statement.

(o) 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.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in Income Statement 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.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(o) Investment in associated companies (cont'd.)

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

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 Income Statement.

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 Income Statement.

(p) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Joint venture

The Group's interests in joint ventures are accounted for by the equity method of accounting based on the audited financial statements of the joint ventures made up to the end of the financial year.

Equity accounting involves recognising in the Income Statement the Group's share of the results of joint ventures for the financial year. The Group's investments in joint ventures are carried in the Statements of Financial Position at an amount that reflects its share of the net assets of the joint ventures and includes goodwill on acquisition.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures; 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 joint ventures to ensure consistency of accounting policies with those of the Group.

In the Company's separate financial statements, investments in joint ventures are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in Income Statement.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(q) Intangible assets

(i) Contract rights

Contract rights comprise acquired contracts and rights to contracts from business combination. These are amortised over the contractual period on a straight line basis and are assessed at each reporting date whether there is any indication that the contract rights may be impaired. See accounting policy Note 2(k) to the financial statements on impairment of non-financial assets.

(ii) Goodwill

Goodwill is initially measured at cost. Following the 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 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.

(iii) Software assets

Software assets comprise in-house computer software development and specialised computer software. Software assets are amortised over 5 to 10 years and are assessed at each reporting date whether there is any indication that the software assets may be impaired. See accounting policy Note 2(k) to the financial statements on impairment of non-financial assets.

(iv) Others

a) Customer lists

Customer lists are amortised over the contractual period on a straight line basis and are assessed at each reporting date whether there is any indication that the other intangible assets may be impaired. See accounting policy Note 2(k) to the financial statements on impairment of non-financial assets.

b) Quarry rights

Quarry rights are amortised on the straight line basis over the lease term less impairment losses.

c) Emission rights

The emission rights that are acquired by the Group are measured at cost less any accumulated impairment losses.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2(k).

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(r) Financial assets

(i) Initial recognition and measurement

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 instrument.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(r) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

a) *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group and the Company. The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in the Income Statement when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include receivables and amounts due from associates and joint ventures included under other non-current financial assets.

b) *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Income Statement. Dividends are recognised as other income in the Income Statement when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

c) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(r) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

c) Financial assets at fair value through profit or loss (cont'd.)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in the Income Statement when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in Income Statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:-

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Notes to the Financial Statements

– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(s) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:-

	Note
Trade and other receivables	20
Financial risk management	38

(t) Contract cost assets

The Group capitalises sales commissions as costs to obtain a contract with a customer when they are incremental and expected to be recovered over more than a year. The Group expects to recover these costs in the future through telecommunication services revenue earned from the customer. The Group also capitalises the expenditure on assets such as water mains/sewers or new connections relating to contracts as they are incurred to fulfil the contract and are expected to be received over more than one year.

Sales commissions are amortised on a straight line basis over the term of the specific contract to which the cost relates to. Amortisation of contract costs are included as part of direct cost within "Cost of sales" in the Income Statements. While, the expenditure on assets are treated as cost of sales when the contract is complete.

An impairment loss is recognised to Income Statement to the extent that the carrying amount of the contract cost assets recognised exceeds the remaining amount of consideration that the Group expects to receive for the specific contract that the cost relates to less additional costs required to complete the specific contract.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(u) Contract assets and liabilities

Contract asset is the right to consideration in exchange for goods and services that the Group has transferred to a customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the ECL model.

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(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

(iii) Hedges of a net investment in a foreign operation.

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 21. Movements on the hedging reserve in other comprehensive income are shown in Note 28. 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 Income Statement 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 the Income Statement within 'other gains/(losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the Income Statement 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 Income Statement over the period to maturity.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(v) Derivatives financial instruments and hedging activities (cont'd.)

(ii) Cash flow hedge

The fair value changes on the effective portion of the derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in Income Statement.

Amounts accumulated in equity are reclassified to Income Statement in the financial periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of property, plant and equipment.

When the 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 Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to Income Statement.

(iii) Hedges of net investment in foreign operations

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the Income Statements. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the Income Statements return as part of the gain or loss on disposal.

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

(w) Inventories

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

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

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

Fuel and diesel oil held for generation of electricity are not written down below cost if the electricity generated is expected to obtain a gross margin at or above cost. Cost for this purpose includes the applicable costs required to enable the fuel and diesel oil to be used for the generation of electricity.

Inventories for oil trading are acquired with the purpose of selling in the near future and generating a profit from fluctuations in price. These are at fair value less costs to sell, with changes in fair value less costs to sell recognised in the Income Statements in the period of change.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(w) Inventories (cont'd.)

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.

(x) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are recognised when incurred.

When the financial outcome of the development activity can be reliably estimated and the sale of the development unit is affected, property development revenue and expenses are recognised in the Income Statement by reference to the stage of completion of development activities at the reporting date in accordance with MFRS 15: Revenue from Contracts with Customers. The stage of completion is determined by the proportion that property development costs incurred for work performed to date 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.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Where revenue recognised in the Income Statement exceed billings to purchasers, the balance is shown as contract assets (within current assets). Where billings to purchasers exceed revenue recognised in the Income Statement, the balance is shown as contract liabilities (within current liabilities).

(y) 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.

(z) 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 accounted for in shareholders' equity as an appropriation of retained earnings and accrued as liability in the financial year in which the obligation to pay is established.

Notes to the Financial Statements

– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(aa) Treasury shares

Where the Company purchases its own shares, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued.

Should such shares be cancelled, the costs of the treasury shares are applied in the reduction of the profits otherwise available for distribution as dividends. Should such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

Where the treasury shares are subsequently distributed as dividends to shareholders, the costs of the treasury shares on the original purchase are applied in the reduction of the funds otherwise available for distribution as dividends.

(ab) 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 the Income Statement.

(ac) Deferred income

The deferred income is in relation to assets transferred from customers in respect of services which are yet to be provided. Such amounts are recorded as liabilities in the Statements of Financial Position and are amortised to the Income Statements over the expected useful economic lives of the related assets.

(ad) 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 Income Statement over the period of the bonds and borrowings.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ad) Bonds and borrowings (cont'd.)

Interest relating to a financial instrument classified as a liability is reported within finance cost in the Income Statements.

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

Borrowing cost incurred to finance the construction of property, plant and equipment that meets the definition of qualifying asset are capitalised as part of the cost of the assets during the period of time that is required to get the asset ready for its intended use.

(ae) Leases

(i) Accounting as lessee

Leases are recognised as right-of-use ('ROU') assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

a) Lease term

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy 2(ae)i)d) on reassessment of lease liabilities.

b) ROU assets

ROU assets are initially measured at cost comprising the following:-

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ae) Leases (cont'd.)

(i) Accounting as lessee (cont'd.)

b) ROU assets (cont'd.)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain measurement of the lease liabilities.

The Group and the Company presents ROU assets within which the corresponding underlying assets would be presented if they were owned, those assets are presented in the Statements of Financial Position as property, plant and equipment. ROU assets are presented as a separate line item in the Statements of Financial Position except for above.

c) Lease liabilities

Lease liabilities are initially measured at the present value of the payments that are not paid at that date. The lease payments include the following:-

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase and extension option if the Group and the Company are reasonably certain to exercise that options; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Income Statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payment that depend on sales are recognised in the statement of comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company presents lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the Income Statement.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ae) Leases (cont'd.)

(i) Accounting as lessee (cont'd.)

d) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Lease liabilities is also remeasured if there is a change in the Group's and the Company's assessment of whether it will exercise an extension option and there are modifications in the scope or the consideration of the lease that was not part of the original term.

e) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight line bases as an expense in Income Statements.

(ii) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

a) Finance leases

The Group and the Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 2(s) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Notes to the Financial Statements

– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ae) Leases (cont'd.)

(ii) Accounting by lessor (cont'd.)

b) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

Rental income on operating leases is recognised over the term of the lease on a straight-line basis. Rental income is shown net of rebates and discounts. Rental income includes base rent, percentage rent and other rent related income from tenants. Base rent is recognised on a straight-line basis over the lease term. Percentage rent is recognised based on sales reported by tenants. When the Group provide incentives or rebates to the tenants, the cost of incentives or rebates is capitalised as deferred lease incentive and is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Initial direct cost incurred by the Group in negotiating and arranging an operating lease is recognised as an asset (deferred lease incentive) and amortised over the lease term on the same basis as the rental income.

c) Sublease classification

Until the financial year ended 30 June 2019, when the Group was an intermediate lessor, the subleases were classified as finance or operating leases by reference to the underlying assets.

From 1 July 2019, when the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company applies the exemption described above, then it classifies the sublease as an operating lease.

d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 "Revenue from Contracts with Customers".

(af) Grants and contributions

Grants and contributions are benefits received in respect of specific qualifying expenditure, and investment tax credits and tax benefits in respect of qualifying property, plant and equipment. These are released to the Income Statement over the expected economic useful lives of the related assets.

(ag) Provisions

The Group and the Company 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 and the Company's current best estimate.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ah) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties, bonds and borrowings and derivative financial instruments.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:-

a) 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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income Statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

b) Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statement.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ai) Foreign currency

(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 consolidated financial statements are presented in Ringgit Malaysia (RM), 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 Income Statement.

(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 presentation currency as follows:-

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statements are translated at average exchange rates; and
- all resulting exchange differences are recognised as separate components of 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 Income Statement 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 2011 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 2011, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions. This is in accordance to the adoption of MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

(aj) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the managing directors/chief executive officers who are responsible for allocating resources and assessing performance of the operating segments.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ak) Financial guarantee

Financial guarantee contracts are contracts that require the Group and the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', 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.

(al) 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.

Notes to the Financial Statements
– 30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(am) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(an) Contract costs

(i) Incremental cost obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

(ii) Costs to fulfil a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

These contracts costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relate. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has impaired, the impairment loss is reversed to the extent that the carrying amount of the contracts cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

3. 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 the 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 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 value-in-use calculations. These calculations require the use of significant judgements and estimates as set out in Note 19 to the financial statements.

Management has factored in the potential impact with respect to the COVID-19 outbreak within the impairment assessments based on the best estimate on the trajectory of recovery from the COVID-19 outbreak. Significant judgement is involved as there may be potential uncertainties on the full extent of impact as a result of COVID-19.

Notes to the Financial Statements
– 30 June 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(b) Capitalisation policy of property, plant and equipment on infrastructure assets

The infrastructure assets of the water and sewerage segment comprised cost incurred to meet the development and regulatory requirement of the business and this includes employee and overhead costs that are directly attributable to the construction of the asset.

Estimates and judgements are involved in determining whether cost incurred, specifically employee and overhead costs, meet the relevant criteria for capitalisation of property, plant and equipment.

(c) 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(k) 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.

(d) Assessment on allowance for impairment of trade receivables of water and sewerage

The expected credit loss on outstanding receivables is a key estimate under MFRS 9. The Group estimate of recoverability by grouping customers into similar economic profiles and applying a percentage loss rate based on forward looking judgements on the future collection rates that are likely to be achieved. This has included additional considerations of the possible impact of the COVID-19 pandemic on the expected collection rates of outstanding receivables.

(e) Estimated useful lives of property, plant and equipment ("PPE")

The Group reviews the useful lives of its PPE at each reporting date and any adjustments are made on a prospective basis as changes in accounting estimates. The useful lives of the telecommunications equipment are assessed periodically based on the conditions of the equipment, market conditions and other regulatory requirements.

(f) Fair value estimates for investment properties

The Group carries investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these investment properties would affect income statement.

(g) Assessment of lower of cost and net realisable value

The Group recognises inventories at lower of cost and net realisable value.

Significant judgement is required in determining the net realisable value which is the estimated selling price in ordinary course of business less the estimated cost to sale.

Notes to the Financial Statements
– 30 June 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(h) Assumptions used in determining the post-employment benefit obligations

The present value of the post-employment benefit 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 are disclosed in Note 35 to the financial statements. Any changes in these assumptions will impact the carrying amount of pension obligations.

(i) Construction contracts

The Group has significant ongoing construction contracts. For these construction contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of the internal experts to determine the progress of the construction and also on past experience of completed projects.

(j) Revenue recognition from accrued income

The unbilled income accrual from metered water services of the water and sewerage segment requires an estimation of the amount of unbilled charges at the period end. This is calculated using system generated information based on previous customer volume usage.

(k) Leases

The measurement of the "right-of-use" assets and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group and the Company first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

Notes to the Financial Statements
– 30 June 2021

4. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Revenue comprise the following:				
Revenue from contracts with customers	**17,067,803**	18,504,298	**256**	260
Revenue from other sources	**202,616**	674,151	**469,720**	415,071
Total revenue	**17,270,419**	19,178,449	**469,976**	415,331

(a) Disaggregation of revenue from contracts with customers and other sources:-

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Utilities				
Sale of electricity	**5,876,292**	5,837,626	**-**	-
Sale of clean water, treatment and disposal of waste water	**3,772,223**	3,479,290	**-**	-
Sale of steam	**182,630**	171,900	**-**	-
Broadband and telecommunications revenue	**524,826**	396,858	**-**	-
Others	**216,146**	389,427	**-**	-
	10,572,117	10,275,101	**-**	-
Cement and building materials industry				
Sale of cement and related products	**4,076,215**	4,077,724	**-**	-
Others	**15,855**	14,479	**-**	-
	4,092,070	4,092,203	**-**	-
Construction				
Construction contracts	**1,514,505**	2,316,005	**-**	-
Hotel operations				
Hotel room and food and beverages	**416,107**	1,113,986	**-**	-
Others	**8,054**	18,529	**-**	-
	424,161	1,132,515	**-**	-
Property				
Sale of development properties	**-**	11,132	**-**	-
Sale of completed properties	**229,833**	435,476	**-**	-
Sale of lands	**26,501**	-	**-**	-
Others	**14,485**	48,651	**-**	-
	270,819	495,259	**-**	-

Notes to the Financial Statements
– 30 June 2021

4. REVENUE (CONT'D.)

(a) Disaggregation of revenue from contracts with customers and other sources:- (cont'd.)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Information technology & e-commerce related business				
Media and advertising services	**3,175**	3,500	**-**	-
Others	**37**	41	**-**	-
	3,212	3,541	**-**	-
Management services & others				
Operation and maintenance services	**111,173**	139,023	**-**	-
Property manager fees	**66,326**	19,853	**-**	-
Food and beverages operations	**3,854**	14,659	**-**	-
Others	**9,566**	16,139	**256**	260
	190,919	189,674	**256**	260
	17,067,803	18,504,298	**256**	260
Revenue from other sources				
Rental income	**88,491**	481,471	**-**	-
Interest income	**103,372**	183,887	**22,855**	43,200
Dividend income	**10,753**	8,793	**446,865**	371,871
	202,616	674,151	**469,720**	415,071
Total revenue	**17,270,419**	19,178,449	**469,976**	415,331

(b) Timing of revenue recognition for revenue from contracts with customers:-

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
- at a point in time	**4,683,512**	7,819,342	**-**	-
- over time	**12,384,291**	10,684,956	**256**	260
	17,067,803	18,504,298	**256**	260

Notes to the Financial Statements
– 30 June 2021

5. COST OF SALES

Included in cost of sales are the following:-

	Group	
	2021 RM'000	**2020 RM'000**
Cost of inventories	**2,430,224**	3,011,036
Construction contracts costs	**1,254,029**	2,061,477
Cost of fuel, raw materials and consumable	**6,191,220**	5,996,783
Property development costs	**-**	7,322

6. FINANCE COSTS

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Interest expense					
- Bonds		**797,732**	874,796	**139,188**	116,028
- Borrowings		**674,840**	946,231	**30,920**	55,563
- Post-employment benefit obligations		**13,892**	15,894	**-**	-
- Lease liabilities		**92,316**	47,286	**564**	295
		1,578,780	1,884,207	**170,672**	171,886
Less: Amounts capitalised in					
- Property development costs	23	**-**	(4,906)	**-**	-
- Property, plant and equipment	11	**(23,733)**	(18,554)	**-**	-
Interest expense of financial liabilities carried at amortised cost		**1,555,047**	1,860,747	**170,672**	171,886

Notes to the Financial Statements

– 30 June 2021

7. PROFIT BEFORE TAX

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 5 & 6 to the Financial Statements):-					
Amortisation of contract costs	24	**3,043**	7,842	**-**	-
Amortisation of intangible assets	19	**79,508**	69,606	**-**	-
Auditors' remuneration					
- statutory audit					
- current financial year		**9,716**	10,029	**244**	244
- (over)/under provision in prior financial year		**(146)**	87	**-**	-
- others		**705**	1,601	**16**	16
Bad debts written off					
- receivables		**1,327**	10,901	**-**	-
Cash flow hedges, reclassified from hedging reserve to cost of sales		**(60,144)**	154,819	**-**	-
Depreciation of property, plant and equipment	11	**1,641,525**	1,554,423	**781**	809
Depreciation of right-of-use assets	12	**183,038**	193,895	**6,719**	4,535
Directors' remuneration					
- emoluments		**36,484**	57,993	**4,092**	6,032
- fees		**1,840**	1,821	**890**	822
- benefits-in-kind		**762**	1,106	**204**	70
Hedge ineffectiveness recognised in profit or loss		**2,869**	16,210	**-**	-
Impairment losses on					
- amount due from subsidiaries	38(e)	**-**	-	**(194)**	-
- amount due from related parties	38(e)	**623**	100	**-**	-
- goodwill	19	**1,269**	1,723	**-**	-
- receivables - net of reversal	38(e)	**6,596**	153,645	**-**	-
- investment in associates		**-**	1,135	**-**	-
- investment in joint venture		**-**	898	**-**	-
- property, plant and equipment	11	**41,425**	28,958	**-**	-
Infrastructure maintenance expenses		**126,922**	110,728	**-**	-
Investment properties written off	13	**8,916**	7,675	**-**	-
Inventories written down		**997**	44,656	**-**	-
Lease expense not recognised in lease liabilities					
- short-term lease		**73,935**	84,967	**161**	634
- low value assets		**2,797**	8,683	**-**	-
Loss on foreign exchange - net					
- realised		**11,468**	27,502	**949**	-
- unrealised		**19,327**	28,433	**-**	-
Net fair value loss on derivatives		**-**	20,122	**-**	-
Net fair value loss on financial assets, at FVTPL		**373,536**	-	**-**	-
Property, plant and equipment written off	11	**12,411**	51,896	**-**	-
Rates		**175,657**	133,510	**-**	-

Notes to the Financial Statements
– 30 June 2021

7. PROFIT BEFORE TAX (CONT'D.)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
And crediting/(charging) (other than those disclosed in Note 4 to the Financial Statements):-					
Adjustment on fair value of investment properties	13	**70,707**	(12,808)	**-**	-
Amortisation of deferred income		**5,924**	5,209	**-**	-
Amortisation of grants and contributions	33	**21,548**	15,166	**-**	-
Bad debts recovered		**3,930**	2,949	**50**	-
Gain on derecognition of subsidiary		**-**	258,506	**-**	-
Gain/(loss) on disposal of					
- investments - net		**21,718**	1,172	**(10,055)**	-
- property, plant and equipment		**43,735**	18,739	**(2)**	-
- subsidiaries		**407,641**	-	**-**	-
Gain on foreign exchange - net					
- realised		**46,188**	3,281	**1,411**	366
- unrealised		**46,597**	124,485	**-**	-
Gain on lease modification and reassessment		**934**	-	**-**	-
Gain on lease termination		**575**	-	**129**	-
Gross dividend from quoted investments, within Malaysia		**537**	1,290	**-**	-
Hiring income from plant, machinery and equipment		**29,089**	26,947	**-**	-
Interest income from financial assets measured at amortised cost					
- fixed deposits		**49,475**	90,424	**-**	-
- others		**8,312**	4,015	**-**	-
Interest income - net investment in leases		**573**	746	**-**	-
Net fair value gain on derivatives		**-**	3,357	**-**	-
Net fair value (loss)/gain on investments	18	**(1,401)**	25,976	**7,191**	823
Operating lease income		**549**	6,646	**-**	-
Rental income					
- other properties		**11,681**	10,166	**-**	-
Write back of impairment loss on					
- contract assets	38(e)	**91**	278	**-**	-
- development expenditures	14	**-**	2,978	**-**	-
Write back for liabilities and charges	36	**7,304**	4,437	**-**	-

Notes to the Financial Statements
– 30 June 2021

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2021 and 30 June 2020, are as follows:-

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Group - 2021								
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	307	9,223	-	594	791	1	219	11,135
Dato' Yeoh Seok Kian	193	3,901	-	390	789	1	242	5,516
Dato' Yeoh Soo Min	-	2,855	-	298	789	1	63	4,006
Dato' Yeoh Seok Hong	-	3,029	-	319	789	3	59	4,199
Dato' Sri Michael Yeoh Sock Siong	-	3,285	123	338	789	1	54	4,590
Dato' Yeoh Soo Keng	-	2,441	-	291	789	1	37	3,559
Dato' Mark Yeoh Seok Kah	-	2,736	-	284	789	3	62	3,874
Syed Abdullah Bin Syed Abd. Kadir	-	648	-	26	79	1	26	780
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	230	-	-	-	-	17	-	247
Dato' Ahmad Fuaad Bin Mohd Dahalan	430	-	-	-	-	23	-	453
Faiz Bin Ishak	460	-	-	-	-	35	-	495
Raja Noorma Binti Raja Othman	220	-	-	-	-	12	-	232
	1,840	28,118	123	2,540	5,604	99	762	39,086

Notes to the Financial Statements
– 30 June 2021

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration (cont'd.)

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2021 and 30 June 2020, are as follows:- (cont'd.)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Company - 2021								
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	472	-	115	587
Dato' Yeoh Seok Kian	-	609	-	73	472	-	47	1,201
Dato' Yeoh Soo Min	-	-	-	-	472	-	-	472
Dato' Yeoh Seok Hong	-	-	-	-	472	-	-	472
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	472	-	-	472
Dato' Yeoh Soo Keng	-	-	-	-	472	-	-	472
Dato' Mark Yeoh Seok Kah	-	-	-	-	472	-	42	514
Syed Abdullah Bin Syed Abd. Kadir	-	-	-	-	47	-	-	47
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	230	-	-	-	-	17	-	247
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	-	13	-	223
Faiz Bin Ishak	230	-	-	-	-	17	-	247
Raja Noorma Binti Raja Othman	220	-	-	-	-	12	-	232
	890	609	-	73	3,351	59	204	5,186

Notes to the Financial Statements
– 30 June 2021

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration (cont'd.)

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2021 and 30 June 2020, are as follows:- (cont'd.)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Group - 2020								
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	289	10,969	2,477	1,090	1,114	2	148	16,089
Dato' Yeoh Seok Kian	182	4,969	1,521	632	1,114	2	679	9,099
Dato' Yeoh Soo Min	-	3,681	1,244	547	1,114	1	36	6,623
Dato' Yeoh Seok Hong	-	3,913	1,331	585	1,114	2	37	6,982
Dato' Sri Michael Yeoh Sock Siong	-	4,100	1,333	596	1,114	2	56	7,201
Dato' Yeoh Soo Keng	-	3,232	1,212	533	1,114	1	29	6,121
Dato' Mark Yeoh Seok Kah	-	3,523	1,184	521	1,114	3	41	6,386
Syed Abdullah Bin Syed Abd. Kadir	-	648	120	31	111	1	80	991
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	328	-	-	-	-	23	-	351
Dato' Ahmad Fuaad Bin Mohd Dahalan	410	-	-	-	-	21	-	431
Faiz Bin Ishak	439	-	-	-	-	27	-	466
Raja Noorma Binti Raja Othman	173	-	-	-	-	7	-	180
	1,821	35,035	10,422	4,535	7,909	92	1,106	60,920

Notes to the Financial Statements
– 30 June 2021

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration (cont'd.)

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2021 and 30 June 2020, are as follows:- (cont'd.)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Company - 2020								
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	667	-	-	667
Dato' Yeoh Seok Kian	-	812	305	134	667	-	70	1,988
Dato' Yeoh Soo Min	-	-	-	-	667	-	-	667
Dato' Yeoh Seok Hong	-	-	-	-	667	-	-	667
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	667	-	-	667
Dato' Yeoh Soo Keng	-	-	-	-	667	-	-	667
Dato' Mark Yeoh Seok Kah	-	-	-	-	667	-	-	667
Syed Abdullah Bin Syed Abd. Kadir	-	-	-	-	66	-	-	66
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	220	-	-	-	-	14	-	234
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	-	12	-	222
Faiz Bin Ishak	219	-	-	-	-	13	-	232
Raja Noorma Binti Raja Othman	173	-	-	-	-	7	-	180
	822	812	305	134	4,735	46	70	6,924

Notes to the Financial Statements
– 30 June 2021

7. PROFIT BEFORE TAX (CONT'D.)

Employee benefits expenses

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Employees compensation (excluding Directors' remuneration)				
Wages, salaries and bonus	**1,004,547**	1,222,551	**17,839**	20,577
Defined contribution plan	**116,361**	124,950	**1,997**	2,306
Defined benefit plan	**63,329**	43,824	**-**	-
Share option expenses	**7,998**	14,557	**1,344**	1,922
Other benefits	**44,173**	34,647	**646**	1,406
	1,236,408	1,440,529	**21,826**	26,211

8. INCOME TAX EXPENSE

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current income tax					
- Malaysian income tax		**192,628**	130,626	**3,073**	6,462
- Foreign income tax		**154,869**	139,452	**-**	-
Deferred tax	34	**611,681**	144,558	**-**	-
		959,178	414,636	**3,073**	6,462
Current income tax					
- Current financial year		**385,484**	319,075	**5,601**	9,851
- Over provision in prior financial years		**(37,987)**	(48,997)	**(2,528)**	(3,389)
Deferred tax					
- Relating to origination and reversal of temporary differences		**611,681**	144,558	**-**	-
		959,178	414,636	**3,073**	6,462

Notes to the Financial Statements

– 30 June 2021

8. INCOME TAX EXPENSE (CONT'D.)

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 the Company is as follows:-

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Profit before tax	**631,794**	419,294	**242,925**	176,055
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**151,631**	100,631	**58,302**	42,253
Non-deductible expenses	**556,541**	379,548	**57,719**	57,390
Income not subject to tax	**(180,967)**	(128,308)	**(110,420)**	(89,792)
Different tax rates in other countries	**(65,632)**	(3,544)	**-**	-
Re-measurement of deferred tax*	**540,507**	162,410	**-**	-
Double deductible expenses	**(811)**	(974)	**-**	-
Over-provision in prior years	**(37,987)**	(48,997)	**(2,528)**	(3,389)
Tax effect on share of profits of associated companies and joint ventures	**(94,926)**	(61,728)	**-**	-
Tax effect of (over)/under provision of deferred tax	**(226)**	362	**-**	-
Tax effect of unrecognised deferred tax assets	**91,048**	15,236	**-**	-
Income tax expense	**959,178**	414,636	**3,073**	6,462

* *The re-measurement of deferred tax during the financial year of RM540.5 million was due to an increase in the United Kingdom corporation tax rate from 19% to 25% (effective from 1 April 2023) following the March 2021 Budget in the United Kingdom. The deferred tax liability at 30 June 2021 has been calculated based on the rate of 25% substantively enacted during the financial year ended 30 June 2021.*

The re-measurement of deferred tax during the previous financial year of RM162.4 million was due to an increase in the United Kingdom corporation tax rate from 17% to 19% effective from 1 April 2020) following the March 2020 Budget in the United Kingdom. The deferred tax liability at 30 June 2020 has been calculated based on the rate of 19% substantively enacted during the financial year ended 30 June 2020.

