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

ANNUAL REPORT **2022**

BUILDING THE RIGHT THING
The Journey Continues...

YTL Corporation Berhad
SINCE 1955

2022
ANNUAL REPORT

CONTENTS

Overview

Strategic & Performance Review

YTL Corporation Berhad

SINCE 1955

Company No. 198201012898 (92647-H)

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, investments 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 Prime Market Foreign Stocks Segment 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

Key Financial Highlights

Revenue RM24,241.5 million FY2022	**Profit Before Tax** RM1,548.9 million FY2022
Total Assets RM72,342.8 million As at 30 June 2022	**Market Capitalisation** RM6,396.4 million As at 30 June 2022

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, (Hon) D.Univ

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
Prime Market Foreign Stocks Segment (29.2.1996)

Executive Chairman's Statement

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

Our Group registered markedly improved results this financial year. Revenue grew 40% to RM24.2 billion for the financial year ended 30 June 2022 compared to RM17.3 billion last year. Profit before tax increased 145% to RM1.5 billion for the year under review compared to RM0.6 billion last year, whilst profit after tax surged to RM1.2 billion this year compared to a loss after tax of RM0.3 billion last year.

The strong performance for the year enabled us to continue to reward shareholders with dividends. As our long-term shareholders would be aware, YTL Corp has consistently declared dividends every year since listing on the Kuala Lumpur stock exchange in 1985, comprising both cash and share dividends, and this year marked the 38th consecutive year in our track record. The Board of Directors of YTL Corp declared an interim dividend of 3.0 sen per share in respect of the financial year ended 30 June 2022.

It was an excellent year for our Group with a key focus on optimising assets. The strong interest in regulated utilities gave rise to an unassailable opportunity to divest our minority 33.5% interest in ElectraNet Pty Ltd in Australia during the year for a sale consideration of A$1.026 billion.

This transaction further optimised the balance of assets in our business portfolio and increased our flexibility to deploy our cash reserves towards viable new ventures that complement our existing businesses. These include, in particular, new investments in solar energy and other renewables, in line with our shift towards more sustainable energy solutions moving forward.

Executive Chairman's Statement

Contribution from our merchant multi-utilities segment in Singapore has climbed sharply given the robustness of Singapore's economy and electricity market. The successful completion this year of our acquisition of the Tuaspring power plant in Singapore and effective integration of the plant into our operations has created significant synergies across our portfolio of utility businesses.

In December 2021, our Yes network became the first in Malaysia to provide 5G access to customers with the launch by Digital Nasional Berhad (DNB) of the single wholesale 5G network in the Klang Valley. Our commitment from the outset, since our launch in 2010, has always been to deliver the fastest speeds to our customers at the most affordable prices, with access to urban and rural areas alike. DNB's network roll-out is on course and we will continue to increase 5G access for our customers in tandem.

The movement control orders reintroduced in 2021 to control the spread of the pandemic impacted our domestic construction activities as well as our cement operations in Malaysia and Vietnam as restrictions brought most industry to a halt or significant slow-down. However, since our acquisition of Malayan Cement Berhad in 2019, we have significantly rationalised our cement operations, improving operational efficiency and strengthening our value proposition.

With economic activities beginning to return to normalcy during the second half of the financial year, our construction works-in-progress remained on track and we have a robust order book on hand. Whilst higher input prices, labour shortages and rising logistics costs remain consistent challenges for the construction and cement industries, the revival and acceleration of major infrastructure and affordable housing projects lead the trajectory for the building industry.

On the hospitality front, recovery of the global tourism industry has been progressing in varying degrees amidst the reopening of international borders and the gradual transition towards managing the endemic phase of COVID-19. Increasing inflationary pressures and geopolitical concerns may give rise to further challenges but these factors are expected to be further tempered by abundant pent-up demand and improving economic conditions, benefitting our hotels and resorts across the globe that are able to offer an unparalleled quality of service and unique experiences.

Meanwhile, as the domestic property market has continued to contend with increasingly cautious consumer sentiment, our Brabazon project in the UK is progressing well, and we championed a new masterplan this year following extensive consultation with local community groups, councils and businesses in the Bristol area. The revamped vision focuses on ensuring that more sustainable homes are built in the right places. This means on brownfield land along existing transport corridors like at Brabazon, where public transport connections and active travel routes provide a genuine alternative to car-dependent lifestyles.

The world in general is facing challenges on multiple fronts, including recovery from the pandemic coupled with the risk of the emergence of new variants, the military conflict in Ukraine and knock-on effects on energy prices, the escalating climate emergency and rising inflationary pressures. Given the international scale and breadth of our operations, our ability to address and manage these factors remains of paramount importance.

Our commitment to developing viable, sustainable, long-term businesses forms our bedrock in this regard. The general arc of our expansion has continued on a consistent track towards investing in and developing businesses that are economically, environmentally and socially sustainable, utilising the latest technological advancements and instilled with the robust governance culture that is the cornerstone of our Group.

Owing to the geographic extent of our Group's operations and different nature of businesses across the domestic and international utilities, construction, cement, hospitality and property industries, we have committed to a Group-wide target to achieve carbon neutrality in our operations by 2050. Our businesses in the UK and Singapore, however, which form a significant part of our operations at this stage, are much further ahead in the journey given the advancements in those jurisdictions and are expected to reach this target sooner.

The progress and advancements we made this year will stand us in good stead for the year ahead. We have reinforced the operational efficiency and strength of our existing operations whilst concurrently moving ahead with strategic new businesses, and are well prepared to meet the future.

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

Managing Director's Review

DATO' YEOH SEOK KIAN
Managing Director

OVERVIEW

YTL Corporation Berhad ("YTL Corp") and its subsidiaries ("Group") recorded revenue of RM24,241.5 million for the financial year ended 30 June 2022 compared to RM17,270.4 million for the last financial year ended 30 June 2021, with profit before tax growing to RM1,548.9 million for the financial year under review compared to RM631.8 million for the last financial year.

Higher revenue was contributed mainly by the Group's utilities segment. The construction and cement divisions continued to bear the impact of pandemic restrictions through the start of the financial year, with recovery picking up pace with the easing of restrictions as the year progressed. Meanwhile, improved results in the property segment were due mainly to disposals of land and higher sales in the Group's property project in the United Kingdom (UK), whilst the hotels division continued to see better results following the gradual recovery of the tourism and hospitality sectors.

Managing Director's Review

The Board of Directors of YTL Corp declared an interim cash dividend of 3.0 sen per ordinary share, with book closure and payment dates of 11 November 2022 and 29 November 2022, respectively.

The Malaysian economy registered gross domestic product (GDP) growth of 3.1% for the 2021 calendar year. While the reimposition of COVID-19 containment measures in June 2021 curbed economic activity, the impact was smaller than in 2020, as businesses were better able to adapt to restrictions. Nevertheless, the measures did affect certain sectors, especially tourism and construction, which were slower to recover. The reopening of economic sectors in October 2021 after a successful vaccination programme, improvements in labour market conditions and higher capital expenditure led to a robust rebound in domestic demand. On a year-on-year basis, Malaysia's economy grew by 5.0% in the first quarter and 8.9% in the second quarter of 2022 on the back of sustained domestic and export demand, continued recovery in labour market conditions and policy support *(sources: Bank Negara Malaysia updates & reports)*.

In the other major economies where the Group operates, the UK registered GDP growth of 7.4% in 2021. By November 2021, the UK economy had recovered to its pre-pandemic level. In 2022, the economy grew by 8.7% in the first quarter and 2.9% in the second on a year-on-year basis. Singapore's economy grew by 7.6% in 2021, followed by growth of 3.7% and 4.4% on a year-on-year basis, respectively, in the first and second quarters of 2022 *(sources: Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports)*.

SEGMENTAL REVIEW

The Group's **Utilities** division drove the bulk of the revenue increase for the year under review led by the merchant multi-utilities sub-segment owing to higher pool and fuel oil prices. Higher profit before tax was mainly due to higher pool gains and retail margins. The water and sewerage sub-segment recorded higher revenue, contributed primarily from improved trading and new contracts within the non-household retail market, whilst the segment's lower profit before tax resulted mainly from interest accretion on index-linked bonds driven by higher inflation in the UK, as well as capital expenditure to meet environmental obligations.

During the year under review, the Utilities division completed the acquisition of the power plant and associated assets of Tuaspring Pte Ltd, a strong new asset to complement its existing merchant multi-utilities business in Singapore. In Malaysia, the Group's Yes telecommunications platform became the first to offer 5G services to its customers in conjunction with the roll-out of Digital Nasional Berhad's single wholesale network.

Managing Director's Review

The **Cement & Building Materials Industry** segment's revenue and profit before tax decreased due significantly to the impact of the COVID-19 pandemic on the domestic and Vietnam markets, coupled with the absence of the gain on disposal of the Group's cement operations in China recorded last year.

Nevertheless, the division has made extensive headway in streamlining its operations to improve efficiency, investing in upgrades to optimise production processes and enhance utilisation of alternative fuel sources and raw materials to improve cost effectiveness.

In the Group's **Construction** segment, the decrease in revenue was due to lower construction activities following enhanced movement controls at the start of the financial year whilst profit before tax was lower due to higher construction costs incurred.

The Group continues to progress well with the Gemas-Johor Bahru electrified double track project. The necessary schedule adjustments to accommodate work stoppages under the various movement control orders extending into 2021 have been well-managed and the project remains on schedule. The division is also undertaking the development of the Group's data center campus in Johor, part of a multi-phase plan, and has a strong raft of commercial and residential projects in progress and in the pipeline.

The **Property Investment & Development** division registered a significant increase in revenue, primarily attributable to sales recorded under its development project in the UK and land sales, with the latter also contributing mainly to the increase in profit before tax.

In June 2022, The Fennel at Sentul East, one of the Group's most iconic developments, was proclaimed the World Gold Winner in the FIABCI World Prix d'Excellence Awards 2022 under the Residential (High Rise) Category. This accolade came shortly after The Fennel emerged as the Winner in the Residential (High Rise) Category of the Malaysia Property Awards 2021 by the FIABCI Malaysia Chapter in March 2022.

Managing Director's Review

Sentul's dynamism today extends far beyond its unprecedented rejuvenation with transformative impact of a modern landscape of architectural icons to stimulate urban renewal. The Group's flagship urban renewal project in Sentul continues with the conservation and repurposing of Sentul Depot, a century-old historical railway depot, into a premier event space and lifestyle destination in Kuala Lumpur. The opening of Tiffin At The Yard, a vibrant food and beverage (F&B) attraction demonstrates the diversity of use of the repurposed space inspired by the rustic charm of the depot's heritage. The transformation of Sentul into an exciting destination for events will be further complemented by the newly constructed Sentul Pavilion at Sentul Park, a uniquely designed glasshouse which is the sole event space in Malaysia nestled in a private park.

The encouraging response of homebuyers during the launch of Tulips, a "Rumah Selangorku" affordable housing scheme in Puchong, Selangor, and Olive Grove, the Group's first-ever gated and guarded development in Taman Pakatan Jaya, Ipoh, reflect the strong demand for two-storey link houses with a well-designed layout amid weak market sentiments in the post-pandemic era.

Despite unprecedented pandemic-related disruptions, Brabazon, Bristol, the Group's expansive property development project in the UK, continued to deliver homes and has successfully secured consistent sales. All open market homes have been sold in staggered releases and the maiden residential parcel is targeted to be completed in stages in 2024. Progress is also well underway on YTL Arena Bristol, situated at the legendary Brabazon Hangars, the birthplace of the Concorde, scheduled to open its doors to the public in 2024.

The **Hotel Operations** segment achieved an increase in revenue and reduction in loss before tax mainly attributable to better performances of the Group's hotels and resorts following the easing of movement restrictions in the UK and Malaysia.

With the transition towards managing the endemic phase of COVID-19 progressing at different speeds around the world, the revival of the global tourism industry appears promising. Countries where the Group operates remain well on-track to return to normal operations and governmental measures to bolster economic recovery augur well for the hospitality industry.

Meanwhile, in the Group's **Management Services & Others** division, the increase in revenue was mainly due to higher rental income, whilst the significant increase in profit before tax was principally attributable to the gain on disposal of the Group's investment in ElectraNet Pty Ltd in Australia. The timing for the Group's divestment of its minority 33.5% stake in ElectraNet proved optimal, unlocking value with a sale consideration of A$1.026 billion, reflecting a valuation of 1.6 times the regulated and contracted asset base (RCAB) of the company.

FUTURE GROWTH & PROSPECTS

YTL Corp has a long-standing track record of developing businesses that are economically viable and sustainable on a long-term basis, and this is reinforced by a Group-wide commitment to achieve carbon neutrality in operations by 2050.

This aspiration is in line with the target of the Malaysian Government and consistent with the policy goals of the major countries where the Group operates, some of which are at more advanced stages of this journey and will be valuable in informing the progress and advancements for the rest of the Group.

YTL Corp remains committed to its strategy of building resilience, solidifying the foundational strength of its core competencies, whilst creating the flexibility to expand into new correlated businesses that enable the Group to leverage its strengths and build for the future.

The Group's strong performance for the year under review despite challenging operating conditions across many industries sets the groundwork for the year ahead, and the Group is determined to continue on this positive trajectory going forward.

DATO' YEOH SEOK KIAN
DSSA

Management Discussion & Analysis
GROUP OVERVIEW

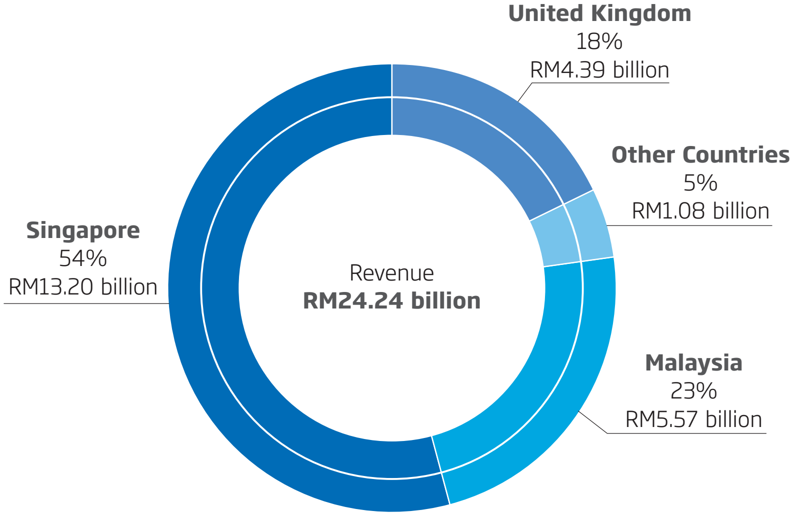
OVERVIEW

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 and Management Services & Others.

The YTL Corp Group has extensive operations in Malaysia, Singapore and the United Kingdom (UK), as well as businesses, investments 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.

Revenue by Country - FY2022



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 and other utility assets, and businesses correlated to its core competencies of cement, construction, property development and hotel operations, with the goal of maximising value and building and operating strong businesses that are viable and sustainable on a long-term basis for the benefit of all stakeholders.

The YTL Corp Group also derives a significant part of its revenue from operating various regulated and other utility assets under long-term concessions and/or licences, 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 and hotel development and management (including restaurant operations).

  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**

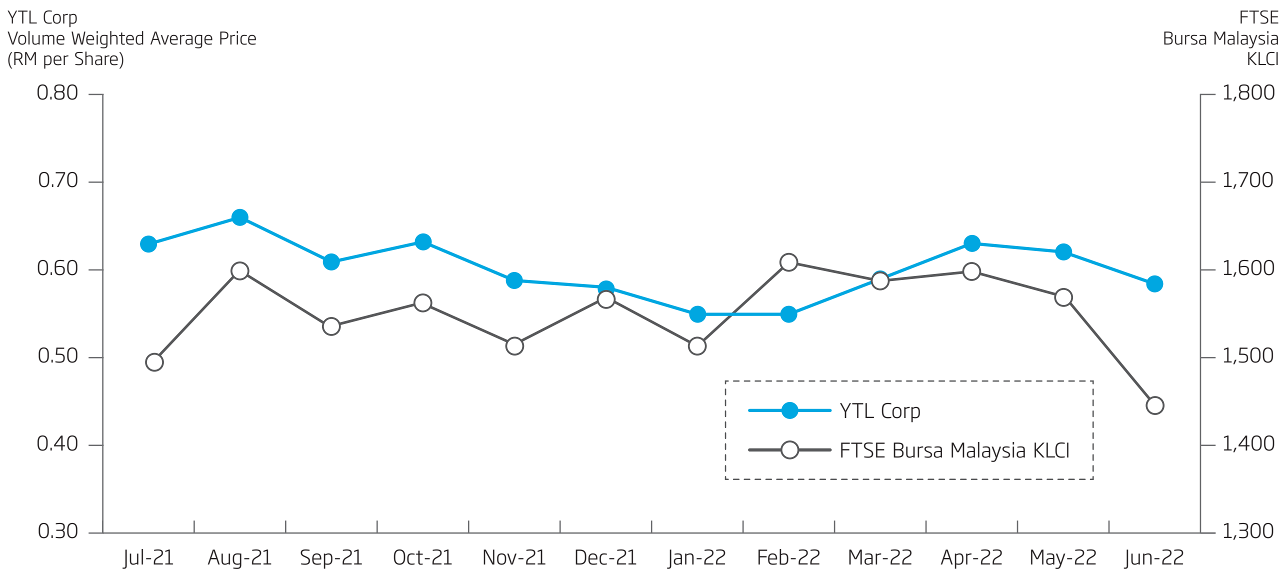
  The Group believes that its utilities and cement plants on average operate within the highest efficiency levels of their industries and further enhances operational efficiencies where possible through the application of new technologies, production techniques and information technology.

PERFORMANCE INDICATORS

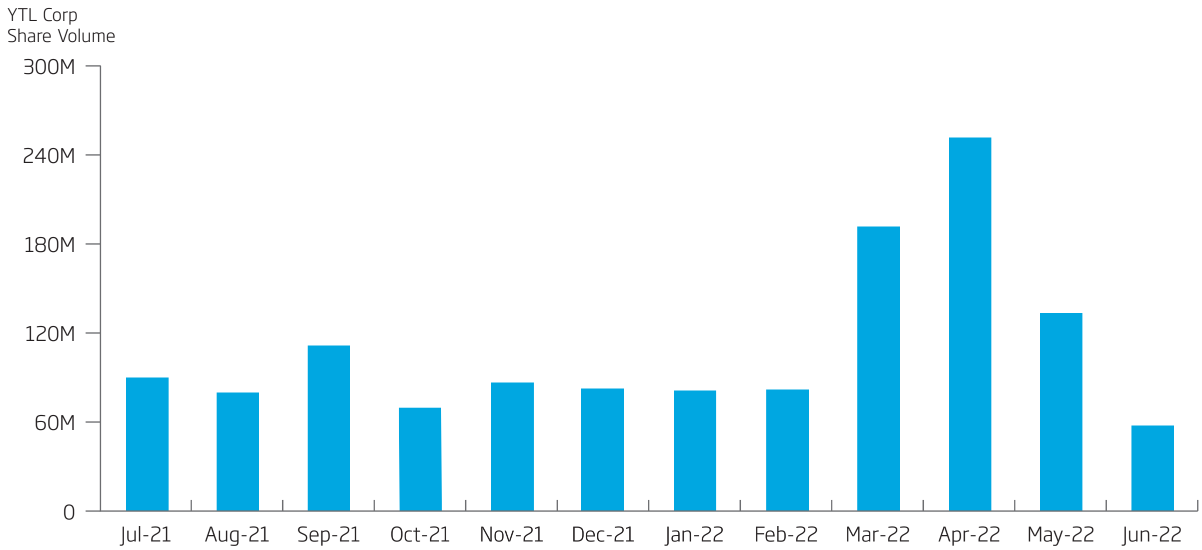
YTL Corp has been listed on Bursa Securities, the Kuala Lumpur stock exchange, since 3 April 1985. YTL Corp is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

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 2022.

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



Volume of YTL Corp Shares Traded on Bursa Securities



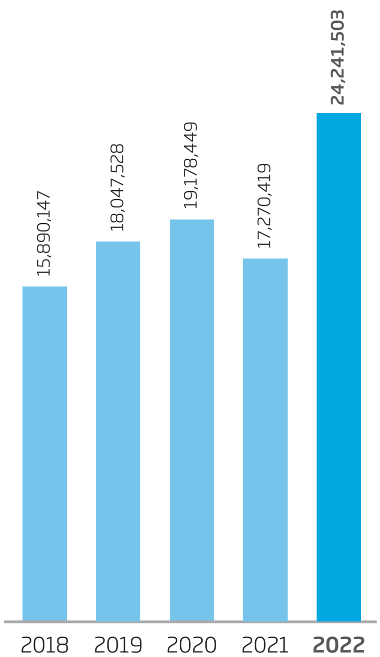
Source: Bloomberg

FINANCIAL REVIEW

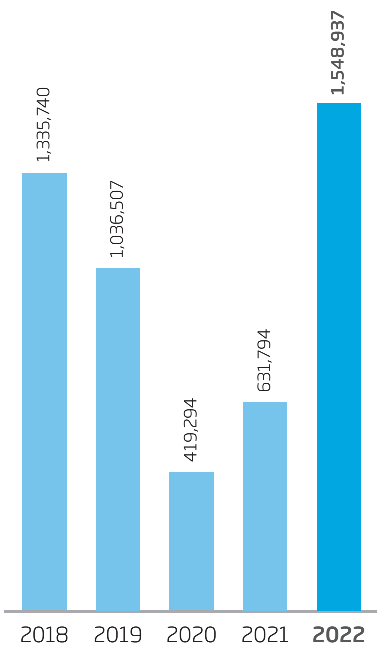
FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
Revenue (RM'000)	**24,241,503**	17,270,419	19,178,449	18,047,528	15,890,147
Profit Before Taxation (RM'000)	**1,548,937**	631,794	419,294	1,036,507	1,335,740
Profit/(Loss) After Taxation (RM'000)	**1,179,934**	(327,384)	4,658	721,355	970,872
Profit/(Loss) for the Year Attributable to Owners of the Parent (RM'000)	**545,394**	(367,664)	(189,221)	242,589	340,999
Total Equity Attributable to Owners of the Parent (RM'000)	**12,938,529**	12,788,485	12,460,336	13,262,686	14,041,932
Earnings/(Loss) per Share (Sen)	**4.97**	(3.38)	(1.78)	2.30	3.24
Dividend per Share (Sen)	**3.0**	2.5	-	4.0	5.0
Total Assets (RM'000)	**72,342,784**	73,863,566	69,908,435	76,727,093	71,344,378
Net Assets per Share (RM)	**1.18**	1.17	1.17	1.25	1.32

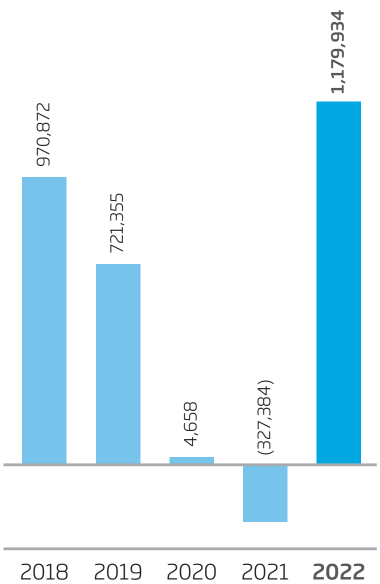
Revenue
(RM'000)



Profit Before Taxation
(RM'000)

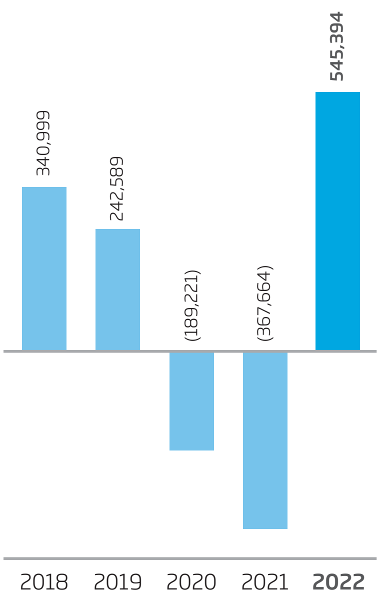


Profit/(Loss) After Taxation
(RM'000)

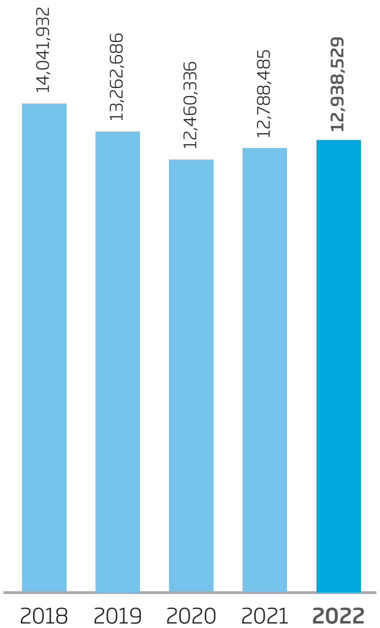


Management Discussion & Analysis
GROUP OVERVIEW

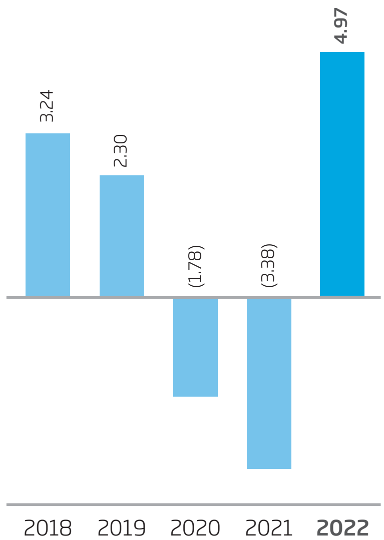
Profit/(Loss) for the Year Attributable to Owners of the Parent
(RM'000)



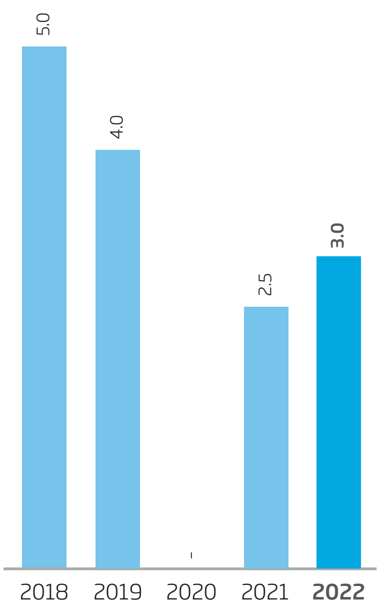
Total Equity Attributable to Owners of the Parent
(RM'000)



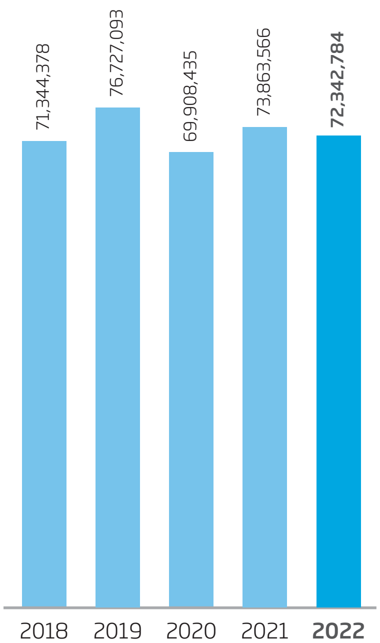
Earnings/(Loss) per Share
(Sen)



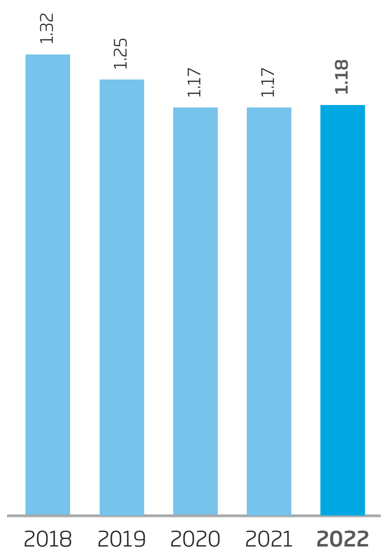
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



REVIEW OF FINANCIAL PERFORMANCE

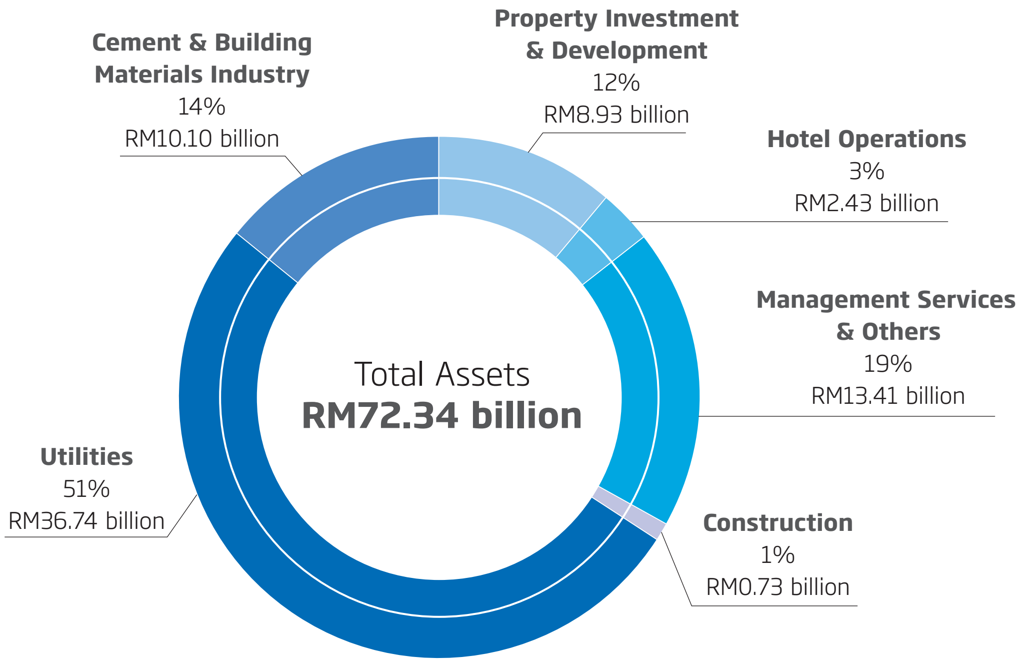
Group Financial Performance

The YTL Corp Group recorded revenue of RM24,241.5 million for the financial year ended 30 June 2022 compared to RM17,270.4 million for the previous financial year ended 30 June 2021, and profit before taxation of RM1,548.9 million for the financial year under review, compared to RM631.8 million last year. The improved performance was contributed mainly to the Utilities, Property Investment & Development and Hotels segments.

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 77% of the Group's revenue and 74% of non-current assets for the 2022 financial year, compared to 67% and 74%, respectively, last year.