Notes to the Financial Statements
– 30 June 2021

9. LOSS PER SHARE

Basic/diluted loss per share

Basic/diluted loss per share of the Group is calculated by dividing the loss for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2021	**2020**
Loss for the financial year attributable to owners of the parent (RM'000)	**(367,664)**	(189,221)
Weighted average number of ordinary shares in issue ('000)	**10,864,161**	10,648,839
Basic/diluted loss per share (sen)	**(3.38)**	(1.78)

10. DIVIDENDS

	Group/Company			
	2021		**2020**	
	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 financial year ended 30 June 2019:-				
Interim dividend of 4 sen per ordinary share paid on 13 November 2019	-	-	4.0	426,770
Dividend recognised as distribution to ordinary equity holders of the Company	-	-	4.0	426,770

On 8 September 2021, the Board of Directors declared an interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021. The book closure and payment dates in respect of the aforesaid dividend are 24 September 2021 and 12 October 2021, respectively.

The Board of Directors do not recommend a final dividend in respect of the financial year ended 30 June 2021.

Notes to the Financial Statements
– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT

	Note	Land & building* 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
Group - 2021									
Cost/Valuation									
At 1.7.2020		11,633,752	8,944,577	24,954,429	2,062,754	1,060,267	3,078,916	1,142,842	52,877,537
Additions		98,501	29	34,301	26,700	10,198	12,548	1,767,667	1,949,944
Currency translation differences		371,185	854,220	931,493	103,214	(14,160)	-	122,029	2,367,981
Disposals		(333,999)	(7,175)	(906,219)	(11,352)	(62,453)	(415)	(60)	(1,321,673)
Disposal of subsidiary		(101,545)	-	(231,517)	(1,945)	(1,180)	-	-	(336,187)
Reversal of impairment	7	25,767	-	-	-	-	-	-	25,767
Transfer on commissioning		398,917	333,631	536,583	96,147	43,576	218,369	(1,627,223)	-
Transfer to inventories		-	(30,290)	-	-	-	-	-	(30,290)
Transfer to development expenditures	14	-	-	-	-	-	-	(1,890)	(1,890)
Transfer (to)/from right-of-use assets	12	(237,509)	-	-	-	-	86,695	-	(150,814)
Written off	7	(6,416)	-	(311,261)	(25,148)	-	(10,176)	(2,957)	(355,958)
At 30.6.2021		11,848,653	10,094,992	25,007,809	2,250,370	1,036,248	3,385,937	1,400,408	55,024,417
Accumulated depreciation and impairment									
At 1.7.2020		3,814,964	781,062	14,952,357	1,033,909	735,870	1,084,121	-	22,402,283
Charge for the financial year		248,953	87,566	945,669	153,558	70,034	145,016	-	1,650,796
Currency translation differences		66,953	73,275	538,504	38,496	(26,049)	-	-	691,179
Disposal of subsidiary		(64,028)	-	(204,014)	(1,722)	(921)	-	-	(270,685)
Disposals		(318,262)	(7,175)	(889,951)	(9,119)	(53,377)	(81)	-	(1,277,965)
Impairment loss	7	5,426	-	61,766	-	-	-	-	67,192
Transfer (to)/from right-of-use assets	12	(34,853)	-	-	-	-	19,699	-	(15,154)
Written off	7	(6,792)	-	(303,238)	(23,496)	-	(10,021)	-	(343,547)
At 30.6.2021		3,712,361	934,728	15,101,093	1,191,626	725,557	1,238,734	-	22,904,099
Net book value									
At 30.6.2021		8,136,292	9,160,264	9,906,716	1,058,744	310,691	2,147,203	1,400,408	32,120,318

Notes to the Financial Statements

– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Note	Land & building* 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
Group - 2020									
Cost/Valuation									
At 1.7.2019		10,849,772	8,467,160	23,970,206	2,080,562	789,288	3,030,744	2,085,460	51,273,192
Acquisition of subsidiaries		249,495	-	319,615	7,627	13,112	-	22,962	612,811
Additions		64,172	419	77,878	43,412	26,170	2,349	1,550,595	1,764,995
Currency translation differences		77,468	26,336	45,803	15,162	1,601	-	20,100	186,470
Derecognition of subsidiary		(440,020)	-	(47,200)	(2,707)	-	-	-	(489,927)
Disposals		(13,254)	-	(17,701)	(32,807)	(42,969)	(741)	-	(107,472)
Impairment loss	7	(26,005)	-	-	-	-	-	-	(26,005)
Transfer from development expenditures	14	542	-	-	-	-	-	89,960	90,502
Transfer from investment properties	13	270	6,133	-	-	-	-	-	6,403
Transfer from property development costs	23	292,380	-	56,281	-	-	-	8,375	357,036
Transfer on commissioning		345,402	444,389	1,558,573	58,494	30,161	104,401	(2,541,420)	-
Transfer to intangible assets^		254,611	880	(753,005)	16,804	243,725	(56,635)	(92,584)	(386,204)
Written off	7	(21,081)	(740)	(256,021)	(123,793)	(821)	(1,202)	(606)	(404,264)
At 30.6.2020		11,633,752	8,944,577	24,954,429	2,062,754	1,060,267	3,078,916	1,142,842	52,877,537
Accumulated depreciation and impairment									
At 1.7.2019		3,289,118	686,166	14,614,240	1,001,960	563,088	1,001,751	-	21,156,323
Acquisition of subsidiaries		107,076	-	156,008	5,482	9,816	-	-	278,382
Charge for the financial year		241,157	77,802	910,524	134,131	67,914	132,185	-	1,563,713
Currency translation differences		39,031	16,737	(1,563)	6,886	1,054	-	-	62,145
Derecognition of subsidiary		(27,559)	-	(31,860)	(2,626)	-	-	-	(62,045)
Disposals		(1,776)	-	(13,931)	(29,845)	(37,921)	(217)	-	(83,690)
Impairment loss	7	-	-	2,953	-	-	-	-	2,953
Transfer to intangible assets^		181,984	487	(440,267)	10,847	132,704	(48,885)	-	(163,130)
Written off	7	(14,067)	(130)	(243,747)	(92,926)	(785)	(713)	-	(352,368)
At 30.6.2020		3,814,964	781,062	14,952,357	1,033,909	735,870	1,084,121	-	22,402,283
Net book value									
At 30.6.2020		7,818,788	8,163,515	10,002,072	1,028,845	324,397	1,994,795	1,142,842	30,475,254

^ *The Group refined its analysis of assets and identified elements of its asset stock that could be classified as intangible assets. Following this exercise, those assets that met the definition were transferred from property, plant and equipment to intangible assets during the financial year 2020.*

Notes to the Financial Statements
– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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

	Freehold land RM'000	Building on freehold land RM'000	Building on long-term leasehold land RM'000	Buildings on short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2021						
Cost/Valuation						
At 1.7.2020						
At cost	929,367	7,811,313	1,941,916	923,116	19,448	11,625,160
At valuation	6,083	2,509	-	-	-	8,592
	935,450	7,813,822	1,941,916	923,116	19,448	11,633,752
Additions	52	4,601	2,098	91,750	-	98,501
Currency translation differences	15,979	418,081	(47,575)	(15,300)	-	371,185
Disposals	(1,586)	(330,090)	(1,931)	(392)	-	(333,999)
Disposal of subsidiary	-	-	(101,545)	-	-	(101,545)
Reversal of impairment	-	25,767	-	-	-	25,767
Transfers	(3,789)	85,638	(3,434)	82,993	-	161,408
Written off	-	(35)	(31)	(5,920)	(430)	(6,416)
At 30.6.2021	946,106	8,017,784	1,789,498	1,076,247	19,018	11,848,653
Representing:-						
At cost	940,023	8,015,275	1,789,498	1,076,247	19,018	11,840,061
At valuation	6,083	2,509	-	-	-	8,592
At 30.6.2021	946,106	8,017,784	1,789,498	1,076,247	19,018	11,848,653
Accumulated depreciation and impairment						
At 1.7.2020						
At cost	40	2,677,090	766,700	362,906	7,431	3,814,167
At valuation	-	797	-	-	-	797
	40	2,677,887	766,700	362,906	7,431	3,814,964
Charge for the financial year	-	172,111	47,439	28,696	707	248,953
Currency translation differences	-	130,864	(62,725)	(1,186)	-	66,953
Disposals	-	(316,830)	(1,040)	(392)	-	(318,262)
Disposal of subsidiary	-	-	(64,028)	-	-	(64,028)
Impairment loss	-	-	5,426	-	-	5,426
Transfers	-	(17,213)	(17,640)	-	-	(34,853)
Written off	-	(17)	(428)	(5,920)	(427)	(6,792)
At 30.6.2021	40	2,646,802	673,704	384,104	7,711	3,712,361
Net book value						
At cost	939,983	5,369,318	1,115,794	692,143	11,307	8,128,545
At valuation	6,083	1,664	-	-	-	7,747
At 30.6.2021	946,066	5,370,982	1,115,794	692,143	11,307	8,136,292

Notes to the Financial Statements
– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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

	Freehold land RM'000	Long-term leasehold land RM'000	Short-term leasehold land RM'000	Building on freehold land RM'000	Building on long-term leasehold land RM'000	Buildings on short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2020								
Cost/Valuation								
At 1.7.2019								
At cost	1,054,959	94,740	314	7,334,743	1,409,972	943,648	2,635	10,841,011
At valuation	6,083	200	-	2,478	-	-	-	8,761
	1,061,042	94,940	314	7,337,221	1,409,972	943,648	2,635	10,849,772
Acquisition of subsidiaries	-	-	-	-	249,495	-	-	249,495
Additions	199	-	-	18,670	11,213	34,090	-	64,172
Currency translation differences	10,355	-	-	47,084	11,451	8,578	-	77,468
Derecognition of subsidiary	(207,177)	(94,940)	-	(111,748)	(26,155)	-	-	(440,020)
Disposals	(3,006)	-	-	(9,034)	(622)	(592)	-	(13,254)
Impairment loss	-	-	-	(26,005)	-	-	-	(26,005)
Transfers	74,037	-	(314)	568,854	292,622	(58,952)	16,958	893,205
Written off	-	-	-	(11,220)	(6,060)	(3,656)	(145)	(21,081)
At 30.6.2020	935,450	-	-	7,813,822	1,941,916	923,116	19,448	11,633,752
Representing:-								
At cost	929,367	-	-	7,811,313	1,941,916	923,116	19,448	11,625,160
At valuation	6,083	-	-	2,509	-	-	-	8,592
At 30.6.2020	935,450	-	-	7,813,822	1,941,916	923,116	19,448	11,633,752
Accumulated depreciation and impairment								
At 1.7.2019								
At cost	40	9,431	-	2,496,654	408,428	371,642	2,143	3,288,338
At valuation	-	32	-	748	-	-	-	780
	40	9,463	-	2,497,402	408,428	371,642	2,143	3,289,118
Acquisition of subsidiaries	-	-	-	-	107,076	-	-	107,076
Charge for the financial year	-	-	-	165,930	46,867	27,640	720	241,157
Currency translation differences	-	-	-	33,263	4,445	1,323	-	39,031
Derecognition of subsidiary	-	(9,463)	-	(15,008)	(3,088)	-	-	(27,559)
Disposals	-	-	-	(591)	(593)	(592)	-	(1,776)
Transfers	-	-	-	3,255	209,204	(35,183)	4,708	181,984
Written off	-	-	-	(6,364)	(5,639)	(1,924)	(140)	(14,067)
At 30.6.2020	40	-	-	2,677,887	766,700	362,906	7,431	3,814,964
Net book value								
At cost	929,327	-	-	5,134,223	1,175,216	560,210	12,017	7,810,993
At valuation	6,083	-	-	1,712	-	-	-	7,795
At 30.6.2020	935,410	-	-	5,135,935	1,175,216	560,210	12,017	7,818,788

Notes to the Financial Statements
– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Note	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Company - 2021				
Cost				
At 1.7.2020		**7,395**	**9,292**	**16,687**
Additions		**232**	**429**	**661**
Disposals		**-**	**(638)**	**(638)**
At 30.6.2021		**7,627**	**9,083**	**16,710**
Accumulated depreciation				
At 1.7.2020		**7,116**	**5,719**	**12,835**
Charge for the financial year	7	**230**	**551**	**781**
Disposals		**-**	**(626)**	**(626)**
At 30.6.2021		**7,346**	**5,644**	**12,990**
Net book value				
At 30.6.2021		**281**	**3,439**	**3,720**
Company - 2020				
Cost				
At 1.7.2019		7,208	9,292	16,500
Additions		187	-	187
At 30.6.2020		7,395	9,292	16,687
Accumulated depreciation				
At 1.7.2019		6,701	5,325	12,026
Charge for the financial year	7	415	394	809
At 30.6.2020		7,116	5,719	12,835
Net book value				
At 30.6.2020		279	3,573	3,852

Notes to the Financial Statements

– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in Income Statement	7	**1,641,525**	1,554,423	**781**	809
Construction contract	24(c)	**9,271**	9,290	**-**	-
		1,650,796	1,563,713	**781**	809

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Plant and machinery	**17,489**	20,823	**-**	-
Vehicles	**2,544**	3,384	**973**	1,096
	20,033	24,207	**973**	1,096

(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	
	2021 RM'000	2020 RM'000
Land	**157,962**	168,961
Buildings	**1,229,752**	1,171,728
	1,387,714	1,340,689

(d) Borrowing cost

Borrowing costs of RM23.733 million (2020: RM18.554 million) arising on financing specifically entered into for the construction of property, plant and equipment were capitalised during the financial year.

The Group revised the useful lives of certain property, plant and equipment during the financial year. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year ended 30 June 2021 has decreased approximately by RM5.3 million (2020: RM97.1 million).

Notes to the Financial Statements
– 30 June 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Impairment assessment for property, plant and equipment ("PPE") of subsidiaries

(a) Utilities

The recoverable amount of the PPE assessed as part of a cash generating unit ("CGU") is determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of PPE of a subsidiary in the telecommunications business division:-

	2021	2020
Discount rate	**7.6%**	7.7%
Average revenue growth rate	**27.6%**	20.7%
EBITDA margin	**53.1%**	45.1%

The discount rate applied to the cash flow projections are derived from the cost of capital at the date of the assessment.

The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts covering a 5 year period, adjusted to reflect market participants assumptions. Cash flows beyond the 5 year period were extrapolated a further 14 years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2020: 2.5%).

Fair value is held within Level 3 in fair value hierarchy disclosures.

The carrying amount of the CGU as at 30 June 2021 is RM2.5 billion (2020: RM2.7 billion). No impairment charge was recognised as the recoverable amount of the CGU was in excess of its carrying amount.

If the discount rate increased by 4% (2020: 1%), the carrying value will be reduce by approximately RM47 million (2020: RM90 million). If the average revenue growth rate reduced by 3.0% (2020: 0.5%), the carrying value will be reduce by approximately RM168 million (2020: RM100 million). And, if the EBITDA margin reduced by 12% (2020: 2%), the carrying value will be reduce by approximately RM60 million (2020: RM43 million).

(b) Cement

The recoverable amount of PPE of a foreign subsidiary company was reviewed for impairment during the financial year due to losses incurred as a results of COVID-19 pandemic and change of political landscape.

The recoverable amount is determined from the value-in-use calculation by discounting future cash flows using pre-tax discount rate. The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter.

The key assumptions used in the estimation of value-in-use calculations are as follows:-

	2021	2020
Pre-tax discount rate	**7.4%**	-
Terminal growth rate	**6.6%**	-

Based on management's assessment, impairment charge of RM67.192 million (2020: RM Nil) is required as the recoverable amount of these assets was lower than the carrying amounts. There are no reasonably possible change in any of the above key assumptions that would result in additional material impairment charge on the PPE.

Notes to the Financial Statements
– 30 June 2021

12. RIGHT-OF-USE ASSETS

	Note	Land RM'000	Telecom-munications network site and equipment RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Leasehold land RM'000	Others RM'000	Total RM'000
Group - 2021									
Net Book Value:-									
At 1.7.2020		104,089	564,135	391,052	2,480	5,293	568,619	367	1,636,035
Additions		12,800	21,421	38,998	-	1,546	13,289	-	88,054
Charge for the financial year	7	(19,041)	(106,987)	(31,987)	(926)	(3,422)	(20,518)	(157)	(183,038)
Currency translation differences		305	-	21,806	7	331	3,968	-	26,417
Disposal of subsidiary		-	-	(99)	-	-	(7,675)	-	(7,774)
Expiry/Termination		(6,981)	(5,474)	(59)	(524)	(615)	-	(7)	(13,660)
Modification		(2,434)	(9,868)	(7)	-	-	-	-	(12,309)
Transfer to investment properties	13	-	-	(759)	-	-	-	-	(759)
Transfer from/(to) property, plant and equipment	11	2,961	(66,996)	171,357	-	-	28,338	-	135,660
Transfer from prepayment		-	-	-	-	-	43,891	-	43,891
At 30.6.2021		91,699	396,231	590,302	1,037	3,133	629,912	203	1,712,517
At 30.6.2021									
Cost		128,440	1,202,943	668,145	2,965	12,942	923,573	209	2,939,217
Accumulated depreciation		(36,741)	(806,712)	(77,843)	(1,928)	(9,809)	(293,661)	(6)	(1,226,700)
Net book value		91,699	396,231	590,302	1,037	3,133	629,912	203	1,712,517

Notes to the Financial Statements

– 30 June 2021

12. RIGHT-OF-USE ASSETS (CONT'D.)

	Note	Land RM'000	Telecom-munications network site and equipment RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Leasehold land RM'000	Others RM'000	Total RM'000
Group - 2020									
Net Book Value:-									
At 1.7.2020		122,117	666,781	94,207	4,674	12,378	572,621	-	1,472,778
Additions		6,446	11,885	314,447	260	-	10,199	2,096	345,333
Acquisition of subsidiary		-	-	-	-	-	6,482	-	6,482
Charge for the financial year	7	(24,900)	(114,136)	(17,957)	(2,461)	(7,135)	(25,575)	(1,731)	(193,895)
Currency translation differences		426	-	612	7	50	4,892	2	5,989
Expiry/Termination		-	(395)	(257)	-	-	-	-	(652)
At 30.6.2020		104,089	564,135	391,052	2,480	5,293	568,619	367	1,636,035
At 30.6.2020									
Cost		130,728	1,327,862	411,161	4,942	12,403	848,623	2,114	2,737,833
Accumulated depreciation		(26,639)	(763,727)	(20,109)	(2,462)	(7,110)	(280,004)	(1,747)	(1,101,798)
Net book value		104,089	564,135	391,052	2,480	5,293	568,619	367	1,636,035

Notes to the Financial Statements
– 30 June 2021

12. RIGHT-OF-USE ASSETS (CONT'D.)

		Building	
	Note	2021 RM'000	2020 RM'000
Company			
Net Book Value:-			
At 1 July		**9,069**	-
Additions		**20,031**	13,604
Charge for the financial year	7	**(6,719)**	(4,535)
Expiry/Termination		**(6,801)**	-
At 30 June		**15,580**	9,069
At 30 June			
Cost		**20,031**	13,604
Accumulated depreciation		**(4,451)**	(4,535)
Net book value		**15,580**	9,069

The Group and the Company have lease contracts for various items of land, telecommunications network site and equipment, buildings, motor vehicles, plant and machinery, leasehold land and others used in their operations. Leases of those assets generally have lease terms between 1 to 30 years.

The Group and the Company also have certain leases with lease terms of 12 months or less and leases that have been determined to be low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

The right-of-use assets relating to commercial properties presented under investment properties (Note 13) is stated at fair value and has a carrying amount at reporting date of RM525.083 million (2020: RM547.037 million).

Notes to the Financial Statements
– 30 June 2021

13. INVESTMENT PROPERTIES

	Note	Freehold land & buildings RM'000	Long-term leasehold land & buildings RM'000	Total RM'000
Group - 2021				
At beginning of the financial year		**1,244,366**	**566,760**	**1,811,126**
Additions		**37,065**	**-**	**37,065**
Changes in fair value:-				
- Per valuation reports	7	**92,032**	**(3,281)**	**88,751**
- Unbilled lease income	7	**(8,890)**	**(9,154)**	**(18,044)**
Unbilled lease income		**8,890**	**9,154**	**18,044**
Currency translation differences		**47,713**	**-**	**47,713**
Transfer from right-of-use assets	12	**-**	**759**	**759**
Written off	7	**(8,413)**	**(503)**	**(8,916)**
At end of the financial year		**1,412,763**	**563,735**	**1,976,498**
Group - 2020				
At beginning of the financial year		2,960,906	7,256,667	10,217,573
Additions		343,257	215,959	559,216
Changes in fair value:-				
- Per valuation reports	7	(1,633)	(11,175)	(12,808)
Currency translation differences		(12,741)	(42,968)	(55,709)
Derecognition of subsidiary		(1,979,583)	(6,851,698)	(8,831,281)
Transfer to property development costs	23	(51,787)	-	(51,787)
Transfer to property, plant and equipment	11	(6,403)	-	(6,403)
Written off	7	(7,650)	(25)	(7,675)
At end of the financial year		1,244,366	566,760	1,811,126

The changes in fair value of investment properties of the Group of RM88.751 million in the current financial year is after offsetting unbilled lease income amounting to RM18.004 million.

Investment properties with carrying amount of RM455 million (2020: RM481 million) are charged as security for a borrowing granted to the Group as disclosed in Note 30 and Note 31 to the financial statements.

Notes to the Financial Statements
– 30 June 2021

13. INVESTMENT PROPERTIES (CONT'D.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2021				
Recurring fair value measurements:-				
Investment properties				
- Commercial properties	**-**	**-**	**532,775**	**532,775**
- Hotel properties	**-**	**-**	**679,100**	**679,100**
- Other properties	**-**	**44,460**	**720,163**	**764,623**
Total	**-**	**44,460**	**1,932,038**	**1,976,498**
Group - 2020				
Recurring fair value measurements:-				
Investment properties				
- Commercial properties	-	-	547,452	547,452
- Hotel properties	-	-	672,000	672,000
- Other properties	-	34,610	557,064	591,674
Total	-	34,610	1,776,516	1,811,126

Rental income from investment properties of the Group during the financial year amounted to RM77.970 million (2020: RM527.278 million).

Direct operating expenses from investment properties in respect of income and non-income generating properties of the Group during the financial year amounted to RM11.320 million (2020: RM91.735 million) and RM8.506 million (2020: RM11.251 million), respectively.

Notes to the Financial Statements
– 30 June 2021

13. INVESTMENT PROPERTIES (CONT'D.)

(a) Fair value information

The Group's investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 and Level 3 respectively of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 39(b) to the financial statements.

During the current financial year, there was no transfer between Level 1, Level 2 and Level 3 fair value measurements.

(b) Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square meter.

(c) Fair value measurements using significant unobservable inputs (Level 3)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

(i) Commercial properties

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow approach which involves the estimation and projection of income stream over a period and discounting the future income stream to arrive at the present value.	Discount rate from 6.5% to 7.50%	The higher the discount rate, the lower the fair value.
	Estimate rental value per square feet per month	The higher the estimate rental per square feet, the higher the valuation.

Notes to the Financial Statements
– 30 June 2021

13. INVESTMENT PROPERTIES (CONT'D.)

(c) Fair value measurements using significant unobservable inputs (Level 3) (cont'd.)

(ii) Hotel properties

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach which capitalise the estimate rental income stream, net projected operating costs, using a discount rate derived from market yield	Discount rate of 6.25% to 7.00% (2020: 6.00% to 7.50%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 6.50% to 7.00% (2020: 6.00% to 7.50%)	The higher the capitalisation rate, the lower the fair value.

(iii) Other properties - UK

			Range	
	Valuation technique	Significant observable inputs	2021	2020
Hangars	Capitalised income	Estimated rental value per sq-ft per annum	-	£1.50 - £3.00
		Net yield percentage	-	9.1%
		Void periods	-	12 - 24 months
	Discounted cash flow	Visitor numbers	**1 - 1.5 million p.a.**	-
Airfield	Transaction prices	Unit density per acre	-	18 - 28
	Discounted cash flow	Unit density per acre	**18-28**	-

The investment properties are valued using the income capitalisation method, where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate based on current market-derived yield rates which reflect the expected return on investments commensurate with the risk exposure associated to the asset.

The significant unobservable input is the adjustment for factors specific to the properties. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Notes to the Financial Statements
– 30 June 2021

14. DEVELOPMENT EXPENDITURES

The movement in development expenditures of the Group during the financial year is as follows:-

Group - 2021	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development					
Cost					
At beginning of the financial year		420,278	226,453	260,591	907,322
Additions		94	2,910	10,428	13,432
Written off		-	-	(5,184)	(5,184)
Transfer to inventory		(70,822)	-	(11,033)	(81,855)
At end of the financial year		349,550	229,363	254,802	833,715
Accumulated impairment losses					
At beginning/end of the financial year		(530)	(24,789)	(480)	(25,799)
Total land held for property development		349,020	204,574	254,322	807,916
(b) Project development expenditure					
At beginning of the financial year		-	186,890	59,808	246,698
Additions		-	-	18,313	18,313
Charge to Income Statement		-	-	(151)	(151)
Currency translation difference		-	(5,489)	(1,749)	(7,238)
Transfer from property, plant and equipment	11	-	-	1,890	1,890
At end for the financial year		-	181,401	78,111	259,512
Total development expenditures		349,020	385,975	332,433	1,067,428

Notes to the Financial Statements
– 30 June 2021

14. DEVELOPMENT EXPENDITURES (CONT'D.)

The movement in development expenditures of the Group during the financial year is as follows:-

Group - 2020	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development					
Cost					
At beginning of the financial year		412,956	232,403	242,096	887,455
Additions		–	4,948	18,827	23,775
Transfer from property development costs	23	7,322	–	–	7,322
Transfer to inventory		–	(10,898)	(332)	(11,230)
At end of the financial year		420,278	226,453	260,591	907,322
Accumulated impairment losses					
At beginning of the financial year		(530)	(27,767)	(480)	(28,777)
Reversal of impairment		–	2,978	–	2,978
At end of the financial year		(530)	(24,789)	(480)	(25,799)
Total land held for property development		419,748	201,664	260,111	881,523
(b) Project development expenditure					
At beginning of the financial year		–	177,057	91,503	268,560
Additions		–	3,867	64,669	68,536
Charge to Income Statement		–	–	(8,175)	(8,175)
Currency translation difference		–	5,966	2,313	8,279
Transfer to property, plant and equipment	11	–	–	(90,502)	(90,502)
At end of the financial year		–	186,890	59,808	246,698
Total development expenditures		419,748	388,554	319,919	1,128,221

Land held for property development with carrying amount of RM354.225 million (2020: RM327.064 million) are charged as security for borrowing granted to the Group as disclosed in Note 31 to the financial statements.

Project development expenditure consist of land acquisition costs, professional fees and related costs. The land acquisition costs relates to the construction of the power plant by P.T. Tanjung Jati Power Company ("TJPC") under a 30-year power purchase agreement with PT PLN (Persero), Indonesia's state-owned electric utility company, a second amended and restated version of which was executed in March 2018. In February 2020, TJPC obtained the Business Viability Guarantee Letter from the Ministry of Finance of the Republic of Indonesia and is working towards achieving financial close.

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	**2020 RM'000**
Quoted shares, at cost	**3,470,029**	3,470,029
Unquoted shares, at cost	**4,300,538**	4,300,374
Unquoted ICULS, at cost	**104**	-
Less: Accumulated impairment losses	**(6,377)**	(6,389)
	7,764,294	7,764,014
Market value		
– Quoted shares	**3,602,462**	3,491,567

Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held by the Company:				
Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Business & Budget Hotels Sdn. Bhd.	Malaysia	Management & investment holding	**100.00**	100.00
Cane Creations Sdn. Bhd.	Malaysia	Investment holding	**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
Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Spectacular Corner Sdn. Bhd	Malaysia	Dormant	**-**	100.00
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
Titiwangsa Development Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
YTL Cayman Limited[‡]	Cayman Islands	Investment holding, ownership & chartering of yachts & vessels	**100.00**	100.00

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held by the Company: (cont'd.)				
YTL Cement Berhad	Malaysia	Investment holding, management company & hiring of vehicles	**98.04**	98.03
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) Limited‡	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 and maintenance of information technology hardware and software systems, network and internet connectivity infrastructure, web hosting services, content development, provision of e-commerce systems, hardware sales and other related services	**100.00**	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 Hospitality REIT ("YTLREIT")	Malaysia	Investment in real estate	**56.96**	56.95
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
YTL Industries Berhad	Malaysia	Investment holding, property development and property investment	**100.00**	100.00
YTL Land Sdn. Bhd.	Malaysia	Property investment, property and project management	**100.00**	100.00
YTL Land & Development Berhad	Malaysia	Investment holding & provision of management, financial, treasury & secretarial services	**96.64**	96.60

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held by the Company: (cont'd.)				
YTL Power International Berhad ("YTL Power")*	Malaysia	Investment holding & provision of administrative & technical support services	**55.57**	55.21
YTL Singapore Pte. Ltd.*	Singapore	Investment holding & management company	**100.00**	100.00
YTL-SV Carbon Sdn. Bhd.	Malaysia	Provision of consultancy services	**90.00**	90.00
Held through Business & Budget Hotels Sdn. Bhd.:				
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel operator	**51.00**	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd. (Under members' voluntary liquidation)	Malaysia	Inactive	**51.00**	51.00
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	Inactive	**100.00**	100.00
Niche Retailing Sdn. Bhd.	Malaysia	Retailing of fashion apparels and related accessories	**100.00**	100.00
Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture and accessories	**100.00**	100.00
Star Hill Living.Com Sdn. Bhd.	Malaysia	Project management services, trading of paintings, furniture, accessories & related services	**100.00**	100.00
Trendy Retailing Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
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

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
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
Dayang Bay Development Sdn. Bhd.	Malaysia	Property investment and development	**100.00**	100.00
Dayang Bunting Resorts Sdn. Bhd.	Malaysia	Property investment and development	**100.00**	100.00
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00
Hotel 25 Sdn. Bhd.	Malaysia	Hotel operator	**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**	70.00
Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	**100.00**	100.00
Northwestern Development Sdn. Bhd.	Malaysia	Property investment and development	**100.00**	100.00
Permai Property Management Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing & other related services	**100.00**	100.00
Transportable Camps Sdn. Bhd.	Malaysia	Trading & rental of transportable cabins & wood based products	**100.00**	100.00
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 International (Cayman) Limited‡	Cayman Islands	Investment holding in construction related activities	**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 Damansara 3 Sdn. Bhd.†	Malaysia	Property investment and development	**100.00**	-
YTL Development Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
YTL Project Management Services Sdn. Bhd.	Malaysia	Provision of management services for construction projects	**100.00**	100.00

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.: (cont'd.)				
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	**99.22**	99.21
YTL THP JV Sdn. Bhd.	Malaysia	Inactive	**70.00**	70.00
Held through YTL Cayman Limited:				
Just Heritage Sdn. Bhd.*	Malaysia	Management 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 (Thailand) Limited*	Thailand	Construction activities	**74.89**	74.89
YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power station	**100.00**	100.00
YTL Property Investments Limited‡	Cayman Islands	Investment holding	**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 services and to act as the Manager of SGREIT	**100.00**	100.00
Held through YTL Cement Berhad:				
Associated Pan Malaysia Cement Sdn. Bhd.*	Malaysia	Manufacture and sale of clinker and cement	**68.61**	75.46
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**98.04**	98.03
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
Beijing Dama Sinosource Trading Co., Ltd*	The People's Republic of China	Trading of mechanical, electrical equipment and parts, and technology transfer, development and consultancy	**98.04**	98.03

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Cement Berhad: (cont'd.)				
Bentara Gemilang Industries Sdn. Bhd.	Malaysia	Quarry business & related services	**49.02**	49.02
Ben Tre Fico-YTL Cement Limited*	Vietnam	Manufacturing & sale of cement	**68.63**	-
Binh Duong Fico Cement Single Member Limited Liability Company*	Vietnam	Manufacturing cement, lime & plaster	**68.63**	68.62
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.04**	98.03
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.03
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.04**	98.03
Buildcon Concrete (KL) Sdn. Bhd.	Malaysia	Inactive	**98.04**	98.03
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.04**	98.03
CMCM Perniagaan Sdn. Bhd.*	Malaysia	Distribution of cement & building materials	**68.61**	75.46
Competent Teamwork Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.03
Concrete Industries Pte. Ltd.*	Singapore	Dormant	**98.04**	98.03
Concrete Star Limited‡	Cayman Islands	Investment holding	**98.04**	98.03
Equity Corporation Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
Fico Tay Ninh Cement Joint Stock Company*	Vietnam	Manufacture & sale of ordinary portland cement & blended cement	**68.63**	68.62
Fico-YTL Cement Sales and Marketing Company Limited*	Vietnam	Sale & marketing of cementitious products	**68.63**	68.62
Gemilang Pintar Sdn. Bhd.	Malaysia	Quarry business & related services	**68.63**	68.62
Geo Alam Environmental Sdn. Bhd. (formerly known as Geocycle Environmental Services Sdn. Bhd.)*	Malaysia	Waste management in supplying, delivering of alternative fuels & raw material for use in cement manufacturing activities	**68.61**	75.46
Geo Alam Sdn. Bhd. (formerly known as Geocycle Malaysia Sdn. Bhd.)*	Malaysia	Trading of any type of cementitious materials for cement or concrete use	**68.61**	75.46

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Cement Berhad: (cont'd.)				
Green Enable Technologies Sdn. Bhd.	Malaysia	Consultancy services in relation to the promotion of the gasification of municipal solid waste for disposal in cement kilns	**98.04**	98.03
Holcim (Malaysia) Sdn. Bhd.*	Malaysia	Manufacture and sale of cement	**68.61**	75.46
Hopefield Enterprises Limited*	Hong Kong	Investment holding	**98.04**	98.03
Industrial Procurement Limited‡	Cayman Islands	Investment holding	**98.04**	98.03
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
Jumewah Shipping Sdn. Bhd.*	Malaysia	Shipping of bulk cement and vessels chartering	**68.61**	75.46
Jurong Cement Limited*	Singapore	Investment holding, importers, dealers of ready-mix concrete, dry-mix mortar products, business of owners of storage terminal facilities & sales of cement	**98.04**	98.03
Kedah Cement Holdings Berhad*	Malaysia	Investment holding	**68.61**	75.46
Kedah Cement Sdn. Bhd.*	Malaysia	Manufacture and sale of cement, clinker and related products	**68.61**	75.46
Kedah Cement Jetty Sdn. Bhd.*	Malaysia	Licensed jetty operator	**68.61**	75.46
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**98.04**	98.03
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**98.04**	98.03
Lafarge Aggregates (Kota Tinggi) Sdn. Bhd.*	Malaysia	Quarrying and trading of granite and quarry products	**68.61**	75.46
Lafarge Aggregates (Pantai Remis) Sdn. Bhd.*	Malaysia	Leasing of quarrying rights of aggregate & related materials	**68.61**	75.46
Lafarge Aggregates Sdn. Bhd.*	Malaysia	Investment holding, trading and quarrying of aggregates and related products	**68.61**	75.46
Lafarge Concrete (East Malaysia) Sdn. Bhd. (Under members' voluntary liquidation)*	Malaysia	Dormant	**63.98**	70.38

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Cement Berhad: (cont'd.)				
Lafarge Concrete (Malaysia) Sdn. Bhd.*	Malaysia	Manufacture and sale of ready-mix concrete	**63.98**	70.38
Lafarge Concrete Industries Sdn. Bhd.*	Malaysia	Manufacture and sale of ready-mix concrete	**63.98**	70.38
Lafarge Drymix Sdn. Bhd.*	Malaysia	Manufacture and sale of cement and drymix products	**68.61**	75.46
Lafarge Marketing Pte. Ltd.*	Singapore	Investment holding	**68.61**	75.46
LCS Pte. Ltd.*	Singapore	Bulk import and sale of cement and trading of other building materials	**68.61**	75.46
LCS Shipping Pte. Ltd.*	Singapore	Shipping of bulk cement and chartering of vessels	**68.61**	75.46
LMCB Holdings Pte. Ltd.*	Singapore	Investment holding	**68.61**	75.46
Madah Seloka Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
Malayan Cement Berhad*	Malaysia	Investment holding	**68.61**	75.46
M-Cement Sdn. Bhd.*	Malaysia	Investment holding	**68.61**	75.46
Mini-Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mix concrete & hiring of vehicles	**98.04**	98.03
Mobijack Sea Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03
Nanyang Cement Pte. Ltd.*	Singapore	Cement terminal operation, bulk breaking activities and trading in cement	**98.04**	98.03
Nhu Anh Investment Joint Stock Company*	Vietnam	Investment holding	**98.04**	98.03
Oasis Vision Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**35.00**	35.00
Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**98.04**	98.03
Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**98.04**	98.03
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**98.04**	98.03
Permodalan Hitec Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.03

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Cement Berhad: (cont'd.)				
PHS Trading Sdn. Bhd.	Malaysia	Management of plant	**98.04**	98.03
PMCWS Enterprises Pte. Ltd.*	Singapore	Investment holding	**68.61**	75.46
Probuilders Centre Sdn. Bhd. (Under members' voluntary liquidation)*	Malaysia	Dormant	**68.61**	75.46
P.T. YTL Semen Indonesia*	Indonesia	Manufacture & sale of ordinary portland cement & ready-mixed concrete	**98.04**	98.03
RC Aggrerates Sdn. Bhd.	Malaysia	Handling of construction waste materials and sales of the recycled concrete aggregates	**98.04**	98.03
Simen Utama Marketing Sdn. Bhd.*	Malaysia	Marketing, trading & manufacturing of cement related products	**68.61**	75.46
Sino Mobile and Heavy Equipment Sdn. Bhd.	Malaysia	Trading & maintenance of trucks & parts & heavy equipment	**98.04**	98.03
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	**98.04**	98.03
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	**98.04**	98.03
SMC Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.04**	98.03
Solaris Concept Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**50.00**	50.00
Straits Cement Sdn. Bhd.	Malaysia	Production and sales of cement	**98.04**	98.03
Supermix Concrete Pte. Ltd.*	Singapore	Investment holding	**68.61**	75.46
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.03
YTL Cement (Cambodia) Holdings Pte. Ltd.*	Singapore	Dormant	**98.04**	98.03
YTL Cement Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.03
YTL Cement (Hong Kong) Limited*	Hong Kong	Investment holding	**98.04**	98.03
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale & marketing of cementitious products	**98.04**	98.03

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Cement Berhad: (cont'd.)				
YTL Cement Marketing Singapore Pte. Ltd.*	Singapore	Sale & marketing of cement, cementitious products & other related construction products	**98.04**	98.03
YTL Cement Myanmar Company Limited*	Myanmar	Manufacture & sale of ordinary portland cement & related products	**98.04**	98.03
YTL Cement (Myanmar) Holdings Pte. Ltd.*	Singapore	Investment holding	**98.04**	98.03
YTL Cement (Philippines) Holdings Pte. Ltd.*	Singapore	Dormant	**98.04**	98.03
YTL Cement (Sabah) Sdn. Bhd.	Malaysia	Investment holding, manufacture and sale of ordinary portland cement & blended cement	**98.04**	98.03
YTL Cement Shared Services Sdn. Bhd.*	Malaysia	Accounting shared services, and management consulting services	**68.61**	75.46
YTL Cement Singapore Pte. Ltd.*	Singapore	Investment holding	**98.04**	98.03
YTL Cement Terminal Services Pte. Ltd.*	Singapore	Operation of port terminal & handling of cementitious products	**98.04**	98.03
YTL Cement (Vietnam) Pte. Ltd.*	Singapore	Investment holding	**98.04**	98.03
YTL Concrete (S) Pte. Ltd.*	Singapore	Manufacture of ready-mixed concrete, wholesale of structural clay & concrete products & mixed construction activities	**98.04**	98.03
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**98.04**	98.03
Zhejiang Hangzhou Dama Cement Co., Ltd.*	The People's Republic of China	Manufacture & sale of ordinary portland cement, clinker and related products	**-**	98.03
Zhejiang YTL Cement Marketing Co., Ltd.	The People's Republic of China	Sale & marketing of cementitious products	**98.04**	98.03
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

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL e-Solutions Berhad:				
Airzed Services Sdn. Bhd.	Malaysia	Inactive	**56.00**	56.00
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	**70.00**	70.00
Bizsurf MSC Sdn. Bhd.	Malaysia	Inactive	**60.00**	60.00
Infoscreen Networks Ltd.*	England & Wales	Investment holding	**100.00**	100.00
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing advertising content, media, web media & up to date information via electronic media	**100.00**	100.00
YMax Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**60.00**	60.00
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Held through YTL (Guernsey) Limited:				
YTL Construction (SA) (Proprietary) Ltd.[‡^]	South Africa	Inactive	**-**	100.00
Held through YTL Hospitality REIT ("YTL REIT"):				
Starhill Hospitality (Australia) Pty. Ltd.*	Australia	Trustee company	**56.96**	56.95
Starhill Hospitality REIT (Australia) Trust*	Australia	Real estate investment	**56.96**	56.95
Starhill Hospitality REIT (Brisbane) Trust*	Australia	Real estate investment	**56.96**	56.95
Starhill Hospitality REIT (Melbourne) Trust*	Australia	Real estate investment	**56.96**	56.95

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

			Effective Equity Interest	
Name of Company	**Place of Incorporation**	**Principal Activities**	**2021 %**	**2020 %**
Held through YTL Hospitality REIT ("YTL REIT"):				
Starhill Hospitality REIT (Sydney) Trust*	Australia	Real estate investment	**56.96**	56.95
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.96**	56.95
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.96**	56.95
Starhill Hotel (Brisbane) Pty. Ltd.*	Australia	Hotel operator	**56.96**	56.95
Starhill Hotel (Melbourne) Pty. Ltd.*	Australia	Hotel operator	**56.96**	56.95
Starhill Hotel (Sydney) Pty. Ltd.*	Australia	Hotel operator	**56.96**	56.95
Starhill REIT (Australia) Pty. Ltd.*	Australia	Trustee company	**56.96**	56.95
Starhill REIT Niseko G.K.*	Japan	Purchase, possession, disposal, lease and management of real properties	**56.96**	56.95
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	**56.96**	56.95
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**	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
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	**100.00**	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**100.00**	100.00
Elite Dinning Sdn. Bhd.[β]	Malaysia	Operator of food & beverage outlet	**-**	100.00
Gainsborough Hotel (Bath) Limited*	England & Wales	Hotel operations	**100.00**	100.00
Glasshouse Hotel (Cayman) Limited*	Cayman Islands	Investment holding	**100.00**	100.00
Glasshouse Hotel Limited*	England & Wales	Investment holding	**100.00**	100.00
Happy Steamboat Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Magna Boundary Sdn. Bhd.	Malaysia	Hotel & resort operator	**90.00**	90.00
Marble Valley Sdn. Bhd.	Malaysia	Management & investment holding	**80.00**	80.00

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Hotels & Properties Sdn. Bhd.: (cont'd.)				
Marble Valley Two Sdn. Bhd.	Malaysia	Hotel operator	**64.00**	64.00
M Hotel Management Pte. Ltd.*	Singapore	Hotel management services	**51.00**	51.00
Monkey Island Properties Limited*	England & Wales	Investment & property holding	**100.00**	100.00
New Architecture (Bray) Limited*	England & Wales	Hotel operator	**100.00**	100.00
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
N.V. Land G.K.[‡]	Japan	Construction, development, sale & purchase of real properties	**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
RW Gower Street Limited*	England & Wales	Hotel operator	**100.00**	100.00
RW Greenside Place Limited*	England & Wales	Hotel operator	**100.00**	100.00
RW Threadneedle Street Limited*	England & Wales	Hotel operator	**100.00**	100.00
Samui Hotel 2 Co., Ltd.*	Thailand	Hotel operator	**100.00**	100.00
Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers & distributors of koi fish	**100.00**	100.00
Starhill Hotel (Perth) Pty. Ltd.[‡]	Australia	Trustee company	**100.00**	100.00
Starhill Hotel (Perth) Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Starhill Hotel (Perth) Trust*	Australia	Real estate investment	**100.00**	100.00
Starhill Hotel Operator (Perth) Pty. Ltd.*	Australia	Hotel operator	**100.00**	100.00
Starhill Office (Perth) Pty. Ltd.[‡]	Australia	Trustee company	**100.00**	100.00
Starhill Retail (Perth) Pty. Ltd.[‡]	Australia	Trustee company	**100.00**	100.00
Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Thermae Development Company Limited*	England & Wales	Licence to operate the Thermae Bath Spa complex	**100.00**	100.00
Threadneedles Hotel Limited*	England & Wales	Investment holding	**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

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Hotels & Properties Sdn. Bhd.: (cont'd.)				
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 ICHM 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
YTL Majestic Hotel Sdn. Bhd.	Malaysia	Hotel operator	**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	Management and other services	**100.00**	100.00
Held through YTL Land Sdn. Bhd.:				
Katagreen Development Sdn. Bhd.	Malaysia	Property leasing and management	**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
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Heritage Journey Sdn. Bhd.	Malaysia	Operator of food and beverage	**100.00**	100.00
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Held through YTL Land & Development Berhad:				
Amanresorts Sdn. Bhd.	Malaysia	Dormant	**96.64**	96.60
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	**67.65**	67.62
Lakefront Pte. Ltd.*	Singapore	Real estate development	**96.64**	96.60
Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**96.64**	96.60
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**96.64**	96.60
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**96.64**	96.60

Notes to the Financial Statements

– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Land & Development Berhad: (cont'd.)				
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
Pinnacle Trend Sdn. Bhd.	Malaysia	Property development and property investment	**96.64**	96.60
PYP Sendirian Berhad	Malaysia	Property development	**96.64**	96.60
Sandy Island Pte. Ltd.*	Singapore	Real estate development	**96.64**	96.60
Satria Sewira Sdn. Bhd.	Malaysia	Dormant	**96.64**	96.60
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	**96.64**	96.60
Sentul Raya Golf Club Berhad	Malaysia	Inactive	**96.64**	96.60
Sentul Raya City Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**96.64**	96.60
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**96.64**	-
SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	**96.64**	96.60
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
Trend Acres Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**96.64**	96.60
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**96.64**	96.60
YTL Land & Development Management Pte. Ltd.*	Singapore	Provision of financial and management consultancy services	**96.64**	96.60
YTL Westwood Properties Pte. Ltd.*	Singapore	Real estate development	**-**	96.60
Held through YTL Power International Berhad ("YTL Power"):				
Albion Water Limited*	England & Wales	Water supply and waste water services	**55.57**	28.16
Bel Air Den Haag Beheer B.V.*	Netherlands	Investment holding	**46.04**	45.75
Brabazon Estates Limited‡	England & Wales	Dormant	**55.57**	55.21
B.V. Hotel Bel Air Den Haag*	Netherlands	Hotel business	**46.04**	45.75
Cellular Structures Sdn. Bhd.*	Malaysia	Inactive	**33.34**	33.13

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
Dials At Brabazon Management Company Limited†	England & Wales	Dormant	**55.57**	-
Enterprise Laundry Services Limited*	England & Wales	Laundry services	**55.57**	55.21
Equinox Solar Farm Sdn. Bhd.	Malaysia	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services	**55.57**	55.21
Extiva Communications Sdn. Bhd. (Under Member's Voluntary Winding-Up)#	Malaysia	Inactive	**33.34**	33.13
Flipper Limited*	England & Wales	Utility switching services	**36.12**	35.89
FrogAsia Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning education platform	**55.57**	55.21
Frog Education Limited*	England & Wales	Sales into the education market and further development of the web environment product	**38.30**	38.06
Frog Education Group Limited*	England & Wales	Investment holding	**38.30**	38.06
Frog Education Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning educational platform	**38.30**	38.06
Geneco EV (S) Pte. Ltd.*	Singapore	Electric vehicle charging station	**55.57**	55.21
Geneco Limited*	England & Wales	Food waste treatment	**55.57**	55.21
Geneco (South West) Limited*	England & Wales	Food waste treatment	**55.57**	55.21
Global Infrastructure Assets Sdn. Bhd.	Malaysia	Investment holding	**38.90**	55.21
Granite Investments (Cayman Islands) Limited‡	Cayman Islands	Dormant	**55.57**	55.21
KJS Alunan Sdn. Bhd.*	Malaysia	Investment holding	**23.34**	23.19
Konsortium Jaringan Selangor Sdn. Bhd.*	Malaysia	Planning, implementation and maintenance of telecommunication towers and telecommunication related services	**33.34**	33.13

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
Navigator At Brabazon Management Company Limited†	England & Wales	Dormant	**55.57**	-
PetroSeraya Pte. Ltd.*	Singapore	Tank leasing and sales of fuel oil	**55.57**	55.21
P.T. YTL Harta Indonesia‡	Indonesia	Industrial estate	**55.54**	-
P.T. YTL Jawa Timur *	Indonesia	Construction management, consultancy services and power station operation services	**55.01**	54.66
P.T. YTL Power Services Indonesia‡	Indonesia	Dormant	**52.79**	52.45
P.T. Tanjung Jati Power Company*	Indonesia	Design and construction of a coal-fired power generating facility	**44.46**	44.17
Seraya Energy and Investment Pte. Ltd.*	Singapore	Investment holding	**55.57**	55.21
Seraya Energy Pte. Ltd.*	Singapore	Sale of electricity	**55.57**	55.21
SC Technology Deutschland GmbH*	Germany	Waste treatment	**55.57**	55.21
SC Technology GmbH*	Switzerland	Investment holding	**55.57**	55.21
SC Technology Nederland B.V.*	Netherlands	Waste treatment	**55.57**	55.21
SIPP Power Sdn. Bhd.	Malaysia	Dormant	**38.90**	38.65
Suria Solar Farm Sdn. Bhd.	Malaysia	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering procurement, construction and commissioning services	**55.57**	55.21
Taser Power Pte. Ltd.*	Singapore	Generation and sales of electricity	**55.57**	55.21
Water 2 Business Limited*	England & Wales	Non-household water retailer	**38.90**	38.65
Wessex Concierge Limited*	England & Wales	Investment holding	**55.57**	55.21
Turnbull Infrastructure & Utilities Limited (formerly known as Wessex Engineering & Construction Services Limited)*	England & Wales	Engineering services	**55.57**	55.21

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
Wessex Water Engineering Services Limited[‡]	England & Wales	Dormant	**55.57**	55.21
Wessex Water Enterprises Limited*	England & Wales	Power generation and waste treatment	**55.57**	55.21
Wessex Water International Limited[‡]	Cayman Islands	Dormant	**55.57**	55.21
Wessex Water Limited*	England & Wales	Investment holding	**55.57**	55.21
Wessex Water Pension Scheme Trustee Limited[‡]	England & Wales	Dormant	**55.57**	55.21
Wessex Water Services Finance Plc.*	England & Wales	Issue of bonds	**55.57**	55.21
Wessex Water Services Limited*	England & Wales	Water supply and waste water services	**55.57**	55.21
Wessex Water Trustee Company Limited[‡]	England & Wales	Dormant	**55.57**	55.21
Wessex Utility Solutions Limited*	England & Wales	Engineering services	**55.57**	55.21
Yakin Telesel Sdn. Bhd.*	Malaysia	Planning, development, implementation and management of telecommunications infrastructure and information communication technologies services	**16.34**	16.23
YesLinc Sdn. Bhd.	Malaysia	Inactive	**33.34**	33.13
YTL Arena (Filton) Limited[†]	England & Wales	Dormant	**55.57**	-
YTL Arena Holdings Limited[†]	England & Wales	Investment holding	**55.57**	-
YTL Arena Limited[†]	England & Wales	Dormant	**55.57**	-
YTL Broadband Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**26.67**	26.50
YTL Communications International Limited[‡]	Cayman Islands	Investment holding	**33.34**	33.13
YTL Communications Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**33.34**	33.13
YTL Communications (S) Pte. Ltd.*	Singapore	Computer systems integration activities and system integration services	**33.34**	33.13

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
YTL Developments (UK) Limited*	England & Wales	Housing development	**55.57**	55.21
YTL Digital Capital Sdn. Bhd.[†]	Malaysia	Investment holding	**55.57**	–
YTL Digital Sdn. Bhd.	Malaysia	Inactive	**33.34**	33.13
YTL Education (UK) Limited[‡]	England & Wales	Dormant	**55.57**	55.21
YTL Energy Holdings Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.21
YTL Engineering Limited[‡]	England & Wales	Dormant	**55.57**	55.21
YTL Events Limited*	England & Wales	Concert promotion	**55.57**	55.21
YTL Finance (Cyprus) Ltd*	Cyprus	Financial services	**55.57**	55.21
YTL Global Networks Limited[‡]	Cayman Islands	Dormant	**33.34**	33.13
YTL Homes Ltd.*	England & Wales	Housing development	**55.57**	55.21
YTL Infrastructure Holdings Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.21
YTL Infrastructure Limited[‡]	Cayman Islands	Investment holding	**55.57**	55.21
YTL Jawa Energy B.V.	Netherlands	Investment holding, financing and management services	**55.57**	55.21
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding and management services	**55.57**	55.21
YTL Jawa O & M Holdings Limited*	Cyprus	Investment holding	**55.57**	55.21
YTL Jawa Power B.V.	Netherlands	Investment holding and management services	**31.75**	31.55
YTL Jawa Power Finance Limited	Cayman Islands	Financial services	**55.57**	55.21
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**31.75**	31.55
YTL Jawa Power Holdings Limited*	Cyprus	Investment holding & financing activities	**55.57**	55.21
YTL Jordan Power Holdings Limited*	Cyprus	Investment holding & financing activities	**55.57**	55.21
YTL Jordan Services Holdings Limited*	Cyprus	Investment holding	**55.57**	55.21
YTL Land & Property (UK) Ltd.*	England & Wales	Investment holding	**55.57**	55.21
YTL Places Limited[‡]	England & Wales	Dormant	**55.57**	55.21
YTL Power Australia Limited	Cayman Islands	Investment holding	**55.57**	55.21

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
YTL Power Finance (Cayman) Limited‡	Cayman Islands	Dormant	**55.57**	55.21
YTL Power Generation Sdn. Bhd.*	Malaysia	Developing, constructing, completing, maintaining and operating power plants	**55.57**	55.21
YTL Power Holdings Sdn. Bhd.	Malaysia	Dormant	**55.57**	55.21
YTL Power Investments Limited	Cayman Islands	Investment holding	**55.57**	55.21
YTL Power International Holdings Limited‡	Cayman Islands	Investment holding	**55.57**	55.21
YTL Power Resources Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.21
YTL PowerSeraya Pte. Limited.*	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)	**55.57**	55.21
YTL Power (Thailand) Limited‡	Cayman Islands	Dormant	**55.57**	55.21
YTL Power Trading (Labuan) Ltd.	Malaysia	Dormant	**55.57**	55.21
YTL Property Holdings (UK) Limited*	England & Wales	Housing development	**55.57**	55.21
YTL Seraya Limited‡	Cayman Islands	Investment holding	**55.57**	55.21
YTL Services Limited‡	England & Wales	Dormant	**55.57**	55.21
YTL SIPP Power Holdings Sdn. Bhd.	Malaysia	Investment holding	**38.90**	38.65
YTL Utilities Limited	Cayman Islands	Investment holding	**55.57**	55.21
YTL Utilities Finance Limited‡	Cayman Islands	Investment holding	**55.57**	55.21
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**55.57**	55.21
YTL Utilities Finance 3 Limited‡	Cayman Islands	Financial services	**55.57**	55.21
YTL Utilities Finance 4 Limited‡	Cayman Islands	Financial services	**55.57**	55.21
YTL Utilities Finance 5 Limited‡	Cayman Islands	Inactive	**55.57**	55.21
YTL Utilities Finance 6 Limited‡	Cayman Islands	Financial services	**55.57**	55.21
YTL Utilities Finance 7 Limited‡	Cayman Islands	Inactive	**55.57**	55.21

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
YTL Utilities Holdings Limited[‡]	Cayman Islands	Investment holding	**55.57**	55.21
YTL Utilities Holdings (S) Pte. Limited*	Singapore	Investment holding	**55.57**	55.21
YTL Utilities (S) Pte. Limited*	Singapore	Investment holding	**55.57**	55.21
YTL Utilities (UK) Limited*	England & Wales	Investment holding	**55.57**	55.21
Held through YTL Power Services Sdn. Bhd.:				
YTL Power Services (Cayman) Ltd.[‡]	Cayman Islands	Inactive	**100.00**	100.00
YTL Power Services (Leb) SARL*	Lebanon	Operation & maintenance of power station	**100.00**	100.00
YTL Power Services (S) Pte. Ltd.*	Singapore	Operation & maintenance of power station	**100.00**	100.00
Held through YTL Singapore Pte. Ltd.:				
Guangzhou Autodome Food & Beverage Management Co., Ltd.*	The People's Republic of China	Inactive	**100.00**	100.00
Shanghai Autodome Food & Beverage Co., Ltd.*	The People's Republic of China	Inactive	**100.00**	100.00

* *Subsidiaries not audited by HLB Ler Lum Chew PLT*
^ *Dissolved during the financial year*
‡ *Entities are either exempted or not statutorily required to be audited*
† *First audited financial statements in 2022*
β *Previously was a subsidiary and became a joint venture during the financial year*
\# *Commenced winding-up on 17 August 2021*

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries

(i) Acquisition of Fico Tay Ninh Cement Joint Stock Company

On 2 August 2019, Concrete Star Limited ("Concrete Star") and Industrial Procurement Limited ("Industrial Procurement"), both are wholly-owned subsidiaries of YTL Cement (Hong Kong) Limited which in turn is a wholly-owned subsidiary of the Company, acquired 30% and 20% of issued and paid-up share capital of Nhu Anh Investment Joint Stock Company ("Nhu Anh") comprising 69,000 and 46,000 ordinary shares of VND10,000 each for cash consideration of VND278,400,000,000 and VND185,600,000,000 respectively. As a result, Nhu Anh became an indirect subsidiary of the Company.