Segmental Financial Performance

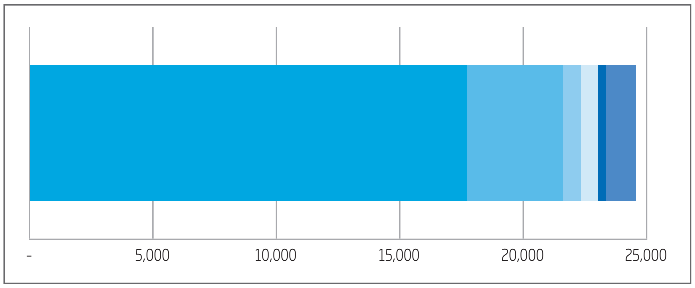
Total Assets by Segment
(as at 30 June 2022)



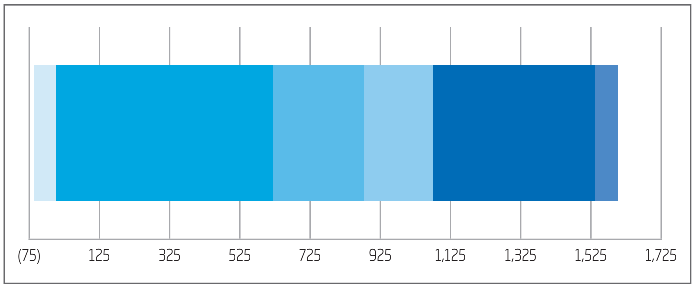
Management Discussion & Analysis
FINANCIAL REVIEW

	Segment Revenue		Segment Profit/ (Loss) Before Tax	
	2022 RM million	**2021 RM million**	**2022 RM million**	**2021 RM million**
Utilities	**17,499.0**	10,572.1	**622.9**	627.7
Cement & Building Materials Industry	**3,891.0**	4,093.5	**264.2**	562.9
Construction	**1,136.2**	1,514.5	**62.3**	217.5
Property Investment & Development	**717.4**	366.6	**192.5**	(380.3)
Hotel Operations	**693.7**	420.7	**(58.4)**	(153.6)
Management Services & Others	**304.2**	303.0	**465.4**	(242.4)
	24,241.5	17,270.4	**1,548.9**	631.8

Breakdown of Revenue by Segment - FY2022 *(RM million)*



Breakdown of Profit/(Loss) Before Taxation by Segment - FY2022 *(RM million)*



Utilities | Cement & Building Materials Industry | Property Investment & Development | Hotel Operations | Management Services & Others | Construction

Utilities

The Utilities segment recorded higher revenue of RM17,499.0 million for the financial year ended 30 June 2022 compared to RM10,572.1 million for the previous financial year ended 30 June 2021 due to higher pool and fuel oil prices in the merchant multi-utilities sub-segment, improved trading and new contracts within the non-household retail market in the water and sewerage sub-segment and growth in the subscriber base resulting from affordable data plans in the telecommunication sub-segment.

The segment recorded marginally lower profit before taxation of RM622.9 million for the financial year under review compared to RM627.7 million last year due mainly to interest accretion on index-linked bonds and environmental obligations in the water and sewerage sub-segment and a loss before taxation in the telecommunications sub-segment approximating that of the preceding year, off-setting higher profit before tax in the merchant multi-utilities segment resulting from higher pool gains and retail margins.

The Utilities segment continues to be the Group's largest operating segment, contributing 72% of revenue and 40% of profit before taxation for the financial year ended 30 June 2022, compared to 61% of revenue and 99% of profit before taxation last year.

Cement & Building Materials Industry

The Cement & Buildings Materials Industry segment recorded revenue of RM3,891.0 million for the financial year ended 30 June 2022 compared to RM4,093.5 million for the previous financial year ended 30 June 2021, and lower profit before taxation of RM264.2 million this year compared to RM562.9 million last year.

The decrease in revenue and profit before taxation was mainly attributable to the impact of the COVID-19 pandemic on the domestic and Vietnam markets coupled with the absence of the gain on disposal of cement business in China recorded last year.

For the current financial year, the Cement & Building Materials Industry segment was the Group's second largest operating segment in terms of revenue, contributing 16% of revenue and 17% of profit before taxation for the financial year ended 30 June 2022, compared to 24% of revenue and 89% of profit before taxation last year.

Construction

The Construction segment recorded revenue of RM1,136.2 million for the financial year ended 30 June 2022 compared to RM1,514.5 million for the previous financial year ended 30 June 2021 due to reduced construction activities following enhanced movement controls imposed at the start of the financial year.

Profit before taxation stood at RM62.3 million for the year under review compared to RM217.5 million last year as a result of higher construction costs incurred.

Property Investment & Development

The Property Investment & Development segment recorded revenue of RM717.4 million for the financial year ended 30 June 2022 compared to RM366.6 million for the previous financial year ended 30 June 2021 mainly due to sales recorded under the development project undertaken by YTL Property Holdings (UK) Ltd and sale of land.

Profit before taxation increased to RM192.5 million for the year under review compared to a loss before taxation of RM380.3 million last year, primarily due to a gain on sale of land.

Hotel Operations

The Hotel Operations segment recorded higher revenue of RM693.7 million for the financial year ended 30 June 2022 compared to RM420.7 million for the previous financial year ended 30 June 2021 and a lower loss before taxation of RM58.4 million for the year under review compared to RM153.6 million last year.

The improvement was mainly due to better performances of the Group's hotels and resorts following the easing of movement restrictions in the UK and Malaysia.

Management Services & Others

The Management Services & Others segment recorded revenue of RM304.2 million for the financial year ended 30 June 2022 compared to RM303.0 million for the previous financial year ended 30 June 2021, primarily attributable to higher rental income.

Profit before taxation increased to RM465.4 million for the year under review compared to a loss before taxation of RM242.4 million last year, mainly due to the one-off gain following the disposal of the investment in ElectraNet Pty Ltd, partially offset by project development costs written off.

DIVIDENDS

The dividend paid by the Company since the end of the last financial year is as follows:

	RM'000
In respect of the financial year ended 30 June 2021: - Interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	**274,102**

On 25 August 2022, the Board of Directors of YTL Corp ("Board") declared an interim dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2022 with payment and book closure dates of 11 November 2022 and 29 November 2022, respectively.

The Board does not recommend the payment of a final dividend for the financial year ended 30 June 2022.

Dividend Policy

The Board 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.

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Bonds	**20,212,938**	23,328,057	**3,240,000**	3,240,000
Borrowings	**22,043,244**	21,746,386	**1,066,963**	1,066,995
Bonds and borrowings	**42,256,182**	45,074,443	**4,306,963**	4,306,995
Less: Cash and cash equivalents	**(11,398,557)**	(13,678,647)	**(196,699)**	(250,218)
Net debt	**30,857,625**	31,395,796	**4,110,264**	4,056,777
Equity attributable to owners of the parent	**12,938,529**	12,788,485	**6,192,757**	6,307,840
Capital and net debt	**43,796,154**	44,184,281	**10,303,021**	10,364,617
Debt-to-capital ratio	**70%**	71%	**40%**	39%

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 2022 of RM12.94 billion.

SIGNIFICANT CORPORATE DEVELOPMENTS

ACQUISITION OF POWER PLANT & ASSOCIATED ASSETS OF TUASPRING PTE LTD

As reported last year, YTL Power and its wholly-owned subsidiary, Taser Power Pte Ltd, entered into a put and call option agreement on 12 March 2020 for the acquisition of the power plant and associated assets of Tuaspring Pte Ltd ("Tuaspring") by YTL PowerSeraya Pte Limited ("YTL PowerSeraya"), from the receivers and managers of Tuaspring.

The acquisition was completed on 1 June 2022. The original purchase consideration of SGD331.45 million, which was to be settled via a combination of cash, together with shares and shareholder loans in the holding company of YTL PowerSeraya, was reduced to a purely cash consideration of SGD270.0 million on completion.

ACQUISITION OF KULAI YOUNG ESTATE

On 28 September 2021, SIPP Power Sdn Bhd, 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, Malaysia, for a purchase consideration of RM428.8 million which was completed in January 2022. SIPP Power Sdn Bhd intends to develop the land into a large-scale solar power facility with a generation capacity of up to 500 MW. This is in line with the Group's shift towards investing in more sustainable, renewable energy solutions moving forward.

DIVESTMENT OF 33.5% STAKE IN ELECTRANET PTY LTD

On 8 February 2022, YTL Power and its wholly-owned subsidiary, YTL Power Investments Limited ("YTLPIL"), entered into a share purchase agreement with Australian Utilities Pty Ltd, as trustee of Australia Utilities Trust ("Buyer") pursuant to which YTLPIL agreed to sell, and the Buyer agreed to buy, 3,350 fully paid ordinary shares comprising a 33.5% equity interest in ElectraNet Pty Ltd ("ElectraNet"), 3,300 shareholder loan notes and 2,550 preferred loan notes issued by ElectraNet to YTLPIL under a loan note facility agreement and 26,278,794 subsidiary shareholder loan notes issued by ElectraNet Transmission Investments Pty Ltd, a wholly-owned subsidiary of ElectraNet, to YTLPIL under a loan note facility agreement, for a total sale consideration of AUD1.026 billion. The divestment was completed on 23 March 2022.

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 2022, 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 and Singapore.

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

YTL Power also has a 60% stake in YTL Communications Sdn Bhd ("YTL Comms"), the operator of the Yes 4G and 5G platforms providing high-speed mobile internet with voice services across Malaysia.

OPERATIONAL REVIEW

Multi Utilities Business (Merchant)

For the financial year under review, YTL PowerSeraya sold 8,913 gigawatt hours (GWh) of electricity, whilst generation market share saw a slight 0.01% decrease as compared to 17.16% in the previous financial year. Global energy prices have risen due to the worldwide energy crunch of high demand and tight supply conditions. Similar demand and supply factors saw greater volatility of prices in the Singapore wholesale electricity market. The tight supply on natural gas has also led to more frequent operational adjustments for the generation plants, such as hot-switching to alternative fuels, to ensure the stability of electricity supply commitments to the market.

Despite having to navigate the tail-end of strict COVID-19 restrictions on the availability of specialist manpower and resources, the Group has continued to achieve major milestones like the timely completion of major and minor maintenance inspection activities on its combined cycle and co-generation power plant units.

YTL PowerSeraya successfully completed the acquisition of the Tuaspring power plant during the year under review and had ensured a smooth takeover of the operation. This has increased the Group's generation portfolio, facilitating knowledge expansion and providing greater flexibility in operation and maintenance.

The Group continued to emphasise maintaining high standards in quality, environmental, health and safety as well as cyber security management systems. Recertifications of ISO9001, ISO14001, ISO45001 and ISO27001 were also successfully completed during the year.

YTL PowerSeraya's retail brand, Geneco, held an electricity retail market share of 12.2% for the financial year under review (calculated based on retail volume as a percentage over total system demand) with sales volumes of 6,709 GWh. The retail business comprises customers from the residential, commercial and industrial sectors.

During the year, Geneco launched Power Eco Add-on, Singapore's first-and-only customisable green add-on for an electricity plan for its residential customers. These customised energy options highlight Geneco's continued commitment in moving towards a sustainable energy future, alongside the Singapore Green Plan 2030.

YTL PowerSeraya's fuel management arm managed to pull in a steady performance despite continuous challenges in the oil industry created by the pandemic and the military conflict between Russia and Ukraine causing a steep backwardation of both the fuel oil and diesel markets. The division handled 7.48 million metric tonnes of fuel oil and diesel for the year under review. The number of berthings for bunkering and cargo vessels saw 644 vessels berthed at the terminal this year, compared to 552 vessels last year, with an average berth utilisation rate of 38.62%. The challenging market has also driven down the tank lease rate.

Water & Sewerage

Despite challenging operating conditions during the year under review, Wessex Water's performance remained resilient and in line with expectations. The division continues to perform highly on outcomes for customers, communities and the environment with very positive results this year.

Wessex Water has an industry-leading customer experience track record and in 2021, topped the water and sewerage company ranking in Ofwat's customer experience league table, C-MeX. Ofwat is the independent economic regulator for the UK water and sewerage industry.

Safe, healthy drinking water is a top customer priority and compliance with drinking water standards was the best it has ever been with a score of 0.37. The length of time to deal with unplanned interruptions to supply fell to less than half the sector average.

Wessex Water achieved 100% compliance this year on discharges to the water environment from its water recycling centres as well as the reduction in pollution incidents. An intelligent blockage detection system was installed which helped reduce pollutions from 87 in 2020, to 72 in 2021.

Preventing sewer flooding remains a priority. The division recorded 182 incidents last year, within its target, but is working to further improve in this area.

As well as responding to changing expectations on storm overflows and river water quality, Wessex Water has continued to maintain its focus on delivering other long-term environmental outcomes.

Management Discussion & Analysis
SEGMENTAL REVIEW

Greenhouse gas emissions and electricity use fell during the year under review. Wessex Water has published a comprehensive route map setting out its plans to meet the industry-wide target of net zero operational carbon emissions by 2030 and net zero total carbon for the entire business by 2040, 10 years ahead of the target for the UK as a whole.

Telecommunications Business

Continuing to be at the forefront of technological innovation, YTL Comms became the first telecommunications company in Malaysia to launch 5G services to consumers in December 2021 with its "First-To-5G" (FT5G) plans.

The Yes FT5G Prepaid Plans allowed Malaysians to experience Free Unlimited 5G for up to 30 days from the date of activation of the SIM card and continue to enjoy the service thereafter by subscribing to Yes. The Yes FT5G plans were well received by consumers who were able to take advantage of average download speeds of greater than 600Mbps, which ranks competitively against global benchmarks.

Building on this excitement, YTL Comms announced the refresh of its Yes brand on 27 May 2022. The brand refresh commits to Yes' mission to create a platform built on 5G that brings innovation and opens a world of possibilities, to unlock the power of high-speed 5G experiences for everyone. With the launch of this campaign, Yes pledged to lower barriers to entry which enables affordable 5G access to all Malaysians.

In conjunction with the rebrand, Yes organised a media launch called "Yes 5G for All" on the same day which was officiated by Minister of Communications and Multimedia, YB Tan Sri Datuk Seri Panglima Haji Annuar Musa, and Chairman of MCMC, Dr. Fadhlullah Suhaimi Abdul Malek. The "5G for All" media launch unveiled the Yes Infinite plans mobile plans which are 300% cheaper and more than 20 times faster than existing 4G plans, making them the cheapest and fastest unlimited 5G + 4G plans in the world. Additionally, the Yes Infinite+ plan offers customers a free 5G smartphone with no upfront payment and unlimited full speed 5G + 4G data and calls from RM58 per month onwards.

On 23 July 2022, Prime Minister YAB Dato' Sri Ismail Sabri bin Yaakob officiated the launch of the Ketereh Digital Hub which is powered by Yes 5G connectivity, partnered with Shopee, to empower local entrepreneurs and small traders selected from the Keluarga Malaysia Digital Economy Centres (PEDi) to get training in producing content and to experience online platforms that allow access to the global market.

New Yes Wireless Fibre 5G plans were unveiled in conjunction with the launch of 5G commercial services in Penang in September 2022. The Yes Wireless Fibre 5G plans are the first-ever 5G Fixed Wireless Access (FWA) plans in Malaysia that come with a free 5G portable router that provides unlimited 5G data to Malaysian homes without the hassle of a wired broadband installation.

Yes continues to launch its series of initiatives and affordable 5G plans to ensure that the Rakyat is able to experience Yes 5G connectivity which opens up a world of infinite possibilities to all Malaysians. This will not only play an important role in boosting Malaysia's digital economy post-pandemic but also symbolises Yes' commitment to make 5G more affordable and accessible for all Malaysians – Yes 5G for All.

Power Generation (Contracted)

The Group completed the acquisition of the Kulai Young Estate in Johor in January 2022 and intends to develop the land into a large-scale solar power facility with a generation capacity of up to 500 MW. This is in line with the Group's shift towards investing in more sustainable, renewable energy solutions moving forward.

Cement & Building Materials Industry

SEGMENT OVERVIEW

The Cement & Building Materials Industry segment of the Group comprises the activities of the YTL Cement Berhad ("YTL Cement") Group of companies in Malaysia, Singapore, Vietnam, Myanmar and Indonesia.

OPERATIONAL REVIEW

Operations in Malaysia

Malayan Cement Berhad ("MCB") completed the acquisition of YTL Cement's entire cement and ready-mixed businesses in Malaysia on 21 September 2021. MCB is now the leading building materials group in the country, operating four integrated cement plants – in Langkawi, Kanthan, Padang Rengas and Bukit Sagu. A fifth, the 71-year-old plant in Rawang, has been temporarily taken offline, and will be undergoing planned refurbishments. The Group also operates four grinding stations, three cement terminal facilities, two cement depots, over 70 ready-mixed concrete batching plants, two drymix plants and three aggregate quarries throughout Peninsular Malaysia. In addition, YTL Cement's subsidiary, Batu Tiga Quarry Sdn Bhd, operates an additional 14 aggregates quarries throughout Peninsular Malaysia.

These facilities are connected by road, rail and sea. This network enables the Group to fully capitalise on development opportunities and support its customers nationwide. It also operates the Construction Development Lab (CDL), a research and development facility dedicated to developing customised cement and concrete solutions.

Operations in Singapore

YTL Cement is a leading supplier of cementitious products in Singapore together with MCB. The Group has four cement terminals with the largest storage, blending and mixing capability and delivery capacities. It also has substantial investment in the ready-mixed concrete industry with over 20% market share and Drymix operations.

Operations in Vietnam

Fico Tay Ninh Cement Joint-Stock Company ("Fico-YTL") is one of only three integrated cement plants in southern Vietnam. It is a major cement supplier to Ho Chi Minh City and the Mekong Delta region. Fico-YTL achieved 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 totaling 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. Strategically located at Yangon's deep sea port, it serves Myanmar's commercial hub and nearby regions. The plant is well-positioned to support the country's construction needs, especially large-scale infrastructure developments.

Operations in Indonesia

The Group has invested in potential land for terminals and grinding plants in Jakarta and Palembang. It will continue to seek opportunities to invest further in tandem with the development of the country.

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.

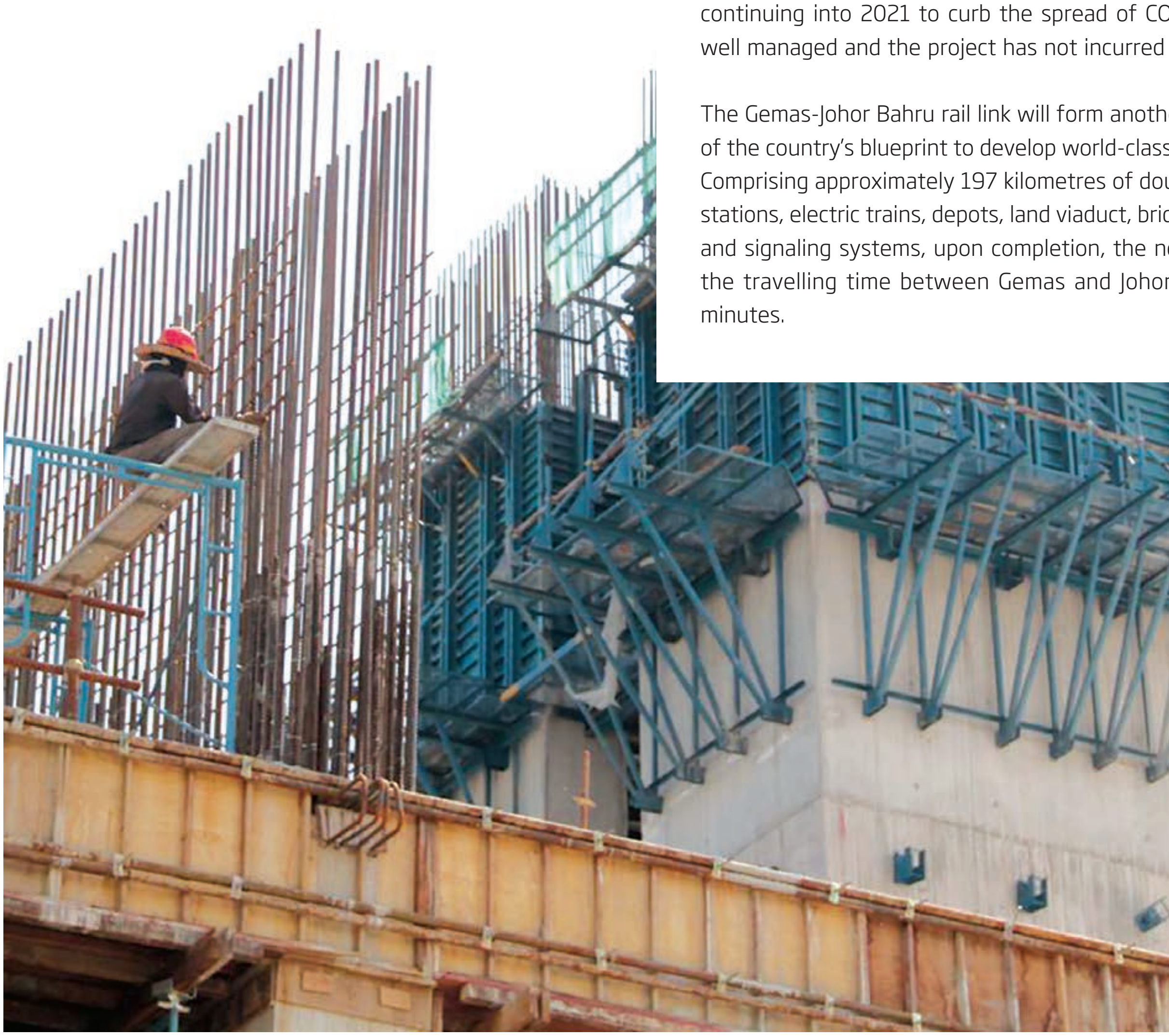
OPERATIONAL REVIEW

Infrastructure

Progress continued on schedule during the financial year under review 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.

Adjustments to the project schedule to accommodate work stoppages resulting from the ongoing series of movement control orders continuing into 2021 to curb the spread of COVID-19 have been well managed and 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 signaling 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.

Commercial

The Group embarked on the development of a data center development in Kulai, Johor during the year under review. The YTL Green Data Center Park will offer 275 acres dedicated toward data center development, expected to serve a growing demand in the region for sustainable and cost-efficient data center solutions.

Work has commenced to deliver the first data center facility in the YTL Green Data Center Park. The 72 MW data center will be anchored by Sea Limited and is expected to commence operations in 2024.

The Group has also secured contracts for the construction of two warehouse developments. The first is for two, 2-storey ramp-up warehouses in Mukim Kapar, Klang, scheduled for completion by mid-2023, and the second is a 3-storey ramp-up warehouse in Bukit Raja, Klang, for ALP BR (Malaysia) Sdn Bhd, scheduled for completion in mid-2024.

Meanwhile, construction was completed on-schedule on a 30-storey office block which includes shops and a food court situated along Jalan Tun Sambanthan in Brickfields, Kuala Lumpur, in mid-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).

Residential

In April 2021, SPYTL entered into an agreement with Kwasa Land Sdn Bhd ("Kwasa Land"), a wholly-owned subsidiary of Employees Provident Fund ("EPF"), 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.

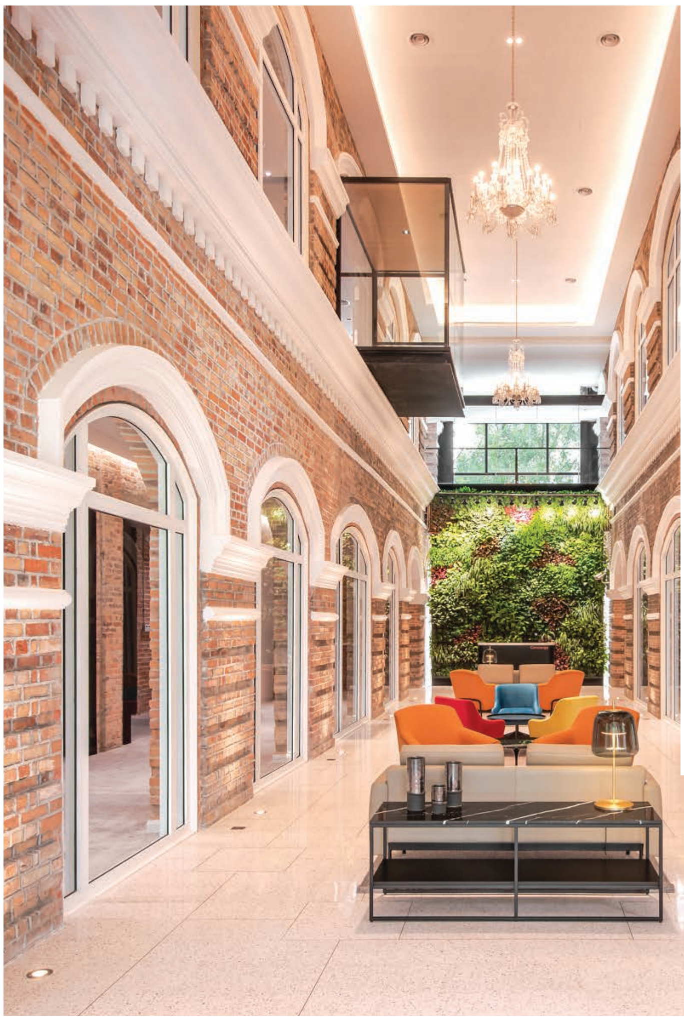
With a built-up area of between 1,200 sq ft and 2,300 sq ft, the homes will feature modern and minimalistic designs true to the Group's aesthetics and the development's green ethos. SPYTL and Kwasa Land are working toward launching the development in 2023.

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 2022, YTL Corp held a 93.17% stake in YTL L&D, whilst YTL Property UK is wholly owned by YTL Power. YTL Corp also has an effective interest of 37.17% in Starhill Global REIT, which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange.



OPERATIONAL REVIEW

Property Development – Malaysia

Sentul

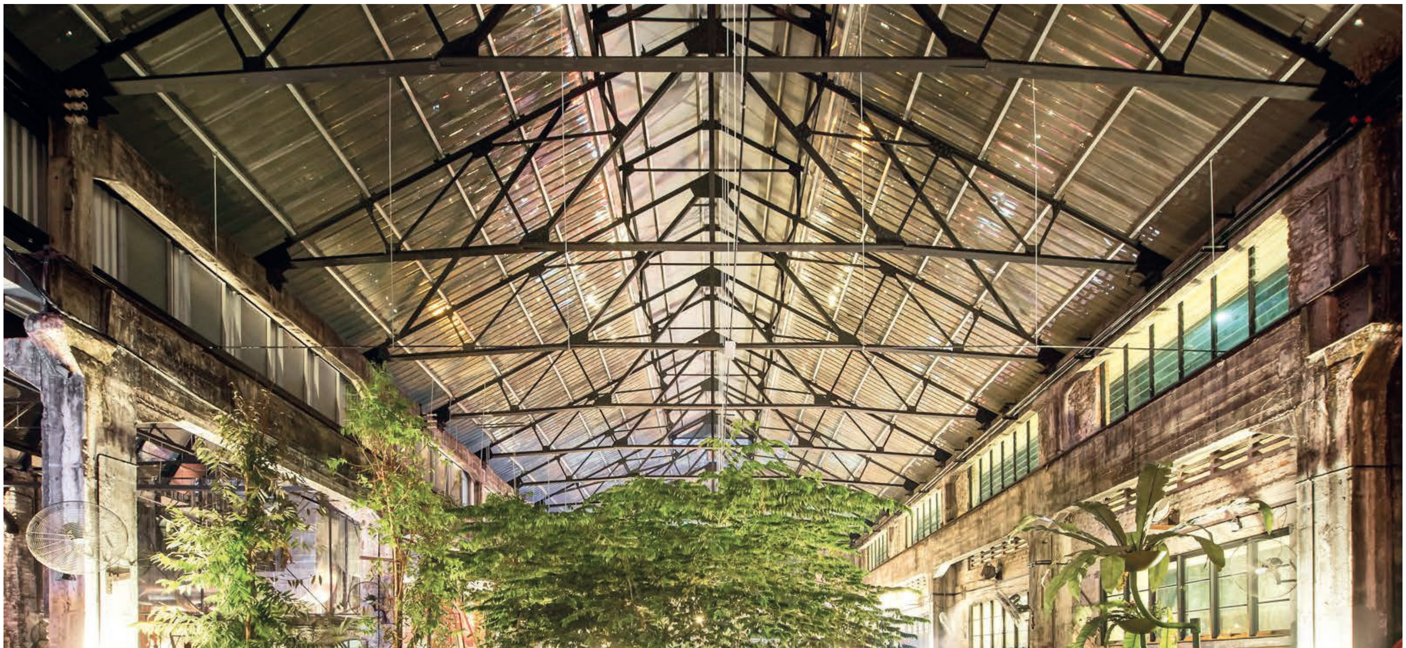
In June 2022, The Fennel at Sentul East was proclaimed the World Gold Winner in the FIABCI World Prix d'Excellence Awards 2022 under the Residential (High Rise) Category. This accolade came shortly after The Fennel emerged as the Winner in the Residential (High Rise) Category of the Malaysia Property Awards 2021 by FIABCI Malaysia Chapter in March 2022.

The FIABCI World Prix d'Excellence Awards recognise projects from around the globe that best embody excellence in all real estate disciplines involved in their creation. Each award-winning project captures and epitomises the FIABCI ideal of providing society with the optimal solution to its property needs.

The accolades for The Fennel as the newest architectural icon for Sentul East signify the vision and commitment of YTL L&D to infuse Sentul East with new dynamism to stimulate its renewal and transformation under the overarching Sentul Masterplan. The Fennel also embodies the pioneering spirit of YTL L&D in creating living environments which are innovative, modern and sustainable to meet the needs of the city's growing young urban population.

Sentul is easily accessible to all parts of Greater Kuala Lumpur via an excellent network of highways and rail infrastructure. Four train lines serve the area: the KTM Komuter, LRT and MRT lines, with train stations located strategically within the area to promote rail ridership and create an environmental-friendly community.

Forthcoming projects include the d2, d5 and d8 commercial developments to stimulate Sentul East's urban revival further.



Sentul Depot at Sentul West

Sentul Depot is a collection of colonial-era workshops in Sentul West, steeped in railway history dating back to 1905. The workshops have been given a new lease of life following conservation efforts by YTL L&D under an adaptive reuse approach. The vision is to transform Sentul Depot into a must-visit lifestyle destination in Kuala Lumpur, inspired by famous heritage destinations across great cities such as the Meatpacking District in New York and Xintiandi in Shanghai.

The potential of Sentul Depot as a repurposed space to celebrate urban pulse and local culture is immense. The scale of its space, covering 200,000 sq ft in its raw, rustic state, now serves the community as a permanent multi-purpose home and versatile venue for communal use and events: bazaars, pop-up markets, curated events, corporate functions, product launches, music festivals, art and fashion showcases, car shows and even weddings.

Leveraging on the aesthetic appeal of the workshops' rustic charm and revitalised surroundings, Sentul Depot will continue to capitalise on its expansive space to create experiences in creative, collaborative environments to be enjoyed by the community and people of all backgrounds. The goal is to complete the revitalisation of Sentul Depot as a place of storied history and as an epicentre of activity in the heart of Kuala Lumpur.

Puchong

Tulips, Puchong is undertaken by Pakatan Perakbina Sdn Bhd, a wholly owned subsidiary of YTL L&D. The Selangor state government conceived the Tulips housing scheme under the "Rumah Selangorku" affordable housing scheme. The project comprises 2-storey link houses on a standard lot size of 20ft by 60ft. Construction is underway and scheduled for completion in 2023.

Clarity at Lake Edge, another project in the pipeline, is a serviced apartment comprising two 34-storey towers overlooking a stunning lake view, located in the thriving commercial heart of Puchong.

Management Discussion & Analysis
SEGMENTAL REVIEW

Taman Pakatan Jaya, Ipoh

Olive Grove at Taman Pakatan Jaya, Ipoh is undertaken by PYP Sendirian Berhad, a wholly owned subsidiary of YTL L&D. Olive Grove is Bercham's first gated-and-guarded development which offers modern homes complemented with a clubhouse and lifestyle amenities such as a swimming pool, gymnasium, multi-purpose hall, badminton court, a basketball court and 10 acres of open space within a verdant park environment.

Phase One of Olive Grove offers these modern 2-storey link houses which feature 4+1 bedrooms with three bathrooms on a standard lot size of 20ft by 75ft. The project is under construction and scheduled for completion in 2025.