Following the acquisition, Fico Tay Ninh Cement Joint Stock Company ("Fico Tay Ninh Cement") and its subsidiary, Fico Binh Duong Cement Single Member Limited Liability Company became indirect subsidiaries of the Company through the shareholdings by Nhu Anh and Industrial Procurement.

Details of the consideration transferred are as follows:-

	RM'000
Purchase consideration	715,178
Less: share of net assets acquired	
Fair value of net assets acquired	655,448
Share to non-controlling interests	(141,450)
	513,998
Provisional goodwill	201,180

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

(i) Acquisition of Fico Tay Ninh Cement Joint Stock Company (cont'd.)

The provisionally determined fair values of the assets and liabilities as at the date of acquisition are as follows:-

	Fair value RM'000
Property, plant and equipment	333,293
Intangible assets	3,394
Investment in associated company	872
Other investments	180,291
Deferred tax assets	282
Inventories	40,539
Receivables	24,973
Cash and cash equivalents	101,640
Other assets	36,823
Payables and accrued expenses	(66,659)
Identifiable net assets acquired	655,448

Details of cash flow arising from the acquisition are as follows:-

	RM'000
Purchase consideration	715,178
Transfer of cost of investment in former associates now became subsidiaries	(632,515)
Additional purchase consideration	82,663
Less: cash and cash equivalents in subsidiary acquired	(101,640)
Acquisition of a subsidiary, net of cash acquired	18,977

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) Disposal of subsidiaries

(i) Zhejiang HangZhou Dama Cement Co. Ltd.

On 27 April 2021, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement Berhad ("YTL Cement") disposed its 600,000,000 ordinary shares, representing 100% the equity interest in ZheJiang Hangzhou Dama Cement Co., Ltd. ("Dama Cement") for a total cash consideration of CNY893 million. As a result of the disposal, Dama Cement ceased to be subsidiary of YTL Cement (Hong Kong) Limited and indirect subsidiary of YTL Cement and the Company.

Details of the disposal and the net cash flow on disposal were as follows:-

	At date of disposal RM'000
Property, plant and equipment	66,731
Right-of-use assets	7,819
Intangible assets	18,288
Deferred tax assets	6,551
Inventories	40,373
Receivables	65,906
Cash and cash equivalents	64,353
Other assets	697
Payables and accrued expenses	(14,689)
Income tax liabilities	(2,288)
Net assets disposed	253,741
Transaction costs incurred	58,620
Gain on disposal to the Group	257,620
Total proceeds consideration	569,981
Total proceeds consideration	569,981
Less: Expenses paid	(35,821)
Less: Retention	(28,499)
Net proceeds from disposal	505,661
Cash and cash equivalents disposed	(64,353)
Net cash inflow to the Group on disposal	441,308

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) Disposal of subsidiaries (cont'd.)

(ii) YTL Westwood Properties Pte. Ltd.

On 28 June 2021, YTL Land & Development Berhad ("YTL Land"), a subsidiary of the Company disposed its 1,000,000 ordinary shares, representing 100% of equity interest in YTL Westwood Properties Pte. Ltd. ("YTL Westwood") for a total cash consideration of SGD3.67 million (approximately RM11.34 million). As a result of the disposal, YTL Westwood ceased to be subsidiary of YTL Land and indirect subsidiary of the Company.

Details of the disposal and the net cash flow on disposal were as follows:-

	At date of disposal RM'000
Right-of-use assets	100
Inventories	946,598
Receivables	74,233
Cash and cash equivalents	25,262
Payables and accrued expenses	(659,601)
Borrowings	(526,749)
Lease liabilities	(113)
Net liabilities disposed	(140,270)
Reclassification of foreign exchange reserve	1,592
Net disposal proceeds	(11,343)
Gain on disposal to the Group	(150,021)
Proceeds from disposal	11,343
Less: other receivable	(8,253)
Proceeds received from disposal	3,090
Cash and cash equivalents disposed	(25,262)
Net cash outflow to the Group on disposal	(22,172)

Notes to the Financial Statements

– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Derecognition of SGREIT

During the year 2020, The Group has provided an undertaking to the trustee of SGREIT to grant the other unitholders the right to endorse or re-endorse the appointment of directors of YTL Starhill Global REIT Management Limited at the annual general meetings of SGREIT. The Group has determined that it does not have control over SGREIT but continues to have significant influence over the investment.

Details of the derecognition and the net cash flow on derecognition were as follows:-

	At date of disposal RM'000
Property, plant and equipment	60
Investment properties	9,244,013
Right-of-use assets	2,030
Trade and other receivables	45,571
Derivative financial instruments	2,349
Cash and cash equivalents	245,871
Trade and other payables	(219,235)
Bonds and borrowings	(3,493,431)
Lease liabilities	(2,053)
Deferred tax liabilities	(19,348)
Derivative financial instruments	(54,814)
Income tax liabilities	(9,639)
Net assets and liabilities	5,741,374
Share of net assets derecognition of	2,109,770
Foreign exchange reserve	(256,748)
Gain on derecognition of the Group	258,506
Total consideration/recognition on associate company	2,111,528
The net cash flows on derecognition is determined as follows:-	
Cash and cash equivalents derecognised	(245,871)
Cash outflow to the Group on derecognition	(245,871)

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(d) Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	YTL Power Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group - 2021					
NCI effective equity interest	***44.43%***	***43.04%***	***31.39%***		
Carrying amount of NCI	**2,149,225**	**688,389**	**341,890**	**369,972**	**3,549,476**
Profit allocated to NCI	**571,591**	**25,290**	**1,862**	**7,527**	**606,270**

Summarised financial information before inter-company elimination are as follows:-

	YTL Power Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000
As at 30 June 2021			
Non-current assets	**38,217,030**	**4,722,499**	**2,947,059**
Current assets	**13,857,305**	**149,375**	**711,630**
Non-current liabilities	**(31,834,534)**	**(2,011,461)**	**(449,738)**
Current liabilities	**(7,332,376)**	**(155,094)**	**(667,482)**
Net assets	**12,907,425**	**2,705,319**	**2,541,469**
Year ended 30 June 2021			
Revenue	**10,784,730**	**326,276**	**1,369,508**
(Loss)/Profit for the year	**(103,128)**	**82,830**	**12,230**
Total comprehensive income	**1,219,977**	**220,384**	**13,192**
Cash flow from operating activities	**1,329,362**	**98,349**	**83,156**
Cash flow used in investing activities	**(1,126,263)**	**(1,541)**	**(39,165)**
Cash flow from/(used in) financing activities	**1,072,823**	**(142,007)**	**13,763**
Net changes in cash and cash equivalents	**1,275,922**	**(45,199)**	**57,754**
Dividend paid to NCI	**71,991**	**33,642**	**-**

Notes to the Financial Statements
– 30 June 2021

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(d) Non-controlling interests in subsidiaries (cont'd.)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:- (cont'd.)

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group - 2020						
NCI effective equity interest	*44.79%*	*-%*	*43.05%*	*24.54%*		
Carrying amount of NCI	1,884,214	-	696,741	208,172	360,466	3,149,593
Profit/(Loss) allocated to NCI	(41,527)	24,603	17,276	(31,150)	44,632	13,834

Summarised financial information before inter-company elimination are as follows:-

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000
As at 30 June 2020				
Non-current assets	35,685,632	-	4,499,243	3,044,454
Current assets	11,452,503	-	194,293	585,797
Non-current liabilities	(25,418,661)	-	(2,037,464)	(243,197)
Current liabilities	(9,676,720)	-	(100,173)	(1,095,706)
Net assets	12,042,754	-	2,555,899	2,291,348
Year ended 30 June 2020				
Revenue	10,637,177	435,212	426,446	1,399,476
Profit/(loss) for the year	127,704	174,354	9,594	(133,136)
Total comprehensive (loss)/income	(130,651)	38,558	(66,811)	(134,534)
Cash flow from operating activities	1,121,786	302,696	185,381	93,769
Cash flow used in investing activities	(1,517,957)	(74,709)	(8,624)	(24,791)
Cash flow used in financing activities	(328,076)	(201,991)	(184,305)	(49,640)
Net changes in cash and cash equivalents	(724,247)	25,996	(7,548)	19,338
Dividend paid to NCI	171,879	138,495	43,235	-

Notes to the Financial Statements
– 30 June 2021

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Quoted shares, at cost	**2,136,563**	2,111,715	**358,780**	170,994
Unquoted ordinary shares, at cost	**1,329,763**	1,324,168	**205,241**	205,241
Share of post-acquisition reserves	**843,574**	849,170	**-**	-
Accumulated impairment losses	**(66,826)**	(68,210)	**-**	-
	4,243,074	4,216,843	**564,021**	376,235

Details of the associate are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held by the Company:				
Express Rail Link Sdn. Bhd.*	Malaysia	Operation & maintenance of the Express Rail Link railway system between Kuala Lumpur International Airport and Kuala Lumpur International Airport 2 in Sepang with Kuala Lumpur Sentral Station	**45.00**	45.00
Trans-Pacific Resorts Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
Held through Business & Budget Hotels Sdn. Bhd.:				
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	Hotel operator	**50.00**	50.00
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.:				
North South Development Sdn. Bhd.	Malaysia	Realty, investment & management services	**49.00**	49.00
Held through YTL Cayman Limited:				
YTL (Thailand) Limited*	Thailand	Investment holding	**49.90**	49.90
Starhill Global Real Estate Investment Trust*	Singapore	Investment in prime real estate	**37.08**	36.74
Held through YTL Cement Berhad:				
Cementitious Products Pte. Ltd.*	Singapore	General wholesale trade (including general importers and exporters)	**49.02**	49.01

Notes to the Financial Statements
– 30 June 2021

16. INVESTMENT IN ASSOCIATES (CONT'D.)

Details of the associate are as follows:- (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	2020 %
Held through YTL Cement Berhad: (cont'd.)				
Hangzhou Linan Herun Construction Materials Co., Ltd*	The People's Republic of China	Quarry business & related services	**29.41**	29.41
Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**49.02**	49.01
Tan Son Company Limited*	Vietnam	Quarrying of stone, sand & clay	**20.58**	20.58
Held through YTL e-Solutions Berhad:				
Endless Momentum Sdn. Bhd.Ω	Malaysia	Investment holding	**30.00**	30.00
Held through YTL Hotels & Properties Sdn. Bhd.:				
Eastern & Oriental Express Ltd.Ω*	Bermuda	Ownership & management of the luxury train services known as the 'Eastern & Oriental Express'	**32.00**	32.00
Surin Bay Company Ltd. Ω*	Thailand	Hotel operator	**49.00**	49.00
Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
Held through YTL Power International Berhad:				
ElectraNet Pty. Ltd.+*	Australia	Principal electricity transmission	**18.62**	18.50
Enefit Jordan B.V. ‡	Netherlands	Investment holding and financing activities	**16.67**	16.56
P.T. Jawa Power+*	Indonesia	Operating a coal-fired thermal power station	**11.11**	11.04

* *Companies not audited by HLB Ler Lum Chew PLT*
Ω *Companies with financial year end of 31 December*
‡ *Entities are either exempted or not statutorily required to be audited*
\+ *The Group's direct interest in ElectraNet Pty. Ltd. and P.T. Jawa Power are 33.5% and 35.0%, respectively*

As indicated above, the financial year end of certain associated companies are not co-terminous with 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 December as the case may be.

Notes to the Financial Statements
– 30 June 2021

16. INVESTMENT IN ASSOCIATES (CONT'D.)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:-

(a) Summarised financial information:-

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current assets	**4,304,549**	4,543,425	**11,722,324**	10,879,751	**9,166,045**	9,035,122
Current assets	**1,068,000**	1,048,472	**152,288**	147,284	**350,494**	429,202
Non-current liabilities	**(584,005)**	(562,414)	**(8,216,984)**	(8,769,136)	**(3,530,898)**	(3,400,846)
Current liabilities	**(377,162)**	(282,964)	**(1,937,427)**	(923,519)	**(144,864)**	(627,963)
Net assets	**4,411,382**	4,746,519	**1,720,201**	1,334,380	**5,840,777**	5,435,515
Less: Perpetual securities holders' funds	**-**	-	**-**	-	**(307,842)**	-
	4,411,382	4,746,519	**1,720,201**	1,334,380	**5,532,935**	5,435,515
Profit/(loss) for the financial year	**883,965**	1,159,080	**155,880**	79,229	**173,297**	(472,072)
Other comprehensive income/(loss)	**-**	-	**143,973**	(21,757)	**68,660**	(860)
Total comprehensive income/(loss)	**883,965**	1,159,080	**299,853**	57,472	**241,957**	(472,932)
Included in the total comprehensive income is:-						
Revenue	**2,233,971**	2,296,168	**1,287,212**	1,088,992	**555,862**	113,671
Other information:-						
Dividends received from associates	**377,463**	349,682	**-**	-	**59,473**	-

Notes to the Financial Statements
– 30 June 2021

16. INVESTMENT IN ASSOCIATES (CONT'D.)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:- (cont'd.)

(b) Reconciliation of net assets to carrying amount:-

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust		Total	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Opening net assets, 1 July	**4,746,519**	4,435,949	**1,334,380**	1,256,037	**5,435,515**	-	**11,516,414**	5,691,986
Effect of a former subsidiary became an associated company	**-**	-	**-**	-	**-**	5,741,374	**-**	5,741,374
Management fees payable/paid in units	**-**	-	**-**	-	**24,939**	5,807	**24,939**	5,807
Distribution reinvestment plan	**-**	-	**-**	-	**11,066**	-	**11,066**	-
Profit/(loss) for the financial year	**883,965**	1,159,080	**155,880**	79,229	**173,297**	(471,044)	**1,213,142**	767,265
Other comprehensive income/ (loss)	**-**	-	**143,973**	(21,757)	**68,660**	159,501	**212,633**	137,744
Currency translation differences	**(140,636)**	150,581	**85,968**	20,871	**(2)**	(123)	**(54,670)**	171,329
Dividend paid	**(1,078,466)**	(999,091)	**-**	-	**(180,540)**	-	**(1,259,006)**	(999,091)
Closing net assets, 30 June	**4,411,382**	4,746,519	**1,720,201**	1,334,380	**5,532,935**	5,435,515	**11,664,518**	11,516,414
Interest in associates direct hold by subsidiary	**35.00%**	35.00%	**33.50%**	33.50%	**37.08%**	36.74%		
Carrying amount	**1,543,984**	1,661,282	**576,267**	447,017	**2,051,612**	1,997,377	**4,171,863**	4,105,676

Goodwill amounting to RM18.554 million (2020: RM18.554 million) was included in the carrying amount of investment in associated companies.

The individually immaterial associates carrying amount is RM71.211 million (2020: RM111.167 million) and the Group's share of total comprehensive loss is RM52.415 million (2020: RM36.176 million).

The Group has not recognised its share of profit of an associated company amounting to RM54.537 million 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 amounted to RM54.537 million at the reporting date.

Notes to the Financial Statements
– 30 June 2021

17. INVESTMENT IN JOINT VENTURES

	Group	
	2021 RM'000	2020 RM'000
Unquoted ordinary shares, at cost	**270,814**	276,786
Share of post-acquisition reserves	**(104,480)**	(107,326)
Accumulated impairment losses	**(4,286)**	(4,286)
	162,048	165,174

Details of the joint ventures are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %
Held through YTL Cement Berhad:				
Alliance Concrete Singapore Pte. Ltd.	Singapore	Production and sale of ready-mix concrete	**34.31**	37.73
Held through YTL Hotels & Properties Sdn. Bhd.:				
Elite Dining Sdn. Bhd.[β]	Malaysia	Operator of food & beverage outlet	**50.00**	-
Held through YTL Land & Development Berhad:				
Shorefront Development Sdn. Bhd.	Malaysia	Property development	**48.32**	48.30
Held through YTL Power International Berhad:				
Attarat Mining Company B.V.	Netherlands	Mining & supply of oil shale	**25.01**	24.84
Attarat Operation and Maintenance Company B.V.	Netherlands	Operation & maintenance of Power Plant	**25.01**	24.84
Attarat Power Holding Company B.V.	Netherlands	Investment holding and financing activities	**25.01**	24.84
Bristol Wessex Billing Services Limited	England & Wales	Billing services	**27.79**	27.61
Xchanging Malaysia Sdn. Bhd.	Malaysia	Mobile internet and cloud-based technology solutions	**16.67**	16.56

β *Previously was a subsidiary and became a joint venture during the financial year*

Notes to the Financial Statements
– 30 June 2021

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:-

(a) Summarised financial information:-

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current assets	**8,737,246**	8,049,694	**10,493**	9,290
Current assets	**53,470**	61,145	**254,370**	337,590
Non-current liabilities	**(8,223,117)**	(7,880,832)	**-**	-
Current liabilities	**(545,007)**	(310,466)	**(126,247)**	(132,650)
Net assets	**22,592**	(80,459)	**138,616**	214,230
(Loss)/Profit for the financial year	**(37,795)**	(35,117)	**(68,885)**	16,844
Other comprehensive income/(loss)	**137,848**	(253,294)	**-**	-
Total comprehensive income/(loss)	**100,053**	(288,411)	**(68,885)**	16,844
Included in the total comprehensive income is:-				
Revenue	**-**	-	**86,824**	357,960
Other information:-				
Dividends received from joint venture	**-**	-	**-**	18,930
Cash and cash equivalents	**18,209**	32,457	**65,226**	26,633
Shareholder's loan and related interests	**(2,838,900)**	(2,464,519)	**-**	-
Bank borrowings	**(5,096,265)**	(4,976,577)	**-**	-
Derivative financial instruments	**(280,124)**	(431,520)	**-**	-

Notes to the Financial Statements
– 30 June 2021

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:- (cont'd.)

(b) Reconciliation of net assets to carrying amount:-

	Attarat Power Holdings Company B.V.		Attarat Mining Company B.V.		Total	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Opening net (liabilities)/assets, 1 July	**(80,459)**	206,109	**214,230**	232,158	**133,771**	438,267
(Loss)/Profit for the financial year	**(37,795)**	(35,117)	**(68,885)**	16,844	**(106,680)**	(18,273)
Other comprehensive income/(loss)	**137,848**	(253,294)	**-**	-	**137,848**	(253,294)
Dividend paid	**-**	-	**-**	(42,067)	**-**	(42,067)
Currency translation differences	**2,998**	1,843	**(6,729)**	7,295	**(3,731)**	9,138
Closing net assets/(liabilities), 30 June	**22,592**	(80,459)	**138,616**	214,230	**161,208**	133,771
Interest in joint ventures direct hold by subsidiary	**45.0%**	45.0%	**45.0%**	45.0%		
Group's interest	**10,166**	(36,207)	**62,377**	96,404	**72,543**	60,197
Elimination of unrealised profits	**(77,419)**	(79,762)	**-**	-	**(77,419)**	(79,762)
Unrecognised share of net losses	**67,253**	115,969	**-**	-	**67,253**	115,969
Carrying amount	**-**	-	**62,377**	96,404	**62,377**	96,404
Unrecognised share of results during the financial year	**-**	(113,982)	**-**	-	**-**	(113,982)

The individually immaterial joint ventures' carrying amount is RM99.7 million (2020: RM69.0 million), Group's share of profits is RM70.1 million (2020: RM42.3 million) and the Group's share of total comprehensive income is RM8.0 million (2020: total comprehensive loss of RM36.1 million).

Notes to the Financial Statements

– 30 June 2021

18. INVESTMENTS

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current assets					
Financial assets at fair value through profit or loss	18(a)	**50,783**	362,195	**44,300**	35,226
Financial assets at fair value through other comprehensive income	18(b)	**254,935**	42,716	**9,599**	9,599
		305,718	404,911	**53,899**	44,825
Current assets					
Financial assets at fair value through profit or loss	18(a)	**2,473,454**	2,301,989	**654,708**	755,199

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

The investments are in relation to the following:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Income funds*				
- Within Malaysia	**349,572**	476,102	**-**	-
- Outside Malaysia	**1,402,883**	912,940	**-**	-
Equity funds				
- Within Malaysia	**7,771**	5,909	**7,771**	5,909
- Outside Malaysia	**23,842**	341,799	**23,842**	18,437
Quoted equity investments				
- Within Malaysia	**4,853**	3,071	**4,853**	3,071
- Outside Malaysia	**7,834**	7,809	**7,834**	7,809
Unquoted equity investments				
- Outside Malaysia	**6,483**	3,607	**-**	-
Unquoted unit trusts*				
- Within Malaysia	**720,999**	912,947	**654,708**	755,199
	2,524,237	2,664,184	**699,008**	790,425
Net fair value (loss)/gain on investments	**(1,401)**	25,976	**7,191**	823

* *Financial assets at fair value through profit or loss consist of investment in income funds and unit trusts placed with licensed financial institutions. The income funds and unit trusts are highly liquid and readily convertible to cash.*

Notes to the Financial Statements
– 30 June 2021

18. INVESTMENTS (CONT'D.)

(b) Financial assets at fair value through other comprehensive income

The investments are in relation to the following:-

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Quoted equity investments				
- Within Malaysia	**9,374**	8,097	**4**	4
- Outside Malaysia	**15,214**	14,141	**1**	1
Equity funds				
- Outside Malaysia	**209,887**	-	**-**	-
Unquoted equity investments				
- Within Malaysia	**20,415**	20,066	**9,594**	9,594
- Outside Malaysia	**45**	412	**-**	-
	254,935	42,716	**9,599**	9,599
Net fair value (loss)/gain on investments	**(91,770)**	(35,344)	**-**	123

Notes to the Financial Statements
– 30 June 2021

19. INTANGIBLE ASSETS

The details of intangible assets are as follows:-

	Note	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
Group - 2021						
At cost						
At beginning of the financial year		161,090	8,239,623	545,647	89,996	9,036,356
Additions		682	-	30,482	-	31,164
Currency translation differences		(149)	56,238	41,148	1,561	98,798
Disposals		-	(60,226)	-	(19,233)	(79,459)
Reclassification from NCI		-	(97,109)	-	-	(97,109)
At end of the financial year		161,623	8,138,526	617,277	72,324	8,989,750
Accumulated amortisation and impairment						
At beginning of the financial year		(34,148)	(122,040)	(217,544)	(31,530)	(405,262)
Amortisation for the year	7	(8,506)	-	(63,304)	(7,698)	(79,508)
Currency translation differences		(1,017)	(714)	(13,087)	(79)	(14,897)
Disposals		-	11,261	-	-	11,261
Impairment loss	7	-	(1,269)	-	-	(1,269)
At end of the financial year		(43,671)	(112,762)	(293,935)	(39,307)	(489,675)
Net carrying amount						
At 30 June 2021		117,952	8,025,764	323,342	33,017	8,500,075

Notes to the Financial Statements
– 30 June 2021

19. INTANGIBLE ASSETS (CONT'D.)

The details of intangible assets are as follows:- (cont'd.)

	Note	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
Group - 2020						
At cost						
At beginning of the financial year		143,995	7,960,260	-	89,869	8,194,124
Additions		13,266	-	162,102	-	175,368
Acquisition of subsidiaries		-	243,332	-	-	243,332
Currency translation differences		3,829	36,031	(2,659)	127	37,328
Transfer from property, plant and equipment *		-	-	386,204	-	386,204
At end of the financial year		161,090	8,239,623	545,647	89,996	9,036,356
Accumulated amortisation and impairment						
At beginning of the financial year		(24,720)	(120,167)	-	(26,037)	(170,924)
Amortisation for the year	7	(8,883)	-	(55,230)	(5,493)	(69,606)
Impairment loss	7	-	(1,723)	-	-	(1,723)
Currency translation differences		(545)	(150)	816	-	121
Transfer from property, plant and equipment *		-	-	(163,130)	-	(163,130)
At end of the financial year		(34,148)	(122,040)	(217,544)	(31,530)	(405,262)
Net carrying amount						
At 30 June 2020		126,942	8,117,583	328,103	58,466	8,631,094

* *In the previous financial year, the Group refined its analysis of assets and identified elements of its asset stock that could be classified as intangible assets. Following this exercise, those assets that met the definition were transferred from property, plant and equipment to intangible assets.*

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the following business segments:-

The Group undertakes an annual test for impairment of its cash-generating units.

Notes to the Financial Statements
– 30 June 2021

19. INTANGIBLE ASSETS (CONT'D.)

The following CGUs, being the lowest level of assets for which there are separately identifiable cash flows, have carrying amounts of goodwill that are considered significant in comparison with the Group's total goodwill:-

	Group	
	2021 RM'000	**2020 RM'000**
Multi utilities business division ("A")	**4,604,676**	4,559,493
Listed cement division in Malaysia ("B")	**1,518,258**	1,615,366
Water and sewerage division ("C")	**818,770**	819,972
Cement division in Vietnam ("D")	**202,770**	207,367
Cement division in Singapore ("E")	**199,151**	197,941
Management services in Singapore ("F")	**301,381**	299,586
Others	**380,758**	417,858
	8,025,764	8,117,583

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's judgement.

(a) Key assumption used in the value-in-use calculation

The following assumptions have been applied in the value-in-use calculation:-

	2021					
	A %	**B %**	**C %**	**D %**	**E %**	**F %**
Pre-tax discounts	**6.30**	**8.00**	**3.11**	**7.40**	**7.40**	**7.60**
Terminal growth rate	**2.00**	**2.20**	**0.31**	**5.10**	**5.10**	**5.32**
Revenue growth rate	**3.46**	**19.00**	**0.04**	**4.00**	**4.46**	**2.28**

	2020					
	A %	**B %**	**C %**	**D %**	**E %**	**F %**
Pre-tax discounts	6.29	9.10	2.14	7.50	7.50	6.70
Terminal growth rate	2.00	2.20	(0.76)	3.50	3.50	4.25
Revenue growth rate	3.77	14.25	0.97	2.00	46.43	2.45

Notes to the Financial Statements
– 30 June 2021

19. INTANGIBLE ASSETS (CONT'D.)

(a) Key assumption used in the value-in-use calculation (cont'd.)

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management.

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.

For CGU "A", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated above. The growth rate did not exceed the long-term average growth rate in which the CGU operates.

The terminal growth rate indicates the expected growth of cash flows after the forecast period of five years.

The revenue growth rate is calculated using the Compound Annual Growth Rate method and applied on the current year's sales figures over the forecast period.

For CGU "B", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period.

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The cement selling price and sales volume in preparing the cash flow projections were determined based on past business performance and management's expectations on the current market condition.

The terminal growth rate used is consistent with the average long-term annual growth rate for the relevant industries.

For CGU "C", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a four-year period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

For CGU "D", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period.

For CGU "E", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a ten-year period.

For CGU "F", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a fifteen-year period.

Notes to the Financial Statements
– 30 June 2021

19. INTANGIBLE ASSETS (CONT'D.)

(b) Sensitivity to change in key assumptions

The circumstances where a 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:-

	2021					
	A	**B**	**C**	**D**	**E**	**F**
	%	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	**7.84**	**23.13**	**24.10**	**19.50**	**7.75**	**8.02**
Terminal growth rate	**0.07**	**(41.37)**	**0.09**	**(20.70)**	**4.66**	**7.06**
Revenue growth rate	**1.32**	**(28.40)**	**(2.40)**	**(1.20)**	**(12.09)**	**1.93**

	2020					
	A	**B**	**C**	**D**	**E**	**F**
	%	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	7.38	18.09	42.60	22.19	8.14	6.75
Terminal growth rate	0.65	(16.01)	(1.80)	(40.78)	2.56	4.39
Revenue growth rate	1.93	(17.81)	(6.70)	24.88	(19.71)	2.42

During the financial year, an impairment loss on goodwill amounting to RM1.269 million (2020: RM1.723 million) was recognised in the Income Statements as the carrying amount of the CGUs was in excess of its recoverable amount.

Notes to the Financial Statements
– 30 June 2021

20. TRADE AND OTHER RECEIVABLES

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current			
Trade receivables		**404**	413
Other receivables		**13,344**	2,133
Unbilled lease income*		**5,662**	-
		19,006	2,133
Less: Allowance for impairment		**(332)**	(2,133)
Other receivables (net)		**18,674**	-
Deposits		**8,049**	16,670
Prepayments		**6,257**	66,345
Net investment in leases	32(a)	**7,586**	11,693
Receivables from associate company^		**230,533**	220,318
Receivables from a joint venture[Ω]		**1,273,933**	1,104,266
Less: Allowance for impairment		**(2,600)**	-
Receivables from a joint venture (net)		**1,271,333**	1,104,266
Other receivables, FVTPL		**269,178**	-
		1,812,014	1,419,705

* *The unbilled lease income of the Group are after offsetting the changes in fair value of investment properties amounting to RM18.044 million. The unbilled lease income are expected to be billed from financial year 2023 to 2027.*

^ *Receivables from associate comprise three loan notes to an associate. The notes have been issued by an 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. The interest rate of the loan notes averages at 13.25% per annum.*

Ω *Receivables from a joint venture comprise shareholder loan to Attarat Power Holding Company B.V. who wholly owns Attarat Power Company PSC ("APCO"). APCO is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO signed a 30-year power purchase agreement (including a construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project's second unit). The shareholder loan and accrued interest are repayable on demand. The interest rate of the shareholder loan is at 15.00% per annum. The shareholder loan had included a conversion option to equity and was measured at FVTPL. The conversion option was waived during the previous financial year. This represented a significant modification of contract terms. Therefore, the shareholder loan at FVTPL was derecognised. It was subsequently recognised at fair value and measured at amortised cost.*

Notes to the Financial Statements
– 30 June 2021

20. TRADE AND OTHER RECEIVABLES (CONT'D.)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Trade receivables		**2,247,998**	2,081,689	**-**	–
Shareholder amounts held by solicitors		**17,240**	23,742	**-**	–
		2,265,238	2,105,431	**-**	–
Less: Allowance for impairment		**(537,206)**	(557,230)	**-**	–
Total trade receivables (net)		**1,728,032**	1,548,201	**-**	–
Other receivables**		**411,203**	481,705	**8,077**	6,705
Less: Allowance for impairment		**(87,524)**	(154,615)	**(1,765)**	(1,765)
Total other receivables (net)		**323,679**	327,090	**6,312**	4,940
Unbilled receivables		**946,467**	766,106	**-**	–
Less: Allowance for impairment		**(8,191)**	(7,568)	**-**	–
Total unbilled receivables (net)		**938,276**	758,538	**-**	–
Prepayments		**476,686**	360,608	**444**	98
Net investment in leases	32(a)	**4,107**	4,193	**-**	–
Deposits		**235,992**	206,351	**1,071**	1,072
		3,706,772	3,204,981	**7,827**	6,110

** *In 2015, a foreign subsidiary of the Group has recognised other receivables, arising from liquidated damages for early termination of three electricity retail contracts based on the enforceable rights stipulated in applicable contracts. The trial was heard at the end of 2017 followed by a further hearing in November 2018. An allowance for impairment of receivables of RM70.7 million (SGD23.4 million) was recognised in 2019 based on the decision of the High Court on 2 January 2019. The allowance for impairment of receivables was fully written-back by the subsidiary during the financial year following a successful appeal and the full amount has been received by the subsidiary as at 30 June 2021.*

The fair value of receivables approximates their carrying amounts.

Expected Credit Loss ("ECL") movement analysis is disclosed under Note 38(e) to the financial statements

Notes to the Financial Statements
– 30 June 2021

21. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments are analysed as follows-

	Contractual/ notional amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
Group - 2021			
Cash-flow hedges			
- fuel oil swaps	**1,327,465**	**282,959**	**7,313**
- currency forwards	**1,456,748**	**6,799**	**12,220**
- electricity futures	**140,091**	**380**	**15,215**
Fair value through profit or loss			
- currency forwards	**519**	**-**	**1**
- electricity futures	**2,239**	**42**	**38**
		290,180	**34,787**
Current portion		**263,719**	**34,074**
Non-current portion		**26,461**	**713**
		290,180	**34,787**
Group - 2020			
Cash-flow hedges			
- fuel oil swaps	1,343,133	51,469	171,622
- currency forwards	1,427,691	24,663	5,148
Fair value through profit or loss			
- fuel oil swaps	92,613	8,712	13,388
- currency forwards	2,672	-	48
- electricity futures	2,068	-	139
		84,844	190,345
Current portion		74,259	174,944
Non-current portion		10,585	15,401
		84,844	190,345

Notes to the Financial Statements
– 30 June 2021

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

Hedging instruments used in the Group's hedging strategy:-

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness			
	Contractual notional amount RM'000	Assets/ (Liabilities) RM'000	Financial statement line item	Hedging instrument RM'000	Hedged item RM'000	Weighted average hedged rate	Maturity date
Group - 2021							
Cash flow hedge							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	**1,083,003**	**256,005**	**Derivative financial instruments**	**524,520**	**(524,520)**	**RM1,360.6 per metric ton**	**July 2021 - June 2023**
- Fuel oil swap to hedge highly probable transactions ("LNG")	**244,462**	**19,641**	**Derivative financial instruments**	**18,548**	**(18,548)**	**RM271.5 per bbl**	**July 2021 - June 2022**
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	**1,456,748**	**(5,421)**	**Derivative financial instruments**	**(45,251)**	**45,251**	**RM4.1: USD1.00**	**July 2021 - October 2023**
Electricity futures price risk							
- Electricity futures to hedge highly probable transactions	**140,091**	**(14,835)**	**Derivative financial instruments**	**(25,263)**	**25,263**	**RM312.8 per MWH**	**July 2021 - March 2022**
Group - 2020							
Cash flow hedge							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	1,163,143	(130,493)	Derivative financial instruments	(371,407)	371,407	RM1,199.5 per metric ton	July 2020 - January 2023
- Fuel oil swap to hedge highly probable transactions ("LNG")	179,990	10,340	Derivative financial instruments	11,993	(11,993)	RM151.0 per bbl	July 2020 - June 2022
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	1,427,691	19,515	Derivative financial instruments	47,199	(47,199)	RM4.2: USD1.00	July 2020 - March 2023

Notes to the Financial Statements
– 30 June 2021

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

(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 within 24 months (2020: 31 months) from financial year end. 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 the Income Statements upon consumption of the underlying fuels.

The fair value of fuel oil swaps is determined using a benchmark fuel price index at the reporting date.

(b) Currency forwards

Currency forwards are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within 28 months (2020: 33 months) from financial year end. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Gains and losses relating to highly probable forecast fuel payments 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 Income Statements upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency payments of purchase of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in the Income Statements over their estimated useful lives as part of depreciation expense.

For those currency forwards used to hedge highly probable forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in Income Statements over the period of the contracts.

The fair values of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

(c) Electricity futures

Electricity futures are entered into to hedge highly probable forecast sale of electricity that are expected to occur at various dates within 9 months (2020: 12 months) from financial year end. The electricity futures 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 Income Statements upon sale of the electricity.

The fair value of electricity futures is calculated by reference to the agreed notional quantity, clearing through Singapore Exchange Limited ("SGX") as at reporting date using maturity date's price.

Notes to the Financial Statements

– 30 June 2021

22. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
Consumable stores	**53,722**	72,086
Finished goods	**146,659**	174,013
Fuel	**47,380**	59,734
Land held for sales	**93,064**	4,477
Property held for sales	**107,623**	1,284,204
Raw materials	**212,450**	228,483
Spare parts	**309,145**	341,342
Work-in-progress	**166,884**	20,024
	1,136,927	2,184,363

During the previous financial year, included in the inventories of the Group with carrying value of RM1,143.395 million pledged as security for a borrowing granted to the Group.

23. PROPERTY DEVELOPMENT COSTS

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group - 2021					
Cumulative property development costs:-					
At beginning of the financial year		**74,397**	**80,856**	**11,401**	**166,654**
Cost incurred during the financial year		**58,085**	**-**	**-**	**58,085**
Currency translation differences		**8,978**	**-**	**-**	**8,978**
At end of the financial year		**141,460**	**80,856**	**11,401**	**233,717**
Cumulative cost recognised in Income Statement:-					
At beginning of the financial year					**(1,468)**
Recognised during the financial year	5				**-**
At end of the financial year					**(1,468)**
Property development costs at end of the financial year					**232,249**

Notes to the Financial Statements

– 30 June 2021

23. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group - 2020					
Cumulative property development costs:-					
At beginning of the financial year		99,299	88,998	391,063	579,360
Cost incurred during the financial year		-	-	27,155	27,155
Transfer to inventories		-	(5,290)	(101,469)	(106,759)
Transfer from investment properties	13	51,787	-	-	51,787
Transfer to land held for property development	14(a)	(7,322)	-	-	(7,322)
Transfer to property, plant and equipment	11	(69,122)	-	(287,914)	(357,036)
Reversal of completed projects		-	(2,852)	(20,425)	(23,277)
Currency translation differences		(245)	-	2,991	2,746
At end of the financial year		74,397	80,856	11,401	166,654
Cumulative cost recognised in Income Statement:-					
At beginning of the financial year					(17,423)
Recognised during the financial year	5				(7,322)
Reversal of completed projects					23,277
At end of the financial year					(1,468)
Property development costs at end of the financial year					165,186

Included in property development costs of the Group is interest capitalised during the previous financial year amounting to RM4.906 million.

Notes to the Financial Statements
– 30 June 2021

24. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Non-current		
Contract assets	**106**	540
Contract cost assets	**62**	1,165
Contract liabilities	**(31,958)**	(31,326)
Current		
Contract assets	**192,587**	201,468
Contract cost assets	**25,003**	26,151
Contract liabilities	**(1,182,102)**	(633,343)

	Group	
	2021 RM'000	2020 RM'000
Representing:-		
Contract assets	**192,693**	202,008
Contract liabilities	**(1,214,060)**	(664,669)
	(1,021,367)	(462,661)
Contract cost assets	**25,065**	27,316

	Group	
	2021 RM'000	2020 RM'000
Representing:-		
Utilities	**(213,506)**	(187,272)
Property development	**(63,502)**	27,141
Construction	**(716,553)**	(269,343)
Hotel	**(24,284)**	(29,934)
Cement	**(3,127)**	(3,241)
Others	**(395)**	(12)
	(1,021,367)	(462,661)

Notes to the Financial Statements
– 30 June 2021

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(a) Utilities

Significant changes in contract assets and liabilities:-

	Group	
	2021 RM'000	**2020 RM'000**
Contract assets		
At beginning of the financial year	**154,866**	158,566
Transfer to trade receivables	**(1,483)**	(6,749)
Additions arising from revenue recognised during the financial year	**1,070**	2,771
Write back of impairment of contract assets	**91**	278
At end of the financial year	**154,544**	154,866

	Group	
	2021 RM'000	**2020 RM'000**
Contract liabilities		
At beginning of the financial year	**342,138**	314,053
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(356,986)**	(313,562)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**353,008**	340,800
Currency translation differences	**29,890**	847
At end of the financial year	**368,050**	342,138

Notes to the Financial Statements

– 30 June 2021

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(a) Utilities (cont'd.)

(i) Assets recognised from costs to obtain or fulfil a contract

The Group capitalises costs to obtain or fulfil a contract which include sales commissions when they are incremental and expected to be recovered over more than a year. The Group also capitalises expenditure on assets such as water mains/sewers or new connections relating to contracts as they are incurred to fulfil the contracts. This is presented within contract cost assets within "contract assets" in the statements of financial position.

	Group	
	2021 RM'000	**2020 RM'000**
At beginning of the financial year	**27,316**	36,721
Assets recognised from costs to obtain or fulfil a contract during the financial year	**36,419**	27,975
Amortisation recognised during the financial year	**(3,043)**	(7,842)
Charged to cost of sales during the financial year	**(38,146)**	(29,669)
Currency translation differences	**2,192**	131
At end of the financial year	**24,738**	27,316

The closing balance of contract cost assets consists of:-

	Group	
	2021 RM'000	**2020 RM'000**
Contract acquisition cost	**33**	111
Contract fulfilment cost	**24,705**	27,205
At end of the financial year	**24,738**	27,316

(ii) Unsatisfied performance obligations

As at 30 June 2021, the aggregate amount of the transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM359.1 million (2020: RM357.2 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 10 years (2020: 1 to 11 years).

The Group applies the practical expedient in MFRS 15 and did not disclose information about unsatisfied performance obligation for certain contracts, where the transaction price corresponds directly with the Group's level of performance in the future.

Notes to the Financial Statements
– 30 June 2021

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(b) Property development

Movement of contract assets and contract liabilities in relation to property development is analysed as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
At beginning of the financial year	**27,141**	(16,154)
Revenue recognised during the financial year	**235,488**	420,087
Progress billings during the financial year	**(245,572)**	(376,549)
Cost incurred for project yet to be recognised as revenue	**(80,563)**	-
Consideration payable to customer	**4**	(243)
At end of the financial year	**(63,502)**	27,141
Representing:-		
Contract assets	**17,118**	28,638
Contract liabilities	**(80,620)**	(1,497)
	(63,502)	27,141

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

(i) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM403.173 million (2020: RM95.758 million), of which the Group expects to recognise as revenue within one year from the financial year end.

Notes to the Financial Statements
– 30 June 2021

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(c) Construction

Movement of contract assets and contract liabilities in relation to construction is analysed as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
At beginning of the financial year	**(269,343)**	(604,463)
Revenue recognised during the financial year	**1,514,505**	2,316,005
Cost incurred for project yet to recognised revenue	**(103,630)**	37,870
Progress billings during the financial year	**(1,858,085)**	(2,019,670)
Consideration payable to customer	**-**	915
At end of the financial year	**(716,553)**	(269,343)

Construction contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

Included in aggregate costs incurred to date of the Group is the depreciation capitalised during the financial year amounting to RM9.271 million (2020: RM9.290 million).

Included in the contract liabilities is amount due to customer on contract with amount RM67.696 million (2020: RM67.696 million) represents the balance of the total purchase consideration of not less than RM105.616 million for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which is to be settled by way of phased development, construction and completion of the Railway Village by a subsidiary, Sentul Raya Sdn. Bhd. ("SRSB") 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 with KTMB dated 21 December 2000.

(i) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM3.78 billion (2020: RM5.82 billion), of which the Group expects to be recognised as revenue in the financial statements in the next two to three years.

The unsatisfied performance obligation is yet to recognised as revenue for amount due to customer on contract as it cannot be measured reliably due to uncertain circumstances.

Notes to the Financial Statements
– 30 June 2021

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(d) Hotel operations

The Group recognises contract liabilities when a customer pays consideration, or is contractually required to pay consideration, before the Group recognises the related revenue. The contract liabilities are expected to be recognised as revenue within a year.

	Group	
	2021 RM'000	**2020 RM'000**
Contract Liabilities	**24,284**	29,934

	Group	
	2021 RM'000	**2020 RM'000**
Significant changes to contract liabilities balances during the period are as follows:-		
Contract liabilities as at the beginning of the period recognised as revenue during the year	**29,934**	36,532
Advances received during the year	**74,424**	151,770

Advances represent advance payment by customers for future bookings of hotel rooms, food and beverages and transport.

(e) Cement

	Group	
	2021 RM'000	**2020 RM'000**
Amount received in advance of delivery of goods	**3,127**	3,241

Revenue is recognised when the control of the goods is transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

Notes to the Financial Statements

– 30 June 2021

25. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
(a) Amounts due from related parties				
Amounts due from:-				
- Holding company	**24**	17	**-**	–
- Subsidiaries	**-**	–	**1,338,469**	1,299,910
- Related companies	**22,080**	23,389	**4,082**	3,498
- Associated companies	**39,614**	27,549	**48**	60
- Joint ventures	**31,192**	2,739	**-**	–
	92,910	53,694	**1,342,599**	1,303,468
(b) Amounts due to related parties				
Amounts due to:-				
- Holding company	**344**	329	**-**	–
- Subsidiaries	**-**	–	**4,409**	4,655
- Related companies	**8,267**	5,946	**51**	53
- Associated companies	**479**	10,139	**-**	–
- Joint ventures	**29,321**	22,798	**-**	–
	38,411	39,212	**4,460**	4,708

(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 subsidiaries amounting RM26.6 million (2020: RM21.4 million) which bear interest rate of 3.79% per annum (2020: 4.1% per annum).

(d) The significant related parties' transactions of the Group and of the Company are disclosed in Note 40 to the financial statements.

Notes to the Financial Statements
– 30 June 2021

26. CASH AND CASH EQUIVALENTS

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Deposits with licensed banks		**11,522,776**	10,396,221	**247,147**	102,070
Cash and bank balances		**2,155,871**	1,265,011	**3,071**	1,929
Cash and cash equivalents in the statements of financial position		**13,678,647**	11,661,232	**250,218**	103,999
Bank overdrafts	31	**(26,051)**	(45,147)	**-**	-
Deposits with maturity 90 days and more		**-**	(516,019)	**-**	-
Cash and cash equivalents as per statements of cash flows		**13,652,596**	11,100,066	**250,218**	103,999

Cash and bank balances of the Group included amounts totalling RM3.930 million (2020: RM4.682 million) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966. 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 2021 %	Group 2020 %	Company 2021 %	Company 2020 %
Deposits with licensed banks	**0.01 - 4.90**	0.03 - 4.25	**0.01 - 3.35**	0.03 - 3.35

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2020: 1 day to 365 days). Bank balances are deposits held at call with banks.

Included in the deposits with licensed banks amounting to RM62.012 million (2020: RM57.846 million) is pledged as a security for a borrowing as disclosed in Note 31.

The Group and of 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 licensed banks are P1 as rated by RAM Rating Services Bhd. and Moody's Investors Service, Inc., respectively.

Notes to the Financial Statements
– 30 June 2021

27. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
Issued and fully paid:-				
At beginning of the financial year	**11,022,762**	10,910,560	**3,467,555**	3,340,111
Share Exchange Offer	**-**	112,202	**-**	127,444
At end of the financial year	**11,022,762**	11,022,762	**3,467,555**	3,467,555

Out of a total of 11,022,762,340 (2020: 11,022,762,340) ordinary shares issued and fully paid-up ordinary shares, the Company holds 58,673,950 (2020: 372,906,618) ordinary shares as treasury shares. As at 30 June 2021, the number of ordinary shares in issue and fully paid net of treasury shares are 10,964,088,390 (2020: 10,649,855,722).

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 1 December 2020. 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 40,750,100 (2020: 31,044,200) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.74 (2020: RM0.94) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 30 June 2021, the Company held as treasury shares a total of 58,673,950 (2020: 372,906,618) of its 11,022,762,340 (2020: 11,022,762,340) issued ordinary shares. Such treasury shares are held at a carrying amount of RM54,450,601 (2020: RM501,836,889).

(b) Employees' Share Option Scheme 2011 ("ESOS 2011")

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 ESOS 2011 has expired during the financial year on 31 March 2021.

Notes to the Financial Statements

– 30 June 2021

27. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme 2011 ("ESOS 2011") (cont'd.)

The salient terms of the ESOS 2011 are as follows:-

(i) The ESOS 2011 shall be in force for a period of ten (10) years, effective from 1 April 2011.

(ii) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS 2011 shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of the ESOS.

(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.

(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 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.

(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.

Notes to the Financial Statements
– 30 June 2021

27. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme 2011 ("ESOS 2011") (cont'd.)

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

Financial year ended 30 June 2021

			<---- Number of share options over ordinary shares ---->			
Grant date	Expiry date	Exercise price RM/share	At beginning of the financial year '000	Lapsed '000	Expired '000	At end of the financial year '000
Scheme						
16.07.2012	31.03.2021	1.65^	**119,495**	**(2,070)**	**(117,425)**	**-**
14.03.2018	31.03.2021	1.21*	**247,973**	**(3,221)**	**(244,752)**	**-**
			367,468	**(5,291)**	**(362,177)**	**-**

^ *The exercise price RM1.65 was adjusted from RM1.71.*

* *The exercise price RM1.21 was adjusted from RM1.26.*

Financial year ended 30 June 2020

			<---- Number of share options over ordinary shares ---->			
Grant date	Expiry date	Exercise price RM/share	At beginning of the financial year '000	Granted '000	Lapsed '000	At end of the financial year '000
Scheme						
16.07.2012	31.03.2021	1.71	120,900	-	(1,405)	119,495
14.03.2018	31.03.2021	1.26	252,294	-	(4,321)	247,973
			373,194	-	(5,726)	367,468

Notes to the Financial Statements
– 30 June 2021

27. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme 2011 ("ESOS 2011") (cont'd.)

The fair value of options granted for which MFRS 2 applies, was determined using the Trinomial Valuation model. The significant inputs in the model are as follows:-

	Share options granted on 16.07.2012	Share options granted on 14.03.2018
Valuation assumptions:-		
Expected volatility	**23.6%**	22.1%
Expected dividend yield	**4.5%**	3.6%
Expected option life	**3 - 4 years**	3 - 4 years
Risk-free interest rate per annum (based on Malaysia securities bonds)	**3.1%**	3.4%

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		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Share option expenses				
by the Company	**11,558**	16,509	**11,558**	16,509
by the subsidiary	**3,517**	5,133	**-**	-
Allocation to subsidiaries	**-**	-	**(6,859)**	(9,850)
Allocation to related companies	**(4)**	(5)	**(4)**	(5)
Total share option expenses	**15,071**	21,637	**4,695**	6,654

Notes to the Financial Statements

– 30 June 2021

28. NON-DISTRIBUTABLE RESERVES

(a) Other reserves

	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	FVOCI RM'000	Hedging reserve RM'000	Total other reserves RM'000
Group - 2021								
At beginning of the financial year	**97,170**	**27,023**	**480,495**	**111,351**	**19,692**	**(42,123)**	**(181,073)**	**512,535**
Changes in fair value	**-**	**-**	**-**	**-**	**-**	**(90,447)**	**252,778**	**162,331**
Exchange differences	**-**	**-**	**320,571**	**-**	**-**	**-**	**-**	**320,571**
Total comprehensive income/(loss) for the year	**-**	**-**	**320,571**	**-**	**-**	**(90,447)**	**252,778**	**482,902**
Reclassification upon disposal of investments designated at FVOCI	**-**	**-**	**-**	**-**	**-**	**8,313**	**-**	**8,313**
Share option expenses	**-**	**-**	**-**	**13,512**	**-**	**-**	**-**	**13,512**
Share option lapsed	**-**	**-**	**-**	**(91,580)**	**-**	**-**	**-**	**(91,580)**
Subsidiary's share option lapsed	**-**	**-**	**-**	**(33,283)**	**-**	**-**	**-**	**(33,283)**
Currency translation differences	**135**	**-**	**1,973**	**-**	**(596)**	**2**	**(1,514)**	**-**
At end of the financial year	**97,305**	**27,023**	**803,039**	**-**	**19,096**	**(124,255)**	**70,191**	**892,399**
Group - 2020								
At beginning of the financial year	97,317	73,848	749,375	92,881	19,042	(29,798)	(95,599)	907,066
Changes in fair value	-	-	-	-	-	(12,325)	(79,685)	(92,010)
Exchange differences	-	-	(274,166)	-	-	-	-	(274,166)
Total comprehensive loss for the year	-	-	(274,166)	-	-	(12,325)	(79,685)	(366,176)
Conversion of ICULS	-	(46,825)	-	-	-	-	-	(46,825)
Share option expenses	-	-	-	19,343	-	-	-	19,343
Share option lapsed	-	-	-	(527)	-	-	-	(527)
Subsidiary's share option lapsed	-	-	-	(346)	-	-	-	(346)
Currency translation differences	(147)	-	5,286	-	650	-	(5,789)	-
At end of the financial year	97,170	27,023	480,495	111,351	19,692	(42,123)	(181,073)	512,535

Note:-

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

Notes to the Financial Statements
– 30 June 2021

28. NON-DISTRIBUTABLE RESERVES (CONT'D.)

(a) Other reserves (cont'd.)