Disposal of Land

In August 2021, YTL L&D completed the disposal of two plots of freehold land held by its wholly owned subsidiaries, Satria Sewira Sdn Bhd and Emerald Hectares Sdn Bhd, for a total cash consideration of RM402.49 million. Both plots of land are situated in Pahang, off the main road from Genting Sampah to Genting Highlands. The land held by Satria Sewira Sdn Bhd measuring 102 acres was disposed at RM178.16 million. The land held by Emerald Hectares Sdn Bhd measuring 206 acres was disposed at RM224.33 million.

Property Development – UK

YTL Developments UK Limited ("YTL Developments"), a wholly-owned subsidiary of YTL Property UK, is undertaking one of the UK's largest master planned developments, located on the former Filton Airfield. Brabazon is a 380-acre mixed-use urban development and the Group's first UK property development project.

Masterplan Densification

This year, YTL Developments championed a new masterplan vision to local councils, businesses and community groups, positioning the site to be a best-in-class, pedestrian-first urban development and the regional entertainment destination in the South West. A planning application has been submitted to South Gloucestershire Council to update the masterplan to allow for the increase to up to 6,500 residential homes, 4.4 million sq ft of commercial floor area and about 1.0 million sq ft of educational and community facilities.

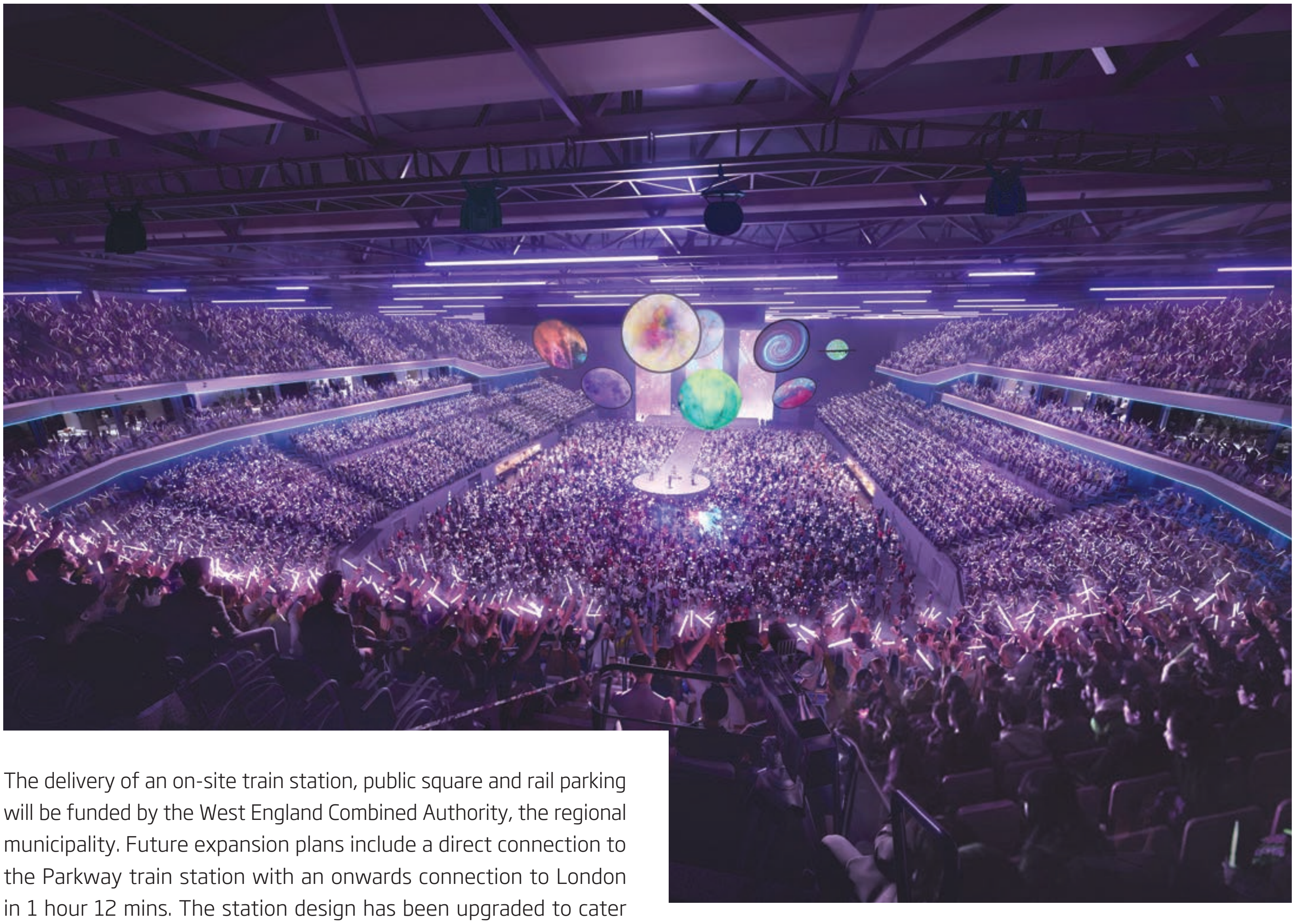
Residential

The Hangar District is the first residential phase of Brabazon, comprising 302 units apportioned to 127 landed and 175 apartment units. Despite unprecedented pandemic-related disruptions, the division continued to deliver homes and has successfully secured consistent sales. This maiden residential parcel is targeted to be completed in stages in 2024. All open market homes have been sold in staggered releases, off-plan with zero voids accrued to date.

YTL Developments has been honoured with several awards in recognition of the vision and delivery of its maiden residential project, namely, *Large Residential Development of the Year – Insider South West Property Awards 2022; Place-making – Insider South West Property Awards 2022; Residential Developer of the Year – Bristol Property Awards 2021*; and *Sustainability – Insider South West Property Awards 2021*.

Community & Infrastructure

Part of the masterplan re-design centers around combining dispersed public open spaces into one consolidated central park to support the densification sustainable management agenda. Upon completion, the 14.4-acre Brabazon Park will earmark the township as having one of the largest parks in the South West with a 3.0-acre lake that forms part of the water attenuation strategy. The expected date of council approval is late 2022.



The delivery of an on-site train station, public square and rail parking will be funded by the West England Combined Authority, the regional municipality. Future expansion plans include a direct connection to the Parkway train station with an onwards connection to London in 1 hour 12 mins. The station design has been upgraded to cater for the YTL Arena, which will now allow up to 2,000 people on an event night using the station. The square has also been enlarged to allow for queuing and crowd management during event days.

YTL Arena Bristol

YTL Arena Limited, a wholly-owned subsidiary of YTL Property UK, is progressing the development of the 17,080-capacity YTL Arena Bristol, situated at the legendary Brabazon Hangars, the birthplace of the Concorde. In addition to the arena located in the Central Hangar, planning approval has been received for a Festival Hall tailored to accommodate large conventions and exhibitions in the East Hangar, and in the West Hangar, spaces for small, start-up creative enterprises, with leisure facilities.

The Arena will be a monumental space that hosts exceptional music, cultural and entertainment events with a regional prominence, scheduled to open its doors to the public in 2024.

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 SGD2.89 billion as at 30 June 2022, remaining relatively stable since last year. The trust's distribution per unit was SGD0.0380 for the financial year under review, compared to SGD0.0395 last year.

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 2022, YTL Corp held a 56.95% stake in YTL REIT.

OPERATIONAL REVIEW

YTL Hotels Group

The effect of the COVID-19 pandemic continued to severely impact the hospitality sector over the last year. Various control measures were strictly imposed by countries around the world and international borders have remained closed since early 2020. Governments worked on accelerating national vaccination programmes alongside mandatory testing and quarantine restrictions. Most international borders only began to fully reopen in 2022.

In Malaysia, Pangkor Laut Resort, Tanjong Jara Resort and Cameron Highlands Resort, as well as the AC Hotels in Penang and Kuantan benefited from pent-up demand resulting in good staycation business between the implementation of national lockdowns in 2021. Since the fourth quarter of 2021, bookings at the resorts have been consistent as domestic travel remains robust, with further improvement after the Malaysian international borders reopened in April 2022. Gaya Island Resort reopened in August 2022. Pangkor Laut Resort was named amongst the Top Resorts in Asia in the Condé Nast Traveler's 2021 Readers' Choice Awards. Spa Village Pangkor Laut won the Best Bio Spa Award from GIST Green Travel Awards 2022.

The Ritz-Carlton, Kuala Lumpur has remained open throughout. In December 2021, the Spa Village Kuala Lumpur won Buro247's Best Body Ritual for its Chinese Peranakan Treatment. The JW Marriott reopened in December 2021.

With the return of international travellers in April this year, occupancy has continued to improve in all of the Kuala Lumpur city hotels, with some almost achieving pre-COVID levels. MICE (meetings, incentives, conferences and exhibitions) enquiries are slowly starting to pick up.

This year has been an extremely successful one for the hotels in the UK. As the Coronavirus situation in the country continues to improve, the last two hotels in the UK portfolio, Threadneedles and The Academy, have reopened. With travel restrictions easing, high occupancies can be seen across the portfolio. The Gainsborough Bath Spa has seen the best ever financial year for the hotel with high occupancy. The hotel has leased its restaurant to a third-party operator, who has opened "Socialize at The Gainsborough", a British brasserie-style concept.

Since reopening in May 2021 after 14 months of closure, Monkey Island Estate has proven to be very popular with not only transient guests but corporate companies looking to enjoy more freedom with outdoor space. Many high-end wedding parties have enjoyed the luxury of exclusive use of the Island with their family and friends. The Monkey Island Estate Brasserie has proven to be popular with hotel guests and local clientele alike. The Floating Spa was named Most Unique Spa 2021 in Organic Spa Magazine's Wellness Travel Awards.

The Glasshouse has seen occupancies rising back to 2019 levels, mostly due to international travel, including big events such as the Golf Open and Edinburgh Fringe Festival. The hotel has hosted a mix of social, wedding and corporate events that have brought encouraging results.

The Academy has operated at high occupancy since it's reopening in September 2021 and has seen a healthy growth in average rate. The outdoor space has reopened in the summer which is a welcome addition to hotel guests.

Threadneedles Hotel was the last of the UK hotels to re-open on 16 September 2021. The Hotel has seen a return of many of their corporate and leisure guests, culminating in occupancies at the same level as pre-pandemic 2019. An exciting new partnership was formalised with a third-party operator, with a new restaurant offering branded as "Socialize at Threadneedles".

The Hague Marriott continued with a focus on the domestic market, capitalising on its seaside location. After a mandatory lock-down over the winter period, market recovery came swiftly in spring. April and May were record breaking months for the hotel, especially as the city hosted The Invictus Games. The hotel had the honour of welcoming several international teams and officials. The Ukrainian war has had a major impact on the entire Europe region, the hotel was among the first hotels in the Netherlands to provide shelter for refugees in March and continues to do so.

In Niseko Village Japan, with continued restrictions on international travel, YTL Hotels' properties remained open to a domestic clientele. In June 2022, Japan selectively reopened its borders to international travellers on guided tours with visas. Further easing of border controls for individual international travellers is expected in September.

The Surin Phuket and The Ritz-Carlton, Koh Samui, are performing well in 2022 with visitor levels almost back to normal. Both resorts won TripAdvisor's 2021 Travellers' Choice Award, named amongst the Top 10% of hotels worldwide. In the World Luxury Hotel Awards October 2021, The Surin Phuket was named Winner Luxury Beach Resort Southeast Asia.

The Surin has taken advantage of the downturn in business to undertake major renovations at the resort. Six new pool villas are being constructed as well as a new look beach restaurant, and refurbishments are being carried out in all areas including the cottages, lobby, restaurants and spa.

Management Discussion & Analysis
SEGMENTAL REVIEW

YTL REIT

YTL REIT's investment portfolio was valued at RM4,737.4 million as at 30 June 2022, an increase of RM18.4 million or 0.4% compared to the previous valuation of RM4,719.0 million as at 30 June 2021, mainly due to the increase in valuation of the Sydney Harbour Marriott in Australia. YTL REIT's net asset value per unit increased to RM1.627 as at 30 June 2022 compared to RM1.587 as at 30 June 2021.

Malaysian Portfolio

YTL REIT's Malaysian portfolio consists 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.

The Trust's domestic portfolio comprises luxury assets situated in the Golden Triangle commercial precinct of Kuala Lumpur, namely the JW Marriott Hotel Kuala Lumpur, The Ritz-Carlton Hotel Wing and The Ritz-Carlton Suite Wing, 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, the rental deferral programme which was approved for the Trust's Malaysian properties was still in effect, 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 30 June 2022 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.

International Portfolio – Japan

YTL REIT's portfolio in Japan is made up of the Hilton Niseko Village and The Green Leaf, both of which are situated in Hokkaido, Japan, and operate under fixed lease arrangements, ensuring a steady level of income for the Trust.

The rental deferral programme (on the same terms as the Malaysian properties) which was approved for the Hilton Niseko Village remained in effect up till 30 June 2022.

It is expected that the hospitality market in the Niseko resort area will gradually improve owing to the successful vaccination rollout, the Japanese government's economic policies and the relaxation of entry bans against travellers from overseas.

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 impacted by international and domestic travel restrictions and lockdowns during the first half of the financial year under review, although some improvements were seen in the second half of the financial year following the relaxation of COVID-19 restrictions beginning in November 2021, reopening of Australia's borders to international visitors in February 2022 and a strong domestic leisure market.

The Sydney Harbour Marriott's occupancy levels were impacted by the restrictions in place for parts of the financial year to curb the spread of COVID-19. Sustained recovery is expected with the relaxation of travel restrictions. 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 186-room Melbourne Marriott recorded a higher occupancy as a result of the removal of COVID-19 restrictions and strong domestic leisure demand in the second half of 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.

The Brisbane Marriott's occupancy levels were impacted mainly by pandemic restrictions as well as the winding down of the state government's quarantine program in early 2022 in which the hotel had participated, whereby the hotel was contracted exclusively to the state government for longer staying quarantine guests. The Brisbane Marriott, which consists of 263 rooms and 4 suites, 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 Services & Others

SEGMENT OVERVIEW

The Management Services & Others segment carries out investment holding activities and other services of the YTL Corp Group. These mainly comprise the Group's investments in 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 45% interest in Attarat Power Company PSC ("APCO") and effective interest of 20% in PT Jawa Power ("Jawa Power") as well as its data center and digital transformation businesses.

OPERATIONAL REVIEW

ERL

As at 30 June 2022, the total number of passengers using the KLIA Ekspres since the service launched in 2002 topped 109.4 million passengers.

As part of its continuous drive to improve the passenger experience, ERL soft-launched its new KLIA Ekspres app and EkspreSmiles loyalty program in April 2021. The new loyalty programme is part of its ongoing drive to encourage customers to go online/cashless, improving the user experience with technology and rewarding customers. The app has seen good take-up rates with promising levels of downloads and member sign-ups.

ERL continued its partnership with TNG Digital with the extension of discount offers when using TNG eWallet at the counter and online until May 2022 and discount offers when using Bank Islam cards at the gate until December 2022. New collaborations are also in the pipeline to benefit customers. Customers can now buy their train tickets from the counter, online or by paying directly at the gate. Accepted payment methods include digital wallets, credit and debit contactless cards, FPX, Touch 'N Go, Apple Pay and Samsung Pay.

ERL continued to partner with airlines, online travel agents, e-wallet providers, e-commerce and B2B/wholesaler platforms to expand KLIA Ekspres sales channels globally and reach a wider audience. Partners have been impacted by varying degrees as a result of the pandemic and the process is ongoing to rebuild channels as the recovery continues.

As one of ERL's ongoing Go Green initiatives to improve urban mobility and encourage more people to take the train, ERL started allowing non-foldable bicycles, scooters and e-bikes onboard its trains on weekends and public holidays from February 2022. Prior to this implementation, only foldable bikes were permitted during operation hours.

Seat refurbishment was also done for six trains, utilising a new train seat cover material specifically chosen for its fire-resistant features. The in-house refurbishment exercise, which took about 5 months and was completed at the end of May 2022, was done to ensure passengers have a more comfortable ride.

With Malaysia's international borders and travel restrictions having almost reverted to pre-pandemic status, recovery is well underway and forecast to continue through 2022 and beyond as travel demand increases.

YTL Data Centers

The Group has embarked on the development of the YTL Green Data Center Park in Kulai, Johor. This will be the first data center campus in Malaysia to be co-powered by on-site renewable solar energy. To date, the Group has partnered with Sea Limited as a co-locator and Chinese data center developer, GDS Holdings Limited, one of the largest data center companies globally, to anchor and jointly develop the initial phases of this world-class green facility.

The campus will incorporate innovative and sustainable solutions in design and operations to achieve high-energy efficiency and is expected to serve a growing demand in the region for eco-friendly, cost-efficient data center solutions from hyperscalers and co-location customers alike.

Management Discussion & Analysis
SEGMENTAL REVIEW

In December 2021, AP1 Pte Ltd, a 50%-owned joint venture of the YTL Power Group, completed the acquisition of Dodid Pte Ltd ("Dodid"), the owner of a 12.5 MW Tier-III data center in Singapore. Built and commissioned in 2018, Dodid is a green, state-of-the-art facility that serves the largest hyperscale customers in Asia. This marks YTLDC's first foray into the data center industry outside Malaysia, as the first step towards establishing a regional data center platform in Southeast Asia.

YTLDC is working closely with YTL PowerSeraya and its retail arm, Geneco, on green energy solutions to enable the data center to be run on renewable energy.

Work is also underway to expand and upgrade the Group's 5 MW data center facility in Sentul, Kuala Lumpur, to Tier-III standards, offering customers a strategically located site in the heart of Kuala Lumpur with close proximity to key internet exchange hubs.

Digital Banking

In April 2022, the YTL Power Group in consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia. This new venture, which will leverage multiple synergies between the Group and Sea Limited; will enable the Group to further contribute to the growth of Malaysia's digital transformation and broaden access of its citizens to financial services, particularly the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs).

APCO

In Jordan, YTL Power owns a 45% equity interest in APCO, which is developing a 554 MW oil shale-fired mine-mouth power generation project in 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).

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 Unit 1 and Unit 2 are now expected to be in the towards the end of the 2022 calendar year.

When it comes into operation, the 554 MW 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%).

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 87.58% for its financial year ended 31 December 2021 and 93.74% availability for the six months ended 30 June 2022. The station generated 8,699 GWh of electricity for its financial year compared to 7,263 GWh for its previous financial year, for its sole offtaker, PLN.

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 the 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 & 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.

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 & 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 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

The global economy is expected to continue on its path towards recovery as economies progressively reopen and transition towards normalcy. Whilst a resurgence of the COVID-19 pandemic and the emergence of new variants continue to be key risks, the impact is expected to be smaller than in previous years, owing to vaccine rollout programmes and improved management and mitigation measures. The military conflict in Ukraine, disruptions in commodity supply, a slower-than-expected global recovery and elevated inflationary pressures weigh on global growth prospects *(source: Bank Negara Malaysia updates)*.

In the Utilities division, YTL PowerSeraya has successfully navigated the challenging conditions in the energy sector. Power generation is an essential service and electricity demand is expected to remain stable moving forward. In addition, the acquisition of Tuaspring, the newest combined cycle power plant in Singapore, is a logical extension of the Group's existing multi utilities operations and is expected to contribute positively to future earnings.

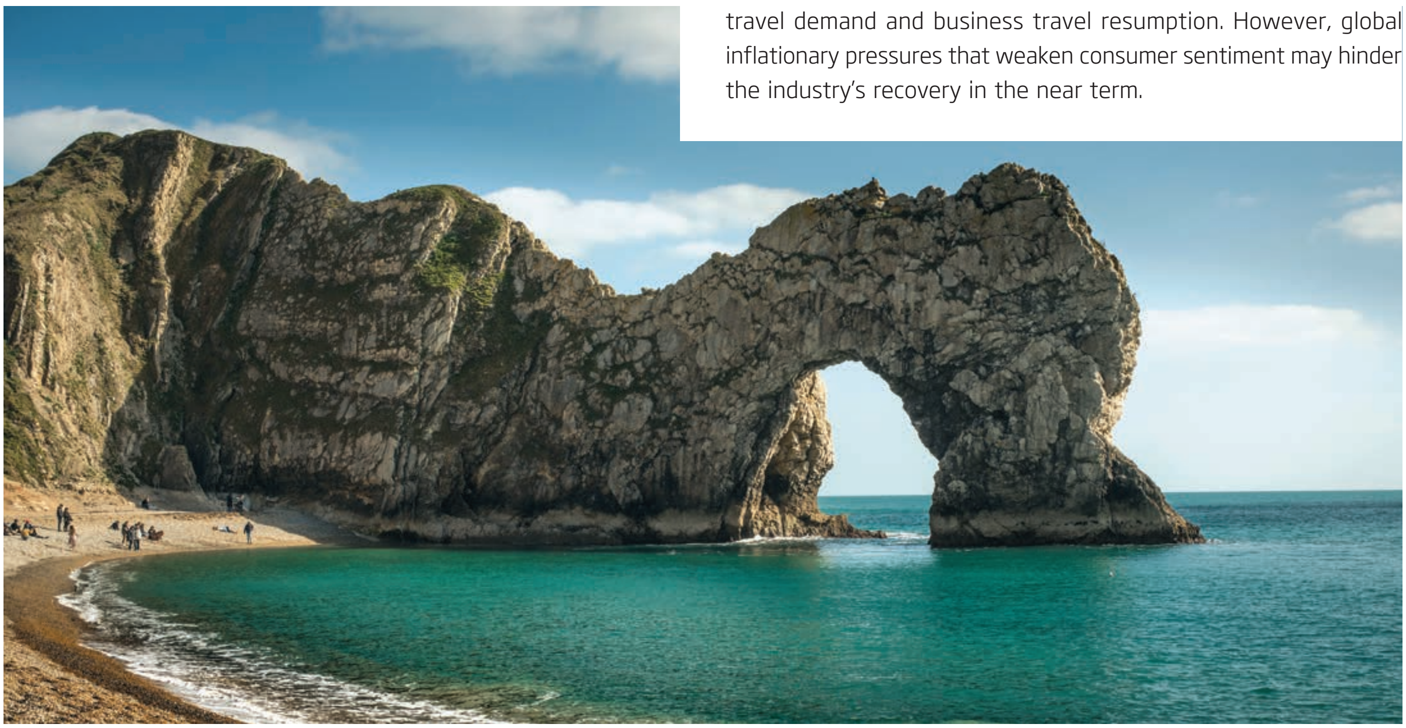
On the UK front, Wessex Water has concluded the second year of its 5-year regulatory period and will continue to work towards delivering the investment commitments agreed with the regulator. Meanwhile, the outlook for the telecommunications sub-segment remains stable, with the division well positioned to continue to grow its subscriber base with affordable data plans and innovative 5G services.

The rationalisation of the Group's Cement & Building Materials Industry division is expected to continue to bolster profitability and value enhancement and improving the effectiveness and efficiency of the Group's cement operations to deliver seamless solutions to customers.

The Construction division's order book remains robust, supported by large-scale infrastructure, residential and commercial projects. In line with the wider economic activities and more favourable external and internal demand, the construction sector is on the path to recovery on the back of the revival and acceleration of major infrastructure projects and affordable housing projects. The positive outlook of the construction sector may, however be impacted by higher input prices, rising logistics costs and geopolitical uncertainties which may have a knock-on effect on cement demand.

The property sector is expected to see a modest recovery in line with returning consumer confidence as most economic sectors rebound, supported by measures announced to foster recovery of the property market, and the Group will continue to adapt its sales and marketing strategies and undertake project launches to propel sales momentum.

The outlook for the Hotel Operations division is largely positive with the relaxation of pandemic-related restrictions and the opening of international borders. The sector is projected to undergo considerable growth with the realisation of international leisure travel demand and business travel resumption. However, global inflationary pressures that weaken consumer sentiment may hinder the industry's recovery in the near term.



Managing Sustainability

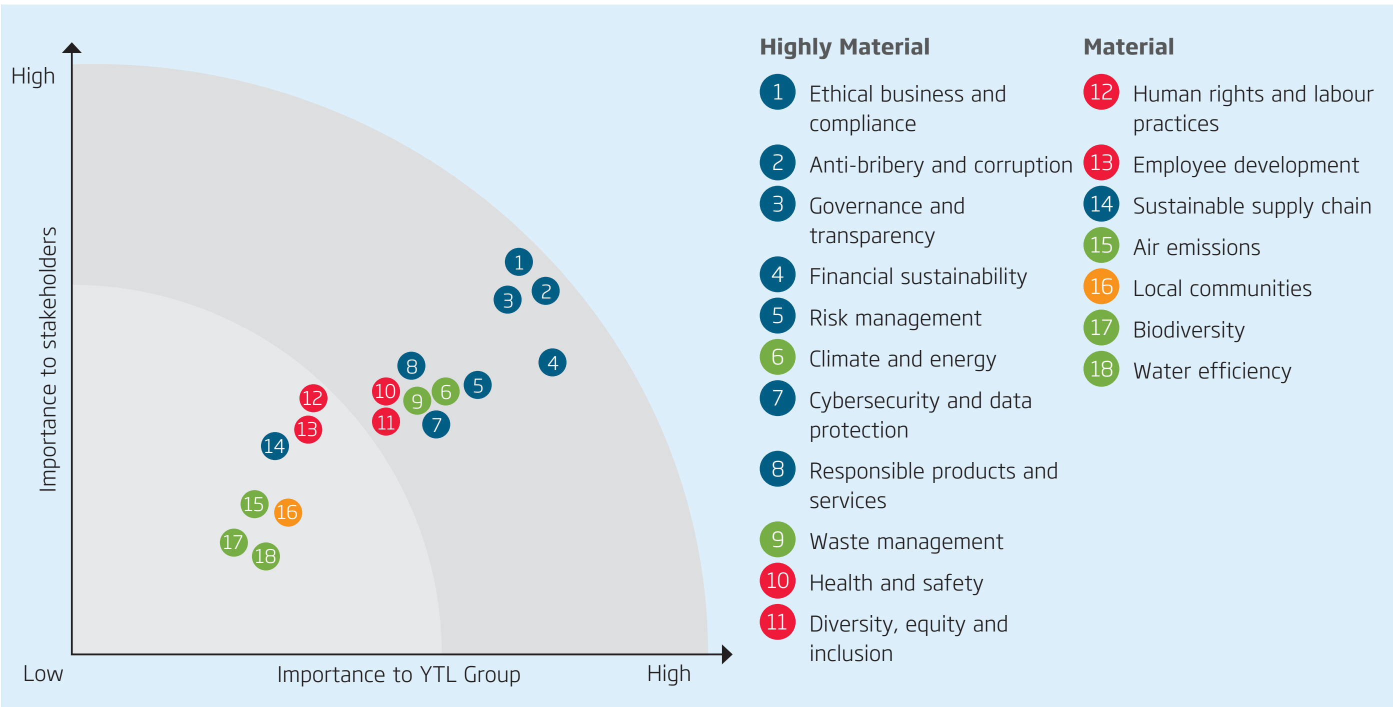
YTL Group recognises the importance of integrating sustainability into business continuity planning as one of the fundamental principles in creating long-term value for stakeholders through sustainable and responsible business practices. We believe in the importance of conducting business responsibly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

YTL Group Sustainability Framework

Managing Sustainability

In 2019, we engaged an independent third-party consultant to conduct a comprehensive materiality assessment, to identify and rank potential ESG material issues in terms of challenges and priorities. The assessment adopted a comprehensive online survey, focus group discussions and in-depth stakeholder insights. Following that exercise, for the year 2022, we conducted an internal review of our material matters to ensure their continued relevance to YTL Group. It resulted in the identification of 18 material matters, of which eleven were ranked as highly material. The ranking of "Climate and Energy" has moved up, reflecting the higher expectations for YTL Group to prioritise climate action and sustainable environmental practices. We also consolidated and renamed a few of our material matters, such as "Customer satisfaction", "Product and services" and "Innovation and technology" to "Responsible products and services"; "Scheduled waste and disposal" and "Waste management" to "Waste management"; "Employee engagement" and "Training and education" to "Employee development"; "Education", "Local community" and "Arts and culture" to "Local communities"; "Employee benefits" to "Human rights and labour practices"; "Customer privacy" to "Cybersecurity and data protection" and "Diversity and anti-discrimination" to "Diversity, equity and inclusion".

YTL Group Materiality Matrix



We are proud that in 2022, YTL Corp was once again named as one of the constituents of the FTSE4Good Bursa Malaysia Index for the sixth consecutive year. YTL Group's governance structure, sustainability-related material issues, initiatives, performance, and achievements during the financial year ending 30 June 2022 can be found in our 16th standalone YTL Group Sustainability Report 2022 which is available for download at www.ytl.com/sustainability. The report focuses on YTL Group's key businesses in Malaysia and globally.

Corporate Events

15 December 2021

Yes #FirstTo5G Trailblazes 5G Access in Malaysia

Together with Digital Nasional Bhd's pilot launch of Malaysia's 5G wholesale services in the Klang Valley, YTL Communications Sdn Bhd, a subsidiary of YTL Corporation Berhad, launched its 5G services, becoming the first telco in Malaysia to offer 5G access to its customers.

In May 2022, Yes followed up with the launch of '5G for All', paving the way for Malaysians to have access to 5G anytime, anywhere through its Infinite and Infinite+ mobile plans.

Above: Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd, introducing the pilot launch

From left to right: Dato' Yeoh Soo Keng, Executive Director of YTL Corporation Berhad; Tan Sri (Sir) Francis Yeoh Sock Ping, Executive Chairman of YTL Corporation Berhad; Tan Sri Datuk Seri Panglima Haji Annuar Musa, Minister of Communications and Multimedia; Dr Fadhlullah Suhaimi Abdul Malek, former Chairman of Chairman of the Malaysian Communications and Multimedia Commission; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; and Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd

20 December 2021

Acquisition of Minority Stake in 12.5 MW Green Hyperscale Data Center in Singapore

In December, AP1 Pte Ltd, an indirect joint venture of YTL Corporation Berhad's listed subsidiary, YTL Power International Berhad, acquired Dodid Pte Ltd, owner of a 12.5 MW, Tier-III data center in Singapore. Built and commissioned in 2018, the green, state-of-the-art facility serves the largest hyperscale customers in Asia.

Corporate Events

27 April 2022

YTL Power International Berhad Partners GDS Holdings Limited on 168 MW Data Centre Development

YTL Power International Berhad, a listed subsidiary of YTL Corporation Berhad, and GDS Holdings Limited (GDS), a leading developer and operator of high-performance data centers in China, signed a partnership to co-develop 168 MW of data center capacity, across 8 individual facilities, at the upcoming YTL Green Data Center Park in Johor, Malaysia.

Mr William Wei Huang (left), Chairman & Chief Executive Officer of GDS, and Mr Yeoh Keong Hann, Director (right), YTL Power Generation Sdn Bhd

24 June 2022

Learn From Home Wins People's Choice Award at AVPN Constellations Awards 2022

YTL Foundation's Learn From Home programme was awarded the People's Choice Award at the Constellations Awards 2022 by the Asian Venture Philanthropy Network (AVPN), Asia's leading social investment network.

Dato' Kathleen Chew Wai Lin (second from left), Programme Director of YTL Foundation and Group Legal Counsel for YTL Corporation Berhad, received the award on behalf of the Learn From Home programme

9 June 2022

The Fennel Wins FIABCI World Gold Award

The Fennel at Sentul East won the World Gold Award at the FIABCI World Prix d'Excellence Awards 2022 under the Residential (High Rise) Category on 9 June 2022 in Paris. The Fennel also emerged as Winner in the Residential (High Rise) Category of the Malaysia Property Awards 2021 by FIABCI Malaysia Chapter in March 2022.

Dato' Yeoh Seok Kian (right), Managing Director of YTL Corporation Berhad, accepting the award in Paris

21 July 2022

Heriot-Watt Names Library in Honour of the Late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

In recognition of the long-standing association with and support of Heriot-Watt University (HWU), Heriot-Watt University Malaysia (HWUM) named its library in honour of the late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, visionary founder of the YTL Group, for his contributions to the University's impact in Malaysia. In 1988, the University awarded Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay an Honorary Doctorate for his contribution to the industry.

From left to right: Professor Mushtak Al-Atabi, HWUM Provost & Chief Executive Officer; Dato' Yeoh Seok Kian, Managing Director, YTL Corporation Berhad; Professor Richard A. Williams, HWU Principal & Vice-Chancellor; and Ms Janice Yew, HWUM Chief Operating Officer & Registrar

25 August 2022

YTL Green Data Center Park Ground-Breaking Ceremony

YTL Power International Berhad, a listed subsidiary of YTL Corporation Berhad, through its subsidiary, YTL Data Center Holdings Pte Ltd, and Sea Limited, the parent company of Shopee, celebrated a milestone with a ground-breaking ceremony for the development of the Sea Data Center in Kulai, marking the first phase of the 500 MW YTL Green Data Center Park.

From left to right: Ms Lim Bee Vian, Deputy Chief Executive Officer (Investment Development), Malaysian Investment Development Authority; YB Tuan Ir Ts Mohamad Fazli bin Mohamad Salleh, Chairman, Johor Public Works, Transport & Infrastructure Committee; YB Dato' Haji Mohd Jafni bin Md Shukor, Johor State Committee Chairman of Housing & Local Government; YB Tan Sri Dato' Dr Haji Azmi Bin Rohani, State Secretary of Johor; YAB Dato' Onn Hafiz Ghazi, Menteri Besar of Johor; Datuk Daing A Malek Bin Daing A Rahaman, Chairman of SIPP Power Sdn Bhd; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; Mr Ye Gang, Co-founder & Group Chief Operating Officer, Sea Limited; and Tuan Haji Natazha Bin Hariss, Yang Dipertua of Kulai Municipal Council

31 August 2022

Credit Suisse 50th Anniversary Celebration

Credit Suisse celebrated its 50th anniversary at Capella Singapore attended by corporate leaders from corporations across the region.

Seated, beginning second from left (facing forward): Mr Wee Ee Chong, Deputy Chairman & Chief Executive Officer, United Overseas Bank Limited; Tan Sri (Sir) Francis Yeoh Sock Ping, Executive Chairman, YTL Corporation Berhad; Mr Ulrich Körner, Chief Executive Officer, Credit Suisse AG; Mr Dilhan Pillay Sandrasegara, Chief Executive Officer, Temasek Holdings (Private) Limited; and Mr Lance Gokongwei, President & Chief Executive Officer of JG Summit Holdings, Inc.

Profile of the Board of Directors

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 68, 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 29 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 by University of Nottingham. He was appointed 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 and also a director of YTL Industries 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 served as an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. He 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 Founding Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council and Global Council member of the Asia Society. 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.

DATO' YEOH SEOK KIAN

Malaysian, male, aged 65, 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 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 serves 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 74, 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 66, 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 63, 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 and a Fellow of the Chartered of Institute of Building (CIOB), 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.

Dato' Yeoh Seok Hong is responsible for developing the power and utility businesses of the YTL Power International Berhad Group which include the development of a new data centre campus powered by a solar power generation facility. He also serves as the Managing Director of YTL Communications Sdn Bhd where he was responsible for the building of the fourth generation (4G) network and which, in 2021, became the first telco in Malaysia to offer 5G services. 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, the philanthropic arm of the YTL Group.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 62, 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 serves on the boards of other public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

He sits on the board of Global Cement and Concrete Association (GCCA) since 14 October 2021. He was a director of The World Cement Association from 22 January 2020 to 22 October 2021.

DATO' YEOH SOO KENG

Malaysian, female, aged 59, 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 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 and YTL Cement 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 boards 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).

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 57, 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 72, 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 Insurans (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 68, 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 64, 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 63, 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, a member of the Malaysian Venture Capital and Private Equity Development Council of the Securities Commission Malaysia and a member of the Investment Panel of the Employees Provident Fund Malaysia.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri (Sir) Francis Yeoh Sock Ping	5
Dato' Yeoh Seok Kian	5
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	5
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	5
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	5
Dato' Ahmad Fuaad Bin Mohd Dahalan	5
Syed Abdullah Bin Syed Abd. Kadir	5
Faiz Bin Ishak	5
Raja Noorma Binti Raja Othman	5

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 77, 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 is currently Chair of Business West, which represents business in the West of England.

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 63, 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 as well as Vice-President of the Singapore National Employers Federation (SNEF). He also serves as a board member of the Public Utilities Board and Orchard Westwood Properties Pte Ltd.

LEE WING KUI

American, male, aged 55, 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 2022

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 compliance with the Code during the financial year ended 30 June 2022 is detailed in this statement.

The Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2022 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:

- Ensuring that the strategic plans for the YTL Corp Group support long-term value creation for the benefit of its stakeholders and include strategies on economic, environmental and social considerations underpinning sustainability;
- Promoting good corporate governance culture within the YTL Corp Group which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the YTL Corp Group's businesses to evaluate and assess management performance to determine whether businesses are being properly managed;
- Ensuring there is a framework of prudent and effective internal control and risk management systems which enable risks to be identified, assessed and managed;
- Succession planning for the Board and senior management;
- Overseeing the development and implementation of a shareholder/stakeholder communications policy;
- Reviewing the adequacy and integrity of the YTL Corp Group's management information and internal control systems; and
- Ensuring the integrity of the YTL Corp Group's financial and non-financial reporting.

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 clear 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, 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.

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, including good corporate governance practices, the orderly and effective conduct of the meetings of the Board and shareholders, leading discussions, encouraging active and open participation, managing the interface and encouraging constructive relations between the Board and management, ensuring the provision of accurate, timely and clear information to Directors and effective communications with stakeholders and facilitating the effective contribution of Non-Executive Directors.

The Managing Director is responsible for, amongst others, overseeing the day-to-day running of the business, developing and implementing Board policies and strategies, making operational decisions, serving as the conduit between the Board and 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 accordance with the Code, the Executive Chairman is not a member of the Audit Committee, Nominating Committee or Remuneration Committee, all of which are chaired by and comprise Independent Non-Executive Directors. This promotes objectivity in the Board's deliberations and ensures there are effective checks and balances, as well as objective review by the Board of recommendations put forth by the committees.

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, payments of dividends 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.

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. Meetings of the Board's committees are conducted separately from those of the main Board to enable objective and independent discussions. The Board met 5 times during the financial year ended 30 June 2022.

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.

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 carries out ongoing reviews of existing practices in comparison with any new measures introduced in the Listing Requirements and/or legislation, regulations and codes applicable to the governance of the Company and updates the Board accordingly.

Board Charter

The Board's functions are governed and regulated by the Constitution of the Company and the laws, rules and regulations governing companies in Malaysia, including the Companies Act 2016 and the Listing Requirements. The Board has a Board Charter, a copy of which can be found under the "*Governance*" section on the Company's website at www.ytl.com.

The Board Charter serves several important functions, including as a primary reference to the Board of its role, fiduciary duties and responsibilities, its governance processes and legal framework within which it operates and as an induction tool for new Directors. The Board Charter clearly identifies the respective roles and responsibilities of the Board, Board committees, Directors and management and the issues and decisions reserved for the Board.

The Board Charter was updated and adopted on 27 June 2022 to include, amongst others, the fit and proper policy for Directors and prohibition for an active politician to be a member of the Board in compliance with the Listing Requirements and the Code, respectively.

The Board Charter is reviewed as and when changes arise and updated in accordance with the needs of the Company and any new regulations that impact the discharge of the Board's responsibilities.

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.

The Code of Conduct and Business Ethics sets out the acceptable general practices and ethics for the YTL Corp Group and includes policies and measures to address conflicts of interest, abuse of power, corruption, insider trading, money laundering and data protection.

Training modules and other methods of communication are employed on an ongoing basis to familiarise employees with their duties and obligations in this area. Training carried out during the financial year under review focused on areas including data security and protection and cybersecurity awareness.

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

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 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 the 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 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 on an ongoing basis throughout the YTL Group through online training modules and other communication methods. Electronic communications put in place over the past two years to comply with physical distancing guidelines implemented in response to the COVID-19 pandemic have proven highly effective and the YTL Corp Group has continued to employ these methods as part of the overall dissemination and training process.

Directors and employees of the YTL Group in Malaysia 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.

Sustainability Governance

The YTL Corp Group has a long-standing commitment to ensuring that its businesses are viable and sustainable on a long-term basis. The Board oversees governance of the YTL Corp Group's sustainability matters which includes setting its environmental, social and governance ("ESG") strategies, priorities and targets, overseeing the progress of ESG strategy and performance and reviewing and addressing the YTL Corp Group's material ESG risks and opportunities. Further information can be found in the *Managing Sustainability* section in this Annual Report and the *YTL Group Sustainability Report 2022* which is available for download at www.ytl.com/sustainability.

The Board is assisted by the YTL Group Sustainability Committee ("YTL GSC"), which is chaired by the Executive Chairman, Tan Sri (Sir) Francis Yeoh Sock Ping, and comprises the Head of Sustainability and representatives from the Sustainability Division and senior management from the YTL Corp Group's business units. YTL GSC supports the Board to set the high-level ESG direction and strategic focus, oversees the implementation of ESG strategies and related matters and reviews, and monitors and provides the YTL Corp Group's ESG strategic plans and initiatives across its value chain. YTL GSC reports to the Board on an annual basis or more frequently, as and when needed.

The Company's key methods for communicating its sustainability strategies, priorities and targets as well as performance against these targets to internal and external stakeholders include the Annual Report, the YTL Group Sustainability Report, which is issued annually, and the YTL Group's Sustainability website at www.ytl.com/sustainability.

The Directors are kept apprised of the key ESG issues relevant and specific to the YTL Corp Group through briefings from YTL GSC and management on performance, targets and operational updates, and also stay abreast with more general developments in the ESG arena through training programmes, further details of which are disclosed in the *Nominating Committee Statement* in this Annual Report.

The Board's evaluation process includes criteria for addressing and managing significant risks that may have a considerable impact on the Company, and ESG risks are incorporated into this process as they form part of the overall risk management framework. Further details are set out in the section below on *Evaluation of the Board* and in the *Nominating Committee Statement* in this Annual Report.

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 2022). 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.

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 interests of the major shareholder are fully aligned with those of all shareholders of the Company.

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 39th 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.

The names of Directors seeking re-election at the forthcoming AGM are disclosed in the *Notice of Annual General Meeting* in this Annual Report, whilst the review of Directors proposed for re-election and their profiles can be found in the *Nominating Committee Statement* and the *Profile of the Board of Directors*, respectively. 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 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, time commitment, 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. The Chairman of the Nominating Committee is Encik Faiz Bin Ishak. This complies with the recommendation under the Code that the chairman of the Nominating Committee should not be the chairman of the Board.

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, the Board's committees and the Board as a whole with the objectives of assessing whether the Board, its committees 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.

The results of the annual evaluation carried out form the basis of the Nominating Committee's recommendations to the Board for the re-election of Directors. 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, whilst the Non-Executive Directors' remuneration comprises Directors' fees and other benefits. 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. Directors' fees and other benefits must be approved by shareholders at the AGM.

The Remuneration Committee ("RC") is chaired by and comprises solely Independent Non-Executive Directors, in compliance with the Code.

The RC assists in the implementation of the remuneration policy and procedures, including reviewing and recommending matters relating to the remuneration of the Directors and senior management. The RC also ensures that the remuneration policy and procedures remain appropriate based on prevailing practices and aligned with the strategy and values of the YTL Corp Group.

The composition of the RC is set out below:

- Encik Faiz Bin Ishak, Chairman
- Dato' Cheong Keap Tai
- Puan Raja Noorma Binti Raja Othman

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.

During the financial year ended 30 June 2022, the RC met once, attended by all members. The meeting, which was held on 13 September 2021, assessed the fees and meeting attendance allowance (benefits) ("INED Remuneration") proposed for the Independent Non-Executive Directors, guided by the framework set out in the YTL Corp Group *Remuneration Policy and Procedures for Directors and Senior Management*. The proposed INED Remuneration was benchmarked against comparable listed companies in Malaysia in terms of industry and size/market capitalisation. It also considered the performance of the Independent Non-Executive Directors as indicated by the evaluations conducted and responsibilities assumed, as well as the overall performance of the Group.

The RC, with the Independent Non-Executive Director abstaining from deliberation and voting in respect of his/her own proposed remuneration, recommended to the Board for shareholders' approval that the INED Remuneration remain unchanged as it was still competitive and on par with the market rate.

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 the 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, members of the Board do not hold 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. In accordance with the Board Charter and guidance in the Code, none of the Directors are active politicians.

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.

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 2022. 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's *Auditor Independence Policy* guides its assessment of the suitability, objectivity and independence of the external auditors. This policy was updated during the financial year to, amongst others, extend the cooling off period to three years (from two years previously) for appointment of a former audit partner of the external audit firm as a member of the Audit Committee, and to include additional assessment criteria based on information presented in the *Annual Transparency Report* of the external auditors, in line with the Code. 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 2022 are as follows:-

	Company RM'000	Group RM'000
Statutory audit fees paid/ payable to HLB	244	2,467
Non-audit fees paid/payable to:-		
- HLB	16	360
- Affiliates of HLB	12	329
Total	28	689

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.

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 registered member of the Malaysian Institute of Accountants and a Fellow 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 experience covering many areas of diversified commercial businesses and activities. He has a total of 39 years of internal and external audit experience.

During the financial year ended 30 June 2022, YTLIA comprised 8 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 & Other Stakeholders

The YTL Corp Group values dialogue with its stakeholders and constantly strives to improve transparency by maintaining channels of communication 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 stakeholder value and recognises the importance of timely dissemination of information to stakeholders.

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.

Corporate Governance Overview Statement
for the financial year ended 30 June 2022

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.

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 financial and non-financial performance of the YTL Corp Group, as well as progress and long-term strategies. The Directors 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 38th AGM held on 7 December 2021.

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 38th AGM of the Company, held on 7 December 2021, the resolutions put forth for shareholders' approval were voted on by way of a poll.

Where general meetings are held on a virtual basis, the Board utilises available platforms and technologies that support meaningful engagement with shareholders by ensuring smooth broadcast of the general meeting and enabling interactive participation by shareholders via facilities to submit questions before and during the general meeting. Questions posed by shareholders are made visible to all meeting participants during the meeting.

The Company engages professional service providers to manage and administer its general meetings who have in place the necessary data privacy and protection and cybersecurity policies and procedures to safeguard the information of the Company and its shareholders.

Minutes of general meetings are posted on the Company's website under the "*Meetings*" page at https://www.ytl.com/meetings no later than 30 business days after the general meeting.

Due to the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 38th AGM of the Company was conducted as a fully virtual meeting through live streaming and online remote participation and voting using the TIIH Online System at https://tiih.com.my provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

In view of the rules/restrictions applicable during the ongoing transition to the endemic phase of COVID-19, the forthcoming 39th 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 25 August 2022.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2022

During the financial year under review, the Board of Directors ("Board") of YTL Corporation Berhad ("YTL Corp" or "Company") reviewed the system of internal control and risk management of YTL Corp and its subsidiaries ("YTL Corp Group"), to ensure compliance 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").

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

This statement sets out an overview of YTL Corp's compliance with the applicable provisions of the Code during the financial year ended 30 June 2022.

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 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.

- **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 entities, namely YTL Power International Berhad and Malayan Cement Berhad, as well as Pintar Projek Sdn Bhd as the Manager for YTL Hospitality REIT, and their respective groups of companies, and reports directly to the audit committees of those entities 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, the 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 Wessex Water's parent company, YTL Power International Berhad ("YTL Power"), a listed subsidiary of YTL Corp.

Similarly, the companies of the YTL PowerSeraya Pte Limited group ("YTL PowerSeraya"), which are subsidiaries of YTL Power, based in Singapore, were also not covered by YTLIA. YTL PowerSeraya's operations are subject to stringent financial and operational controls imposed by its regulator, the Energy Market Authority (EMA), a statutory board under the Ministry of Trade and Industry of Singapore. YTL PowerSeraya 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.

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 in its key Utilities division 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 P.T. Jawa Power and Attarat Power Company PSC. These assets share common characteristics of 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 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 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.

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

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2022

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 2022, 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 25 August 2022.

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 at 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 2022 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 2021, and the annual audited financial statements for the financial year ended 30 June 2021 at the Audit Committee meetings held on 7 September 2021 and 29 September 2021, respectively;
- First, second and third quarters of the quarterly results for the financial year ended 30 June 2022 at the Audit Committee meetings held on 24 November 2021, 23 February 2022 and 25 May 2022, 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 Main Market Listing Requirements ("Listing Requirements");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

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 2021 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 2022 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 2021 and 25 May 2022, 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 2021 and recommended to the Board of Directors for re-appointment at the annual general meeting held on 7 December 2021.

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 2022. 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 the Anti-Bribery and Corruption Risk Assessment reports to effectively managing the risks identified within the Group.

(d) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2023 to ensure sufficient scope and coverage of activities of the Company and the Group;

(e) 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 2021 and assessed whether shareholder mandate should be sought at the Annual General Meeting, prior to its recommendation to the Board of Directors for approval.

5. Annual Report

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 2021 Annual Report.

6. Amendments to Terms of Reference ("TOR")

Reviewed the proposed amendments to its TOR to reflect the recommended practices of the Malaysian Code of Corporate Governance ("Code") and the provisions of the Listing Requirements, where applicable, prior to approval of the Board of Directors.

7. **Amendments to Policy on Auditor Independence**

   Reviewed the proposed amendments to the Policy on Auditor Independence including 'External Auditor Evaluation Form' to include enhancements to its oversight role as introduced by the practices recommended in the Code, prior to approval of the Board of Directors.

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

   Reviewed the verification of share options allocation to the eligible employees approved by the options committee on 27 January 2022 and concurred that the allocation under the ESOS complied with the criteria set out in the By-Laws of the ESOS.

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 Code, 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 RM2,971,595 were incurred in relation to the internal audit function for the financial year ended 30 June 2022.

Nominating Committee Statement

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 2022, attended by all members.

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 or to strengthen Board composition. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfill the requirements prescribed under the relevant laws and regulations for appointment as director. A candidate's suitability for appointment will be based primarily on the individual's merits as well as the strategic aim for the appointment.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

i. Review of Directors standing for re-election

In June 2022, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the NC considered the eligibility of Dato' Ahmad Fuaad Bin Mohd Dahalan, Dato' Yeoh Soo Keng, Syed Abdullah Bin Syed Abd. Kadir and Raja Noorma Binti Raja Othman, who are due to retire by rotation pursuant to Article 86 of the Company's Constitution at the Thirty-Ninth Annual General Meeting of the Company, to stand for re-election.

The NC (save for the member who abstained from deliberation and voting in respect of her own re-election) was satisfied that they continue to perform and contribute effectively as indicated by the performance evaluation results, devote the necessary time commitment to their roles and responsibilities, and in the case of the Independent Non-Executive Directors ("INED"), exercise objectivity and independence of judgement, and as such resolved to recommend to the Board that they stand for re-election.

ii. Review of Directors proposed for continuing in office as INED

Dato' Cheong Keap Tai and Faiz Bin Ishak have each served on the Board for more than 9 years. The NC (with the abstention of the relevant members in the deliberations), 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, resolutions for their continuing in office as INED of the Company are recommended for the consideration of the members at the forthcoming Annual General Meeting.

iii. Annual evaluation

In May 2022, 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.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making while 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.

Individual Directors were evaluated on their fit and properness, calibre, character and integrity, contribution, performance and time commitment; 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 indicated no evident weaknesses or shortcomings 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 2022 were satisfactory.

The NC, with the concurrence of the Board was the view that the Board is of the right size and has an appropriate mix of skills, experience, perspective, independence and diversity, including gender diversity needed to meet the needs of the Company.

In terms of the tenure of the INED, the NC took note of the amendments introduced by Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") in relation to the 12-year limit for independent directors.

iv. Review of the NC Statement for financial year ended 30 June 2021

The NC Statement was reviewed by the NC prior to its recommendation to the Board for inclusion in 2021 Annual Report.

v. Review of the evaluation criteria in the evaluation forms

The NC reviewed the evaluation criteria set out in the evaluation forms and resolved that the same be maintained as they remained relevant and consistent with the Malaysian Code on Corporate Governance and the Listing Requirements.

vi. Review of the Fit and Proper Policy for Directors

The NC reviewed the Fit and Proper Policy for Directors of the Company and its subsidiaries together with the form of 'Declaration of Fit and Properness by Director' prior to recommending the same for adoption by the Board.

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.

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 2022, the following five in-house training programmes were organised for the Directors:-

- YTL LEAD Conference 2021;
- YTL Group Data Security & Protection Course;
- An Effective Holistic Approach to establishing Effective ESG Culture and Successful Implementation;
- Successful Implementation of the 4 ESG Pillars, Metrics and Disclosures; and
- Cybersecurity Training: Phishing Attack.

Nominating Committee Statement

All the Directors have undergone training programmes during the financial year ended 30 June 2022. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability	
Axiata Risk & Compliance Conference 2021 (16 July 2021)	Raja Noorma Binti Raja Othman
AML/CFT & TFS – Evolving Challenges & Expectations in Regulatory Compliance (6 August 2021)	Raja Noorma Binti Raja Othman
Malaysian Institute of Management ("MIM") Webinar: Fighting Corruption Together as a Nation (10 August 2021)	Dato' Yeoh Soo Min
ICDM: Sustainable Reset: The Role of NRC in a Post Pandemic World (21-22 September 2021)	Faiz Bin Ishak
ESG Briefing by Synergio Global Sdn Bhd (18 October 2021)	Raja Noorma Binti Raja Othman
Leadership for Enterprise Sustainability Asia 2021: Are you ready for the climate changed economy? (15-18 November 2021)	Dato' Yeoh Soo Min
MICG: The Law Behind Corporate Governance (30 November 2021)	Faiz Bin Ishak
The Securities Commission Malaysia's Audit Oversight Board – Conversation with Audit Committees – Good Practices for Audit Committees in Supporting Audit Quality – How it Impacts Audit Committee (6 December 2021)	Dato' Cheong Keap Tai Faiz Bin Ishak
MIM Crucial Conversations Series: Your Right, Your Role: Speak Up Against Corruption – "Empowering People to Build Good Governance" (28 March 2022)	Dato' Yeoh Soo Min

Seminars/Conferences/Training	Attended by
Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability (Cont'd.)	
An Effective Holistic Approach to establishing Effective ESG Culture and Successful Implementation (6 April 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Cheong Keap Tai Dato' Yeoh Soo Min Dato' Yeoh Seok Hong 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
The Securities Commission Malaysia's Audit Oversight Board - Conversation with Audit Committees – Good Practices for Audit Committees in Supporting Audit Quality – How it Impacts Audit Committee (7 April 2022)	Dato' Cheong Keap Tai Dato' Ahmad Fuaad Bin Mohd Dahalan Faiz Bin Ishak
Successful Implementation of the 4 ESG Pillars, Metrics and Disclosures (11 April 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Cheong Keap Tai Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Faiz Bin Ishak
Anti-Corruption Empowerment Talk Series by Malaysian Anti-Corruption Commission (9 May 2022)	Raja Noorma Binti Raja Othman
MIA International Accountants Conference 2022 (8 & 9 June 2022)	Dato' Cheong Keap Tai
Corporate Treasurer CT Week: Sustainable Treasurer & Financing Climate Change (22 June 2022)	Dato' Yeoh Soo Min
Leadership and Business Management	
Behavioural Insights Team, Singapore – Board & Leadership Talk Series: Behavioural Insights (5 July 2021)	Raja Noorma Binti Raja Othman
Women@YTL – Nurturing and Mental Health (9 July 2021)	Dato' Yeoh Soo Min
PwC – Board & Leadership Talk Series: Trends in Customer Behaviours (2 August 2021)	Raja Noorma Binti Raja Othman

Nominating Committee Statement

Seminars/Conferences/Training	Attended by
Leadership and Business Management (Cont'd.)	
YTL LEAD Conference 2021 (6-10 December 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
Cybersecurity/Technology/Finance/Economy/Investment/Taxation	
Bank Negara Malaysia – Financial Institutions Directors' Education Forum ("BNM-FIDE Forum"): Dialogue on Risk Management in Technology (RMiT): Insights 1 year on (8 July 2021)	Raja Noorma Binti Raja Othman
Briefing on "Rise of Fintech and Future of Banking (6 August 2021)	Raja Noorma Binti Raja Othman
MIA Webinar Series – ISA220 & 230: Quality Control for an Audit of Financial Statements & Audit Documentation (25 August 2021)	Dato' Cheong Keap Tai
MIA Webinar Series – Presentation of Financial Statements Using MPERS (9 September 2021)	Dato' Cheong Keap Tai
Invest Malaysia 2021: Rebuilding a Sustainable Economy Series 1 - Economic Reform (14 October 2021)	Dato' Yeoh Soo Min
EY-DBS webinar: Tap into digital opportunities (21 October 2021)	Dato' Yeoh Soo Min
National Tax Seminar 2021 (9 November 2021)	Dato' Cheong Keap Tai
FinanceAsia: 3rd China Fixed Income Summit 2021 – Investing in a transformational market (15-19 November 2021)	Dato' Yeoh Soo Min
Artificial Intelligence (AI) for Company Directors and Executives (16 November 2021)	Faiz Bin Ishak
FinanceAsia: Corporate Treasurer's Treasury Week – Manoeuvring through recovery (22-26 November 2021)	Dato' Yeoh Soo Min

Seminars/Conferences/Training	Attended by
▸ Cybersecurity/Technology/Finance/Economy/Investment/Taxation (Cont'd.)	
YTL Group Data Security & Protection Course (December 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Cheong Keap Tai Dato' Yeoh Soo Min Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir
Regional Outlook Forum 2022: Regional Disruptions amidst Global Recovery (6 & 7 January 2022)	Raja Noorma Binti Raja Othman
BNM-FIDE Forum: MyFintech Week 2022 Masterclasses – Getting it Right: Securing Results from Digital Transformation – Web 3.0 and the Future of Finance – Deep Dive into DeFi (27 January 2022)	Raja Noorma Binti Raja Othman
Corporate Treasurer CT Week: Transforming Treasury for Tomorrow (26 & 27 April 2022)	Dato' Yeoh Soo Min
Cybersecurity Training: Phishing Attack (Part 1) (May 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir
Webinar by DBS Private Bank: Private Markets Investments Forum (9 June 2022)	Dato' Yeoh Soo Min
MIA Virtual Conference Series: MPERS and SMEs Financial Reporting Conference 2022 (28 June 2022)	Dato' Cheong Keap Tai
ICIF Executive Education Center – Addressing and responding to growing and more complex threat of cyber security (28 June 2022)	Raja Noorma Binti Raja Othman
Cybersecurity Training: Phishing Attack (Part 2) (June 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir

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 2022, 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 20 September 2022

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	3,964	9.22	139,138	0.00
100 - 1,000	4,317	10.04	1,923,685	0.02
1,001 - 10,000	19,393	45.12	82,766,633	0.76
10,001 - 100,000	12,891	29.99	396,792,496	3.62
100,001 to less than 5% of issued shares	2,418	5.63	5,045,986,501	46.02
5% and above of issued shares	2	0.00	5,436,477,937	49.58
Total	**42,985**	**100.00**	**10,964,086,390**	**100.00**

Excluding 58,675,950 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	575,170,171	5.25
3	HSBC Nominees (Asing) Sdn Bhd - Credit Suisse (Hong Kong) Limited	506,561,781	4.62
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

Analysis of Shareholdings
as at 20 September 2022

	Name	No. of Shares	%
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	77,553,100	0.71
16	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	65,016,350	0.59
17	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	61,372,200	0.56
18	Dato' Yeoh Seok Kian	58,508,722	0.53
19	Dato' Yeoh Soo Keng	57,053,832	0.52
20	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hasil Mayang Sdn Bhd	56,549,770	0.52
21	Cartaban Nominees (Tempatan) Sdn Bhd - Pamb for Prulink Equity Fund	54,749,706	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	47,603,615	0.43
26	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	46,398,101	0.42
27	HSBC Nominees (Asing) Sdn Bhd - SIX SIS for Bank Sarasin CIE	45,511,620	0.42
28	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	36,976,006	0.34
29	Perbadanan Kemajuan Pertanian Negeri Pahang	31,968,879	0.29
30	Dato' Yeoh Seok Hong	30,075,972	0.27
	Total	**8,990,000,594**	**81.99**

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	621,502,973	5.67	–	–

(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 20 September 2022

THE COMPANY

YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	1.37	1,016,665(1)	0.01
Dato' Yeoh Seok Kian	58,508,722	0.53	13,895,816(1)	0.13
Dato' Yeoh Soo Min	57,665,399	0.53	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)	*

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	15,000,000(1)
Dato' Yeoh Seok Kian	15,000,000	12,000,000(1)
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–
Dato' Ahmad Fuaad Bin Mohd Dahalan	1,000,000	–
Dato' Yeoh Soo Min	15,000,000	3,000,000(1)
Dato' Yeoh Seok Hong	15,000,000	14,000,000(1)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Yeoh Soo Keng	15,000,000	–
Dato' Mark Yeoh Seok Kah	15,000,000	–
Syed Abdullah Bin Syed Abd Kadir	1,000,000	–
Faiz Bin Ishak	1,000,000	–
Raja Noorma Binti Raja Othman	1,000,000	–

SUBSIDIARY COMPANIES

YTL Power International Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	0.27	862,153(1)	0.01
Dato' Yeoh Seok Kian	11,276,298	0.14	14,416,426(1)	0.18
Dato' Yeoh Soo Min	19,166,325	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)	*

	No. of Shares Options	
Name	**Direct**	**Indirect**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-
Dato' Yeoh Seok Kian	15,000,000	-
Dato' Yeoh Soo Min	15,000,000	-
Dato' Yeoh Seok Hong	15,000,000	9,000,000(1)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-
Dato' Yeoh Soo Keng	15,000,000	-
Dato' Mark Yeoh Seok Kah	15,000,000	-
Syed Abdullah Bin Syed Abd Kadir	1,000,000	-
Faiz Bin Ishak	1,000,000	-

Malayan Cement Berhad

	No. of Shares Held			
Name	**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

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

Statement of Directors' Interests

in the Company and Related Corporations as at 20 September 2022

YTL Construction (Thailand) Limited

Name	No. of Shares Held 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

Name	No. of Shares Held 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 2022