	Share options reserve RM'000	Fair value reserve RM'000	Total other reserves RM'000
Company - 2021			
At beginning of the financial year	**80,022**	**2,759**	**82,781**
Share option expenses	**11,558**	**-**	**11,558**
Share option lapsed	**(91,580)**	**-**	**(91,580)**
At end of the financial year	**-**	**2,759**	**2,759**
Company - 2020			
At beginning of the financial year	64,040	2,636	66,676
Changes in fair value	–	123	123
Share option expenses	16,509	–	16,509
Share option lapsed	(527)	–	(527)
At end of the financial year	80,022	2,759	82,781

29. LONG-TERM PAYABLES

	Group	
	2021 RM'000	2020 RM'000
Deferred income	**1,285,291**	1,087,304
Deposits	**50,795**	48,662
Payable to non-controlling interests	**116,710**	120,241
Other payables	**11,845**	1,093
	1,464,641	1,257,300

Deposits comprise amount collected from retail customers in relation to the provision of electricity and deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure and security deposits from property tenants. The deferred income is in relation to assets transferred from customers and services of the water and sewerage segment which are yet to be provided and shareholder loan interest revenue. The fair value of payables approximates their carrying values.

Notes to the Financial Statements

– 30 June 2021

30. BONDS

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current:-					
Medium Term Notes	30(a)	**845,000**	220,000	**-**	-
4.0% Guaranteed Unsecured Bonds	30(i)	**1,726,924**	-	**-**	-
		2,571,924	220,000	**-**	-
Non-current:-					
Medium Term Notes	30(a)	**9,768,631**	9,652,636	**3,240,000**	2,500,000
3.52% Retail Price Index Guaranteed Bonds	30(b)	**484,047**	435,657	**-**	-
5.75% Guaranteed Unsecured Bonds	30(c)	**1,995,257**	1,824,667	**-**	-
5.375% Guaranteed Unsecured Bonds	30(d)	**1,144,932**	1,046,940	**-**	-
1.75% Index Linked Guaranteed Bonds	30(e)	**1,302,127**	1,171,955	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	30(f)	**1,302,127**	1,171,955	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	30(g)	**1,237,197**	1,104,074	**-**	-
2.186% Index Linked Guaranteed Bonds	30(h)	**399,300**	360,010	**-**	-
4.0% Guaranteed Unsecured Bonds	30(i)	**-**	1,583,640	**-**	-
1.5% Guaranteed Unsecured Bonds	30(j)	**1,425,701**	1,304,105	**-**	-
1.25% Guaranteed Unsecured Bonds	30(k)	**1,696,814**	-	**-**	-
		20,756,133	19,655,639	**3,240,000**	2,500,000
Total		**23,328,057**	19,875,639	**3,240,000**	2,500,000

The bonds are repayable:-

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Not later than 1 year	**2,571,924**	220,000	**-**	-
Later than 1 year but not later than 5 years	**5,158,957**	7,079,115	**1,240,000**	1,000,000
Later than 5 years	**15,597,176**	12,576,524	**2,000,000**	1,500,000
Total	**23,328,057**	19,875,639	**3,240,000**	2,500,000

Notes to the Financial Statements
– 30 June 2021

30. BONDS (CONT'D.)

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

	Group		Company	
	2021	2020	**2021**	2020
	%	%	**%**	%
Medium Term Notes	**4.69**	3.98	**4.25**	4.69
Bonds	**3.82**	4.40	**-**	-

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

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
3.52% Retail Price Index Guaranteed Bonds	**309,401**	292,651	**-**	-
5.75% Guaranteed Unsecured Bonds	**2,871,768**	2,763,282	**-**	-
5.375% Guaranteed Unsecured Bonds	**1,432,230**	1,364,607	**-**	-
1.75% Index Linked Guaranteed Bonds	**1,934,326**	1,735,032	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,905,210**	1,743,250	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,897,627**	1,737,765	**-**	-
2.186% Index Linked Guaranteed Bonds	**470,366**	424,060	**-**	-
4.0% Guaranteed Unsecured Bonds	**1,739,531**	1,635,886	**-**	-
1.5% Guaranteed Unsecured Bonds	**1,138,740**	1,327,959	**-**	-
1.25% Guaranteed Unsecured Bonds	**1,558,430**	-	**-**	-
Medium Term Notes	**10,882,630**	10,460,962	**3,118,920**	2,475,974
	26,140,259	23,485,454	**3,118,920**	2,475,974

Notes to the Financial Statements
– 30 June 2021

30. BONDS (CONT'D.)

(a) Medium term notes ("MTNs")

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

a) Commercial papers ("CPs") and Medium term notes ("MTNs") Programme with a combined master limit of RM5.0 billion and a sub-limit on the CPs programme of RM500 million (collectively the "Bond Programmes") pursuant to a programme agreement dated 17 June 2019.

A nominal value of RM500 million of MTNs was issued on 25 June 2019 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.60% (2020: 4.60%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 23 June 2034 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 24 July 2020 at a coupon rate 3.65% per annum, payable semi-annually in arrears. The MTNs are redeemable on 24 July 2030 at nominal value.

A nominal value of RM240 million of MTNs was issued under the programme on 4 September 2020 at a coupon rate 3.10% per annum, payable semi-annually in arrears. The MTNs are redeemable on 4 September 2023 at nominal value.

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

A nominal value of RM1.0 billion of MTNs was issued under the programme on 25 April 2013 at a coupon rate 4.38% (2020: 4.38%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 25 April 2023 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 11 November 2016 at a coupon rate 5.15% (2020: 5.15%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 11 November 2036 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 11 November 2016 at a coupon rate 4.63% (2020: 4.63%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 11 November 2026 at nominal value.

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

a) The MTNs of YTLPI were issued pursuant to a MTNs programme of up to RM5.0 billion constituted by a Trust Deed and MTNs Agreement, both dated 11 August 2011. The facility bears interest rates ranging from 4.49% to 4.99% (2020: 4.49% to 4.99%) per annum.

b) The Islamic MTNs of YTLPI were issued pursuant to Islamic Medium Term Notes facility of up to RM2.5 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) which constituted by a Trust Deed and Facility Agency Agreement, both dated 20 April 2017. The facility bears a profit rate of 5.05% (2020: 5.05%) per annum.

Notes to the Financial Statements
– 30 June 2021

30. BONDS (CONT'D.)

(a) Medium term notes ("MTNs") (cont'd.)

(iii) The MTNs of YTL REIT were issued pursuant to:-

The MTNs of the Group were issued pursuant to a MTNs issuance programme of up to RM1,650 million constituted by a Trust Deed and Programme Agreement, both dated 11 May 2016.

As at end of the reporting period, RM810 million (2020: RM810 million) were issued as follows:-

a) A nominal value of RM65 million of MTNs was issued on 23 May 2017 to finance the renovation costs carried out at The Ritz-Carlton, Kuala Lumpur – Suite Wing and Hotel Wing. The MTNs are redeemable on 23 May 2022 at nominal value.

b) A nominal value of RM385 million of MTNs was issued on 3 November 2017 to finance the acquisition of The Majestic Hotel Kuala Lumpur by YTL REIT. The MTNs are redeemable on 1 November 2024 at nominal value.

c) A nominal value of RM265 million of MTNs was issued on 23 November 2017 to refinance the existing borrowings of YTL REIT. The MTNs are redeemable on 23 November 2022 at nominal value.

d) A nominal value of RM10 million of MTNs was issued on 24 May 2019 to refinance YTL REIT existing RM10 million nominal value MTNs. The MTNs are redeemable on 23 May 2022 at nominal value.

e) A nominal value of RM85 million of MTNs was issued on 28 June 2019 to finance the renovation costs carried out at JW Marriott Hotel Kuala Lumpur. The MTNs are redeemable on 28 June 2023 at nominal value.

The MTNs bear coupon rates ranging from 3.31% to 5.05% (2020: 4.21% to 5.05%) per annum, payable semi-annually in arrears and is secured by certain properties.

(iv) The MTNs of YTL Cement Berhad ("YTL Cement") were issued pursuant to:-

In 2016, Kedah Cement Sdn. Bhd., a subsidiary of the Group, had established a Sukuk Wakalah Programme ("Sukuk Wakalah") for the issuance of up to RM500 million in nominal value of Sukuk Wakalah. It provides KCSB the flexibility to raise funds from time to time which can be utilised to finance and/or to reimburse the acquisition of property, plant and equipment/ investments, to fund working capital requirements and to refinance existing bank borrowings of KCSB. The Sukuk Wakalah Programme has a tenure of 7 years from the date of first issuance of the Sukuk Wakalah.

On 13 January 2017, KCSB made its second issuance RM180 million in nominal value of Sukuk Wakalah, respectively based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah bore profit based at 4.80% per annum and has been fully settled 2020.

On 13 December 2017 and 10 July 2019, KCSB made its third and fourth issuance of RM100 million in nominal value of Sukuk Wakalah, based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah are due on 11 December 2020 and 8 July 2022 and bear profit at 5.00% and 5.06% per annum, payable semi-annually. The third Sukuk Wakalah has been fully settled in 2020.

On 10 July 2019, KCSB made its fifth issuance of RM120 million in nominal value of Sukuk Wakalah, based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah bore profit at 4.10% per annum and has been fully settled in 2020.

On 13 January 2020, 9 July 2020 and 11 December 2020, KCSB made its sixth, seventh and eighth issuance of RM180 million, RM120 million and RM100 million in nominal value of Sukuk Wakalah, based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah are due on 13 January 2023, 7 July 2023 and 11 December 2023 and bear profit at 4.60%, 4.55% and 4.40% per annum respectively, payable semi-annually.

Notes to the Financial Statements

– 30 June 2021

30. BONDS (CONT'D.)

(b) 3.52% Retail Price Index Guaranteed Bonds ("RPIG Bonds")

The RPIG Bonds of Wessex Water Services Finance Plc. 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 2021 is 4.38% (2020: 5.77%) per annum. The RPIG Bonds will be redeemed in full by Issuer on 30 July 2023 at their indexed value together with all accrued interest.

(c) 5.75% Guaranteed Unsecured Bonds

On 15 October 2003, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP350 million nominal value 5.75% Guaranteed Unsecured Bonds due 2033 ("5.75% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited, a subsidiary of the Group. The 5.75% GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of 5.75% GU Bonds issued amounted to GBP350 million and as at 30 June 2021 GBP346,717,774 (2020: GBP346,532,441) remained outstanding, net of amortised fees and discount. The net proceeds of the 5.75% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The 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 million nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ("5.375% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 5.375% GU Bonds are constituted under a Trust Deed dated 10 March 2005.

The nominal value of 5.375% GU Bonds issued amounted to GBP200 million, of which GBP198,955,933 (2020: GBP198,830,197) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The 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") issued two (2) tranches of GBP75 million nominal value 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 1 was each constituted under a Trust Deed dated 31 July 2006 and is unsecured.

The ILG Bonds 1 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 2021 is 2.61% (2020: 4.00%) per annum. The 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.

Notes to the Financial Statements

– 30 June 2021

30. BONDS (CONT'D.)

(f) 1.369% and 1.374% Index Linked Guaranteed Bonds

On 31 January 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP75 million nominal value 1.369% Index Linked Guaranteed Bonds and GBP75 million nominal value 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds 2") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 2 were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The ILG Bonds 2 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 2021 is 2.23% (2020: 3.62%) per annum. The bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest.

(g) 1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds

On 28 September 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP50 million nominal value 1.489% Index Linked Guaranteed Bonds, GBP50 million nominal value 1.495% Index Linked Guaranteed Bonds and GBP50 million nominal value 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds 3") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 3 were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The ILG Bonds 3 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 2021 is 2.96% (2020: 4.12%) 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 million nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds 4") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 4 were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The ILG Bonds 4 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 2021 is 3.66% (2020: 2.74%) per annum. The ILG Bonds 4 will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(i) 4.0% Guaranteed Unsecured Bonds

On 24 January 2012, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP200 million nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ("4% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 24 January 2012. The nominal value of 4% GU Bonds issued amounted to GBP200 million, of which GBP199,933,431 (2020: GBP199,667,155) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

Notes to the Financial Statements
– 30 June 2021

30. BONDS (CONT'D.)

(i) 4.0% Guaranteed Unsecured Bonds (cont'd.)

On 30 August 2012, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP100 million nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ("4% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 30 August 2012. The nominal value of 4% GU Bonds issued amounted to GBP100 million of which GBP100,155,815 (2020: GBP101,090,703) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 4.00% per annum, payable annually on 24 September of each year. The 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 million due 24 September 2021 were consolidated to form a single series with the 4% GU Bonds GBP200 million which was issued on 24 January 2012.

(j) 1.5% Guaranteed Unsecured Bonds

On 17 September 2019, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP250 million nominal value 1.50% Guaranteed Unsecured Bonds due 2029 (retaining GBP50 million) ("1.5% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.5% GU Bonds are constituted under a Trust Deed dated 17 September 2019. The nominal value of 1.5% GU Bonds issued amounted to GBP200 million, of which GBP198,588,097 (2020: GBP198,438,600) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 15 June 2020, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issue the retained GBP50 million nominal value 1.5% Guaranteed Unsecured Bonds due 2029. The nominal value of 1.5% GU Bonds issued amounted to GBP50 million, of which GBP49,157,361 (2020: GBP49,231,124) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.5% per annum, payable annually on 17 September of each year. The Bonds will be redeemed in full by the Issuer on 17 September 2029 at their nominal value together with all accrued interest.

(k) 1.25% Guaranteed Unsecured Bonds

On 12 January 2021, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP300 million nominal value 1.25% Guaranteed Unsecured Bonds due 2036 ("1.25% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.25% GU Bonds are constituted under a Trust Deed dated 12 January 2021. The nominal value of 1.25% GU Bonds issued amounted to GBP300 million, of which GBP294,857,025 remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 1.25% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.25% per annum, payable annually on 12 January of each year. The Bonds will be redeemed in full by the Issuer on 12 January 2036 at their nominal value together with all accrued interest.

Notes to the Financial Statements
– 30 June 2021

31. BORROWINGS

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Bankers' acceptances	31(a)	**30,864**	28,726	**-**	-
Bank overdrafts	31(b)	**26,051**	45,147	**-**	-
Hire purchase creditors	31(c)	**1,542**	16,882	**140**	411
Irredeemable convertible unsecured loan stocks	31(d)	**1,122**	2,103	**-**	-
Revolving credit	31(e)	**2,770,314**	3,688,009	**1,066,855**	1,750,654
Term loans	31(f)	**4,262,079**	7,333,571	**-**	-
		7,091,972	11,114,438	**1,066,995**	1,751,065
Non-current					
Hire purchase creditors	31(c)	**1,905**	3,484	**-**	140
Irredeemable convertible unsecured loan stocks	31(d)	**2,417**	3,539	**-**	-
Revolving credit	31(e)	**1,554,092**	1,747,204	**-**	-
Term loans	31(f)	**13,096,000**	10,841,940	**-**	-
		14,654,414	12,596,167	**-**	140
Total					
Bankers' acceptances	31(a)	**30,864**	28,726	**-**	-
Bank overdrafts	31(b)	**26,051**	45,147	**-**	-
Hire purchase creditors	31(c)	**3,447**	20,366	**140**	551
Irredeemable convertible unsecured loan stocks	31(d)	**3,539**	5,642	**-**	-
Revolving credit	31(e)	**4,324,406**	5,435,213	**1,066,855**	1,750,654
Term loans	31(f)	**17,358,079**	18,175,511	**-**	-
		21,746,386	23,710,605	**1,066,995**	1,751,205

Notes to the Financial Statements
– 30 June 2021

31. BORROWINGS (CONT'D.)

The borrowings of the Group and the Company are repayable as follows:-

	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
Group				
At 30 June 2021				
Bankers' acceptances	**30,864**	**-**	**-**	**30,864**
Bank overdrafts	**26,051**	**-**	**-**	**26,051**
Hire purchase creditors	**1,542**	**1,905**	**-**	**3,447**
ICULS	**1,122**	**2,417**	**-**	**3,539**
Revolving credit	**2,770,314**	**1,554,092**	**-**	**4,324,406**
Term loans	**4,262,079**	**12,156,531**	**939,469**	**17,358,079**
	7,091,972	**13,714,945**	**939,469**	**21,746,386**
At 30 June 2020				
Bankers' acceptances	28,726	-	-	28,726
Bank overdrafts	45,147	-	-	45,147
Hire purchase creditors	16,882	3,484	-	20,366
ICULS	2,103	3,539	-	5,642
Revolving credit	3,688,009	1,747,204	-	5,435,213
Term loans	7,333,571	10,173,500	668,440	18,175,511
	11,114,438	11,927,727	668,440	23,710,605
Company				
At 30 June 2021				
Hire purchase creditors	**140**	**-**	**-**	**140**
Revolving credit	**1,066,855**	**-**	**-**	**1,066,855**
	1,066,995	**-**	**-**	**1,066,995**
At 30 June 2020				
Hire purchase creditors	411	140	-	551
Revolving credit	1,750,654	-	-	1,750,654
	1,751,065	140	-	1,751,205

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

Notes to the Financial Statements
– 30 June 2021

31. BORROWINGS (CONT'D.)

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	
	2021 **%**	**2020** **%**	**2021** **%**	**2020** **%**
Bankers' acceptances	**3.92**	4.01	**-**	-
Bank overdrafts	**1.10**	1.10	**-**	-
ICULS	**7.49**	7.49	**-**	-
Revolving credit	**2.45**	4.16	**2.72**	2.85
Term loans	**2.02**	3.21	**-**	-

(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) Hire purchase creditors

The Group's finance lease bears interest rates ranging from 1.56% to 4.97% per annum and the Company's finance lease bears interest rate at 2.27% per annum.

	Group		Company	
	2021 **RM'000**	**2020** **RM'000**	**2021** **RM'000**	**2020** **RM'000**
Payable not later than 1 year	**1,540**	17,169	**141**	426
Payable later than 1 year and not later than 5 years	**2,135**	3,450	**-**	141
Later than 5 years	**-**	161	**-**	-
Total minimum lease payments	**3,675**	20,780	**141**	567
Less: Finance charges	**(228)**	(414)	**(1)**	(16)
Present value of minimum lease payments	**3,447**	20,366	**140**	551

Notes to the Financial Statements
– 30 June 2021

31. BORROWINGS (CONT'D.)

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

ICULS 2011/2021

On 31 October 2011, YTL Land & Development Berhad ("YTL Land"), a subsidiary of the Group issued 992,378,023 ten (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 a coupon rate of 3.0% per annum from date of issue ("Issue Date") up to fourth anniversary of the Issue Date and 4.5% per annum from the date after the fourth anniversary of the Issue Date up to the seventh anniversary of the Issue Date. Thereafter, the ICULS 2011/2021 bear a coupon rate of 6.0% per annum up to the maturity date. The interest is payable semi-annually in arrears.

(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 15 to the financial statements). The relevant amounts have been eliminated in the Statements of Financial Position.

(e) Revolving credit

Save for RM347.905 million (2020: RM288.209 million) revolving credit facility of the Group which secured against properties of the subsidiaries, all the revolving credit facilities are unsecured and all the revolving credit facilities are repayable on demand.

(f) Term loans

(i) Term loans denominated in Great British Pounds

Included in the term loans are:-

a) The term loans of RM431,602,500 [GBP75 million] (2020: RM394,912,500 [GBP75 million]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates ranging from 0.72% to 1.21% (2020: 1.21% to 1.27%) per annum and are repayable in full on 22 July 2021.

Notes to the Financial Statements
– 30 June 2021

31. BORROWINGS (CONT'D.)

(f) Term loans (cont'd.)

(i) Term loans denominated in Great British Pounds (cont'd.)

b) The term loans of RM1,150.940 million [GBP200 million] (2020: RRM1,053.100 million [GBP200 million]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50 million was drawn down on 30 January 2015 bears interest rate ranging from of 2.16% to 2.36% (2020: 2.16%) per annum, the second loan of GBP50 million was drawn down on 9 March 2015 bears interest rates ranging from 0.74% to 0.94% (2020: 1.27% to 1.41%) per annum, the third loan of GBP50 million was drawn down on 9 April 2015 bears interest rate ranging from 1.99% to 2.19% (2020: 1.99%) per annum, and the fourth loan of GBP50 million was drawn down on 25 May 2016 bears interest rates ranging from 1.07% to 1.61% (2020: 1.65% to 1.76%) per annum. All the loans are repayable in full between 30 January 2024 and 25 May 2025.

c) The term loans of RM1,104,902,400 [GBP200 million] (2020: RM1,053,100,000 [GBP200 million]) was drawn by Wessex Water Services Limited of which RM1,097,047,188 [GBP190,634,992] (2020: 1,044,436,968 [GBP198,354,756]) remained outstanding as at 30 June 2020, net of amortised fees. The loans bear interest rates ranging from 1.09% to 1.82% (2020: 1.81% to 2.03%) per annum and are repayable with a 60% bullet repayment on 31 January 2026 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2021.

All the term loans are unsecured.

(ii) Term loans denominated in US Dollars

Included in the term loans are:-

a) The term loan of RM1,038.575 million [USD250 million] (2020: RM1,070 million [USD250 million]) was drawn down by YTL Power International Berhad ("YTLPI") on 31 March 2017 of which RM1,035,850,635 [USD249,344,206] (2020: RM1,063,537,133 [USD248,489,984]) remained outstanding as at 30 June 2021, net of amortised fees. The borrowing bears interest rates ranging from 1.29% to 1.38% (2020: 1.37% to 3.60%) per annum and is repayable on 31 March 2022.

b) The term loan of RM830.860 million (USD200 million) was drawn down by YTL Utilities Finance 4 Limited on 25 November 2020 of which RM824,761,488 (USD198.532 million) remained outstanding as at 30 June 2021, net of amortised fees. The term loan is guaranteed by YTLPI. The borrowing bears interest rates ranging from 1.44% to 1.50% per annum and is repayable on 25 November 2023.

c) The term loan of RM856 million (USD200 million) of previous financial year was drawn down by YTLPI on 17 December 2015 and was fully repaid during the financial year. The borrowing bears interest rates ranging from 1.20% to 1.25% (2020: 1.25% to 3.36%) per annum.

All the term loans are unsecured.

Notes to the Financial Statements
– 30 June 2021

31. BORROWINGS (CONT'D.)

(f) Term loans (cont'd.)

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loan of RM1,925.206 million (2020: RM1,964.450 million) of the Group which secured against quoted shares and properties of the subsidiaries, all the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollars

Included in the term loan are:-

a) The term loan of RM6,006,549,854 [SGD1,943,741,458] (2020: RM6,064,279,851 [SGD1,974,177,958]) was drawn down by YTL PowerSeraya Pte. Limited ("YTLPS") on 14 September 2017 and repayable in full on 12 September 2022. The borrowing is an unsecured loan and bears interest rates ranging from 1.55% to 1.84% (2020: 1.55% to 3.16%) per annum.

   The bank borrowings are subject to loan covenant clauses stipulated in the loan agreement. As at 30 June 2020, the Group did not meet the requirement of a certain loan covenants and as a result, the borrowings have been classified as current liabilities in the Statement of Financial Position of the Group. On 23 September 2020, the Group received a waiver from the consortium of banks on the requirement to comply with the above loan covenants as at 30 June test date. The waiver effectively extended the loan covenants compliance requirements to 30 November 2020. The extension provides the Group with the opportunity to meet two key requirements namely completion of the securitisation documentation and Tuaspring Pte. Ltd. ("Tuaspring") acquisition. As at 30 June 2021, the Group met the requirement of all the loan covenants. Under the terms and conditions of the loan agreement and as a result of the compliance as at 30 June 2021, the breach of the loan covenant prior to 30 June 2021 is deemed to be remedied and no longer continuing with effect on and from 30 June 2021. Hence, the borrowings have been classified as non-current liabilities in the Statement of Financial Position of the Group for 30 June 2021.

Save for the term loan of RM276.729 million (2020: RM1,102.464 million) of the Group secured by first fixed charge over the properties of the subsidiaries, all the term loans are unsecured.

(v) Term loans denominated in Australian Dollars

All the term loans are secured by first fixed charge over the properties of the subsidiaries.

(vi) Term loans denominated in Japanese Yen

All the term loans are secured by first fixed charge over the properties of the subsidiaries.

Notes to the Financial Statements
– 30 June 2021

32. LEASE LIABILITIES

The details of lease liabilities are as follows:-

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Presented as:-				
Current	**180,091**	159,613	**6,716**	6,843
Non-current	**1,303,867**	1,443,868	**9,056**	2,339
	1,483,958	1,603,481	**15,772**	9,182

The Group's maturity profile of lease liabilities are disclosed in Note 38(f) to the financial statements.

Extension and termination options are included in a number of property and equipment leases across the Group and the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group and the Company's operations. The majority of extension and termination options held are exercisable only by the Group and the Company and not by the respective lessor.

Some property leases contain variable payment terms that are liked to sales with percentages ranging from 1% to 5% of sales. Variable lease payments that depend on sales are recognised in Income Statement in the period which the condition that triggers those payments occurs.

(a) Net investment in leases

	Group	
	2021 RM'000	2020 RM'000
At beginning of the financial year	**15,886**	16,739
Additions	**-**	5,087
Interest income	**573**	1,128
Lease payments received	**(4,766)**	(7,068)
At end of the financial year	**11,693**	15,886
Presented as:-		
Current	**4,107**	4,193
Non-current	**7,586**	11,693
	11,693	15,886

The Group leases concrete mixer trucks to third parties. Each of the leases contains an initial non-cancellable period of 7 years.

These leases transfer substantially all the risk and rewards incidental to ownership of the concrete mixer trucks. These leases do not include buy-back agreements or residual value guarantees.

Notes to the Financial Statements
– 30 June 2021

32. LEASE LIABILITIES (CONT'D.)

(a) Net investment in leases (cont'd.)

The lease payments to be received are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Less than 1 year	**4,507**	4,766
1 to 2 years	**3,524**	4,507
2 to 3 years	**2,597**	3,524
3 to 4 years	**1,345**	2,598
4 to 5 years	**537**	1,345
More than 5 years	**-**	537
Total undiscounted lease payments	**12,510**	17,277
Unearned interest income	**(817)**	(1,391)
Net investment in leases	**11,693**	15,886

33. GRANTS AND CONTRIBUTIONS

		Group	
	Note	**2021 RM'000**	**2020 RM'000**
At beginning of the financial year		**596,669**	560,828
Currency translation differences		**48,011**	1,665
Amortisation of grants and contributions	7	**(21,548)**	(15,166)
Received during the financial year		**38,482**	49,342
At end of the financial year		**661,614**	596,669

Grants and contributions mainly comprise government grants in foreign subsidiaries in respect of specific qualifying expenditure on infrastructure assets and a cogeneration plant.