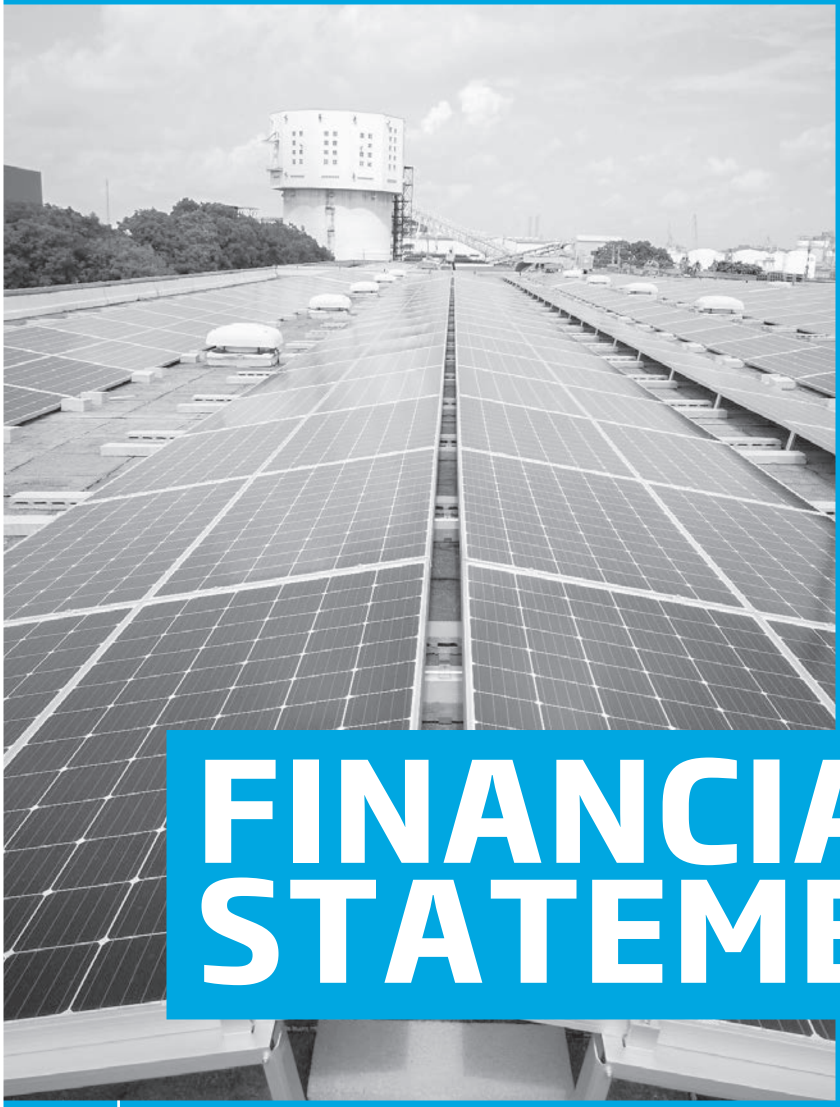
Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2022 (RM'000)	Date of Acquisition
Lot 1 in Deposited Plan 804285 in the Local Government Area of Sydney, Parish of St James, County of Cumberland@	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	33	-	1,481,233	29.11.2012
Filton Airfield, Filton, Bristol	Freehold	1,416,400 sq.m.	Disused Airfield & Hangars	-	-	-	627,311	01.12.2015
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	25	-	526,500	16.12.2005
Kulai Young Estate, Kulai, Johor	Freehold	6,639,760 sq.m.	Land held for development of solar power facility and data centers	-	-	-	428,899	28.09.2021
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Water Recycling Centre	-	-	-	416,701	21.05.2002
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: 90 (refurbished in Year 2012) Tower Wing: 9	11.05.2091	397,500	03.11.2017
PN 212664, Lot 4064# (fka HS (D) 460/88 PT 1122)	Leasehold	59.75 acres	Cement plant	-	-	29.07.2087	386,298	30.07.1998
PN 395004, Lot 15445# (fka HS (D) 461/88 PT 1123)	Leasehold	0.56 acres	Cement plant	-	-	29.07.2087		30.07.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	-	-	16.04.2095		17.04.1996
PN 369360, Lot 4067# (fka HS (D) 3705 PT 1417)	Leasehold	1.45 acres	Warehouse & depot - Megazine store	-	-	28.12.2096		29.12.1997
PN 212336, Lot 4529# (fka HS (D) 3706 PT 1418)	Leasehold	14.59 acres	Cement plant	-	-	28.12.2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant - Safety Zone	-	-	16.04.2095		17.04.1996

List of Properties
as at 30 June 2022

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 2022 (RM'000)	Date of Acquisition
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant - Safety Zone	-	-	16.04.2095		17.04.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant - Safety Zone	-	-	16.04.2095		17.04.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant - Clay Quarry Area	-	-	16.04.2056		17.04.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant - Clay Quarry Area	-	-	16.04.2026		17.04.1996
PN 313351, Lot 4322# (fka HS (D) 2735 PT 1326)	Leasehold	28.24 acres	Staff quarter building	-	-	28.05.2095		29.05.1996
PN 344194, Lot 4405# (fka HS (D) 2737 PT 417)	Leasehold	28.17 acres	Cement plant	-	-	26.06.2095		27.06.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant - Limestone Hill/ Quarry	-	-	16.04.2026		17.04.1996
PN 278198, Lot 4533# (fka HS (D) 4170 PT 1419)	Leasehold	28.12 acres	Cement plant	-	-	14.09.2097		15.09.1998
PN 278203, Lot 4534# (fka HS (D) 4171 PT 1420)	Leasehold	3.54 acres	Cement plant	-	-	14.09.2097		15.09.1998
PN 278204, Lot 4535# (fka HS (D) 8804 PT 1421)	Leasehold	13.37 acres	Cement plant	-	-	29.09.2102		01.10.2003
PN 00108181, Lot 2764#	Leasehold	210.06 acres	Cement plant	-	-	31.12.2886		01.11.1996
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	-	-	-	380,192	25.01.2008
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	31,613.3	25	-	361,000	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 penthouses, 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	17	-	321,000	16.05.2007 & 15.11.2011

@ Based on valuation on 31 May 2022

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



FINANCIAL STATEMENTS

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

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	Company
	RM'000	RM'000
Profit for the year	1,179,934	154,650
Attributable to:		
- Owners of the parent	545,394	154,650
- Non-controlling interests	634,540	-
	1,179,934	154,650

DIVIDENDS

	RM'000
In respect of the financial year ended 30 June 2021:	
- Interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	274,102

On 25 August 2022, the Board of Directors declared an interim dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2022. The book closure and payment dates in respect of the aforesaid dividend are 11 November 2022 and 29 November 2022, respectively.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2022.

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.

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 7 December 2021. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

Details of treasury shares are set out in Note 27(a) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") for employees and Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 1 December 2020. The Scheme which is valid for a period of ten (10) years was implemented on 6 January 2021 and will expire on 5 January 2031. The salient features and terms of the ESOS are set out in Note 27(b)(i) to the financial statements.

The aggregate maximum allocation of the options to Directors and senior management of the Company and/or subsidiaries is not be more than seventy per cent (70%) of the fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) from time to time throughout the duration of the scheme.

During the financial year, the Company granted 333,039,000 options to the eligible employees and Directors of the Company and/or subsidiaries (details are set out in Note 27(b) to the financial statements). As at 30 June 2022, options for 13.89% of the shares available under the ESOS were granted to Directors and senior management.

During the financial year, 110,000,000 options were granted to Directors of the Company.

Details of options granted to Non-Executive Directors of the Company are set out herein under Directors' Interests.

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

DIRECTORS (CONTINUED)

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' 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 1.7.2021**	**Acquired**	**Disposed**	**Balance at 30.6.2022**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	149,844,946	500,000	-	**150,344,946**
Dato' Yeoh Seok Kian	58,508,722	-	-	**58,508,722**
Dato' Yeoh Soo Min	55,201,999	1,701,000	-	**56,902,999**
Dato' Yeoh Seok Hong	54,173,305	-	-	**54,173,305**
Dato' Yeoh Soo Keng	58,087,165	-	-	**58,087,165**
Dato' Mark Yeoh Seok Kah	23,232,200	-	-	**23,232,200**
Syed Abdullah Bin Syed Abd. Kadir	9,911,955	-	-	**9,911,955**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	516,665 (1)	500,000	-	**1,016,665 (1)**
Dato' Yeoh Seok Kian	13,895,816 (1)	-	-	**13,895,816 (1)**
Dato' Yeoh Soo Min	2,495,456 (1)(2)	-	-	**2,495,456 (1)(2)**
Dato' Yeoh Seok Hong	24,821,442 (1)	-	-	**24,821,442 (1)**
Dato' Sri Michael Yeoh Sock Siong	77,595,817 (1)(3)	-	-	**77,595,817 (1)(3)**
Dato' Yeoh Soo Keng	799,157 (1)	-	-	**799,157 (1)**
Dato' Mark Yeoh Seok Kah	4,508,586 (1)	-	-	**4,508,586 (1)**
Syed Abdullah Bin Syed Abd. Kadir	20,701 (1)	-	-	**20,701 (1)**

DIRECTORS' INTERESTS (CONTINUED)

The Company	Number of share options over ordinary shares Balance at 1.7.2021	Granted	Exercised	Balance at 30.6.2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	15,000,000	-	**15,000,000**
Dato' Yeoh Seok Kian	-	15,000,000	-	**15,000,000**
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	-	1,000,000	-	**1,000,000**
Dato' Chong Keap Thai @ Cheong Keap Tai *	-	1,000,000	-	**1,000,000**
Faiz Bin Ishak *	-	1,000,000	-	**1,000,000**
Dato' Ahmad Fuaad Bin Mohd Dahalan *	-	1,000,000	-	**1,000,000**
Raja Noorma Binti Raja Othman *	-	1,000,000	-	**1,000,000**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	15,000,000	-	**15,000,000** (1)
Dato' Yeoh Seok Kian	-	12,000,000	-	**12,000,000** (1)
Dato' Yeoh Soo Min	-	3,000,000	-	**3,000,000** (1)
Dato' Yeoh Seok Hong	-	14,000,000	-	**14,000,000** (1)

* *Non-Executive Directors*

Subsidiary - Malayan Cement Berhad	Number of ordinary shares Balance at 1.7.2021	Acquired	Disposed	Balance at 30.6.2022
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)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiary - YTL Power International Berhad	Number of ordinary shares Balance at 1.7.2021	Acquired	Disposed	Balance at 30.6.2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,370,694	500,000	-	**21,870,694**
Dato' Yeoh Seok Kian	11,276,298	-	-	**11,276,298**
Dato' Yeoh Soo Min	19,066,325	100,000	-	**19,166,325**
Dato' Yeoh Seok Hong	135,438,169	-	-	**135,438,169**
Dato' Yeoh Soo Keng	17,042,049	-	-	**17,042,049**
Dato' Mark Yeoh Seok Kah	12,299,200	-	-	**12,299,200**
Syed Abdullah Bin Syed Abd. Kadir	2,581,072	-	-	**2,581,072**
Deemed interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	308,953(1)	553,200	-	**862,153** (1)
Dato' Yeoh Seok Kian	13,816,426(1)	600,000	-	**14,416,426** (1)
Dato' Yeoh Soo Min	4,980,017(1)(2)	-	-	**4,980,017** (1)(2)
Dato' Yeoh Seok Hong	5,435,235(1)	-	-	**5,435,235** (1)
Dato' Sri Michael Yeoh Sock Siong	18,112,912(1)(3)	-	-	**18,112,912** (1)(3)
Dato' Yeoh Soo Keng	197,431(1)	-	-	**197,431** (1)
Dato' Mark Yeoh Seok Kah	1,563,315(1)	-	-	**1,563,315** (1)
Syed Abdullah Bin Syed Abd. Kadir	596(1)	-	-	**596** (1)

Subsidiary - YTL Power International Berhad	Number of share options over ordinary shares Balance at 1.7.2021	Granted	Exercised	Balance at 30.6.2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	15,000,000	-	**15,000,000**
Dato' Yeoh Seok Kian	-	15,000,000	-	**15,000,000**
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	-	1,000,000	-	**1,000,000**
Faiz Bin Ishak	-	1,000,000	-	**1,000,000**
Deemed interest				
Dato' Yeoh Seok Hong	-	9,000,000	-	**9,000,000** (1)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiary - YTL Corporation (UK) PLC *	Number of ordinary shares of £0.25 each Balance at 1.7.2021	Acquired	Disposed	Balance at 30.6.2022
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**

* *Incorporated in England & Wales*

Subsidiary - YTL Construction (Thailand) Limited +	Number of ordinary shares of THB100 each Balance at 1.7.2021	Acquired	Disposed	Balance at 30.6.2022
Direct interest				
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 1.7.2021	Acquired	Disposed	Balance at 30.6.2022
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

+ *Incorporated in Thailand*

(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.

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 RM396,000 (2021: RM381,000). 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 a benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown below) 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.

DIRECTORS' REMUNERATION

	Group	Company
	RM'000	RM'000
Fees	1,869	890
Salaries	48,501	1,218
Others*	87	49
Defined contribution plan	4,981	146
Estimated money value of benefits-in-kind	450	-
	55,888	2,303

* *Includes SOCSO, meeting allowance, etc*

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

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

In their opinion,

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

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

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.

SUBSIDIARIES

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

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group	Company
	RM'000	RM'000
HLB Ler Lum Chew PLT	2,467	244

AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 September 2022.

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

Dato' Yeoh Seok Kian

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 2022 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 29 September 2022.

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 29 September 2022.

Before me:

Tan Seok Kett
Commissioner for Oaths

Independent Auditors' Report

to the members of YTL Corporation Berhad
(Incorporated in Malaysia)

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 2022 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 102 to 295.

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 2022, 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 fulfilled 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 Notes 2(q)(ii), 3 (a) and 19 to the Financial Statements, respectively.

As at 30 June 2022, goodwill arising on consolidation amounted to RM8,360 million which represents 11.6% of the Group's total assets. The goodwill is primarily allocated to the multi utilities business in Singapore, water and sewerage business in the United Kingdom ("UK") and cement manufacturing business in Malaysia as disclosed in Note 19 to the Financial Statements. The goodwill for these businesses comprises 82.7% 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

1. Impairment assessment of goodwill (continued)

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;
- checked the reasonableness of the discount rates and terminal growth rates with the assistance of valuation expert by benchmarking to the respective industries;
- 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 Notes 2(h), 3(c) and 11 to the Financial Statements, respectively.

The property, plant and equipment of the mobile broadband network business accounts for 6.5% (RM2,082.5 million) of the Group's property, plant and equipment as at 30 June 2022.

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.

Our response:.

Ours and component auditors' audit procedures included 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, earnings before interest, taxes, depreciation and amortisation margin, and useful life of the assets and benchmarked against the comparable companies within the industry;

Independent Auditors' Report

to the members of YTL Corporation Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

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

Our response: (continued)

- discussed with management the rationale applied on the assumption of sourcing contract renewals by considering the Group'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 Notes 2(h), 3(b) and 11 to the Financial Statements, respectively.

The water and sewerage business's net book value of infrastructure assets (RM8,724.6 million) comprises 27.3% 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 included 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;
- sampled capital expenditure costs in the year and agreed the costs to underlying support, including timesheets and invoices;
- challenged management's assumptions used in allocating certain costs between capital and operating expenditure. Specifically, this has included assessing the appropriate capitalisation of the various types of costs such as overheads, interest, and infrastructure maintenance; and
- 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

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

The risk

We refer to Notes 2(e), 3(h) and 35 to the Financial Statements, respectively.

The water and sewerage segment of the Group recorded RM174.8 million of defined benefit assets as at 30 June 2022, net of present value of funded defined 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 amounts of the post-employment benefit obligations.

Our response:

Ours and component auditors' audit procedures included the following:

- understood and assessed the scope of work by the external actuary engaged by the management;
- 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;
- compared the expected rate of salary increase used by the actuary against historical trend;
- assessed the fair value of the scheme assets by obtaining the valuation from the relevant fund managers as at 30 June 2022 and corroborated with independent sources; 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.

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

The risk

We refer to Notes 2(r), 3(d) and 20 to the Financial Statements, respectively.

Trade receivables of the water and sewerage segment (RM474.4 million net of expected credit losses of RM275.3 million) accounts for 20.9% of the Group's trade receivables as at 30 June 2022.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

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

Our response:

Ours and component auditors' audit procedures included the following:

- tested the operating effectiveness of the key information technology systems used for generating billings and cash collection data used for the expected credit losses assessment and the controls over assessment of expected credit losses of trade receivables;
- 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 include management's scenario analysis of the impact of economic uncertainty due to inflation;
- compared the level of expected credit losses applied against similar companies within the industry in the UK;
- performed substantive testing to ensure the completeness and accuracy of the reports used to populate the expected credit loss provision calculation; and
- developed expectations to generate a range for the estimated value and compared against the estimates and assumptions set forth by management to ensure no management bias over the expected credit losses.

6. Metered income accrual

The risk

We refer to Notes 2(d)(i)(a), 3(j), 4 and 20 to the Financial Statements, respectively.

The Group has recorded a metered income accrual of RM550.3 million as at 30 June 2022 relating to revenue from the provision of water services to customers on water meters that had not been read at the year-end date.

Revenue recognition in respect of the accrued income is particularly judgemental. It arises in relation to the unbilled income accrual from metered water services. This income accrual requires an estimation of the amount of unbilled charges at the period end. It is calculated using system generated information based on previous customer volume usage.

Given the range of factors underlying the estimate, there is a risk that the metered income accrual and revenue could be misstated.

Our response:

Ours and component auditors' audit procedures included the following:

- obtained an understanding of the process for the supply of measured services, meter reading and related billing;
- tested the key controls linked to system generated information and around the estimation process for measured revenue;
- compared the accrued income to bills raised post year end and compared management's history of estimating the accrued income balance to bills raised in the subsequent year to assess the accuracy of accrual income balance;
- recomputed the accrued income based on customers' historical usage data for selected samples;
- perform analytical procedures by comparing revenue balances for the year against expectation and obtaining support for significant variances;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

6. Metered income accrual (continued)

Our response: (continued)

- corroborated the key assumptions and estimates made by management in recognising revenue, by obtaining internal and external data on factors that influence demand from customers;
- tested contract terms and conditions were met and revenue recognised at the correct period;
- performed journal testing over targeted manual entries related to revenue, particularly those recorded close to the year-end; and
- obtained an understanding of manual adjustments made to accrued income and reviewed the underlying assumptions for those adjustments.

7. Revenue recognition from construction contracts

The risk

Revenue and cost of sales recognised from construction contracts during the financial year as disclosed in Notes 2(d)(i)(e), 3(i), 4 and 5 to the Financial Statements, respectively is RM1,136.2 million and RM1,017.3 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 provision for foreseeable losses and liquidated damages.

Our response:

Our audit procedures included the following:

- reviewed and assessed the forecast budget and appropriateness of assumptions 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 budgeted costs and forecast of costs to complete by assessing the basis of their calculation;
- recomputed 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.

Independent Auditors' Report

to the members of YTL Corporation Berhad
(Incorporated in Malaysia)

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors 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.

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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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, actions taken to eliminate threats or safeguards applied.

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.

Independent Auditors' Report

to the members of YTL Corporation Berhad
(Incorporated in Malaysia)

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
03160/09/2024 J
Chartered Accountant

Dated: 29 September 2022
Kuala Lumpur

Income Statements

for the financial year ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	4	**24,241,503**	17,270,419	**396,617**	469,976
Cost of sales	5	**(20,618,658)**	(14,111,193)	**-**	-
Gross profit		**3,622,845**	3,159,226	**396,617**	469,976
Other operating income		**1,666,990**	1,015,062	**10,522**	19,931
Selling and distribution costs		**(588,833)**	(496,336)	**-**	-
Administration expenses		**(1,205,583)**	(1,167,496)	**(69,045)**	(76,310)
Other operating expenses		**(801,961)**	(719,138)	**-**	-
Finance costs	6	**(1,586,572)**	(1,555,047)	**(170,989)**	(170,672)
Share of results of associated companies and joint ventures, net of tax		**442,051**	395,523	**-**	-
Profit before tax	7	**1,548,937**	631,794	**167,105**	242,925
Income tax expense	8	**(369,003)**	(959,178)	**(12,455)**	(3,073)
Profit/(loss) for the year		**1,179,934**	(327,384)	**154,650**	239,852
Attributable to:-					
Owners of the parent		**545,394**	(367,664)	**154,650**	239,852
Non-controlling interests		**634,540**	40,280	**-**	-
		1,179,934	(327,384)	**154,650**	239,852
Earnings/(loss) per share					
- Basic (sen)	9	**4.97**	(3.38)		
- Diluted (sen)	9	**4.97**	(3.38)		
Dividend per ordinary share (sen)	10	**2.50**	-		

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit/(loss) for the year	**1,179,934**	(327,384)	**154,650**	239,852
Other comprehensive income/(loss):-				
Items that will not be reclassified subsequently to income statement:-				
- re-measurement of post-employment benefit obligations	**408,354**	354,623	**-**	-
- changes in the fair value of equity investments at fair value through other comprehensive income ("FVOCI")	**(65,685)**	(91,770)	**-**	-
- foreign currency translation	**(106,903)**	208,870	**-**	-
Items that will be reclassified subsequently to income statement:-				
- cash flow hedges				
- fair value gain	**284,748**	453,671	**-**	-
- reclassification	**38,452**	-	**-**	-
- foreign currency translation, net of investment hedges of foreign operations				
- gain	**14,992**	368,445	**-**	-
- reclassification	**(9,659)**	(47,875)	**-**	-
Other comprehensive income for the year, net of tax	**564,299**	1,245,964	**-**	-
Total comprehensive income for the year	**1,744,233**	918,580	**154,650**	239,852
Total comprehensive income attributable to:-				
Owners of the parent	**894,368**	312,310	**154,650**	239,852
Non-controlling interests	**849,865**	606,270	**-**	-
	1,744,233	918,580	**154,650**	239,852

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

Statements of Financial Position

as at 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**31,943,103**	32,120,318	**4,011**	3,720
Right-of-use assets	12	**1,552,929**	1,712,517	**8,903**	15,580
Investment properties	13	**1,976,595**	1,976,498	**-**	-
Development expenditures	14	**806,353**	1,067,428	**-**	-
Investment in subsidiaries	15	**-**	-	**8,233,329**	7,764,294
Investment in associates	16	**3,704,323**	4,243,074	**564,021**	564,021
Investment in joint ventures	17	**272,936**	162,048	**-**	-
Investments	18	**341,528**	305,718	**23,751**	53,899
Intangible assets	19	**8,689,945**	8,500,075	**-**	-
Trade and other receivables	20	**2,766,228**	1,812,014	**-**	-
Contract assets	24	**2,097**	168	**-**	-
Post-employment benefit assets	35	**174,802**	-	**-**	-
Derivative financial instruments	21	**20,607**	26,461	**-**	-
		52,251,446	51,926,319	**8,834,015**	8,401,514
Current assets					
Inventories	22	**1,249,409**	1,136,927	**-**	-
Property development costs	23	**303,826**	232,249	**-**	-
Trade and other receivables	20	**4,727,914**	3,706,772	**8,288**	7,827
Contract assets	24	**230,355**	217,590	**-**	-
Derivative financial instruments	21	**415,891**	263,719	**-**	-
Income tax assets		**163,352**	134,979	**7,977**	6,687
Amounts due from related parties	25	**101,465**	92,910	**951,154**	1,342,599
Investments	18	**1,500,569**	2,473,454	**545,668**	654,708
Fixed deposits	26	**8,230,733**	11,522,776	**160,328**	247,147
Cash and bank balances	26	**3,167,824**	2,155,871	**36,371**	3,071
		20,091,338	21,937,247	**1,709,786**	2,262,039
TOTAL ASSETS		**72,342,784**	73,863,566	**10,543,801**	10,663,553

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

Statements of Financial Position

as at 30 June 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 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	**993,435**	892,399	**7,234**	2,759
Retained earnings		**8,531,991**	8,482,982	**2,772,420**	2,891,977
Treasury shares, at cost	27(a)	**(54,452)**	(54,451)	**(54,452)**	(54,451)
		12,938,529	12,788,485	**6,192,757**	6,307,840
Non-controlling interests		**4,580,735**	3,549,476	**-**	-
Total Equity		**17,519,264**	16,337,961	**6,192,757**	6,307,840
Non-current liabilities					
Long-term payables	29	**1,521,938**	1,464,641	**-**	-
Contract liabilities	24	**28,638**	31,958	**-**	-
Bonds	30	**17,582,938**	20,756,133	**2,240,000**	3,240,000
Borrowings	31	**17,761,959**	14,654,414	**55**	-
Lease liabilities	32	**1,245,678**	1,303,867	**2,339**	9,056
Grants and contributions	33	**620,655**	661,614	**-**	-
Deferred tax liabilities	34	**3,068,801**	3,060,349	**113**	113
Post-employment benefit obligations	35	**36,959**	481,682	**-**	-
Provision for liabilities and charges	36	**21,645**	27,752	**-**	-
Derivative financial instruments	21	**1,367**	713	**-**	-
		41,890,578	42,443,123	**2,242,507**	3,249,169
Current liabilities					
Trade and other payables	37	**4,525,099**	3,695,939	**27,917**	28,058
Contract liabilities	24	**914,715**	1,182,102	**-**	-
Derivative financial instruments	21	**21,740**	34,074	**-**	-
Amounts due to related parties	25	**35,531**	38,411	**6,542**	4,460
Bonds	30	**2,630,000**	2,571,924	**1,000,000**	-
Borrowings	31	**4,281,285**	7,091,972	**1,066,908**	1,066,995
Lease liabilities	32	**170,939**	180,091	**6,844**	6,716
Provision for liabilities and charges	36	**140,972**	121,229	**-**	-
Post-employment benefit obligations	35	**6,620**	7,048	**326**	315
Income tax liabilities		**206,041**	159,692	**-**	-
		12,932,942	15,082,482	**2,108,537**	1,106,544
TOTAL LIABILITIES		**54,823,520**	57,525,605	**4,351,044**	4,355,713
TOTAL EQUITY AND LIABILITIES		**72,342,784**	73,863,566	**10,543,801**	10,663,553

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 2022

	Attributable to owners of the parent						
	Non-distributable		Distributable				
	Share capital (Note 27)	Other reserves (Note 28)	Retained earnings	Treasury shares (Note 27(a))	Total	Non-controlling interests	Total equity
Group - 2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 July 2021	3,467,555	892,399	8,482,982	(54,451)	12,788,485	3,549,476	16,337,961
Profit for the year	-	-	545,394	-	545,394	634,540	1,179,934
Other comprehensive income for the year	-	122,068	226,906	-	348,974	215,325	564,299
Total comprehensive income for the year	-	122,068	772,300	-	894,368	849,865	1,744,233
Transactions with owners							
Changes in composition of the Group	-	-	(461,464)	-	(461,464)	572,926	111,462
Conversion of ICULS	-	(27,023)	12,490	-	(14,533)	10,756	(3,777)
Reclassification upon disposal of investments designated at FVOCI	-	166	(215)	-	(49)	49	-
Dividends paid	-	-	(274,102)	-	(274,102)	(402,337)	(676,439)
Share option expenses	-	5,825	-	-	5,825	-	5,825
Treasury shares	-	-	-	(1)	(1)	-	(1)
At 30 June 2022	**3,467,555**	**993,435**	**8,531,991**	**(54,452)**	**12,938,529**	**4,580,735**	**17,519,264**

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 2022

	<---- Attributable to owners of the parent						
	<---- Non-distributable ---->		<------- Distributable ------->				
	Share capital (Note 27)	Other reserves (Note 28)	Retained earnings	Treasury shares (Note 27(a))	Total	Non-controlling interests	Total equity
Group - 2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
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

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 2022

	Attributable to owners of the parent				
	Non-distributable		Distributable		
	Share capital (Note 27)	Other reserves (Note 28)	Retained earnings	Treasury shares (Note 27(a))	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Company - 2022					
At 1 July 2021	**3,467,555**	**2,759**	**2,891,977**	**(54,451)**	**6,307,840**
Profit for the year, representing total comprehensive income for the year	**-**	**-**	**154,650**	**-**	**154,650**
Transactions with owners					
Dividends paid	**-**	**-**	**(274,102)**	**-**	**(274,102)**
Reclassification upon disposal of investments designated at FVOCI	**-**	**105**	**(105)**	**-**	**-**
Share option expenses	**-**	**4,370**	**-**	**-**	**4,370**
Treasury shares	**-**	**-**	**-**	**(1)**	**(1)**
At 30 June 2022	**3,467,555**	**7,234**	**2,772,420**	**(54,452)**	**6,192,757**
Company - 2021					
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

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**1,548,937**	631,794	**167,105**	242,925
Adjustments for:-				
Adjustment on fair value of investment properties	**(3,617)**	(70,707)	**-**	-
Amortisation of contract costs	**1,537**	3,043	**-**	-
Amortisation of deferred income	**(6,008)**	(5,924)	**-**	-
Amortisation of grants and contributions	**(18,999)**	(21,548)	**-**	-
Amortisation of intangible assets	**68,762**	79,508	**-**	-
Bad debts recovered	**(4,640)**	(3,930)	**-**	(50)
Bad debts written off	**2,704**	1,327	**-**	-
Depreciation of property, plant and equipment	**1,606,957**	1,641,525	**222**	781
Depreciation of right-of-use assets	**186,754**	183,038	**6,677**	6,719
Dividend income	**(4,092)**	(11,290)	**(381,823)**	(446,865)
Fair value changes of financial assets	**93,114**	382,186	**7,405**	4,480
Gain on disposal of investments	**(17,479)**	(21,718)	**(2,183)**	(2,088)
(Gain)/loss on disposal of property, plant and equipment	**(76,620)**	(43,735)	**(36)**	2
Gain on disposal of associated companies – net	**(1,271,456)**	-	**-**	-
Gain on disposal of subsidiaries	**(4,916)**	(407,641)	**-**	-
Gain on lease modification and reassessment	**(855)**	(934)	**-**	-
Gain on lease termination	**(991)**	(575)	**-**	(129)
Impairment losses – net	**296,826**	49,822	**1,387**	278
Interest expense	**1,586,572**	1,555,047	**170,989**	170,672
Interest income	**(163,924)**	(161,732)	**(14,567)**	(22,855)
Inventories written down – net	**1,490**	997	**-**	-
Investment properties written off	**-**	8,916	**-**	-
Investment written off	**1**	-	**1**	-
Development expenditure written off	**63,921**	5,335	**-**	-
Property, plant and equipment written off	**20,543**	12,411	**-**	-
Provision for post-employment benefits	**54,894**	63,329	**-**	-
Provision for/(write back of) liabilities and charges	**21,003**	(7,304)	**-**	-
Rent concession	**(1,062)**	-	**-**	-
Share option expenses	**6,988**	15,071	**2,117**	4,695
Share of results of associated companies and joint ventures	**(442,051)**	(395,523)	**-**	-
Unrealised gain on foreign exchange - net	**(29,851)**	(34,519)	**-**	-
Operating profit/(loss) before changes in working capital	**3,514,442**	3,446,269	**(42,706)**	(41,435)

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Changes in working capital:-				
Inventories	**(113,599)**	137,830	**-**	-
Property development costs	**2,917**	(67,063)	**-**	-
Receivables	**(1,276,029)**	(826,177)	**(461)**	(1,674)
Contract assets	**(16,768)**	29,194	**-**	-
Contract liabilities	**(356,294)**	544,271	**-**	-
Payables	**1,024,720**	928,656	**(130)**	10,632
Related parties balances	**(11,435)**	(40,017)	**(72,055)**	(220,113)
Cash flow generated from/(used in) operations	**2,767,954**	4,152,963	**(115,352)**	(252,590)
Dividends received	**488,722**	471,677	**381,823**	446,865
Interest paid	**(1,446,680)**	(1,364,148)	**(170,504)**	(170,108)
Interest received	**167,719**	162,829	**13,626**	22,855
Payment to post-employment benefit obligations	**(135,796)**	(136,007)	**-**	-
Income tax paid	**(300,401)**	(287,272)	**(13,745)**	(6,829)
Income tax refunded	**2,638**	10,261	**-**	-
Net cash flow from operating activities	**1,544,156**	3,010,303	**95,848**	40,193
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares in existing subsidiaries	**(1,000)**	-	**(76)**	(279)
Acquisition of new subsidiaries (net of cash acquired)	**(854,000)**	-	**-**	-
Additional investment in associated companies and joint venture	**(78,113)**	(23,984)	**-**	-
Development expenditures incurred	**(27,210)**	(31,745)	**-**	-
Decrease in deposits maturing more than 90 days	**-**	544,576	**-**	-
Grants received in respect of infrastructure assets	**32,092**	38,482	**-**	-
Increase in shareholder loans	**(426,221)**	(80,808)	**-**	-
Net disposal of subsidiaries/associates (net of cash and cash equivalents)	**1,977,117**	419,136	**-**	-
Maturities/(Placement) of income funds	**953,102**	(301,958)	**-**	-
Placement for participation investment	**(498,165)**	-	**-**	-
Proceeds from disposal of property, plant and equipment	**101,615**	87,443	**58**	10
Proceeds from disposal of investments	**148,828**	216,563	**132,395**	88,554
Proceeds from finance lease receivables	**4,805**	4,766	**-**	-
Purchase of intangible assets	**(68,800)**	(31,164)	**-**	-
Purchase of investment properties	**(1,740)**	(37,065)	**-**	-
Purchase of property, plant and equipment	**(1,906,348)**	(1,910,842)	**(376)**	(661)
Purchase of investments	**(260,231)**	(2,887)	**-**	-
Purchase of right-of-use assets	**(3,054)**	-	**-**	-
Net cash flow (used in)/from investing activities	**(907,323)**	(1,109,487)	**132,001**	87,624

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 2022

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(274,102)**	-	**(274,102)**	-
Dividends paid to non-controlling interests by subsidiaries	**(402,337)**	(271,239)	**-**	-
Capital repayment by a subsidiary	**(1,960)**	-	**-**	-
Repurchase of own shares by the company (at net)	**(1)**	(30,314)	**(1)**	(30,314)
Repurchase of subsidiaries' shares by subsidiaries	**(1)**	(38,047)	**-**	-
Proceeds from bonds	**5,000**	2,407,070	**-**	740,000
Proceeds from borrowings	**6,406,467**	1,142,376	**-**	-
Proceeds from issue of shares in subsidiaries to non-controlling interests	**-**	237,150	**-**	-
Repayment of bonds	**(1,687,525)**	-	**-**	-
Repayment of borrowings	**(6,719,896)**	(2,901,744)	**(191)**	(684,210)
Repayment of lease liabilities	**(260,057)**	(238,856)	**(7,074)**	(7,074)
Upfront fees and discounts on borrowings	**(82,808)**	(7,479)	**-**	-
Net cash flow (used in)/from financing activities	**(3,017,220)**	298,917	**(281,368)**	18,402
Net (decrease)/increase in cash and cash equivalents	**(2,380,387)**	2,199,733	**(53,519)**	146,219
Effects of exchange rate changes	**24,456**	352,797	**-**	-
Cash and cash equivalents at beginning of year	**13,652,596**	11,100,066	**250,218**	103,999
Cash and cash equivalents at end of year (Note 26)	**11,296,665**	13,652,596	**196,699**	250,218

NOTE TO THE STATEMENTS OF CASH FLOWS

Analysis of acquisition of property, plant and equipment:-

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash	**1,906,348**	1,910,842	**376**	661
Finance lease arrangement	**5,698**	-	**159**	-
Interest expense paid/payable	**36,306**	23,733	**-**	-
Transfer of assets from customers	**43,528**	-	**-**	-
Payables	**15,254**	3,868	**-**	-
Provision for liabilities and charges	**-**	11,501	**-**	-
	2,007,134	1,949,944	**535**	661

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 2022

Reconciliation of liabilities arising from financing activities:-

1. Bonds and borrowings

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 July	**45,074,443**	43,586,244	**4,306,995**	4,251,205
<u>Changes from financing cash flows</u>				
Interest paid	**(1,446,680)**	(1,360,225)	**(170,504)**	(170,108)
Proceeds from bonds	**5,000**	2,407,070	**-**	740,000
Proceeds from borrowings	**6,406,467**	1,142,376	**-**	-
Upfront fees on borrowings	**(82,808)**	(7,479)	**-**	-
Repayment of bonds	**(1,687,525)**	-	**-**	-
Repayment of borrowings	**(6,719,896)**	(2,901,744)	**(191)**	(684,210)
Transactions costs paid	**(17)**	(3,923)	**-**	-
<u>Other changes in bonds and borrowings</u>				
Amortisation of issuance cost/ unwinding of premium	**193,899**	110,363	**-**	-
Bank overdrafts	**81,491**	(22,491)	**-**	-
Conversion of ICULS into ordinary shares	**(2,417)**	-	**-**	-
Disposal of subsidiary	**-**	(526,749)	**-**	-
Finance leases	**355**	-	**159**	-
Interest expenses	**1,492,505**	1,448,839	**170,504**	170,108
Foreign exchange movement	**(1,058,635)**	1,202,162	**-**	-
At 30 June	**42,256,182**	45,074,443	**4,306,963**	4,306,995

2. Lease liabilities

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 July	**1,483,958**	1,603,481	**15,772**	9,182
<u>Changes from financing cash flows</u>				
Repayment of lease liabilities	**(260,057)**	(238,856)	**(7,074)**	(7,074)
<u>Other changes in lease liabilities</u>				
Additions	**138,681**	115,874	**-**	20,031
Disposal of subsidiary	**-**	(113)	**-**	-
Interest expenses	**87,879**	92,316	**485**	564
Modification	**47,773**	(44,286)	**-**	-
Expiry/Termination	**(26,425)**	(21,156)	**-**	(6,931)
Transfer to payables	**(13,272)**	(30,485)	**-**	-
Foreign exchange movement	**(41,920)**	7,183	**-**	-
At 30 June	**1,416,617**	1,483,958	**9,183**	15,772

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

Notes to the Financial Statements

– 30 June 2022

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 Prime Market Foreign Stocks Segment 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies

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

On 1 July 2021, the Group and the Company have adopted the following MFRS, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 July 2021.

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

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 3 'Reference to the Conceptual Framework'	1 January 2022
Amendments to MFRS 116 'Property, Plant and Equipment – Proceeds before Intended Use'	1 January 2022
Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts: Costs of Fulfilling 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

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 Value Added Tax, for services provided. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

e) Construction contracts (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

f) Broadband and telecommunications (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

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.

iii) Operation and maintenance fees

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

i) Others (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee benefits (continued)

(iii) Share-based compensation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 expenditures

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Basis of consolidation (continued)

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Investment in associated companies (continued)

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Intangible assets (continued)

(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 3 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.

Software-as-a-service arrangements are service contracts providing the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset.

(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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(ii) Subsequent measurement (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

(ii) Subsequent measurement (continued)

c) Financial assets at fair value through profit or loss (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(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 statement. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the income statement as part of the gain or loss on disposal.

The Group uses loans as hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. 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, whether the hedging relationships are highly effective in offsetting changes in fair values of the hedged items.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Inventories (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ae) Leases (continued)

(i) Accounting as lessee (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ae) Leases (continued)

(i) Accounting as lessee (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ae) Leases (continued)

(ii) Accounting by lessor (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ah) Financial liabilities (continued)

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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 ongoing economic uncertainty 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.

(h) Assumptions used in determining the post-employment benefit plans/(obligations)

The present value of the post-employment benefit plans/(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 post-employment benefit assets/(obligations).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

(l) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of respective entities when the deferred tax assets are recognised.

4. REVENUE

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue comprises the following:-				
Revenue from contracts with customers	**24,044,845**	17,067,803	**227**	256
Revenue from other sources	**196,658**	202,616	**396,390**	469,720
Total revenue	**24,241,503**	17,270,419	**396,617**	469,976

(a) Disaggregation of revenue from contracts with customers and other sources:-

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Utilities				
Sale of electricity	**12,172,047**	5,876,292	**–**	–
Sale of clean water, treatment and disposal of waste water	**4,108,545**	3,772,223	**–**	–
Sale of steam	**251,186**	182,630	**–**	–
Broadband and telecommunications revenue	**660,288**	524,826	**–**	–
Others	**297,017**	216,146	**–**	–
	17,489,083	10,572,117	**–**	–
Cement and building materials industry				
Sale of cement and related products	**3,850,546**	4,076,215	**–**	–
Others	**40,415**	15,855	**–**	–
	3,890,961	4,092,070	**–**	–
Construction				
Construction contracts	**1,136,228**	1,514,505	**–**	–
Hotel operations				
Hotel room and food and beverages	**684,556**	416,107	**–**	–
Others	**16,132**	8,054	**–**	–
	700,688	424,161	**–**	–
Property				
Project revenue	**76,683**	–	**–**	–
Sale of development properties	**5,736**	–	**–**	–
Sale of completed properties	**103,345**	229,833	**–**	–
Sale of lands	**402,494**	26,501	**–**	–
Others	**16,480**	14,485	**–**	–
	604,738	270,819	**–**	–

4. REVENUE (CONTINUED)

(a) Disaggregation of revenue from contracts with customers and other sources:- (continued)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Management services & others				
Operation and maintenance services	**97,634**	111,173	**-**	-
Licencing fee	**21,150**	-	**-**	-
Property manager fees	**66,449**	66,326	**-**	-
Food and beverages operations	**7,316**	3,854	**-**	-
Media and advertising services	**3,173**	3,175	**-**	-
Others	**27,425**	9,603	**227**	256
	223,147	194,131	**227**	256
	24,044,845	17,067,803	**227**	256
Revenue from other sources				
Rental income	**100,988**	88,491	**-**	-
Interest income	**92,401**	103,372	**14,567**	22,855
Dividend income	**3,269**	10,753	**381,823**	446,865
	196,658	202,616	**396,390**	469,720
Total revenue	**24,241,503**	17,270,419	**396,617**	469,976

(b) Timing of revenue recognition for revenue from contracts with customers:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
– at a point in time	**5,044,362**	4,683,512	**-**	-
– over time	**19,000,483**	12,384,291	**227**	256
	24,044,845	17,067,803	**227**	256

5. COST OF SALES

Included in cost of sales are the following:-

	Group	
	2022 RM'000	**2021 RM'000**
Cost of inventories	**2,778,154**	2,430,224
Construction contracts costs	**1,017,301**	1,254,029
Cost of fuel, raw materials and consumable	**12,967,759**	6,191,220
Property development costs	**6,272**	-

6. FINANCE COSTS

		Group		Company	
	Note	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest expense					
- Bonds		**877,636**	797,732	**141,390**	139,188
- Borrowings		**651,175**	674,840	**29,114**	30,920
- Post-employment benefit obligations		**6,188**	13,892	**-**	-
- Lease liabilities		**87,879**	92,316	**485**	564
		1,622,878	1,578,780	**170,989**	170,672
Less: Amounts capitalised in					
- Property, plant and equipment	11	**(36,306)**	(23,733)	**-**	-
Interest expense of financial liabilities carried at amortised cost		**1,586,572**	1,555,047	**170,989**	170,672

7. PROFIT BEFORE TAX

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 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	**1,537**	3,043	**-**	-
Amortisation of intangible assets	19	**68,762**	79,508	**-**	-
Auditors' remuneration					
- statutory audit					
- current financial year		**10,253**	9,716	**244**	244
- over provision in prior financial year		**(102)**	(146)	**-**	-
- others		**1,134**	705	**16**	16
Bad debts written off					
- receivables		**2,704**	1,327	**-**	-
Cash flow hedges, reclassified from hedging reserve to cost of sales		**(331,254)**	(60,144)	**-**	-
Development expenditure written off		**63,921**	5,335	**-**	-
Depreciation of property, plant and equipment	11	**1,606,957**	1,641,525	**222**	781
Depreciation of right-of-use assets	12	**186,754**	183,038	**6,677**	6,719
Directors' remuneration					
- emoluments		**53,569**	30,880	**1,413**	741
- fees		**1,869**	1,840	**890**	890
- benefits-in-kind		**450**	762	**-**	204
Hedge ineffectiveness recognised in profit or loss		**7,171**	2,869	**-**	-
Impairment losses on					
- amount due from subsidiaries	38(d)	**-**	-	**(79,680)**	(194)
- amount due from related parties	38(d)	**206**	623	**-**	-
- contract assets	38(d)	**270**	-	**-**	-
- intangible assets	19	**174,000**	1,269	**-**	-
- receivables - net of reversal	38(d)	**122,115**	6,596	**-**	-
- investments		**5,262**	-	**1,570**	472
- investment in subsidiaries		**-**	-	**79,497**	-
- investment in joint venture		**5,273**	-	**-**	-
- property, plant and equipment	11	**-**	41,425	**-**	-
Infrastructure maintenance expenses		**117,144**	126,922	**-**	-
Investment properties written off	13	**-**	8,916	**-**	-
Investment written off		**1**	-	**1**	-
Inventories written down		**1,490**	997	**-**	-
Lease expense not recognised in lease liabilities					
- short-term lease		**79,099**	73,935	**101**	161
- low value assets		**2,317**	2,797	**-**	-

7. PROFIT BEFORE TAX (CONTINUED)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 5 & 6 to the Financial Statements):- (continued)					
Loss on foreign exchange - net					
- realised		**54,736**	11,468	**1,455**	949
- unrealised		**51,152**	12,078	**-**	-
Net fair value (gain)/loss on financial assets, at FVTPL		**(12,403)**	380,785	**-**	-
Property, plant and equipment written off	11	**20,543**	12,411	**-**	-
Rates		**149,450**	175,657	**-**	-
Share option expenses		**6,988**	15,071	**2,117**	4,695
And crediting/(charging) (other than those disclosed in Note 4 to the Financial Statements):-					
Adjustment on fair value of investment properties	13	**3,617**	70,707	**-**	-
Amortisation of deferred income		**6,008**	5,924	**-**	-
Amortisation of grants and contributions	33	**18,999**	21,548	**-**	-
Bad debts recovered		**4,640**	3,930	**-**	50
Gain/(loss) on disposal of					
- investments - net		**17,479**	21,718	**2,183**	2,088
- property, plant and equipment		**76,620**	43,735	**36**	(2)
- associated companies - net		**1,271,456**	-	**-**	-
- subsidiaries		**4,916**	407,641	**-**	-
Gain on foreign exchange - net					
- realised		**12,226**	46,188	**4,208**	1,411
- unrealised		**81,003**	46,597	**-**	-
Gain on lease termination		**991**	575	**-**	129
Gain on lease modification and reassessment		**855**	934	**-**	-
Gross dividend from quoted investments, within Malaysia		**823**	537	**-**	-
Hiring income from plant, machinery and equipment		**21,266**	29,089	**-**	-
Interest income from financial assets measured at amortised cost					
- fixed deposits		**55,340**	49,475	**-**	-
- others		**15,502**	8,312	**-**	-

7. PROFIT BEFORE TAX (CONTINUED)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
And crediting/(charging) (other than those disclosed in Note 4 to the Financial Statements):- (continued)					
Interest income – net investment in leases		**681**	573	**–**	–
Net fair value loss on investments	18	**(105,517)**	(1,401)	**(7,405)**	(4,480)
Operating lease income		**409**	549	**–**	–
Rental income					
– other properties		**9,047**	11,681	**–**	–
Write back of impairment loss on					
– property, plant and equipment	11	**10,300**	–	**–**	–
– contract assets	38(d)	**–**	91	**–**	–
(Provision for)/write back of liabilities and charges	36	**(21,003)**	7,304	**–**	–

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 2022 and 30 June 2021, are as follows:-

	Fees	Salaries	Bonus	Defined contribution plan	Others	Estimated money value of benefits-in-kind	Total
Group - 2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	330	14,204	-	1,189	4	148	15,875
Dato' Yeoh Seok Kian	209	6,939	-	759	3	92	8,002
Dato' Yeoh Soo Min	-	5,347	-	597	1	36	5,981
Dato' Yeoh Seok Hong	-	5,695	-	639	1	25	6,360
Dato' Sri Michael Yeoh Sock Siong	-	5,710	-	621	2	51	6,384
Dato' Yeoh Soo Keng	-	4,848	-	582	2	49	5,481
Dato' Mark Yeoh Seok Kah	-	5,110	-	568	3	23	5,704
Syed Abdullah Bin Syed Abd. Kadir	-	648	-	26	*	26	700
Non-Executive Directors							
Dato' Chong Keap Thai @ Cheong Keap Tai	230	-	-	-	14	-	244
Dato' Ahmad Fuaad Bin Mohd Dahalan	420	-	-	-	20	-	440
Faiz Bin Ishak	460	-	-	-	28	-	488
Raja Noorma Binti Raja Othman	220	-	-	-	9	-	229
	1,869	48,501	-	4,981	87	450	55,888

* Amount less than RM1,000

7. PROFIT BEFORE TAX (CONTINUED)

Directors' remuneration (continued)

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 2022 and 30 June 2021, are as follows:-(continued)

Company - 2022	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	-	-
Dato' Yeoh Seok Kian	-	1,218	-	146	1	-	1,365
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	-	-	-	-	-	-	-
Non-Executive Directors							
Dato' Chong Keap Thai @ Cheong Keap Tai	230	-	-	-	14	-	244
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	11	-	221
Faiz Bin Ishak	230	-	-	-	14	-	244
Raja Noorma Binti Raja Othman	220	-	-	-	9	-	229
	890	1,218	-	146	49	-	2,303

7. PROFIT BEFORE TAX (CONTINUED)

Directors' remuneration (continued)

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 2022 and 30 June 2021, are as follows:-(continued)

Group - 2021	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	307	9,223	-	594	1	219	10,344
Dato' Yeoh Seok Kian	193	3,901	-	390	1	242	4,727
Dato' Yeoh Soo Min	-	2,855	-	298	1	63	3,217
Dato' Yeoh Seok Hong	-	3,029	-	319	3	59	3,410
Dato' Sri Michael Yeoh Sock Siong	-	3,285	123	338	1	54	3,801
Dato' Yeoh Soo Keng	-	2,441	-	291	1	37	2,770
Dato' Mark Yeoh Seok Kah	-	2,736	-	284	3	62	3,085
Syed Abdullah Bin Syed Abd. Kadir	-	648	-	26	1	26	701
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	99	762	33,482

7. PROFIT BEFORE TAX (CONTINUED)

Directors' remuneration (continued)

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 2022 and 30 June 2021, are as follows:-(continued)

	Fees	Salaries	Bonus	Defined contribution plan	Others	Estimated money value of benefits-in-kind	Total
Company - 2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	115	115
Dato' Yeoh Seok Kian	-	609	-	73	-	47	729
Dato' Yeoh Soo Min	-	-	-	-	-	-	-
Dato' Yeoh Seok Hong	-	-	-	-	-	-	-
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	-	-	-
Dato' Yeoh Soo Keng	-	-	-	-	-	-	-
Dato' Mark Yeoh Seok Kah	-	-	-	-	-	42	42
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	59	204	1,835

Employee benefits expenses

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Employees compensation (excluding Directors' remuneration)				
Wages, salaries and bonus	**1,004,853**	1,004,547	**17,329**	17,839
Defined contribution plan	**104,650**	116,361	**1,916**	1,997
Defined benefit plan	**54,894**	63,329	**-**	-
Other benefits	**46,816**	44,173	**807**	646
	1,211,213	1,228,410	**20,052**	20,482

8. INCOME TAX EXPENSE

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current income tax					
- Malaysian income tax		**198,981**	192,628	**12,455**	3,073
- Foreign income tax		**117,744**	154,869	**-**	-
Deferred tax	34	**52,278**	611,681	**-**	-
		369,003	959,178	**12,455**	3,073
Current income tax					
- Current financial year		**333,558**	385,484	**3,207**	5,601
- (Over)/Under provision in prior financial years		**(16,833)**	(37,987)	**9,248**	(2,528)
Deferred tax					
- Relating to origination and reversal of temporary differences		**52,278**	611,681	**-**	-
		369,003	959,178	**12,455**	3,073

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	**1,548,937**	631,794	**167,105**	242,925
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**371,745**	151,631	**40,105**	58,302
Non-deductible expenses	**510,580**	556,541	**56,659**	57,719
Income not subject to tax	**(388,328)**	(180,967)	**(93,557)**	(110,420)
Different tax rates in other countries	**(28,715)**	(65,632)	**-**	-
Re-measurement of deferred tax *	**-**	540,507	**-**	-
Double deductible expenses	**(1,081)**	(811)	**-**	-
(Over)/Under-provision in prior years	**(16,833)**	(37,987)	**9,248**	(2,528)
Tax effect on share of profits of associated companies and joint ventures	**(106,092)**	(94,926)	**-**	-
Tax effect of unrecognised deferred tax assets	**27,727**	90,822	**-**	-
Income tax expense	**369,003**	959,178	**12,455**	3,073

* The re-measurement of deferred tax during the previous 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.

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share of the Group is calculated by dividing the profit/(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	
	2022	**2021**
Profit/(loss) for the financial year attributable to owners of the parent (RM'000)	**545,394**	(367,664)
Weighted average number of ordinary shares in issue ('000)	**10,964,088**	10,864,161
Basic earnings/(loss) per share (sen)	**4.97**	(3.38)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2022	**2021**
Profit/(loss) for the financial year attributable to owners of the parent (RM'000)	**545,394**	(367,664)
Weighted average number of ordinary shares in issue ('000)	**10,964,088**	10,864,161
Adjustments for ESOS ('000)	**1,168**	–
Weighted average number of ordinary shares for diluted earnings per shares ('000)	**10,965,256**	10,864,161
Diluted earnings/(loss) per share (sen)	**4.97**	(3.38)

10. DIVIDENDS

	Group / Company			
	2022		2021	
	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 2021:				
Interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	**2.5**	**274,102**	–	–
Dividend recognised as distribution to ordinary equity holders of the Company	**2.5**	**274,102**	–	–

On 25 August 2022, the Board of Directors declared an interim dividend of 3.0 sen per ordinary share for the financial year ended 30 June 2022. The book closure and payment dates in respect of the aforesaid dividend are 11 November 2022 and 29 November 2022, respectively. The financial statements for the current financial year do not reflect this interim dividend. Such dividend, will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2023.

The Board of Directors do not recommend a final dividend in respect of the financial year ended 30 June 2022.

11. PROPERTY, PLANT AND EQUIPMENT

	Note	Land & buildings* RM'000	Infrastructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
Group - 2022									
Cost/Valuation									
At 1.7.2021		11,848,653	10,094,992	25,007,809	2,250,370	1,036,248	3,385,937	1,400,408	55,024,417
Acquisition of subsidiaries		123,481	-	670,654	23	691	-	-	794,849
Additions		441,039	42,410	16,391	24,911	23,995	1,257	1,457,131	2,007,134
Currency translation differences		(506,819)	(735,942)	(581,559)	(98,036)	(20,033)	-	(107,164)	(2,049,553)
Disposals		(283)	(3)	(59,592)	(2,860)	(92,681)	(144)	(443)	(156,006)
Disposal of subsidiary		(5,954)	(67,391)	(9,506)	(83)	-	-	(20,028)	(102,962)
Reversal of impairment	7	10,300	-	-	-	-	-	-	10,300
Transfer on commissioning		137,379	361,965	665,964	38,630	25,384	44,461	(1,273,783)	-
Transfer from investment properties	13	-	-	(25,381)	-	-	-	109,764	84,383
Transfer from/(to) right-of-use assets	12	15,075	-	-	-	-	(11,501)	-	3,574
Transfer from development expenditures	14	200,002	-	-	-	-	-	-	200,002
Written off	7	(7,905)	(3,916)	(51,255)	(59,469)	(233)	(103)	(5,765)	(128,646)
At 30.6.2022		12,254,968	9,692,115	25,633,525	2,153,486	973,371	3,419,907	1,560,120	55,687,492
Accumulated depreciation and impairment									
At 1.7.2021		3,712,361	934,728	15,101,093	1,191,626	725,557	1,238,734	-	22,904,099
Currency translation differences		250,006	86,986	931,843	145,227	64,858	137,206	-	1,616,126
Charge for the financial year		(126,910)	(69,497)	(283,582)	(46,214)	(9,406)	-	-	(535,609)
Disposal of a subsidiary		(2,270)	(6,461)	(1,894)	(83)	-	-	-	(10,708)
Disposals		-	(3)	(53,807)	(2,821)	(74,380)	-	-	(131,011)
Transfer on commissioning		3,865	-	1,924	(1,041)	(4,748)	-	-	-
Transfer from/(to) right-of-use assets	12	13,876	-	-	-	-	(4,281)	-	9,595
Written off	7	(3,412)	(934)	(46,598)	(57,266)	(121)	228	-	(108,103)
At 30.6.2022		3,847,516	944,819	15,648,979	1,229,428	701,760	1,371,887	-	23,744,389
Net book value									
At 30.6.2022		8,407,452	8,747,296	9,984,546	924,058	271,611	2,048,020	1,560,120	31,943,103

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land & buildings* RM'000	Infrastructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munications 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 loss	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 development expenditures	14	-	-	-	-	-	-	(1,890)	(1,890)
Transfer to inventories		-	(30,290)	-	-	-	-	-	(30,290)
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
Disposals		(318,262)	(7,175)	(889,951)	(9,119)	(53,377)	(81)	-	(1,277,965)
Disposal of a subsidiary		(64,028)	-	(204,014)	(1,722)	(921)	-	-	(270,685)
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

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Freehold land RM'000	Building on freehold land RM'000	Building long-term leasehold land RM'000	Building short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2022						
Cost/valuation						
At 1.7.2021						
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
	946,106	8,017,784	1,789,498	1,076,247	19,018	11,848,653
Acquisition of subsidiaries	9,265	6,176	-	108,040	-	123,481
Additions	428,899	7,561	4,131	448	-	441,039
Currency translation differences	(26,126)	(482,089)	12,048	(10,652)	-	(506,819)
Disposals	(258)	(25)	-	-	-	(283)
Disposal of subsidiary	-	(5,954)	-	-	-	(5,954)
Reversal of impairment	-	10,300	-	-	-	10,300
Transfers	193,706	830,035	(235,116)	(437,015)	846	352,456
Written off	-	(7,693)	(13)	(199)	-	(7,905)
At 30.6.2022	1,551,592	8,376,095	1,570,548	736,869	19,864	12,254,968
Representing:-						
At cost	1,545,767	8,373,586	1,570,548	736,869	19,864	12,246,634
At valuation	5,825	2,509	-	-	-	8,334
At 30.6.2022	1,551,592	8,376,095	1,570,548	736,869	19,864	12,254,968
Accumulated depreciation and impairment						
At 1.7.2021						
At cost	40	2,645,957	673,704	384,104	7,711	3,711,516
At valuation	-	845	-	-	-	845
	40	2,646,802	673,704	384,104	7,711	3,712,361
Charge for the financial year	-	194,948	39,059	15,239	760	250,006
Currency translation differences	-	(145,320)	10,255	8,155	-	(126,910)
Disposal of subsidiary	-	(2,270)	-	-	-	(2,270)
Transfers	-	68,094	5,541	(56,043)	149	17,741
Written off	-	(3,200)	(13)	(199)	-	(3,412)
At 30.6.2022	40	2,759,054	728,546	351,256	8,620	3,847,516
Net book value						
At cost	1,545,727	5,615,402	842,002	385,613	11,244	8,399,988
At valuation	5,825	1,639	-	-	-	7,464
At 30.6.2022	1,551,552	5,617,041	842,002	385,613	11,244	8,407,452

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Freehold land RM'000	Building on freehold land RM'000	Building long-term leasehold land RM'000	Building 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 of subsidiary	–	–	(101,545)	–	–	(101,545)
Disposals	(1,586)	(330,090)	(1,931)	(392)	–	(333,999)
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 of subsidiary	–	–	(64,028)	–	–	(64,028)
Disposals	–	(316,830)	(1,040)	(392)	–	(318,262)
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

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Company - 2022				
Cost				
At 1.7.2021		7,627	9,083	16,710
Additions		358	177	535
Disposals		-	(108)	(108)
At 30.6.2022		7,985	9,152	17,137
Accumulated depreciation				
At 1.7.2021		7,346	5,644	12,990
Charge for the financial year	7	129	93	222
Disposals		-	(86)	(86)
At 30.6.2022		7,475	5,651	13,126
Net book value				
At 30.6.2022		510	3,501	4,011
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

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Recognised in Income Statements	7	**1,606,957**	1,641,525	**222**	781
Construction contract	24(c)	**9,169**	9,271	**-**	-
		1,616,126	1,650,796	**222**	781

(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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Plant and machinery	**-**	17,489	**-**	-
Vehicles	**8,156**	2,544	**170**	973
	8,156	20,033	**170**	973

(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	
	2022 RM'000	2021 RM'000
Land	**152,124**	157,962
Buildings	**1,652,384**	1,229,752
	1,804,508	1,387,714

(d) Borrowing costs

Borrowing costs of RM36.306 million (2021: RM23.733 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 2021. 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.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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:-

	2022	**2021**
Discount rate	**9.1%**	7.6%
Average revenue growth rate	**19.7%**	27.6%
Terminal year earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin	**31.4%**	53.1%

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 13 (2021: 14) years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2021: 2.5%).

Fair value is held within Level 3 in fair value hierarchy disclosures.

The carrying amount of the CGU as at 30 June 2022 is RM2.4 billion (2021: RM2.5 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% (2021: 4%), the carrying value will be reduced by approximately RM168 million (2021: RM47 million). If the average revenue growth rate reduced by 2.0% (2021: 3.0%), the carrying value will be reduced by approximately RM249 million (2021: RM168 million). Also, if the terminal year EBITDA margin reduced by 8% (2021: 12%), the carrying value will be reduced by approximately RM76 million (2021: RM60 million).

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for property, plant and equipment ("PPE") of subsidiaries (continued)

(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:-

	2022	**2021**
Pre-tax discount rate	**6.5%**	7.4%
Terminal growth rate	**0.1%**	6.6%

During the previous financial year, based on management's assessment, impairment charge of RM67.192 million was 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.

12. RIGHT-OF-USE ASSETS

	Note	Land	Telecom-munications network site and equipment	Buildings	Motor vehicles	Plant and machinery	Leasehold land	Others	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2022									
Net Book Value:-									
At 1.7.2021		91,699	396,231	590,302	1,037	3,133	629,912	203	1,712,517
Additions		14,716	47,276	62,838	2,081	114	1,600	-	128,625
Acquisition of subsidiaries		-	-	-	-	-	17,658	-	17,658
Charge for the financial year	7	(19,071)	(114,833)	(31,130)	(1,128)	(166)	(20,423)	(3)	(186,754)
Currency translation differences		993	-	(16,073)	(80)	(145)	(6,315)	-	(21,620)
Expiry/Termination		-	(18,387)	(7,408)	(471)	(1,362)	-	-	(27,628)
Modification		1,378	39,095	-	-	-	(629)	-	39,844
Transfer to investment properties	13	-	-	(115,734)	-	-	-	-	(115,734)
Transfer from/(to) property, plant and equipment	11	-	7,220	(1,199)	-	-	-	-	6,021
At 30.6.2022		89,715	356,602	481,596	1,439	1,574	621,803	200	1,552,929
At 30.6.2022									
Cost		145,805	1,246,218	566,150	2,307	7,703	938,499	209	2,906,891
Accumulated depreciation		(56,090)	(889,616)	(84,554)	(868)	(6,129)	(316,696)	(9)	(1,353,962)
Net book value		89,715	356,602	481,596	1,439	1,574	621,803	200	1,552,929

12. RIGHT-OF-USE ASSETS (CONTINUED)

	Note	Land	Telecommunications network site and equipment	Buildings	Motor vehicles	Plant and machinery	Leasehold land	Others	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2021									
Net Book Value:-									
At 1.7.2021		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

12. RIGHT-OF-USE ASSETS (CONTINUED)

		Building	
	Note	2022 RM'000	2021 RM'000
Company			
Net Book Value:-			
At 1 July		**15,580**	9,069
Additions		**-**	20,031
Charge for the financial year	7	**(6,677)**	(6,719)
Expiry/Termination		**-**	(6,801)
At 30 June		**8,903**	15,580
At 30 June			
Cost		**20,031**	20,031
Accumulated depreciation		**(11,128)**	(4,451)
Net book value		**8,903**	15,580

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. Rental contracts duration is typically between 2 to 100 years (2021: 1 to 80 years) with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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 RM623.163 million (2021: RM525.083 million).