Notes to the Financial Statements
– 30 June 2021

34. DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:-

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deferred tax liabilities, net	**3,060,349**	2,164,004	**113**	113

The gross movement on the deferred income tax account is as follows:-

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
At beginning of the financial year	**2,164,004**	2,073,139	**113**	113
Charged to Income Statements	**611,681**	144,558	**-**	-
- Property, plant and equipment	**599,755**	184,067	**-**	-
- Property development	**(1,621)**	692	**-**	-
- Investment properties	**3,602**	2,226	**-**	-
- Retirement benefits	**12,711**	16,550	**-**	-
- Provision	**(167)**	707	**-**	-
- Unutilised capital allowance	**(301)**	(20,625)	**-**	-
- Unabsorbed tax losses	**15,355**	(21,677)	**-**	-
- Leases	**335**	(3,575)	**-**	-
- Others	**(17,988)**	(13,807)	**-**	-
Currency translation differences	**179,819**	10,234	**-**	-
Acquisition of subsidiary	**6,431**	4,933	**-**	-
Charged/(credited) to Other Comprehensive Income*	**98,414**	(49,984)	**-**	-
Derecognition of subsidiary	**-**	(18,876)	**-**	-
At end of the financial year	**3,060,349**	2,164,004	**113**	113

* *This is in relation to re-measurement of post-employment benefit obligations.*

Notes to the Financial Statements

– 30 June 2021

34. DEFERRED TAXATION (CONT'D.)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the Statements of Financial Position:-

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deferred tax assets provided are in respect of:-				
Deferred tax assets before offsetting				
Unutilised capital allowances	**(176,227)**	(168,899)	**-**	–
Retirement benefits	**(108,232)**	(174,567)	**-**	–
Unabsorbed tax losses	**(231,759)**	(229,587)	**-**	–
Provision	**(5,612)**	(5,915)	**-**	–
Leases	**(1,963)**	(8,166)	**-**	–
Others	**(102,999)**	(113,352)	**-**	–
	(626,792)	(700,486)	**-**	–
Offsetting	**626,792**	700,486	**-**	–
Deferred tax assets after offsetting	**-**	–	**-**	–
Deferred tax liabilities provided are in respect of:-				
Deferred tax liabilities before offsetting				
Property, plant and equipment				
– capital allowances in excess of depreciation	**3,619,999**	2,800,277	**113**	113
Land held for property development	**47,077**	38,825	**-**	–
Others	**20,065**	25,388	**-**	–
	3,687,141	2,864,490	**113**	113
Offsetting	**(626,792)**	(700,486)	**-**	–
Deferred tax liabilities after offsetting	**3,060,349**	2,164,004	**113**	113

Notes to the Financial Statements
– 30 June 2021

34. DEFERRED TAXATION (CONT'D.)

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

	Group	
	2021 RM'000	**2020 RM'000**
Unabsorbed tax losses	**1,379,207**	1,390,181
Unutilised capital allowances	**2,682,431**	1,300,968
Deductible temporary differences	**167,565**	170,634
Taxable temporary differences – property, plant and equipment	**(352,695)**	(620,424)
	3,876,508	2,241,359

The unabsorbed tax losses and unutilised capital allowances are subject to agreement with the Inland Revenue Board. On the other hand, effective from year of assessment 2019 as announced in the Annual Budget 2019, the unused tax losses of the Group as at 31 December 2018 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unabsorbed tax losses will be disregarded.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Defined contribution plans – Current					
– Malaysia	35(a)	**7,048**	5,281	**315**	287
Defined benefit plans – Non-current					
– Malaysia	35(b)	**21,764**	21,937	**-**	-
– United Kingdom	35(c)	**437,922**	869,245	**-**	-
– Indonesia	35(d)	**21,996**	19,716	**-**	-
		481,682	910,898	**-**	-

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(a) Defined contribution plans

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(b) Defined benefit plans - Malaysia

The defined benefit plans typically exposes the Group to actuarial risks such as longevity risk and salary risk.

(i) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 28 August 2020 by an external actuary.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal actuarial assumptions at the end of the reporting period are as follows:-

	Group	
	2021	**2020**
	%	**%**
Discount rate	**3.9**	3.9
Future salary increase rate	**5.0**	5.0

Sensitivity analysis:-

Significant actuarial assumption for the determination of the defined benefit obligation is the discount rate. The sensitivity analysis below has been determined based on reasonably possible change of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increase/(decrease) by 0.5%, the defined benefit obligation would decrease by RM959,471/increase by RM1,017,212 (2020: decrease by RM1,016,616/increase by RM1,081,738).

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plans - Malaysia (cont'd.)

Sensitivity analysis:- (cont'd.)

The movements in the net liability recognised in the Statements of Financial Position are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
At beginning of the financial year	**21,937**	55,346
Charge/(Reversal) for the financial year	**901**	(19,487)
Benefits paid/payables	**(1,074)**	(16,261)
Actuarial loss recognised in other comprehensive income	**-**	2,339
At end of the financial year	**21,764**	21,937

The amounts recognised in the Statements of Financial Position are analysed as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Present value of unfunded obligation	**21,764**	21,937

Reconciliation of the present value of unfunded obligation are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
At beginning of the financial year	**21,937**	55,346
Actuarial loss	**-**	2,339
Benefits paid/payables	**(1,074)**	(16,261)
Current service cost	**70**	(1,695)
Curtailment gain	**-**	(17,879)
Interest cost	**831**	87
At end of the financial year	**21,764**	21,937

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plans - Malaysia (cont'd.)

The amounts recognised in the Income Statements are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Current service cost	**70**	(1,695)
Interest cost	**831**	87
Curtailment gain	**-**	(17,879)
Total charge to Income Statements	**901**	(19,487)

(c) Defined benefit plans - United Kingdom

A subsidiary of 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 by a qualified actuary as at 30 September 2019. This valuation has been adjusted to the reporting date as at 30 June 2021 taking account of experience over the period since 30 September 2019, changes in market conditions, and differences in the financial and demographic assumptions by the qualified actuary.

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 28% of the liabilities are attributable to current employees, 17% to former employees and 55% to current pensioners. The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is around 18 years reflecting the approximate split of the defined benefit obligation between current employees (duration of c24 years), deferred members (duration of c24 years) and current pensioners (duration of c13 years).

(ii) Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2019 showed a deficit of GBP157.0 million (RM903.5 million). The subsidiary is paying deficit contributions of:-

- GBP14.80 million (RM85.2 million) by 1 July 2021;
- GBP16.60 million (RM95.5 million) by 1 July 2022;
- GBP18.40 million (RM105.9 million) by 1 July 2023;
- GBP20.20 million (RM116.2 million) by 1 July 2024;
- GBP22.00 million (RM126.6 million) by 1 July 2025;
- GBP23.80 million (RM137.0 million) by 1 April 2026;

which, along with investment returns from return-seeking assets, is expected to make good this shortfall by 1 April 2026.

The next funding valuation is due no later than 30 September 2022 at which progress towards full-funding will be reviewed.

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

(ii) Funding requirements (cont'd.)

The subsidiary also pays contributions of 24.6% of pensionable salaries in respect of current accrual and non-investment related expenses, with active members paying a further 7.4% of pensionable salaries on average. A contribution of GBP14.80 million (RM85.2 million) is expected to be paid by the subsidiary during the year ending on 30 June 2022.

(iii) Risks associated with the scheme

Asset volatility - The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities including a diversified growth fund and a global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

Changes in bond yields - A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk - The majority of the scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy - The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities. The trustees insure certain benefits payable on death before retirement.

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**869,245**	687,950
Pension cost	**73,632**	76,778
Contributions and benefits paid	**(120,782)**	(125,949)
Currency translation differences	**63,158**	1,063
Re-measurement (gain)/loss	**(447,331)**	229,403
At 30 June	**437,922**	869,245

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

The amounts recognised in the Statements of Financial Position are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Present value of funded obligations	**4,722,344**	4,424,366
Fair value of plan assets	**(4,284,422)**	(3,555,121)
Liability in the Statements of Financial Position	**437,922**	869,245

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**4,424,366**	4,081,555
Currency translation differences	**407,168**	9,610
Interest cost	**75,574**	95,364
Current service cost	**55,850**	57,175
Contributions by scheme participants	**-**	530
Past service cost	**556**	-
Net benefits paid	**(142,257)**	(143,046)
Re-measurement (gain)/loss:-		
- Actuarial gain arising from demographic assumptions	**-**	(73,643)
- Actuarial (gain)/loss arising from financial assumptions	**(38,343)**	321,589
- Actuarial (gain)/loss arising from experience adjustments	**(60,570)**	75,232
Present value of defined benefit obligations, at 30 June	**4,722,344**	4,424,366

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**3,555,121**	3,393,605
Currency translation differences	**344,010**	8,547
Interest income	**61,682**	79,470
Contributions by employer	**120,782**	125,949
Contributions by scheme participants	**-**	530
Net benefits paid	**(142,257)**	(143,046)
Administration expenses	**(3,334)**	(3,709)
Re-measurement gain:-		
- Return on plan assets excluding interest income	**348,418**	93,775
Fair value of plan assets, at 30 June	**4,284,422**	3,555,121

The pension cost recognised is analysed as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Current service cost	**55,850**	57,175
Interest cost	**13,892**	15,894
Past service cost	**556**	-
Administration expenses	**3,334**	3,709
Total charge to Income Statements	**73,632**	76,778

The charge to Income Statements was included in the following line items:-

	Group	
	2021 RM'000	**2020 RM'000**
Cost of sales	**54,165**	45,663
Administration expenses	**5,575**	15,221
Interest cost	**13,892**	15,894
Total charge to Income Statements	**73,632**	76,778

Notes to the Financial Statements

– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

The principal assumptions used in the actuarial calculations were as follows:-

	Group	
	2021	**2020**
	%	**%**
Discount rate	**1.90**	1.60
Rate of increase in pension payment	**2.10 - 2.90**	1.90 - 2.60
Rate of increase in salaries	**1.90**	1.80
Inflation - RPI	**3.00**	2.70
Inflation - CPI	**2.50**	2.20

Mortality assumptions:-

The mortality assumptions are based upon the recent actual mortality experience of scheme members, and allow for expected future improvements in mortality rates.

	2021 Male Years	**2021 Female Years**	**2020 Male Years**	**2020 Female Years**
Life expectancy - current age 60	**25.9**	**28.4**	25.9	28.3
Life expectancy - current age 40	**47.1**	**49.6**	47.0	49.5

The mortality table adopted is based upon 105% of standard tables S3P(M/F)A adjusted to allow for individual years of birth. Future improvements are assumed to be in line with the CMI 2018 core projection, with a long-term improvement rate of 1.0% p.a. for all members.

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

Sensitivity analysis:-

The key assumptions used for MFRS 119 "Employee Benefits" are: discount rate, inflation and mortality. If different assumptions are used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions are set out below. For the purposes of these sensitivities, it has been assumed that the change in the discount rate and inflation has no impact on the value of scheme assets.

		Scheme liabilities		Scheme deficit	
Key assumptions	Increase by RM'000	Increase from RM'000	Increase to RM'000	Increase from RM'000	Increase to RM'000
A reduction in the discount rate of 0.1% (from 1.9% to 1.8%)	84,594	4,722,344	4,806,938	437,922	522,516
An increase in the inflation assumption of 0.1% (from 2.5% to 2.6% for CPI and 3.0% to 3.1% for RPI)	64,453	4,722,344	4,786,797	437,922	502,375
An increase in life expectancy of 1 year	196,811	4,722,344	4,919,155	437,922	634,733

The plan assets comprised the following:-

	2021		2020	
	RM'000	%	RM'000	%
Equity instrument	**1,790,287**	**41.8**	1,142,087	32.1
Debt instrument	**2,097,588**	**49.0**	1,948,235	54.8
Property	**240,546**	**5.6**	193,770	5.5
Others	**156,001**	**3.6**	271,029	7.6
	4,284,422	**100.0**	3,555,121	100.0

	Group	
	2021 RM'000	2020 RM'000
Actual return on plan assets	**410,100**	173,245

Notes to the Financial Statements

– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - 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	
	2021 RM'000	**2020 RM'000**
Obligation relating to post-employment benefits	**19,310**	17,261
Obligation relating to other long-term employee benefits	**2,686**	2,455
Total	**21,996**	19,716

A subsidiary of the Group has a defined contribution pension plan covering its qualified permanent national employees in Indonesia. The subsidiary's contribution is 6% of employee basic salary, while the employees' contribution ranges from 3% to 14%.

The contributions made to the defined contribution plan are acceptable for funding the post-employment benefits under the labour regulations.

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 2021.

(i) Post-employment benefit obligations

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**17,261**	14,021
Pension cost	**2,209**	1,924
Contributions and benefits paid	**(659)**	(633)
Currency translation differences	**(765)**	534
Re-measurement loss	**1,264**	1,415
At 30 June	**19,310**	17,261

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia (cont'd.)

(i) Post-employment benefit obligations (cont'd.)

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

	Group	
	2021 RM'000	**2020 RM'000**
Present value of obligations	**19,310**	17,261

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**17,261**	14,021
Currency translation differences	**(765)**	534
Interest cost	**1,179**	1,013
Current service cost	**1,030**	911
Net benefits paid	**(659)**	(633)
Re-measurement loss/(gain):		
- Actuarial loss from demographic assumptions	**-**	1,698
- Actuarial loss arising from financial assumptions	**1,650**	-
- Actuarial gain arising from experience adjustments	**(386)**	(283)
Present value of defined benefit obligations at 30 June	**19,310**	17,261

The pension cost recognised can be analysed as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Current service cost	**1,030**	911
Interest cost	**1,179**	1,013
Total charge to Income Statements	**2,209**	1,924

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia (cont'd.)

(ii) Other long-term employee benefit obligations

The obligations relating to other long-term employee benefits (i.e. long leave service benefits) recognised in the Statements of Financial Position are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Present value of obligations	**2,686**	2,455

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**2,455**	2,329
Pension cost	**478**	503
Actuarial loss/(gain)	**20**	(32)
Contributions and benefits paid	**(158)**	(424)
Currency translation differences	**(109)**	79
At 30 June	**2,686**	2,455

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

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**2,455**	2,329
Currency translation differences	**(109)**	79
Current service cost	**473**	485
Actuarial loss/(gain)	**20**	(32)
Interest cost	**5**	18
Net benefits paid	**(158)**	(424)
At 30 June	**2,686**	2,455

Notes to the Financial Statements
– 30 June 2021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia (cont'd.)

(ii) Other long-term employee benefit obligations (cont'd.)

The amounts relating to other long-term employee benefits obligation recognised in the Income Statements are as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Current service cost	**473**	485
Interest cost	**5**	18

The charge above was included in the cost of sales.

The principal assumptions used in the actuarial calculations were as follows:-

	Group	
	2021 %	**2020 %**
Discount rate	**6.3**	7.3
Future salary increase rate	**9.0**	9.0

Sensitivity analysis:-

Reasonably possible changes to the key assumptions, would have affected the defined benefit obligations by the amounts shown below:-

	2021		2020	
	RM'000 Increase	**RM'000 Decrease**	**RM'000 Increase**	**RM'000 Decrease**
Discount rate (1% movement)	**(935)**	**1,044**	(1,172)	1,303
Future salary increase rate (1% movement)	**1,778**	**(1,631)**	1,701	(1,562)

This analysis depicts the approximate sensitivity of the benefits obligation to a reasonable possible change in assumptions, but does not take account of the variability in the timing of distribution of benefit payments expected under the plan.

Notes to the Financial Statements
– 30 June 2021

36. PROVISION FOR LIABILITIES AND CHARGES

	Note	Rectification works 36(a) RM'000	Restructuring 36(b) RM'000	Damages claims 36(c) RM'000	Total RM'000
Group - 2021					
At beginning of the financial year		**4,810**	**28,417**	**103,374**	**136,601**
Additions		**-**	**19,250**	**-**	**19,250**
Accretion of interests		**-**	**902**	**-**	**902**
Currency translation differences		**6**	**40**	**2,339**	**2,385**
Credited to Income Statements	7	**-**	**(7,304)**	**-**	**(7,304)**
Transfer from other current liabilities		**(781)**	**-**	**-**	**(781)**
Payments		**-**	**(1,977)**	**(95)**	**(2,072)**
At end of the financial year		**4,035**	**39,328**	**105,618**	**148,981**
Presented as follows:-					
Current		**4,035**	**11,576**	**105,618**	**121,229**
Non-current		**-**	**27,752**	**-**	**27,752**
		4,035	**39,328**	**105,618**	**148,981**
Group - 2020					
At beginning of the financial year		6,528	39,903	101,182	147,613
Currency translation differences		(6)	43	2,192	2,229
Credited to Income Statements	7	-	(4,437)	-	(4,437)
Payments		(1,712)	(7,092)	-	(8,804)
At end of the financial year		4,810	28,417	103,374	136,601
Presented as follows:-					
Current		4,810	28,417	103,374	136,601
Non-current		-	-	-	-
		4,810	28,417	103,374	136,601

Notes to the Financial Statements
– 30 June 2021

36. PROVISION FOR LIABILITIES AND CHARGES (CONT'D.)

(a) Rectification works

The provision relates to the estimated cost of rectification works for completed project.

(b) Restructuring

The provision for liabilities and charges relates to scaling down of operations, environmental liabilities and asset retirement obligation.

(c) Damages claims

The provision of damages claims relate to projects undertaken by subsidiaries and are recognised for expected damages claims based on the term of the applicable agreements.

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Trade payables	**1,892,457**	1,331,951	**-**	-
Other payables	**380,589**	605,750	**1,102**	879
Deferred income	**9,266**	8,138	**-**	-
Security deposits	**118,185**	117,802	**-**	-
Accrued expenses*	**1,295,442**	981,288	**26,956**	16,583
	3,695,939	3,044,929	**28,058**	17,462

* *Accrued expenses mainly comprise interest payables, regulatory costs and capital expenditure.*

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2020: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements
– 30 June 2021

38. 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 value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to risks arising from various currency exposures primarily with respect to the Great British 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.

There is no significant exposure to foreign currency exchange risk for the Group and the Company.

(b) Hedge of a net investment in Australia

At the reporting date, the Group's investment in its Australia subsidiaries are hedged by AUD bank loan with a carrying amount of RM868 million [AUD278 million] (2020: RM1.2 billion [AUD408.1 million]) which mitigates the currency risk arising from the subsidiary's net assets. The loan is designated as a net investment hedge.

The Group determines the existence of an economic relationship between the above hedging instrument and hedged item based on the currency and amount. The Group has established a hedge ratio of 1:1.2 (2020: 1:0.8) as the underlying risk of the hedging instrument is identical to the hedged risk component. The Group has assessed the effectiveness of the above hedging relationship at the reporting date by comparing changes in the carrying amount of the loan that is attributable to changes in the exchange rate with the changes in the net investment in the foreign operation due to movements in the exchange rate.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and 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.

Notes to the Financial Statements

– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Interest rate risk (cont'd.)

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

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Financial liabilities	**22,943,057**	19,511,005	**3,240,000**	2,500,000
Variable rate instruments				
Financial assets	**12,243,775**	11,309,168	**901,855**	857,269
Financial liabilities	**22,131,386**	24,075,239	**1,066,995**	1,751,205
	34,375,161	35,384,407	**1,968,850**	2,608,474

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 RM110.6 million (2020: RM120.4 million) and RM5.3 million (2020: RM8.8 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 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 the Company for the financial year would increase/decrease by RM12.2 million (2020: RM11.3 million) and RM0.9 million (2020: RM1.0 million), respectively.

(d) 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 RM1,789.730 million (2020: RM1,422.160 million) and RM12.687 million (2020: RM10.880 million), respectively.

Notes to the Financial Statements
– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Price risk (cont'd.)

Equity price risk **(cont'd.)**

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 - 2021			
Local equities	**363,799**	**+/- 10**	**36,380**
Foreign equities	**1,425,931**	**+/- 10**	**142,593**
Group - 2020			
Local equities	487,270	+/- 10	48,727
Foreign equities	934,890	+/- 10	93,489
Company - 2021			
Local equities	**4,853**	**+/- 10**	**485**
Foreign equities	**7,834**	**+/- 10**	**783**
Company - 2020			
Local equities	3,071	+/- 10	307
Foreign equities	7,809	+/- 10	781

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.

The Group has contracts for the sale of electricity to the Singapore electricity pool at prices that are fixed in advance every three months and to retail customers (those meeting a minimum average monthly consumption) at prices that are either fixed in amount or in pricing formula for periods up to a number of years. The fixing of the prices under the contracts is based largely on the price of fuel oil required to generate the electricity. The Group enters into fuel oil swaps to hedge against adverse price movements of fuel oil prices. The Group typically enters into a swap to pay a fixed price and receive a variable price indexed to a benchmark fuel price index.

Notes to the Financial Statements

– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Price risk (cont'd.)

Fuel commodity price risk (cont'd.)

Exposure to price fluctuations arising from the purchase of fuel oil and natural gas are substantially managed via swaps where the price is indexed to a benchmark fuel price index, for example 180 CST fuel oil and Dated Brent. The Group's exposure to the fluctuation of forward price curve is immaterial.

(e) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle their obligations to the Group and the Company.

The Group's exposure to credit risk arises primarily from trade and other receivables. Meanwhile, the Company's exposures to credit risk arise from other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivative financial instruments), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Concentration of credit risk

Due to the nature of the Group's business, customers are mainly segregated according to business segments. In the Group's power generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counterparty risk is considered to be minimal. As for the Group's power generation business in Singapore, credit reviews are performed on all customers with established credit limits and generally 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. The Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

Trade receivables, unbilled receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables, unbilled receivables and contract assets. To measure the ECL, trade receivables, unbilled receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on 1 year to 13 years of historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Some of the factors which the Group has identified include unemployment rate, economic trends, and annual Gross Domestic Product ("GDP") growth and has adjusted the historical loss rates based on expected changes in such factors.

Notes to the Financial Statements

– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Trade receivables, unbilled receivables and contract assets (cont'd.)

On that basis, the loss allowance was determined as follows for trade receivables, unbilled receivables, contract assets and related parties:-

		<------------------- Past due	-------------------	------------------>	
	Current RM'000	**1 - 90 days RM'000**	**91 - 120 days RM'000**	**> 120 days RM'000**	**Total RM'000**
Group - 2021					
Gross carrying amount					
- Trade receivables	**1,132,272**	**226,779**	**37,135**	**869,052**	**2,265,238**
- Unbilled receivables	**946,467**	**-**	**-**	**-**	**946,467**
- Contract assets	**192,712**	**-**	**-**	**-**	**192,712**
	2,271,451	**226,779**	**37,135**	**869,052**	**3,404,417**
Allowance for impairment					
- Trade receivables	**(57,781)**	**(18,349)**	**(6,723)**	**(454,353)**	**(537,206)**
- Unbilled receivables	**(8,191)**	**-**	**-**	**-**	**(8,191)**
- Contract assets	**(19)**	**-**	**-**	**-**	**(19)**
	(65,991)	**(18,349)**	**(6,723)**	**(454,353)**	**(545,416)**
Net carrying amount	**2,205,460**	**208,430**	**30,412**	**414,699**	**2,859,001**

		<------------------- Past due	-------------------	------------------>	
	Current RM'000	**1 - 90 days RM'000**	**91 - 120 days RM'000**	**> 120 days RM'000**	**Total RM'000**
Group - 2020					
Gross carrying amount					
- Trade receivables	1,045,367	169,582	45,814	844,668	2,105,431
- Unbilled receivables	766,106	-	-	-	766,106
- Contract assets	202,118	-	-	-	202,118
	2,013,591	169,582	45,814	844,668	3,073,655
Allowance for impairment					
- Trade receivables	(12,631)	(21,203)	(10,353)	(513,043)	(557,230)
- Unbilled receivables	(7,568)	-	-	-	(7,568)
- Contract assets	(110)	-	-	-	(110)
	(20,309)	(21,203)	(10,353)	(513,043)	(564,908)
Net carrying amount	1,993,282	148,379	35,461	331,625	2,508,747

Notes to the Financial Statements
– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Trade receivables, unbilled receivables and contract assets (cont'd.)

At the reporting date, the maximum exposure to credit risk of the financial assets of the Group and the Company are represented by the carrying amounts in the Statements of Financial Position, except for the Group's trade receivables on electricity and steam sales where the Group will assess each customer individually and typically require collateral in the form of bankers' guarantees or deposits from selected customers.

Cash and bank balances

The Group and the Company place its cash and bank balances with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Derivative financial instruments

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 and the Company consider the risk of material loss on the event of non-performance by a financial counter party to be unlikely.

Other receivables

The Group and the Company use the 3-stages approach for the ECL on the other receivables and amount due from related parties. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories.

A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:-

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due.	Lifetime ECL
Non-performing	Debtors and repayments are more than 365 days past due.	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Notes to the Financial Statements
– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Other receivables (cont'd.)

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:-

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical date by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period.

Movement on the Group's and the Company's loss allowances is as follows:-

	Trade receivables RM'000	Unbilled receivables RM'000	Contract assets RM'000	Related parties RM'000	Other receivables RM'000	Total RM'000
Group - 2021						
At 1 July 2020	**557,230**	**7,568**	**110**	**134**	**156,748**	**721,790**
Allowance for impairment of receivables	**107,121**	**-**	**-**	**623**	**4,752**	**112,496**
Write back of impairment of receivables	**(36,085)**	**(78)**	**(91)**	**-**	**(69,114)**	**(105,368)**
Written off during the financial year as uncollectible	**(112,623)**	**-**	**-**	**-**	**(1,952)**	**(114,575)**
Currency translation differences	**21,563**	**701**	**-**	**-**	**22**	**22,286**
At 30 June 2021	**537,206**	**8,191**	**19**	**757**	**90,456**	**636,629**

Notes to the Financial Statements

– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

	Trade receivables RM'000	Unbilled receivables RM'000	Contract assets RM'000	Related parties RM'000	Other receivables RM'000	Total RM'000
Group - 2020						
At 1 July 2019	491,117	-	388	34	160,580	652,119
Arising from acquisition	7,158	-	-	-	199	7,357
Allowance for impairment of receivables	160,965	7,615	-	100	1,979	170,659
Write back of impairment of receivables	(12,285)	-	(278)	-	(4,629)	(17,192)
Derecognition of subsidiary	(2,201)	-	-	-	-	(2,201)
Written off during the financial year as uncollectible	(88,238)	-	-	-	(1,699)	(89,937)
Currency translation differences	714	(47)	-	-	318	985
At 30 June 2020	557,230	7,568	110	134	156,748	721,790

	Related parties RM'000	Other receivables RM'000	Total RM'000
Company - 2021			
At 1 July 2020	**116,859**	**1,765**	**118,624**
Write back of impairment of receivables	**(194)**	**-**	**(194)**
At 30 June 2021	**116,665**	**1,765**	**118,430**
Company - 2020			
At 1 July 2019/30 June 2020	116,859	1,765	118,624

(f) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes to the Financial Statements
– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(f) Liquidity risk (cont'd.)

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 obligations:-

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2021				
Non-derivative:-				
Trade and other payables	3,686,673	179,350	-	3,866,023
Bonds and borrowings	10,742,683	21,586,915	25,260,213	57,589,811
Lease liabilities	288,825	871,706	1,096,338	2,256,869
Related parties	38,411	-	-	38,411
	14,756,592	22,637,971	26,356,551	63,751,114
Derivative:-				
Fuel oil swaps	7,192	121	-	7,313
Currency forwards	11,629	592	-	12,221
Electricity futures	15,253	-	-	15,253
	34,074	713	-	34,787
Company - 2021				
Non-derivative:-				
Trade and other payables	28,058	-	-	28,058
Bonds and borrowings	1,208,125	2,155,560	2,035,200	5,398,885
Lease liabilities	7,074	9,432	-	16,506
Related parties	4,460	-	-	4,460
	1,247,717	2,164,992	2,035,200	5,447,909

Notes to the Financial Statements
– 30 June 2021

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(f) Liquidity risk (cont'd.)

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 obligations:- (cont'd.)