13. INVESTMENT PROPERTIES

	Note	Freehold land & buildings RM'000	Long-term leasehold land & buildings RM'000	Total RM'000
Group – 2022				
At beginning of the financial year		**1,412,763**	**563,735**	**1,976,498**
Additions		**115**	**1,625**	**1,740**
Changes in fair value:-				
– Per valuation	7	**38,443**	**(16,223)**	**22,220**
– Unbilled lease income	7	**(9,190)**	**(9,413)**	**(18,603)**
Unbilled lease income		**9,190**	**9,413**	**18,603**
Currency translation differences		**(42,009)**	**-**	**(42,009)**
Transfer to property, plant and equipment	11	**(84,383)**	**-**	**(84,383)**
Transfer from right-of-use assets	12	**115,734**	**-**	**115,734**
Modification of lease liabilities		**(13,205)**	**-**	**(13,205)**
At end of the financial year		**1,427,458**	**549,137**	**1,976,595**
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	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

The changes in fair value of investment properties of the Group amounting of RM22.220 million (RM88.751 million) is after offsetting unbilled lease income amounting to RM18.603 million (2021: RM18.044 million).

Investment properties with carrying amount of RM455 million (2021: RM455 million) are charged as security for a borrowing granted to the Group as disclosed in Note 30 and Note 31 to the financial statements.

13. INVESTMENT PROPERTIES (CONTINUED)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2022				
Recurring fair value measurements:-				
Investment properties				
- Commercial properties	**-**	**-**	**632,564**	**632,564**
- Hotel properties	**-**	**-**	**682,500**	**682,500**
- Other properties	**-**	**46,487**	**615,044**	**661,531**
Total	**-**	**46,487**	**1,930,108**	**1,976,595**
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

Rental income from investment properties of the Group during the financial year amounted to RM87.255 million (2021: RM77.970 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 RM9.315 million (2021: RM11.320 million) and RM16.380 million (2021: RM8.506 million), respectively.

13. INVESTMENT PROPERTIES (CONTINUED)

(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 6.50% to 7.50% (2021: 6.50% 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 fair value.

(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 6.00% to 7.00% (2021: 6.00% to 7.50%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 6.00% to 7.00% (2021: 6.00% to 7.50%)	The higher the capitalisation rate, the lower the fair value.

13. INVESTMENT PROPERTIES (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (Level 3) (continued)

(iii) Other properties – UK

	Valuation techniques	Significant unobservable inputs	Range 2022	Range 2021
Hangars*	Discounted cashflow	Visitor numbers	**-**	1 – 1.5 million p.a.
Airfield	Discounted cashflow	Unit density per acre	**18-28**	18-28

* *The Brabazon Hangers is transferred to property, plant and equipment during the financial year following the decision to proceed with the YTL Arena development. During the previous financial year, the fair value arrived based on discounted cashflow model prepared by Evercore Inc, a global independent investment banking advisory firm.*

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.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and International Valuation Standards.

The estimates underlying the valuation techniques for commercial properties and one of the major other properties in UK in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at reporting date. A 0.5 change in the discount rate would lead to a movement of RM31.4 million in the valuation.

Management is satisfied the valuations reflected in these statements are reasonable. In making this assessment, management has reviewed the estimated cash flows for the development and the future rent roll which continue to support the valuations presented within the financial statements. Management constantly monitors market data which shows conditions have been strong since the loosening of restrictions following the COVID-19 pandemic, further justifying the valuations included in these statements.

14. DEVELOPMENT EXPENDITURES

The movement in development expenditures of the Group during the financial year is as follows:-

Group - 2022	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		349,550	229,363	254,802	833,715
Additions		-	664	23,953	24,617
Reclassification made during the year		-	(284)	284	-
Transfer to property development costs	23	-	(8,717)	(19,930)	(28,647)
Transfer to inventory		-	-	(73)	(73)
At end of the financial year		349,550	221,026	259,036	829,612
Accumulated impairment losses					
At beginning/end of the financial year		(530)	(24,789)	(480)	(25,799)
Total land held for property development		349,020	196,237	258,556	803,813
(b) Project development expenditure					
At beginning of the financial year		-	181,401	78,111	259,512
Additions		-	-	2,593	2,593
Charge to Income Statements		-	-	(63,921)	(63,921)
Currency translation difference		-	3,240	1,118	4,358
Transfer to property, plant and equipment	11	-	(184,641)	(15,361)	(200,002)
At end of the financial year		-	-	2,540	2,540
Total development expenditures		349,020	196,237	261,096	806,353

14. DEVELOPMENT EXPENDITURES (CONTINUED)

The movement in development expenditures of the Group during the financial year is as follows:- (continued)

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 Statements		-	-	(151)	(151)
Currency translation difference		-	(5,489)	(1,749)	(7,238)
Transfer from property, plant and equipment	11	-	-	1,890	1,890
At end of the financial year		-	181,401	78,111	259,512
Total development expenditures		349,020	385,975	332,433	1,067,428

Land held for property development with carrying amount of RM265.973 million (2021: RM354.225 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 was transferred to property, plant and equipment and written off accordingly during the financial year following a decision of the Group to achieve carbon neutrality in operations by 2050.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Quoted shares, at cost	**3,470,028**	3,470,029
Unquoted shares, at cost	**4,849,175**	4,300,538
Unquoted ICULS, at cost	**-**	104
Less: Accumulated impairment losses	**(85,874)**	(6,377)
	8,233,329	7,764,294
Market value		
- Quoted shares	**3,609,909**	3,602,462

Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
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
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
YTL Cement Berhad	Malaysia	Investment holding, management company & hiring of vehicles	**98.04**	98.04
YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships & vehicles	**100.00**	100.00

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held by the Company: (continued)				
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**	56.96
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	**93.17**	96.64
YTL Power International Berhad ("YTL Power")*	Malaysia	Investment holding & provision of administrative & technical support services	**55.57**	55.57
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

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
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. (In 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
PP Refined Venture Sdn. Bhd.	Malaysia	Retailing of fashion apparels and related accessories	**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
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

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.: (continued)				
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
First Commercial Development Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
Hotel 25 Sdn. Bhd.	Malaysia	Hotel operator	**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 Water Sdn. Bhd. (formerly known as 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**	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
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	**99.22**	99.22
YTL High Speed Rail Sdn. Bhd. (formerly known as YTL THP JV Sdn. Bhd.)	Malaysia	Inactive	**100.00**	70.00

Notes to the Financial Statements
– 30 June 2022

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
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 cement and clinker	**77.04**	68.61
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**98.04**	98.04
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04
Beijing Dama Sinosource Trading Co., Ltd.*	The People's Republic of China	Trading of mechanical, electrical equipment and parts	**98.04**	98.04
Bentara Gemilang Industries Sdn. Bhd.	Malaysia	Quarry business & related services	**49.02**	49.02
Ben Tre Fico-YTL Cement Limited*	Vietnam	Dormant	**68.63**	68.63
Binh Duong Fico Cement Single Member Limited Liability Company*	Vietnam	Manufacturing and sale of cement	**68.63**	68.63
Buildcon-Cimaco Concrete Sdn. Bhd.ꝏ	Malaysia	Manufacture & sale of ready-mixed concrete	**77.04**	98.04
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.04
Buildcon Concrete Sdn. Bhd.ꝏ	Malaysia	Manufacture & sale of ready-mixed concrete	**77.04**	98.04
Buildcon Concrete (KL) Sdn. Bhd.	Malaysia	Inactive	**98.04**	98.04

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad: (continued)				
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04
C.I. Readymix Sdn. Bhd.[∞]	Malaysia	Manufacture & sale of ready-mixed concrete	**77.04**	98.04
CMCM Perniagaan Sdn. Bhd.	Malaysia	Distribution of cement & building materials	**77.04**	68.61
Competent Teamwork Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.04
Concrete Industries Pte. Ltd.*	Singapore	Dormant	**98.04**	98.04
Concrete Star Limited[‡]	Cayman Islands	Investment holding	**98.04**	98.04
Equity Corporation Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04
Fico Tay Ninh Cement Joint Stock Company*	Vietnam	Manufacturing and sale of cement	**68.63**	68.63
Fico-YTL Cement Sales and Marketing Company Limited*	Vietnam	Sale & marketing of cementitious products	**68.63**	68.63
Gemilang Pintar Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**68.63**	68.63
Geo Alam Environmental Sdn. Bhd.	Malaysia	Waste management in supplying, delivering of alternative fuels & raw materials for use in cement manufacturing activities	**77.04**	68.61
Geo Alam Sdn. Bhd.	Malaysia	Trading of any type of cementitious materials usable in the production of cement or concrete for use in the construction industry	**77.04**	68.61
Green Enable Technologies Sdn. Bhd.	Malaysia	Operation and maintenance of power plant and provision of project management and consultancy services including municipal solid waste and scheduled waste disposal in cement plant	**98.04**	98.04
H Cement (Malaysia) Sdn. Bhd. (formerly known as Holcim (Malaysia) Sdn. Bhd.)	Malaysia	Manufacture and sale of cement	**77.04**	68.61
Hopefield Enterprises Limited*	Hong Kong	Investment holding	**98.04**	98.04
Industrial Procurement Limited[‡]	Cayman Islands	Investment holding	**98.04**	98.04
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04
Jumewah Shipping Sdn. Bhd.	Malaysia	Shipping of bulk cement and vessels chartering	**77.04**	68.61

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad: (continued)				
Jurong Cement Limited*	Singapore	Investment holding & that of importers, dealers of ready-mix concrete & dry-mix mortar products & business of owners of storage terminal facilities & sales of cement	**98.04**	98.04
Kedah Cement Holdings Sdn. Bhd. (formerly known as Kedah Cement Holdings Berhad)	Malaysia	Investment holding	**77.04**	68.61
Kedah Cement Sdn. Bhd.	Malaysia	Manufacture and sale of cement, clinker and related products	**77.04**	68.61
Kedah Cement Jetty Sdn. Bhd.	Malaysia	Licensed jetty operator	**77.04**	68.61
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**98.04**	98.04
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**98.04**	98.04
Lafarge Concrete (East Malaysia) Sdn. Bhd.^	Malaysia	Dormant	**-**	63.98
LA Stones (Kota Tinggi) Sdn. Bhd. (formerly known as Lafarge Aggregates (Kota Tinggi) Sdn. Bhd.)	Malaysia	Quarrying and trading of granite and quarry products	**77.04**	68.61
LA Stones (Pantai Remis) Sdn. Bhd. (formerly known as Lafarge Aggregates (Pantai Remis) Sdn. Bhd.)	Malaysia	Trading & quarrying of aggregates & related products leasing of quarrying rights of aggregate & related materials	**77.04**	68.61
LA Stones Sdn. Bhd. (formerly known as Lafarge Aggregates Sdn. Bhd.)	Malaysia	Investment holding, trading and quarrying of aggregates and related products	**77.04**	68.61
LCS Cement Marketing Pte. Ltd. (formerly known as Lafarge Marketing Pte. Ltd.)*	Singapore	Investment holding	**77.04**	68.61
LCS Pte. Ltd.*	Singapore	Bulk import and sale of cement and trading of other building materials	**77.04**	68.61
LCS Shipping Pte. Ltd.*	Singapore	Shipping of bulk cement and chartering of vessels	**77.04**	68.61
LMCB Holdings Pte. Ltd.*	Singapore	Investment holding	**77.04**	68.61
Madah Seloka Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad: (continued)				
Malayan Cement Berhad	Malaysia	Investment holding	**77.04**	68.61
M-Cement Sdn. Bhd.	Malaysia	Investment holding	**77.04**	68.61
Mini-Mix Sdn. Bhd.@	Malaysia	Manufacture & sale of ready-mix concrete & hiring of vehicles	**77.04**	98.04
Mobijack Sea Sdn. Bhd.	Malaysia	Business of granite quarrying & related services	**98.04**	98.04
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04
Nanyang Cement Pte. Ltd.*	Singapore	Cement terminal operations, bulk breaking activities and trading in cement	**98.04**	98.04
Nhu Anh Investment Joint Stock Company*	Vietnam	Investment holding	**98.04**	98.04
Oasis Vision Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**35.00**	35.00
Pahang Cement Sdn. Bhd.@	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**77.04**	98.04
Perak-Hanjoong Simen Sdn. Bhd.@	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**77.04**	98.04
Permodalan Hitec Sdn. Bhd.	Malaysia	Quarry business & related services	**98.04**	98.04
PHS Trading Sdn. Bhd.@	Malaysia	Management of plant	**77.04**	98.04
PMCWS Enterprises Pte. Ltd.*	Singapore	Investment holding	**77.04**	68.61
Probuilders Centre Sdn. Bhd.^	Malaysia	Dormant	**-**	68.61
P.T. YTL Semen Indonesia*	Indonesia	Inactive	**98.04**	98.04
Quickmix Solutions Sdn. Bhd. (formerly known as Lafarge Drymix Sdn. Bhd.)	Malaysia	Manufacture and sale of cement and drymix products	**77.04**	68.61
RC Aggrerates Sdn. Bhd.	Malaysia	Handling of construction waste materials and sales of the recycled concrete aggregates	**98.04**	98.04
Simen Utama Marketing Sdn. Bhd.	Malaysia	Marketing, trading & manufacturing of cement & related products	**77.04**	68.61
Sino Mobile and Heavy Equipment Sdn. Bhd.	Malaysia	Trading & maintenance of trucks & parts & heavy equipment	**98.04**	98.04

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad: (continued)				
Slag Cement Sdn. Bhd.[ϖ]	Malaysia	Manufacture & sale of ordinary portland cement & blended cement & transportation services	**77.04**	98.04
Slag Cement (Southern) Sdn. Bhd.[ϖ]	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	**77.04**	98.04
SMC Mix Sdn. Bhd.[ϖ]	Malaysia	Manufacture & sale of ready-mixed concrete	**77.04**	98.04
Solaris Concept Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**50.00**	50.00
Straits Cement Sdn. Bhd.[ϖ]	Malaysia	Production and sale of cement	**77.04**	98.04
Supermix Concrete Pte. Ltd.*	Singapore	Investment holding	**77.04**	68.61
Supermix Industries Sdn. Bhd. (formerly known as Lafarge Concrete Industries Sdn. Bhd.)	Malaysia	Manufacture and sale of ready-mix concrete	**71.85**	63.98
Supermix (Malaysia) Sdn. Bhd. (formerly known as Lafarge Concrete (Malaysia) Sdn. Bhd.)	Malaysia	Manufacture and sale of ready-mix concrete	**71.85**	63.98
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.04
YTL Cement (Cambodia) Holdings Pte. Ltd.*	Singapore	Dormant	**98.04**	98.04
YTL Cement Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.04**	98.04
YTL Cement (Hong Kong) Limited*	Hong Kong	Investment holding	**98.04**	98.04
YTL Cement Marketing Sdn. Bhd.[ϖ]	Malaysia	Sale & marketing of cementitious products	**77.04**	98.04
YTL Cement Marketing Singapore Pte. Ltd.*	Singapore	Sale & marketing of cement, cementitious products & other related construction products	**98.04**	98.04
YTL Cement Myanmar Company Limited*	Myanmar	Inactive	**98.04**	98.04
YTL Cement (Myanmar) Holdings Pte. Ltd.*	Singapore	Investment holding	**98.04**	98.04
YTL Cement (Philippines) Holdings Pte. Ltd.*	Singapore	Dormant	**98.04**	98.04

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad: (continued)				
YTL Cement Rewards Sdn. Bhd. (formerly known as Pahang Cement Marketing Sdn. Bhd.)	Malaysia	Management of loyalty programmes	**98.04**	98.04
YTL Cement (Sabah) Sdn. Bhd.	Malaysia	Investment holding, manufacture and sale of ordinary portland cement & blended cement	**98.04**	98.04
YTL Cement Shared Services Sdn. Bhd.	Malaysia	Accounting shared services, and management consulting services	**77.04**	68.61
YTL Cement Singapore Pte. Ltd.*	Singapore	Investment holding & rent collection from its investment properties	**98.04**	98.04
YTL Cement Terminal Services Pte. Ltd.*	Singapore	Operation of port terminals & handling of cementitious products	**98.04**	98.04
YTL Cement (Vietnam) Pte. Ltd.*	Singapore	Investment holding	**98.04**	98.04
YTL Concrete (S) Pte. Ltd.*	Singapore	Manufacture of ready-mixed concrete, wholesale of structural clay & concrete products & mixed construction activities	**98.04**	98.04
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**98.04**	98.04
Zhejiang YTL Cement Marketing Co., Ltd.*	The People's Republic of China	Management service	**98.04**	98.04
Held through YTL Charters Sdn. Bhd.:				
Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	80.00
Nusantara Sakti Sdn. Bhd.	Malaysia	Carriage of passengers & air carriers	**80.00**	80.00
Held through YTL e-Solutions Berhad:				
Airzed Services Sdn. Bhd.	Malaysia	Inactive	**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

Notes to the Financial Statements
- 30 June 2022

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL e-Solutions Berhad: (continued)				
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 Hospitality REIT ("YTL REIT"):				
Starhill Hospitality (Australia) Pty. Ltd.*	Australia	Trustee company	**56.96**	56.96
Starhill Hospitality REIT (Australia) Trust*	Australia	Real estate investment	**56.96**	56.96
Starhill Hospitality REIT (Brisbane) Trust*	Australia	Real estate investment	**56.96**	56.96
Starhill Hospitality REIT (Melbourne) Trust*	Australia	Real estate investment	**56.96**	56.96
Starhill Hospitality REIT (Sydney) Trust*	Australia	Real estate investment	**56.96**	56.96
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.96**	56.96
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.96**	56.96
Starhill Hotel (Brisbane) Pty. Ltd.*	Australia	Hotel operator	**56.96**	56.96
Starhill Hotel (Melbourne) Pty. Ltd.*	Australia	Hotel operator	**56.96**	56.96
Starhill Hotel (Sydney) Pty. Ltd.*	Australia	Hotel operator	**56.96**	56.96
Starhill REIT (Australia) Pty. Ltd.*	Australia	Trustee company	**56.96**	56.96
Starhill REIT Niseko G.K.*	Japan	Purchase, possession, disposal, lease and management of real properties	**56.96**	56.96
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	**56.96**	56.96

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
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 Colonnade Properties Limited (THE)*	England & Wales	Letting of premises	**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
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
Marble Valley Two Sdn. Bhd.	Malaysia	Hotel operator	**64.00**	64.00
M Hotel Management Pte. Ltd.*^	Singapore	Hotel management services	**-**	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

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Hotels & Properties Sdn. Bhd.: (continued)				
Sentul Park Koi Centre Sdn. Bhd.[ϖ]	Malaysia	Breeders, wholesalers, retailers & distributors of koi fish	-	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
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
Heritage Journey Sdn. Bhd.	Malaysia	Operator of food and beverage	**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

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Land Sdn. Bhd.: (continued)				
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Sentul Park Koi Centre Sdn. Bhd.[@]	Malaysia	Breeders, wholesalers, retailers & distributors of koi fish	**100.00**	-
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Held through YTL Land & Development Berhad:				
Amanresorts Sdn. Bhd.	Malaysia	Dormant	**93.17**	96.64
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	**65.22**	67.65
Lakefront Pte. Ltd.*	Singapore	Real estate development	**93.17**	96.64
Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**93.17**	96.64
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**93.17**	96.64
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**93.17**	96.64
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
Pinnacle Trend Sdn. Bhd.	Malaysia	Property development and property investment	**93.17**	96.64
PYP Sendirian Berhad	Malaysia	Property development	**93.17**	96.64
Sandy Island Pte. Ltd.*	Singapore	Real estate development	**93.17**	96.64
Satria Sewira Sdn. Bhd.	Malaysia	Dormant	**93.17**	96.64
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	**93.17**	96.64
Sentul Raya Golf Club Berhad	Malaysia	Inactive	**93.17**	96.64
Sentul Raya City Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**93.17**	96.64
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**93.17**	96.64
SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	**93.17**	96.64

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

			Effective Equity Interest	
Name of Company	**Place of Incorporation**	**Principal Activities**	**2022 %**	**2021 %**
Held through YTL Land & Development Berhad: (continued)				
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
Trend Acres Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**93.17**	96.64
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**93.17**	96.64
YTL Land & Development Management Pte. Ltd.*	Singapore	Provision of financial and management consultancy services	**93.17**	96.64
Held through YTL Power International Berhad ("YTL Power"):				
Albion Water Limited[#]	England & Wales	Water supply and waste water services	**-**	55.57
Bel Air Den Haag Beheer B.V.*	Netherlands	Investment holding	**46.04**	46.04
Brabazon Estates Limited[‡]	England & Wales	Dormant	**55.57**	55.57
B.V. Hotel Bel Air Den Haag*	Netherlands	Hotel business	**46.04**	46.04
Cellular Structures Sdn. Bhd.*	Malaysia	Inactive	**33.34**	33.34
Dials At Brabazon Management Company Limited[‡]	England & Wales	Dormant	**55.57**	55.57
Enterprise Laundry Services Limited^	England & Wales	Laundry services	**-**	55.57
Entrade Limited[‡]	England & Wales	Dormant	**55.57**	-
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**	55.57
Extiva Communications Sdn. Bhd. (In liquidation)	Malaysia	Inactive	**33.34**	33.34
Flipper Limited[‡]	England & Wales	Utility switching services	**55.57**	36.12

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Power International Berhad ("YTL Power"): (continued)				
FrogAsia Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning education platform	**55.57**	55.57
Frog Education Limited*	England & Wales	Sales into the education market and further development of the web environment product	**38.30**	38.30
Frog Education Group Limited*	England & Wales	Investment holding	**38.30**	38.30
Frog Education Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning educational platform	**38.30**	38.30
Geneco EV (S) Pte. Ltd.*	Singapore	Electric vehicle charging station	**55.57**	55.57
Geneco Limited‡	England & Wales	Food waste treatment	**55.57**	55.57
Geneco (South West) Limited‡	England & Wales	Food waste treatment	**55.57**	55.57
Global Infrastructure Assets Sdn. Bhd.	Malaysia	Investment holding	**38.90**	38.90
Granite Investments (Cayman Islands) Limited‡	Cayman Islands	Dormant	**55.57**	55.57
KJS Alunan Sdn. Bhd.*	Malaysia	Investment holding	**23.34**	23.34
Konsortium Jaringan Selangor Sdn. Bhd.*	Malaysia	Planning, implementation and maintenance of telecommunication towers and telecommunication related services	**33.34**	33.34
Navigator At Brabazon Management Company Limited‡	England & Wales	Dormant	**55.57**	55.57
PetroSeraya Pte. Ltd.*	Singapore	Tank leasing and sale of fuel oil	**55.57**	55.57
P.T. YTL Harta Indonesia‡	Indonesia	Industrial estate	**55.54**	55.54
P.T. YTL Jawa Timur *	Indonesia	Construction management, consultancy services and power station operation services	**55.01**	55.01
P.T. YTL Power Services Indonesia‡	Indonesia	Dormant	**52.79**	52.79
P.T. Tanjung Jati Power Company*	Indonesia	Design and construction of power generating facility	**44.46**	44.46
Seraya Energy and Investment Pte. Ltd.*	Singapore	Investment holding	**55.57**	55.57
Seraya Energy Pte. Ltd.*	Singapore	Sale of electricity	**55.57**	55.57
SC Technology Deutschland GmbH*	Germany	Waste treatment	**55.57**	55.57

Notes to the Financial Statements
– 30 June 2022

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Power International Berhad ("YTL Power"): (continued)				
SC Technology GmbH*	Switzerland	Investment holding	**55.57**	55.57
SC Technology Nederland B.V.*	Netherlands	Waste treatment	**55.57**	55.57
SIPP Power Sdn. Bhd.	Malaysia	Development, construction, completion, maintenance and operation of a large scale solar power facility	**38.90**	38.90
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**	55.57
Taser Power Pte. Ltd.*	Singapore	Generation and sale of electricity	**55.57**	55.57
Turnbull Infrastructure & Utilities Limited*	England & Wales	Engineering services	**55.57**	55.57
Water 2 Business Limited*	England & Wales	Non-household water retailer	**38.90**	38.90
Wessex Concierge Limited‡	England & Wales	Investment holding	**55.57**	55.57
Wessex Water Engineering Services Limited‡	England & Wales	Dormant	**55.57**	55.57
Wessex Water Enterprises Limited*	England & Wales	Power generation and waste treatment	**55.57**	55.57
Wessex Water International Limited‡	Cayman Islands	Dormant	**55.57**	55.57
Wessex Water Limited*	England & Wales	Investment holding	**55.57**	55.57
Wessex Water Pension Scheme Trustee Limited‡	England & Wales	Dormant	**55.57**	55.57
Wessex Water Services Finance Plc.*	England & Wales	Issue of bonds	**55.57**	55.57
Wessex Water Services Limited*	England & Wales	Water supply and waste water services	**55.57**	55.57
Wessex Water Trustee Company Limited‡	England & Wales	Dormant	**55.57**	55.57
Wessex Utility Solutions Limited‡	England & Wales	Engineering services	**55.57**	55.57
Yakin Telesel Sdn. Bhd.*	Malaysia	Planning, development, implementation and management of telecommunication infrastructure and information communication technologies services	**16.34**	16.34
YesLinc Sdn. Bhd.	Malaysia	Inactive	**33.34**	33.34

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Power International Berhad ("YTL Power"): (continued)				
YTL Arena (Filton) Limited^	England & Wales	Dormant	**-**	55.57
YTL Arena Holdings Limited‡	England & Wales	Investment holding	**55.57**	55.57
YTL Arena Limited*	England & Wales	Arena development	**55.57**	55.57
YTL Broadband Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**33.34**	26.67
YTL Communications International Limited‡	Cayman Islands	Investment holding	**33.34**	33.34
YTL Communications Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**33.34**	33.34
YTL Communications (S) Pte. Ltd.*	Singapore	Computer systems integration activities and system integration services	**33.34**	33.34
YTL Data Center Holdings Pte. Ltd.*	Singapore	Investment holding in companies that own and operate data centers	**55.57**	-
YTL DC No.1 Pte. Ltd.*	Singapore	Investment holding in companies that own and operate data centers	**55.57**	-
YTL DC South Sdn. Bhd.†	Malaysia	Development, operation and marketing of data center projects and related infrastructure, services and activities	**55.57**	-
YTL Developments (UK) Limited*	England & Wales	Housing development	**55.57**	55.57
YTL Digital Capital Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.57
YTL Digital Payments Sdn. Bhd.†	Malaysia	Processing of digital payments via e-money platform	**55.57**	-
YTL Digital Sdn. Bhd.	Malaysia	Inactive	**33.34**	33.34
YTL Education (UK) Limited‡	England & Wales	Dormant	**55.57**	55.57
YTL Energy Holdings Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.57
YTL Engineering Limited‡	England & Wales	Dormant	**55.57**	55.57
YTL Events Limited‡	England & Wales	Dormant	**55.57**	55.57
YTL Finance (Cyprus) Ltd*	Cyprus	Financial services	**55.57**	55.57
YTL Global Networks Limited‡	Cayman Islands	Dormant	**33.34**	33.34

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Power International Berhad ("YTL Power"): (continued)				
YTL Homes Ltd.*	England & Wales	Housing development	**55.57**	55.57
YTL Infrastructure Holdings Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.57
YTL Infrastructure Limited‡	Cayman Islands	Investment holding	**55.57**	55.57
YTL Jawa Energy B.V.	Netherlands	Investment holding, financing and management services	**55.57**	55.57
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding and management services	**55.57**	55.57
YTL Jawa O & M Holdings Limited*	Cyprus	Investment holding	**55.57**	55.57
YTL Jawa Power B.V.	Netherlands	Investment holding and management services	**31.75**	31.75
YTL Jawa Power Finance Limited	Cayman Islands	Financial services	**55.57**	55.57
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**31.75**	31.75
YTL Jawa Power Holdings Limited*	Cyprus	Investment holding & financing activities	**55.57**	55.57
YTL Jordan Power Holdings Limited*	Cyprus	Investment holding & financing activities	**55.57**	55.57
YTL Jordan Services Holdings Limited*	Cyprus	Investment holding	**55.57**	55.57
YTL Land & Property (UK) Ltd.‡	England & Wales	Investment holding	**55.57**	55.57
YTL Places Limited‡	England & Wales	Dormant	**55.57**	55.57
YTL Power Australia Limited	Cayman Islands	Investment holding	**55.57**	55.57
YTL Power Finance (Cayman) Limited‡	Cayman Islands	Dormant	**55.57**	55.57
YTL Power Generation Sdn. Bhd.*	Malaysia	Developing, constructing, completing, maintaining and operating power plants	**55.57**	55.57
YTL Power Holdings Sdn. Bhd.	Malaysia	Dormant	**55.57**	55.57
YTL Power Investments Limited	Cayman Islands	Investment holding	**55.57**	55.57
YTL Power International Holdings Limited‡	Cayman Islands	Investment holding	**55.57**	55.57
YTL Power Resources Sdn. Bhd.	Malaysia	Investment holding	**55.57**	55.57
YTL PowerSeraya Pte. Limited.*	Singapore	The full value chain involved in the generation and sale of electricity. This includes the trading of fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process	**55.57**	55.57

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Power International Berhad ("YTL Power"): (continued)				
YTL Power (Thailand) Limited‡	Cayman Islands	Dormant	**55.57**	55.57
YTL Power Trading (Labuan) Ltd.‡	Malaysia	Dormant	**55.57**	55.57
YTL Property Holdings (UK) Limited*	England & Wales	Housing development	**55.57**	55.57
YTL RE Holdings Sdn. Bhd.†	Malaysia	Investment holding	**55.57**	-
YTL Renewables Pte. Ltd.*	Singapore	Transmission, distribution and sale of electricity, engineering design and consultancy services in energy management and clean energy system	**55.57**	-
YTL Seraya Limited	Cayman Islands	Investment holding	**55.57**	55.57
YTL Services Limited‡	England & Wales	Dormant	**55.57**	55.57
YTL SIPP Power Holdings Sdn. Bhd.	Malaysia	Investment holding	**38.90**	38.90
YTL Southern Solar Sdn. Bhd.†	Malaysia	Investment holding, development, commissioning, operation and maintenance of solar photovoltaic power plant and transmission infrastructure and generation of electricity from green energy sources	**55.57**	-
YTL Utilities Limited	Cayman Islands	Investment holding	**55.57**	55.57
YTL Utilities Finance Limited‡	Cayman Islands	Investment holding	**55.57**	55.57
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**55.57**	55.57
YTL Utilities Finance 3 Limited‡	Cayman Islands	Financial services	**55.57**	55.57
YTL Utilities Finance 4 Limited‡	Cayman Islands	Financial services	**55.57**	55.57
YTL Utilities Finance 5 Limited	Cayman Islands	Investment holding	**55.57**	55.57
YTL Utilities Finance 6 Limited‡	Cayman Islands	Financial services	**55.57**	55.57
YTL Utilities Finance 7 Limited‡	Cayman Islands	Inactive	**55.57**	55.57
YTL Utilities Holdings Limited‡	Cayman Islands	Investment holding	**55.57**	55.57
YTL Utilities Holdings (S) Pte. Limited*	Singapore	Investment holding	**55.57**	55.57
YTL Utilities (S) Pte. Limited*	Singapore	Investment holding	**55.57**	55.57
YTL Utilities (UK) Limited*	England & Wales	Investment holding	**55.57**	55.57

Notes to the Financial Statements
- 30 June 2022

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Power Services Sdn. Bhd.:				
YTL Power Services (Cayman) Ltd.ǂ	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*

ǂ *Entities are either exempted or not statutorily required to be audited*

† *First audited financial statements in 2023*

Disposed during the financial year

ꝏ *Internal restructuring*

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of significant subsidiary

(i) Taser Power Pte. Ltd.

Pursuant to the Put and Call Option Agreement dated 31 May 2022 entered into between the Group and Tuaspring Pte. Ltd. ("TPL") (Receivers and Managers Appointed over the Relevant Charged Property), the Group has acquired the power plant and associated assets of TPL on 1 June 2022. As a result of the acquisition, the Group is expected to create significant synergies across its portfolio of utility businesses in Singapore. The fair values of identifiable assets acquired and liabilities assumed have been determined on a provisional basis and will be finalised within one year after the acquisition date.