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2020				
Non-derivative:-				
Trade and other payables	3,036,791	169,996	-	3,206,787
Bonds and borrowings	12,764,591	17,744,755	27,742,528	58,251,874
Lease liabilities	270,109	830,439	1,192,724	2,293,272
Related parties	39,212	-	-	39,212
	16,110,703	18,745,190	28,935,252	63,791,145
Derivative:-				
Fuel oil swaps	171,711	13,299	-	185,010
Currency forwards	3,094	2,102	-	5,196
Electricity futures	139	-	-	139
	174,944	15,401	-	190,345
Company - 2020				
Non-derivative:-				
Trade and other payables	17,462	-	-	17,462
Bonds and borrowings	1,939,236	1,375,080	2,037,850	5,352,166
Lease liabilities	6,843	2,339	-	9,182
Related parties	4,708	-	-	4,708
	1,968,249	1,377,419	2,037,850	5,383,518

Notes to the Financial Statements

– 30 June 2021

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	Note	Financial Assets Amortised cost RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
Group - 2021						
Non-current						
Investments	18	-	50,783	-	254,935	305,718
Trade and other receivables	20	1,536,579	269,178	-	-	1,805,757
Derivative financial instruments	21	-	-	26,461	-	26,461
Current						
Investments	18	-	2,473,454	-	-	2,473,454
Derivative financial instruments	21	-	42	263,677	-	263,719
Trade and other receivables	20	3,230,086	-	-	-	3,230,086
Amount due from related parties	25	92,910	-	-	-	92,910
Fixed deposits	26	11,522,776	-	-	-	11,522,776
Cash and bank balances	26	2,155,871	-	-	-	2,155,871
Total		18,538,222	2,793,457	290,138	254,935	21,876,752

	Note	Financial Liabilities Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Amortised cost RM'000	Total RM'000
Group - 2021					
Non-current					
Long-term payables	29	-	-	179,350	179,350
Bonds	30	-	-	20,756,133	20,756,133
Borrowings	31	-	-	14,654,414	14,654,414
Lease liabilities	32	-	-	1,303,867	1,303,867
Derivatives financial instruments	21	39	674	-	713
Current					
Trade and other payables	37	-	-	3,686,673	3,686,673
Derivatives financial instruments	21	-	34,074	-	34,074
Amount due to related parties	25	-	-	38,411	38,411
Bonds	30	-	-	2,571,924	2,571,924
Borrowings	31	-	-	7,091,972	7,091,972
Lease liabilities	32	-	-	180,091	180,091
Total		39	34,748	50,462,835	50,497,622

Notes to the Financial Statements
– 30 June 2021

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:- (cont'd.)

	Note	Financial Assets			
		Amortised cost RM'000	Fair value through profit or loss RM'000	FVOCI RM'000	Total RM'000
Company - 2021					
Non-current					
Investments	18	**-**	**44,300**	**9,599**	**53,899**
Current					
Trade and other receivables	20	**7,383**	**-**	**-**	**7,383**
Amount due from related parties	25	**1,342,599**	**-**	**-**	**1,342,599**
Investments	18	**-**	**654,708**	**-**	**654,708**
Fixed deposits	26	**247,147**	**-**	**-**	**247,147**
Cash and bank balances	26	**3,071**	**-**	**-**	**3,071**
Total		**1,600,200**	**699,008**	**9,599**	**2,308,807**

	Note	Financial Liabilities	
		Amortised cost RM'000	Total RM'000
Company - 2021			
Non-current			
Bonds	30	**3,240,000**	**3,240,000**
Lease liabilities	32	**9,056**	**9,056**
Current			
Trade and other payables	37	**28,058**	**28,058**
Amount due to related parties	25	**4,460**	**4,460**
Borrowings	31	**1,066,995**	**1,066,995**
Lease liabilities	32	**6,716**	**6,716**
Total		**4,355,285**	**4,355,285**

Notes to the Financial Statements

– 30 June 2021

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:- (cont'd.)

		<------ Financial Assets				------>
	Note	Amortised cost RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
Group - 2020						
Non-current						
Investments	18	-	362,195	-	42,716	404,911
Trade and other receivables	20	1,353,360	-	-	-	1,353,360
Derivative financial instruments	21	-	-	10,585	-	10,585
Current						
Investments	18	-	2,301,989	-	-	2,301,989
Derivative financial instruments	21	-	8,712	65,547	-	74,259
Trade and other receivables	20	2,844,373	-	-	-	2,844,373
Amount due from related parties	25	53,694	-	-	-	53,694
Fixed deposits	26	10,396,221	-	-	-	10,396,221
Cash and bank balances	26	1,265,011	-	-	-	1,265,011
Total		15,912,659	2,672,896	76,132	42,716	18,704,403

		<------ Financial Liabilities			------>
	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Amortised cost RM'000	Total RM'000
Group - 2020					
Non-current					
Long-term payables	29	-	-	169,996	169,996
Bonds	30	-	-	19,655,639	19,655,639
Borrowings	31	-	-	12,596,167	12,596,167
Derivatives financial instruments	21	13,575	1,826	-	15,401
Lease liabilities	32	-	-	1,443,868	1,443,868
Current					
Trade and other payables	37	-	-	3,036,791	3,036,791
Derivatives financial instruments	21	-	174,944	-	174,944
Amount due to related parties	25	-	-	39,212	39,212
Bonds	30	-	-	220,000	220,000
Borrowings	31	-	-	11,114,438	11,114,438
Lease liabilities	32	-	-	159,613	159,613
Total		13,575	176,770	48,435,724	48,626,069

Notes to the Financial Statements
– 30 June 2021

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows:- (cont'd.)

		<---- Financial Assets			---->
	Note	Amortised cost RM'000	Fair value through profit or loss RM'000	FVOCI RM'000	Total RM'000
Company - 2020					
Non-current					
Investments	18	-	35,226	9,599	44,825
Current					
Trade and other receivables	20	6,012	-	-	6,012
Amount due from related parties	25	1,303,468	-	-	1,303,468
Investments	18	-	755,199	-	755,199
Fixed deposits	26	102,070	-	-	102,070
Cash and bank balances	26	1,929	-	-	1,929
Total		1,413,479	790,425	9,599	2,213,503

		<---- Financial Liabilities	---->
	Note	Amortised cost RM'000	Total RM'000
Company - 2020			
Non-current			
Bonds	30	2,500,000	2,500,000
Borrowings	31	140	140
Lease liabilities	32	2,339	2,339
Current			
Trade and other payables	37	17,462	17,462
Amount due to related parties	25	4,708	4,708
Borrowings	31	1,751,065	1,751,065
Lease liabilities	32	6,843	6,843
Total		4,282,557	4,282,557

Notes to the Financial Statements
– 30 June 2021

39. FINANCIAL INSTRUMENTS (CONT'D.)

(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:-

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

(ii) 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).

(iii) 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 Statements of Financial Position:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2021				
Assets				
Financial assets at fair value through profit or loss:-				
- Trading derivatives	**-**	**42**	**-**	**42**
- Income/equity funds	**-**	**2,505,067**	**-**	**2,505,067**
- Equity investments	**12,687**	**6,483**	**-**	**19,170**
Derivatives used for hedging	**-**	**290,138**	**-**	**290,138**
Financial assets at fair value through other comprehensive income	**24,588**	**45**	**230,302**	**254,935**
Total	**37,275**	**2,801,775**	**230,302**	**3,069,352**
Liabilities				
Financial liabilities at fair value through profit or loss:-				
- Trading derivatives	**-**	**39**	**-**	**39**
Derivative used for hedging	**-**	**34,748**	**-**	**34,748**
Total	**-**	**34,787**	**-**	**34,787**

Notes to the Financial Statements
– 30 June 2021

39. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurement (cont'd.)

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position:- (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2020				
Assets				
Financial assets at fair value through profit or loss:-				
- Trading derivatives	–	8,712	–	8,712
- Income/equity funds	–	2,326,334	323,363	2,649,697
- Equity investments	10,880	3,607	–	14,487
Derivatives used for hedging	–	76,132	–	76,132
Financial assets at fair value through other comprehensive income	22,238	412	20,066	42,716
Total	33,118	2,415,197	343,429	2,791,744
Liabilities				
Financial liabilities at fair value through profit or loss:-				
- Trading derivatives	–	13,575	–	13,575
Derivative used for hedging	–	176,770	–	176,770
Total	–	190,345	–	190,345

Notes to the Financial Statements
– 30 June 2021

39. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurement (cont'd.)

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position:- (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company - 2021				
Assets				
Financial assets at fair value through profit or loss	**12,687**	**654,708**	**31,613**	**699,008**
Financial assets at fair value through other comprehensive income	**5**	**-**	**9,594**	**9,599**
Total	**12,692**	**654,708**	**41,207**	**708,607**
Company - 2020				
Assets				
Financial assets at fair value through profit or loss	10,880	755,199	24,346	790,425
Financial assets at fair value through other comprehensive income	5	-	9,594	9,599
Total	10,885	755,199	33,940	800,024

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

Notes to the Financial Statements
– 30 June 2021

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose 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.

			Group	
Entity	**Relationship**	**Type of transactions**	**2021 RM'000**	**2020 RM'000**
Alliance Concrete Singapore Pte. Ltd.	Joint venture company	Sale of cement and concrete	**95,053**	82,874
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Lease rental of investment property	**3,150**	6,300
Bristol Wessex Billing Services Limited	Joint venture company	Billing and debts collection	**61,221**	54,040
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**10,813**	21,626
		Rental income from outsource of hotel rooms	**6,716**	17,602
ElectraNet Pty. Ltd.	Associated company	Interest income	**26,370**	24,271
Express Rail Link Sdn. Bhd.	Associated company	Progress billings related to civil engineering & construction works	**21,190**	7,420
P.T. Jawa Power	Associated company	Management, operation and maintenance fees	**61,949**	62,116
Starhill Global REIT	Associated company	Lease expense	**62,889**	13,653
		Progress billings of construction works	**83,833**	78,510
		Base Management fees	**44,533**	10,267
		Property management fees, leasing commission, servicer fees and other fees	**17,484**	3,179

Notes to the Financial Statements
– 30 June 2021

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) Significant related party transactions (cont'd.)

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

			Group	
Entity	Relationship	Type of transactions	2021 RM'000	2020 RM'000
Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	Subsidiary of holding company	Lease rental of investment property	**4,043**	8,820
Xchanging Malaysia Sdn. Bhd.	Joint venture company	IT Consultancy & related services expenses	**34,064**	36,425

			Company	
Entity	Relationship	Type of transactions	2021 RM'000	2020 RM'000
YTL Land & Development Berhad	Subsidiary	ICULS interest income	**8**	9,731
Pinnacle Trend Sdn. Bhd.	Subsidiary	Rental of premises	**7,698**	4,716

(ii) The following significant transactions which have been transacted with close family members of key management personnel and entities controlled by key management personnel and close family members are as follows:-

	Group	
	2021 RM'000	2020 RM'000
Progress billings related to purchase of properties	**-**	78,766

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.

Notes to the Financial Statements
– 30 June 2021

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Related party balances

The significant related party balance as at financial year ended except disclosed in other notes to the financial statements as follows:-

	Group	
	2021 RM'000	**2020 RM'000**
Starhill Global REIT		
- Tenant deposits	**7,140**	14,281
- Progress billings	**162,343**	78,510

(c) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key management personnel of the Group and the Company includes the Directors of the Company.

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Directors' and key management personnel's remuneration				
- short-term employee benefits	**45,101**	59,882	**1,558**	1,985
- defined contribution plans	**2,568**	4,616	**73**	134
- benefits-in-kind	**971**	1,294	**-**	-
- share option expenses	**5,604**	7,909	**3,351**	4,735
	54,244	73,701	**4,982**	6,854

Notes to the Financial Statements
– 30 June 2021

41. COMMITMENTS

(a) Capital commitments

	Group	
	2021 RM'000	**2020 RM'000**
Authorised but not contracted for	**644,980**	782,205
Contracted but not provided for	**711,181**	1,088,500

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

	Group	
	2021 RM'000	**2020 RM'000**
Capital commitments in relation to addition investment	**74,912**	75,174

(b) Operating lease commitments

(i) The Group as lessor

The Group leases out its land and building, telecommunications equipment, plant and machinery. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2021 RM'000	**2020 RM'000**
Less than 1 year	**182,310**	168,860
Between 1 to 2 years	**134,703**	121,113
Between 2 to 3 years	**118,459**	116,035
Between 3 to 4 years	**110,107**	110,862
Between 4 to 5 years	**108,115**	94,272
Later than 5 years	**51,670**	73,979
Total undiscounted lease payments to be received	**705,364**	685,121

Those leases classified as finance leases are disclosed in Note 32(a).

Notes to the Financial Statements
– 30 June 2021

42. SEGMENTAL INFORMATION

The Group has seven reportable segments as described below:-

(a) Construction
(b) Information technology & e-commerce related business
(c) Hotel operations
(d) Cement and building materials industry
(e) Management services & others
(f) Property investment & development
(g) Utilities

Management has determined the operating segments based on the reports reviewed by the managing directors/chief executive officers ("MDs/CEOs") that are used to make strategic decisions.

The MDs/CEOs receive separate reports for power generation (contracted), Multi utilities business (merchant), water and sewerage and mobile broadband network, they have been aggregated into one reportable segments (Utilities) as they have similar economic characteristics and those detail segments information disclosed in YTL Power International Berhad's annual report which available for public use.

Although the information technology & e-commerce related business segment does not meet the quantitative thresholds required by MFRS 8 for reportable segments, management has concluded that this segment should be reported.

The MDs/CEOs consider the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in 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.

Notes to the Financial Statements

– 30 June 2021

42. SEGMENTAL INFORMATION (CONT'D.)

The segment information provided to the MDs/CEOs for the reportable segments is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement and building materials industry RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2021								
Revenue								
Total revenue	1,569,261	6,423	427,633	4,117,477	521,167	541,685	10,590,970	17,774,616
Inter-segment revenue	(54,756)	(3,211)	(6,921)	(23,968)	(221,399)	(175,089)	(18,853)	(504,197)
External revenue	1,514,505	3,212	420,712	4,093,509	299,768	366,596	10,572,117	17,270,419
Results								
Interest income	15,227	2,239	969	25,192	4,183	4,539	6,011	58,360
Finance costs	(7,243)	(1)	(24,568)	(193,455)	(536,961)	(175,724)	(617,095)	(1,555,047)
Share of results of associated companies and joint ventures	-	-	(6,803)	18,019	(44,305)	61,499	367,113	395,523
Segment profit before tax	217,403	(2,159)	(153,565)	562,886	(240,179)	(380,299)	627,707	631,794
Segment assets								
Investment in associated companies and joint ventures	-	-	37,204	64,538	9,629	2,073,320	2,220,431	4,405,122
Other segment assets	1,049,612	90,170	2,604,370	9,743,672	13,351,120	6,274,824	36,344,676	69,458,444
Segment liabilities								
Bonds and borrowings	129,169	-	952,306	4,340,163	14,376,067	3,202,830	22,073,908	45,074,443
Other segment liabilities	726,384	633	325,952	1,103,323	987,113	1,285,480	8,022,277	12,451,162
Other segment information								
Capital expenditure	11,608	61	96,748	118,474	34,923	23,235	1,733,705	2,018,754
Impairment/(write back)	-	(5)	(9,279)	59,338	3,479	(25,449)	21,738	49,822
Depreciation and amortisation	22,433	540	82,024	378,902	19,134	147,703	1,262,606	1,913,342

Notes to the Financial Statements
– 30 June 2021

42. SEGMENTAL INFORMATION (CONT'D.)

The segment information provided to the MDs/CEOs for the reportable segments is as follows:- (cont'd.)

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement and building materials industry RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2020								
Revenue								
Total revenue	2,345,514	8,361	1,134,146	4,117,832	612,702	1,206,981	10,341,524	19,767,060
Inter-segment revenue	(29,509)	(4,820)	(12,481)	(22,658)	(240,993)	(211,727)	(66,423)	(588,611)
External revenue	2,316,005	3,541	1,121,665	4,095,174	371,709	995,254	10,275,101	19,178,449
Results								
Interest income	17,482	3,873	2,257	30,944	17,593	10,213	12,823	95,185
Finance costs	(5,199)	(2)	(22,940)	(252,926)	(615,938)	(271,013)	(692,729)	(1,860,747)
Share of results of associated companies and joint ventures	-	-	4,041	13,417	(40,228)	(173,286)	453,255	257,199
Segment profit before tax	194,681	41	96,563	(2,468)	179,628	(282,769)	233,618	419,294
Segment assets								
Investment in associated companies and joint ventures	-	-	36,715	48,670	51,931	2,022,190	2,222,511	4,382,017
Other segment assets	1,187,730	93,128	2,701,767	9,642,046	13,166,329	7,259,250	31,476,168	65,526,418
Segment liabilities								
Bonds and borrowings	378,726	-	927,107	4,825,891	14,272,037	3,985,054	19,197,429	43,586,244
Other segment liabilities	386,390	420	327,928	1,007,742	943,940	1,197,115	6,848,727	10,712,262
Other segment information								
Capital expenditure	24,543	39	115,418	126,930	56,707	559,511	1,533,374	2,416,522
Impairment/(write back)	-	1,744	(5,461)	31,954	2,110	32,218	120,638	183,203
Depreciation and amortisation	18,772	648	81,018	407,618	16,286	148,295	1,154,577	1,827,214

Notes to the Financial Statements
– 30 June 2021

42. SEGMENTAL INFORMATION (CONT'D.)

(a) Geographical information

The Group's seven business segments operate in three main geographical areas:-

(i)	Malaysia	- Construction
		- Information technology & e-commerce related business
		- Hotel operations
		- Cement and building materials industry
		- Management services & others
		- Property investment & development
		- Utilities
(ii)	United Kingdom	- Utilities
		- Hotel operations
(iii)	Singapore	- Utilities
		- Cement and building materials industry
		- Property investment & development

	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	**5,775,438**	7,430,763	**11,850,527**	12,305,103
United Kingdom	**3,852,723**	3,647,137	**21,373,358**	18,786,918
Singapore	**6,450,301**	6,841,129	**8,135,788**	8,243,533
Other countries	**1,191,957**	1,259,420	**4,017,163**	4,346,176
	17,270,419	19,178,449	**45,376,836**	43,681,730

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

	Non-current assets	
	2021 RM'000	2020 RM'000
Property, plant and equipment	**32,120,318**	30,475,254
Right-of-use assets	**1,712,517**	1,636,035
Investment properties	**1,976,498**	1,811,126
Development expenditures	**1,067,428**	1,128,221
Intangible assets	**8,500,075**	8,631,094
	45,376,836	43,681,730

Notes to the Financial Statements
– 30 June 2021

42. SEGMENTAL INFORMATION (CONT'D.)

(b) Major customers

The following is the major customer with revenue equal or more than 10 per cent of the Group's revenue:-

	2021 RM'000	2020 RM'000	Segment
Energy Market Company	**2,620,109**	2,452,877	Utilities

43. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that it maintains healthy capital ratios in order to support its existing business and maximise shareholders' value.

The Group and the Company 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 and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the year.

The Group and the Company monitors capital using a debt-to-capital 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	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Bonds	30	**23,328,057**	19,875,639	**3,240,000**	2,500,000
Borrowings	31	**21,746,386**	23,710,605	**1,066,995**	1,751,205
Bonds and borrowings		**45,074,443**	43,586,244	**4,306,995**	4,251,205
Less: Cash and cash equivalents	26	**(13,678,647)**	(11,661,232)	**(250,218)**	(103,999)
Net debt		**31,395,796**	31,925,012	**4,056,777**	4,147,206
Equity attributable to owners of the parent		**12,788,485**	12,460,336	**6,307,840**	6,086,744
Capital and net debt		**44,184,281**	44,385,348	**10,364,617**	10,233,950
Debt-to-capital ratio (%)		**71**	72	**39**	41

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 than RM40 million. The Company has complied with this requirement.

Notes to the Financial Statements
– 30 June 2021

44. SIGNIFICANT EVENTS DURING AND AFTER REPORTING PERIOD

(a) The outbreak of the COVID-19 pandemic has impacted economic activities worldwide. Many countries have imposed restrictions on non-essential services and business operations, and have also implemented travel restrictions, border closures and other quarantine measures that have significantly curbed the normal movement of goods, services and people. For the financial year ended 30 June 2021, the impact of COVID-19 have been reflected in this set of financial statements.

As the situation is still evolving and will be affected by the degree to which governments are able to contain the spread of the virus in countries where the Group operates, the full impact of the COVID-19 pandemic on the Group's performance for the financial year ending 30 June 2022 could not be reasonably ascertained when this set of financial statements was authorised for issuance.

The Group and the Company are taking steps to proactively manage the businesses and take the necessary actions to ensure that the long-term business prospects of the Group and the Company remain stable.

(b) On 28 September 2021, SIPP Power Sdn. Bhd. ("SIPP Power"), a 70%-owned subsidiary of YTL Power entered into a Sale and Purchase Agreement with Boustead Plantations Berhad to purchase Kulai Young Estate in Johor for a purchase consideration of RM428.8 million ("Proposed Acquisition"). The Proposed Acquisition is expected to be completed by end December 2021.

SIPP Power intends to develop the land into a large scale solar power facility with a generation capacity of up to 500MW. This is in line with the Group's shift towards investing in more sustainable, renewable energy solutions moving forward.

Save for the above, there were no other material events subsequent to the end of the current financial year ended 30 June 2021 that have not been reflected in the financial statements.

45. AUTHORISED FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2021.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth Annual General Meeting of YTL Corporation Berhad (the **"Company"**) will be held on Tuesday, the 7th day of December, 2021 at 1.30 p.m. or at any adjournment thereof and will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (**"TIIH Online"**) at https://tiih.com.my (**"Meeting Platform"**) 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 2021 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 86 of the Company's Constitution:-

   (i) Tan Sri (Sir) Francis Yeoh Sock Ping ***Resolution 1***

   (ii) Dato' Sri Michael Yeoh Sock Siong ***Resolution 2***

   (iii) Dato' Mark Yeoh Seok Kah ***Resolution 3***

   (iv) Faiz Bin Ishak ***Resolution 4***

3. To approve the payment of fees to the Non-Executive Directors amounting to RM890,000 for the financial year ended 30 June 2021. ***Resolution 5***

4. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2022 to December 2022. ***Resolution 6***

5. To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 7***

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 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 twelve years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 8***

   (ii) "THAT subject to the passing of the Ordinary Resolution 4, approval be and is hereby given to Faiz Bin Ishak, 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***

Notice of Annual General Meeting

7. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, 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 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad (**"Bursa Securities"**) 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 Securities." ***Resolution 10***

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, 2016, the provisions of the Company's Constitution and Bursa Malaysia Securities Berhad (**"Bursa Securities"**) Main Market Listing Requirements (**"Listing Requirements"**) 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 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 10% of the total number of issued shares 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 1 December 2020, 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 10% of the total number of issued shares 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 retained profits of the Company at the time of purchase by the Company of its own shares; 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/or

(d) transfer the shares, or any of the shares for the purposes of or under an employees' shares scheme; and/or

(e) transfer the shares, or any of the shares as purchase consideration; and/or

(f) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

Notice of Annual General Meeting

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, 2016, the provisions of the Company's Constitution and the Listing Requirements and all other relevant governmental/regulatory authorities." ***Resolution 11***

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
29 October 2021

Notes:-

REMOTE PARTICIPATION AND VOTING

1. *The Annual General Meeting ("AGM") will be conducted on a fully virtual basis* ***without a physical meeting venue*** *through live streaming, online remote participation and voting via the Remote Participation and Voting ("RPV") facilities provided by the appointed share registrar and poll administrator for the AGM, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at http://ytl.com/meetings to register, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities.*

MEETING PLATFORM

2. *The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021.*

PROXY

3. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*
4. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, 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.*
5. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*

Notice of Annual General Meeting

7. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **5 December 2021 at 1.30 p.m.**:*

   (i) *In hardcopy form*

   The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

   or alternatively,

   at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) *Electronically via TIIH Online*

   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM.

8. *For the purpose of determining a member who shall be entitled to attend the AGM via the RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 30 November 2021. Only a depositor whose name appears on the General Meeting Record of Depositors as at 30 November 2021 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.*

APPOINTMENT OF REPRESENTATIVE BY CORPORATE MEMBERS

9. *For a corporate member who has appointed an authorised representative to participate and vote remotely via the RPV facilities, please deposit the original certificate of appointment of corporate representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,*

   or alternatively,

   at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

   before the time appointed for holding the AGM or adjourned meeting.

Explanatory Notes to Ordinary Business

Note A

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Payment of Directors' Benefits

In accordance with the requirements of Section 230(1) of the Companies Act, 2016, approval of the members is sought for the payment of meeting attendance allowance (a benefit) to the Non-Executive Directors of the Company. If Resolution 6 is passed, the meeting attendance allowance will be payable for such period at the quantum specified.

Explanatory Notes to Special Business

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

In line with Practice 5.3 of the Malaysian Code on Corporate Governance, Resolutions 8 and 9 are to enable Dato' Cheong Keap Tai and Faiz Bin Ishak to continue serving as Independent Directors of the Company to fulfil the requirements of Paragraph 3.04 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. 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 Nominating Committee Statement in the Company's Annual Report 2021. The shareholders' approval for Resolutions 8 and 9 will be sought on a single-tier voting process.

Resolution pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 10 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the Thirty-Seventh Annual General Meeting held on 1 December 2020 ("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 this AGM.

Resolution 10, if passed, will enable the Directors to allot and issue ordinary shares at any time up to an amount not exceeding 10% of the total number of issued share of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad, without convening a general meeting which will be both time and cost consuming. The 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 11, further information on the Share Buy-Back is set out in the Statement to Shareholders dated 29 October 2021 which is available on the Company's website at http://ytl.com/meetings.

Statement Accompanying Notice of Annual General Meeting

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

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

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

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Notes to Special Business of the Notice of Thirty-Eighth Annual General Meeting.

This page has been intentionally left blank.

Form of Proxy

YTL Corporation Berhad
SINCE 1955

[Company No. 198201012898 (92647-H)]
(Incorporated in Malaysia)

CDS Account No. *(only for nominee companies)*	
Number of shares held	

I/We *(full name in block letters)* ______________________________

______________________________ Tel. No. ______________

NRIC *(new & old)*/Passport/Company No. ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Corporation Berhad** hereby appoint

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

* and/or *(delete as appropriate)*

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Thirty-Eighth Annual General Meeting (**"AGM"**) of the Company which will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (**"TIIH Online"**) at https:tiih.com.my ("**Meeting Platform**") on **Tuesday, 7 December 2021** at **1.30 p.m.** or at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

No.	Resolution	For	Against
1.	Re-election of Tan Sri (Sir) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
3.	Re-election of Dato' Mark Yeoh Seok Kah		
4.	Re-election of Faiz Bin Ishak		
5.	Approval of the payment of fees to the Non-Executive Directors		
6.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
7.	Re-appointment of HLB Ler Lum Chew PLT as Auditors of the Company		
8.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
9.	Approval for Faiz Bin Ishak to continue in office as Independent Non-Executive Director		
10.	Proposed authorisation for Directors to allot and issue shares		
11.	Proposed renewal of share buy-back authority		

Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this ________ day of ____________________ 2021.

____
Signature(s)/Common Seal of Member

IMPORTANT NOTICE

The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at the Meeting Platform.

Fold this flap for sealing

Notes:-

1. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*
2. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, 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.*
3. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*
5. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than* ***5 December 2021 at 1.30 p.m.****:*

   (i) *In hardcopy form*

   The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) *Electronically via TIIH Online*

   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM.
6. *Only members whose names appear on the General Meeting Record of Depositors as at 30 November 2021 shall be entitled to attend the AGM via the RPV facilities or appoint proxy(ies) to attend and/or vote in his stead.*
7. *For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Tricor at either of the addresses stated in Note 5(i) above, before the time appointed for holding the AGM or adjourned meeting.*

Then fold here

AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for the 38th Annual General Meeting of
YTL Corporation Berhad
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

First fold here