Details of the consideration transferred and goodwill recognised are as follows:

	RM'000
Cash consideration	**839,729**
Fair value of net assets acquired	**(771,915)**
Provisional goodwill	**67,814**

The provisionally determined fair values of the assets and liabilities as at the date of acquisition are as follows:

	RM'000
Property, plant and equipment	**779,408**
Right-of-use assets	**17,658**
Inventories	**42,663**
Deferred liabilities	**(67,814)**
Identifiable net assets acquired	**771,915**

a) Acquisition-related costs

The Group incurred acquisition-related costs of RM11.9 million. These costs are included in "Administrative expenses" in the Income Statements and in operating cash flows in the Statements of Cash Flows.

b) Goodwill

The provisional goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from acquiring the business. None of the goodwill is expected to be deductible for income tax purposes.

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of significant subsidiary (continued)

(i) Taser Power Pte. Ltd. (continued)

c) Revenue and profit contribution

The acquired business contributed revenue and profit of RM95.3 million and RM2.5 million, respectively to the Group for the period from 1 June 2022 to 30 June 2022.

d) Deferred liabilities

The Group has assumed liabilities payable to a third party as stipulated in the agreement dated 28 December 2021, which was novated to the Group as part of the acquisition of the business. The Group is required to pay an annual electricity fee of RM5.3 million to the third party as compensation for the termination of services provided to third party by TPL. The period of compensation is effective from 1 June 2022 to 4 September 2038.

(b) Disposal of significant subsidiaries

Disposal in 2022

(i) Albion Water Limited

On 8 March 2022, Wessex Water Limited, an indirect subsidiary of the Company disposed its shareholdings in Albion Water Limited.

The disposal had the following effects to the financial position of the Group for the financial year:

	At date of disposal RM'000
Property, plant and equipment	92,254
Receivables, deposits and prepayments	1,773
Payables and accrued expenses	(2,982)
Deferred income	(61,033)
Grants and contributions	(14,035)
Net assets disposed	15,977
Gain on disposal to the Group	4,916
Total proceeds consideration	**20,893**

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Disposal of significant subsidiaries (continued)

Disposal in 2021

(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 CNY 893 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	(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

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Disposal of significant subsidiaries (continued)

Disposal in 2021 (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	(659,601)
Borrowings	(526,749)
Lease liabilities	(113)
Net liabilities disposed	(140,270)
Reclassification of foreign exchange reserve	1,592
Gain on disposal to the Group	150,021
Net disposal proceeds	11,343
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)

(c) Internal restructuring of subsidiaries

On 12 May 2021, the subsidiaries of the Company being Malayan Cement Berhad ("MCB") and YTL Cement Berhad ("YTLCB"), respectively entered into a conditional share sale and purchase agreement, for the acquisition of the entire equity interest of 10 companies and their respective subsidiaries which are involved in cement and ready-mixed concrete businesses in Malaysia ("the Acquisition"). The Acquisition was completed on 21 September 2021.

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(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 - 2022					
NCI effective equity interest	*44.43%*	*43.04%*	*22.96%*		
Carrying amount of NCI	2,909,427	667,554	926,310	77,444	4,580,735
Profit allocated to NCI	736,517	9,863	17,947	85,538	849,865

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 2022			
Non-current assets	38,990,888	4,758,782	8,664,312
Current assets	12,010,329	143,468	1,760,970
Non-current liabilities	(30,739,651)	(1,417,182)	(3,130,105)
Current liabilities	(6,204,409)	(712,320)	(1,516,250)
Net assets	14,057,157	2,772,748	5,778,927
Year ended 30 June 2022			
Revenue	17,804,728	363,857	2,705,272
Profit for the year	1,185,269	83,872	82,085
Total comprehensive income	1,670,954	134,838	85,463
Cash flow from operating activities	1,305,699	112,560	244,238
Cash flow used in investing activities	(336,212)	(12,164)	(1,626,940)
Cash flow (used in)/from financing activities	(2,706,341)	(119,365)	1,850,399
Net changes in cash and cash equivalents	(1,736,854)	(18,969)	467,697
Dividend paid to NCI	161,981	30,699	-

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:- (continued)

	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	-

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Quoted shares, at cost	**2,159,384**	2,136,563	**358,780**	358,780
Unquoted ordinary shares, at cost	**1,062,871**	1,329,763	**205,241**	205,241
Share of post-acquisition reserves	**552,755**	843,574	**-**	-
Accumulated impairment losses	**(70,687)**	(66,826)	**-**	-
	3,704,323	4,243,074	**564,021**	564,021

Details of the associate are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
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	**37.17**	37.08
Held through YTL Cement Berhad:				
Cementitious Products Pte. Ltd.*	Singapore	Investment holding	**49.02**	49.02

16. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of the associate are as follows:- (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad: (continued)				
Hangzhou Linan Herun Construction Materials Co., Ltd*	The People's Republic of China	Dormant	**29.41**	29.41
Superb Aggregates Sdn. Bhd.	Malaysia	Trading of construction & building materials	**49.02**	49.02
Tan Son Company Limited*	Vietnam	Inactive	**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
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
Enefit Jordan B.V.[ǂ]	Netherlands	Investment holding and financing activities	**16.67**	16.67
P.T. Jawa Power+*	Indonesia	Operating a coal-fired thermal power station	**11.11**	11.11

* *Companies not audited by HLB Ler Lum Chew PLT*
Ω *Companies with financial year end of 31 December*
ǂ *Entities are either exempted or not statutorily required to be audited*
\+ *The Group's direct interest in P.T. Jawa Power is 35.0%*
\# *Disposed during the financial year*

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.

16. INVESTMENT IN ASSOCIATES (CONTINUED)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current assets	**4,295,878**	4,304,549	**-**	11,722,324	**9,207,054**	9,166,045
Current assets	**1,256,541**	1,068,000	**-**	152,288	**281,595**	350,494
Non-current liabilities	**(636,364)**	(584,005)	**-**	(8,216,984)	**(3,117,482)**	(3,530,898)
Current liabilities	**(402,760)**	(377,162)	**-**	(1,937,427)	**(524,219)**	(144,864)
Net assets	**4,513,295**	4,411,382	**-**	1,720,201	**5,846,948**	5,840,777
Less: Perpetual securities holders' funds	**-**	-	**-**	-	**(315,357)**	(307,842)
	4,513,295	4,411,382	**-**	1,720,201	**5,531,591**	5,532,935
Profit for the financial year	**878,196**	883,965	**131,613**	155,880	**167,288**	173,297
Other comprehensive income	**-**	-	**117,306**	143,973	**66,128**	68,660
Total comprehensive income	**878,196**	883,965	**248,919**	299,853	**233,416**	241,957
Included in the total comprehensive income is:-						
Revenue	**2,473,393**	2,233,971	**878,925**	1,287,212	**579,735**	555,862
Other information:-						
Dividends received from associates	**362,742**	377,463	**-**	-	**98,026**	59,473

16. INVESTMENT IN ASSOCIATES (CONTINUED)

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:- (continued)

(b) Reconciliation of net assets to carrying amount:-

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Opening net assets, 1 July	**4,411,382**	4,746,519	**1,720,201**	1,334,380	**5,532,935**	5,435,515	**11,664,518**	11,516,414
Management fees payable/paid in units	**-**	-	**-**	-	**17,612**	24,939	**17,612**	24,939
Distribution reinvestment plan	**-**	-	**-**	-	**25,743**	11,066	**25,743**	11,066
Profit for the financial year	**878,196**	883,965	**131,613**	155,880	**167,288**	173,297	**1,177,097**	1,213,142
Other comprehensive income	**-**	-	**117,306**	143,973	**66,128**	68,660	**183,434**	212,633
Currency translation differences	**260,122**	(140,636)	**16,547**	85,968	**173**	(2)	**276,842**	(54,670)
Dividend paid	**(1,036,405)**	(1,078,466)	**-**	-	**(278,288)**	(180,540)	**(1,314,693)**	(1,259,006)
Disposal	**-**	-	**(1,985,667)**	-	**-**	-	**(1,985,667)**	-
Closing net assets, 30 June	**4,513,295**	4,411,382	**-**	1,720,201	**5,531,591**	5,532,935	**10,044,886**	11,664,518
Interest in associates direct hold by subsidiary	**35.00%**	35.00%	**-**	33.50%	**37.17%**	37.08%		
Carrying amount	**1,579,653**	1,543,984	**-**	576,267	**2,056,092**	2,051,612	**3,635,745**	4,171,863

Goodwill amounting to RM17.089 million (2021: RM18.554 million) was included in the carrying amount of investment in associated companies.

The individually immaterial associates carrying amount is RM68.578 million (2021: RM71.211 million) and the Group's share of total comprehensive income is RM5.006 million (2021: loss RM52.415 million).

The Group has not recognised its share of loss of an associated company amounting to RM70.351 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 RM124.888 million (2021: RM54.537 million) at the reporting date.

16. INVESTMENT IN ASSOCIATES (CONTINUED)

Disposal of significant associated companies

(a) ElectraNet Pty. Ltd.

On 23 March 2022, YTL Power Investments Limited, an indirect wholly-owned subsidiary of the Company disposed off its 33.5% interest in ElectraNet Pty Ltd for a cash consideration of RM3.222 billion (AUD1.024 billion) resulting a gain on disposal of RM1.272 billion.

The disposal had the following effects to the financial position of the Group for the financial year:-

	RM'000
Sales consideration net of transaction costs	2,196,575
Less: Carrying amount loan notes	(230,007)
Net cash inflow to the Group on disposal	1,966,568
Less: Net assets disposed	(665,198)
Gain on disposal before reclassification of other comprehensive income items	1,301,370
Reclassification of currency translation reserves	9,341
Reclassification of hedging reserve	(38,452)
Gain on disposal	1,272,259

17. INVESTMENT IN JOINT VENTURES

	Group 2022 RM'000	Group 2021 RM'000
Unquoted ordinary shares, at cost	**342,721**	270,814
Share of post-acquisition reserves	**(60,226)**	(104,480)
Accumulated impairment losses	**(9,559)**	(4,286)
	272,936	162,048

Details of the joint ventures are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2022 %	Effective Equity Interest 2021 %
Held through YTL Cement Berhad:				
Alliance Concrete Singapore Pte. Ltd.	Singapore	Production and sale of ready-mix concrete	**38.52**	34.31
Held through YTL Hotels & Properties Sdn. Bhd.:				
Elite Dining Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**50.00**	50.00
Held through YTL Land & Development Berhad:				
Shorefront Development Sdn. Bhd.	Malaysia	Property development	**46.59**	48.32
Held through YTL Power International Berhad:				
AP1 Pte. Ltd.	Singapore	Investment holding and operations of data centers	**27.79**	-
Attarat Mining Company B.V.	Netherlands	Mining & supply of oil shale	**25.01**	25.01
Attarat Operation and Maintenance Company B.V.	Netherlands	Operation & maintenance of Power Plant	**25.01**	25.01
Attarat Power Holding Company B.V.	Netherlands	Investment holding and financing activities	**25.01**	25.01
Bristol Wessex Billing Services Limited	England & Wales	Billing services	**27.79**	27.79
Xchanging Malaysia Sdn. Bhd.	Malaysia	Mobile internet and cloud-based technology solutions	**16.67**	16.67

17. INVESTMENT IN JOINT VENTURES (CONTINUED)

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 Holdings Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	**10,171,057**	8,737,246	**8,874**	10,493	**770,153**	-
Current assets	**100,228**	53,470	**226,501**	254,370	**49,571**	-
Non-current liabilities	**(9,447,794)**	(8,223,117)	**-**	-	**(535,173)**	-
Current liabilities	**(555,952)**	(545,007)	**(201,628)**	(126,247)	**(15,547)**	-
Net assets	**267,539**	22,592	**33,747**	138,616	**269,004**	-
(Loss)/Profit for the financial year	**(78,889)**	(37,795)	**(108,701)**	(68,885)	**150,745**	-
Other comprehensive income	**312,684**	137,848	**-**	-	**-**	-
Total comprehensive income/(loss)	**233,795**	100,053	**(108,701)**	(68,885)	**150,745**	-
Included in the total comprehensive income is:						
Revenue	**-**	-	**37,415**	86,824	**70,764**	-
Other information:						
Cash and cash equivalents	**4,145**	18,209	**4,931**	65,226	**29,227**	-
Shareholder's loan and related interests	**(4,236,826)**	(2,838,900)	**-**	-	**(118,664)**	-
Bank borrowings	**(5,202,829)**	(5,096,265)	**-**	-	**(416,481)**	-
Derivative financial instruments	**(28,710)**	(280,124)	**-**	-	**-**	-

17. INVESTMENT IN JOINT VENTURES (CONTINUED)

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:- (continued)

(b) Reconciliation of net assets to carrying amount:

	Attarat Power Holdings Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Opening net assets/(liabilities), 1 July	**22,592**	(80,459)	**138,616**	214,230	**-**	-	**161,208**	133,771
Acquisition	**-**	-	**-**	-	**113,500**	-	**113,500**	-
(Loss)/Profit for the financial year	**(78,889)**	(37,795)	**(108,701)**	(68,885)	**150,745**	-	**(36,845)**	(106,680)
Other comprehensive income	**312,684**	137,848	**-**	-	**-**	-	**312,684**	137,848
Currency translation differences	**11,152**	2,998	**3,832**	(6,729)	**4,759**	-	**19,743**	(3,731)
Closing net assets, 30 June	**267,539**	22,592	**33,747**	138,616	**269,004**	-	**570,290**	161,208
Interest in joint ventures direct hold by subsidiary	**45.0%**	45.0%	**45.0%**	45.0%	**50.0%**	-		
Group's interest	**120,393**	10,166	**15,186**	62,377	**134,502**	-	**270,081**	72,543
Elimination of unrealised profits	**(120,393)**	(77,419)	**-**	-	**-**	-	**(120,393)**	(77,419)
Unrecognised share of net losses	**-**	67,253	**-**	-	**-**	-	**-**	67,253
Carrying amount	**-**	-	**15,186**	62,377	**134,502**	-	**149,688**	62,377

The individually immaterial joint ventures' carrying amount is RM123.2 million (2021: RM99.7 million), Group's share of profits is RM32.4 million (2021: RM70.1 million) and the Group's share of total comprehensive loss is RM109.6 million (2021: total comprehensive income of RM8.0 million).

18. INVESTMENTS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current assets					
Financial assets at fair value through profit or loss	18(a)	**99,978**	50,783	**14,153**	44,300
Financial assets at fair value through other comprehensive income	18(b)	**241,550**	254,935	**9,598**	9,599
		341,528	305,718	**23,751**	53,899
Current assets					
Financial assets at fair value through profit or loss	18(a)	**1,500,569**	2,473,454	**545,668**	654,708

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

The investments are in relation to the following:-

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Income funds*				
- Within Malaysia	**3**	349,572	**-**	-
- Outside Malaysia	**740,820**	1,402,883	**-**	-
Equity funds				
- Within Malaysia	**-**	7,771	**-**	7,771
- Outside Malaysia	**-**	23,842	**-**	23,842
Quoted equity investments				
- Within Malaysia	**5,708**	4,853	**5,708**	4,853
- Outside Malaysia	**8,445**	7,834	**8,445**	7,834
Unquoted equity investments				
- Outside Malaysia	**85,825**	6,483	**-**	-
Unquoted unit trusts*				
- Within Malaysia	**759,746**	720,999	**545,668**	654,708
	1,600,547	2,524,237	**559,821**	699,008
Net fair value loss on investments	**(105,517)**	(1,401)	**(7,405)**	(4,480)

* *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.*

18. INVESTMENTS (CONTINUED)

(b) Financial assets at fair value through other comprehensive income

The investments are in relation to the following:-

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Quoted equity investments				
– Within Malaysia	**8,059**	9,374	**4**	4
– Outside Malaysia	**7,369**	15,214	**-**	1
Equity funds				
– Outside Malaysia	**185,034**	209,887	**-**	–
Unquoted equity investments				
– Within Malaysia	**21,215**	20,415	**9,594**	9,594
– Outside Malaysia	**19,873**	45	**-**	–
	241,550	254,935	**9,598**	9,599
Net fair value loss on investments	**(65,685)**	(91,770)	**-**	–

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 - 2022						
At cost						
At beginning of the financial year		161,623	8,138,526	617,277	72,324	8,989,750
Additions		62	-	68,738	-	68,800
Acquisition of subsidiaries		-	68,789	-	-	68,789
Currency translation differences		4,142	195,316	(38,617)	(860)	159,981
Reclassification from NCI		-	119,338	-	-	119,338
Transfer to property, plant and equipment		-	-	(9,064)	-	(9,064)
At end of the financial year		165,827	8,521,969	638,334	71,464	9,397,594
Accumulated amortisation and impairment						
At beginning of the financial year		(43,671)	(112,762)	(293,935)	(39,307)	(489,675)
Amortisation for the year	7	(2,384)	-	(61,709)	(4,669)	(68,762)
Currency translation differences		(3,634)	1,880	17,359	119	15,724
Impairment loss	7	(92,766)	(51,159)	(30,075)	-	(174,000)
Transfer to property, plant and equipment		-	-	9,064	-	9,064
At end of the financial year		(142,455)	(162,041)	(359,296)	(43,857)	(707,649)
Net carrying amount						
At 30 June 2022		23,372	8,359,928	279,038	27,607	8,689,945

19. INTANGIBLE ASSETS (CONTINUED)

The details of intangible assets are as follows: (continued)

	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
Disposals		–	(60,226)	–	(19,233)	(79,459)
Currency translation differences		(149)	56,238	41,148	1,561	98,798
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)
Disposal		–	11,261	–	–	11,261
Impairment loss	7	–	(1,269)	–	–	(1,269)
Currency translation differences		(1,017)	(714)	(13,087)	(79)	(14,897)
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

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgement.

19. INTANGIBLE ASSETS (CONTINUED)

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the following business segments:-

	Group	
	2022	**2021**
	RM'000	**RM'000**
Multi utilities business division ("A")	**4,789,825**	4,604,676
Water and sewerage division ("B")	**818,770**	818,770
Cement business division		
- Perak, Malaysia ("C")	**988,945**	988,945
- Langkawi and Pasir Gudang, Malaysia ("D")	**314,356**	314,356
- Vietnam ("E")	**213,113**	202,770
- Singapore ("F")	**204,107**	199,151
Management services in Singapore ("G")	**308,734**	301,381
Others	**722,078**	595,715
	8,359,928	8,025,764

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

The recoverable amount of these CGUs was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate. The growth rate did not exceed the long-term average growth rate for the segment business in which the CGUs operates.

(a) Key assumptions used in the value-in-use calculations

The following assumptions have been applied in the value-in-use calculation:

	2022						
	A	**B**	**C**	**D**	**E**	**F**	**G**
	%	**%**	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	**6.52**	**3.02**	**5.30**	**5.30**	**6.50**	**6.50**	**6.40**
Terminal growth rate	**2.00**	**1.48**	**1.90**	**1.90**	**1.00**	**2.70**	**3.88**
Revenue growth rate	**1.95**	**(0.17)**	**27.54**	**19.54**	**4.00**	**8.18**	**2.52**

19. INTANGIBLE ASSETS (CONTINUED)

(a) Key assumptions used in the value-in-use calculations (continued)

The following assumptions have been applied in the value-in-use calculation: (continued)

	2021						
	A	**B**	**C**	**D**	**E**	**F**	**G**
	%	**%**	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	6.30	3.11	8.00	8.00	7.40	7.40	7.60
Terminal growth rate	2.00	0.31	2.20	2.20	5.10	5.10	5.32
Revenue growth rate	3.46	0.04	19.00	19.00	4.00	4.46	2.28

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 three-year (2021: four-year) period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

For CGU "C" and "D", 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 "E", 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 "F", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a fifteen-year period.

For CGU "G", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a fifteen-year period.

19. INTANGIBLE ASSETS (CONTINUED)

(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:-

	2022						
	A	**B**	**C**	**D**	**E**	**F**	**G**
	%	**%**	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	**10.51**	**34.00**	**14.63**	**37.70**	**16.70**	**7.38**	**6.50**
Terminal growth rate	**(3.61)**	**1.12**	**(15.05)**	**>(100.00)**	**(21.60)**	**1.39**	**4.14**
Revenue growth rate	**(2.49)**	**(12.31)**	**21.14**	**13.46**	**0.80**	**(26.57)**	**2.26**

	2021						
	A	**B**	**C**	**D**	**E**	**F**	**G**
	%	**%**	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	7.84	24.10	23.13	23.12	19.50	7.75	8.02
Terminal growth rate	0.07	0.09	(41.37)	(41.30)	(20.70)	4.66	7.06
Revenue growth rate	1.32	(2.40)	(28.40)	(28.40)	(1.20)	(12.09)	1.93

During the financial year, an impairment loss on goodwill amounting to RM51.159 million (2021: RM1.269 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 2022

20. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 RM'000	Group 2021 RM'000
Non-current			
Trade receivables		**395**	404
Other receivables**		**524,744**	13,344
Unbilled lease income*		**10,412**	5,662
		535,156	19,006
Less: Allowance for impairment		**(332)**	(332)
Other receivables (net)		**534,824**	18,674
Deposits		**8,075**	8,049
Prepayments		**9,128**	6,257
Net investment in leases	32(a)	**4,306**	7,586
Receivables from associate company^		**-**	230,533
Receivables from a joint ventureΩ		**1,960,963**	1,273,933
Less: Allowance for impairment		**(27,208)**	(2,600)
Receivables from a joint venture (net)		**1,933,755**	1,271,333
Other receivables, FVTPL		**275,745**	269,178
		2,766,228	1,812,014

** *Other receivables include a receivable of RM507.1 million from a financial institution with an effective interest rate of 6.08% per annum. The receivable is repayable in full on 1 June 2027.*

* *The unbilled lease income of the Group are after offsetting the changes in fair value of investment properties amounting to RM18.603 million (2021: RM18.044 million). The unbilled lease income are expected to be billed from financial year 2023 to 2029.*

^ *Receivables from associate comprise three loan notes to an associate with an average interest rate of 13.25% per annum which was supposed mature in October 2030. The amount was received during the financial year as part of cash consideration following the disposal of the Group's investment in ElectraNet Pty. Ltd..*

Ω *Receivables from joint ventures mainly comprise a shareholder loan with an interest rate at 15.00% per annum. The shareholder loan and accrued interest are repayable on demand.*

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current					
Trade receivables		**2,796,453**	2,247,998	**-**	-
Shareholder amounts held by solicitors		**6,261**	17,240	**-**	-
		2,802,714	2,265,238	**-**	-
Less: Allowance for impairment		**(538,098)**	(537,206)	**-**	-
Total trade receivables (net)		**2,264,616**	1,728,032	**-**	-
Other receivables		**458,345**	411,203	**8,307**	8,077
Less: Allowance for impairment		**(90,127)**	(87,524)	**(1,765)**	(1,765)
Total other receivables (net)		**368,218**	323,679	**6,542**	6,312
Unbilled receivables		**1,291,969**	946,467	**-**	-
Less: Allowance for impairment		**(7,997)**	(8,191)	**-**	-
Total unbilled receivables (net)		**1,283,972**	938,276	**-**	-
Prepayments		**609,980**	476,686	**171**	444
Net investment in leases	32(a)	**3,326**	4,107	**-**	-
Deposits		**197,802**	235,992	**1,575**	1,071
		4,727,914	3,706,772	**8,288**	7,827

The fair value of receivables approximate their carrying amounts.

Expected Credit Loss ("ECL") movement analysis is disclosed under Note 38(d) to the financial statements.

21. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments are analysed as follows:

	Contractual notional amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
Group - 2022			
Cash flow hedges			
- fuel oil swaps	**1,616,795**	**390,643**	**8,606**
- currency forwards	**1,914,237**	**39,619**	**315**
- electricity futures	**14,404**	**5,352**	**13,425**
Fair value through profit or loss			
- fuel oil swaps	**8,543**	**884**	**745**
- currency forwards	**3,612**	**-**	**16**
		436,498	**23,107**
Current portion		**415,891**	**21,740**
Non-current portion		**20,607**	**1,367**
		436,498	**23,107**
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

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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 - 2022							
Cash flow hedges							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions (HSFO)	**808,266**	**351,157**	**Derivative financial instruments**	**710,406**	**(710,406)**	**RM1,764.4 per metric ton**	**July 2022 - April 2024**
- Fuel oil swap to hedge highly probable transactions (LNG)	**331,696**	**21,909**	**Derivative financial instruments**	**27,195**	**(27,195)**	**RM445.3 per bbl**	**July 2022 - November 2022**
- Fuel oil swap to hedge highly probable transactions (ICE BRENT)	**476,833**	**8,971**	**Derivative financial instruments**	**10,566**	**(10,566)**	**RM409.6 per barrel**	**July 2022 - June 2024**
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	**1,914,237**	**39,304**	**Derivative financial instruments**	**52,602**	**(52,602)**	**RM4.2: USD1.00**	**July 2022 - January 2025**
Electricity futures price risk							
- Electricity futures to hedge highly probable transactions	**14,404**	**(8,073)**	**Derivative financial instruments**	**(313,739)**	**313,739**	**RM426.0 per MWH**	**July 2022 - December 2022**
Group - 2021							
Cash flow hedges							
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

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(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 1 to 24 months (2021: 1 to 24 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 1 to 31 months (2021: 1 to 28 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 6 months (2021: 9 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 determined with reference to the Uniform Singapore Energy Price monthly and quarterly base load electricity futures prices quoted on Singapore Exchange.

22. INVENTORIES

	Group 2022 RM'000	Group 2021 RM'000
Consumable stores	**60,210**	53,722
Finished goods	**241,060**	146,659
Fuel	**72,127**	47,380
Land held for sales	**-**	93,064
Property held for sales	**87,348**	107,623
Raw materials	**235,352**	212,450
Spare parts	**370,263**	309,145
Work-in-progress	**183,049**	166,884
	1,249,409	1,136,927

23. PROPERTY DEVELOPMENT COSTS

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group - 2022					
Cumulative property development costs:-					
At beginning of the financial year		**141,460**	**80,856**	**11,401**	**233,717**
Cost incurred during the financial year		**55,417**	**-**	**8,157**	**63,574**
Transfer to inventories		**-**	**(1,468)**	**-**	**(1,468)**
Transfer from land held for property development	14(a)	**-**	**8,717**	**19,930**	**28,647**
Currency translation differences		**(12,904)**	**-**	**-**	**(12,904)**
At end of the financial year		**183,973**	**88,105**	**39,488**	**311,566**
Cumulative cost recognised in Income Statements:-					
At beginning of the financial year					**(1,468)**
Recognised during the financial year	5				**(6,272)**
At end of the financial year					**(7,740)**
Property development costs at end of the financial year					**303,826**

23. PROPERTY DEVELOPMENT COSTS (CONTINUED)

	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 Statements:-					
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

24. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2022 RM'000	**2021 RM'000**
Non-current		
Contract assets	**2,084**	106
Contract cost assets	**13**	62
Contract liabilities	**(28,638)**	(31,958)
Current		
Contract assets	**205,692**	192,587
Contract cost assets	**24,663**	25,003
Contract liabilities	**(914,715)**	(1,182,102)

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

	Group	
	2022 RM'000	**2021 RM'000**
Representing:-		
Contract assets	**207,776**	192,693
Contract liabilities	**(943,353)**	(1,214,060)
	(735,577)	(1,021,367)
Contract cost assets	**24,676**	25,065

	Group	
	2022 RM'000	**2021 RM'000**
Representing:-		
Utilities	**(277,524)**	(213,506)
Property development	**(85,766)**	(224,212)
Construction	**(327,394)**	(555,843)
Hotel	**(38,856)**	(24,284)
Cement	**(6,255)**	(3,127)
Others	**218**	(395)
	(735,577)	(1,021,367)

(a) Utilities

Significant changes in contract assets and liabilities:-

	Group	
	2022 RM'000	**2021 RM'000**
Contract assets		
At beginning of the financial year	**154,544**	154,866
Transfer to trade receivables	**(1,718)**	(1,483)
Additions arising from revenue recognised during the financial year	**3,916**	1,070
(Allowance for)/write back of impairment of contract assets	**(270)**	91
At end of the financial year	**156,472**	154,544

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(a) Utilities (continued)

	Group	
	2022 RM'000	**2021 RM'000**
Contract liabilities		
At beginning of the financial year	**368,050**	342,138
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(330,183)**	(356,986)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**425,412**	353,008
Currency translation differences	**(29,283)**	29,890
At end of the financial year	**433,996**	368,050

(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	
	2022 RM'000	**2021 RM'000**
At beginning of the financial year	**24,738**	27,316
Assets recognised from costs to obtain or fulfil a contract during the financial year	**39,378**	36,419
Amortisation recognised during the financial year	**(1,537)**	(3,043)
Charged to cost of sales during the financial year	**(36,088)**	(38,146)
Currency translation differences	**(1,815)**	2,192
At end of the financial year	**24,676**	24,738

The closing balance of contract cost assets consists of:-

	Group	
	2022 RM'000	**2021 RM'000**
Contract acquisition cost	**11**	33
Contract fulfillment cost	**24,665**	24,705
At end of the financial year	**24,676**	24,738

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(a) Utilities (continued)

(ii) Unsatisfied performance obligations

As at 30 June 2022, the aggregate amount of the transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM413.8 million (2021: RM359.1 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 9 years (2021: 1 to 10 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.

(b) Property development

Movement of contract assets and contract liabilities in relation to property development is analysed as follows:-

	Group	
	2022 RM'000	**2021 RM'000**
At beginning of the financial year	**(224,212)**	(43,418)
Revenue recognised during the financial year	**488,846**	235,488
Progress billings during the financial year	**(336,553)**	(253,523)
Cost incurred for project yet to be recognised as revenue	**(14,433)**	(164,396)
Consideration payable to customer	**586**	1,637
At end of the financial year	**(85,766)**	(224,212)
Representing:-		
Contract assets	**17,088**	18,751
Contract liabilities	**(102,854)**	(242,963)
	(85,766)	(224,212)

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.

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 RM130.022 million (2021: RM579.619 million), of which the Group expects to recognise as revenue in the next one to three years (2021: one to two years) from the financial year end.

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(c) Construction

Movement of contract assets and contract liabilities in relation to construction is analysed as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year	**(555,843)**	(198,784)
Revenue recognised during the financial year	**1,136,228**	1,514,505
Cost incurred for project yet to recognised revenue	**21,017**	(21,430)
Progress billings during the financial year	**(928,796)**	(1,850,134)
At end of the financial year	**(327,394)**	(555,843)

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 RM9.169 million (2021: RM9.271 million).

Included in the contract liabilities is amount due to customer on contract with amount RM67.696 million (2021: 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.

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 RM1.78 billion (2021: RM2.48 billion), of which the Group expects to be recognised as revenue in the financial statements in the next one to two years (2021: one 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.

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(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	
	2022 RM'000	**2021 RM'000**
Contract liabilities	**38,856**	24,284

	Group	
	2022 RM'000	**2021 RM'000**
Significant changes to contract liabilities balances during the year are as follows:-		
Contract liabilities as at the beginning of the year recognised as revenue during the year	**24,284**	29,934
Advances received during the year	**48,569**	74,424

Advances represent advance payment by customers for future bookings of hotel rooms, food and beverages and transport.

(e) Cement

	Group	
	2022 RM'000	**2021 RM'000**
Amount received in advance of delivery of goods	**6,255**	3,127

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.

25. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(a) Amounts due from related parties				
Amounts due from:-				
- Holding company	**6**	24	**-**	-
- Subsidiaries	**-**	-	**946,573**	1,338,469
- Related companies	**31,195**	22,080	**4,535**	4,082
- Associated companies	**36,509**	39,614	**46**	48
- Joint ventures	**33,755**	31,192	**-**	-
	101,465	92,910	**951,154**	1,342,599
(b) Amounts due to related parties				
Amounts due to:-				
- Holding company	**329**	344	**-**	-
- Subsidiaries	**-**	-	**6,467**	4,409
- Related companies	**2,615**	8,267	**75**	51
- Associated companies	**610**	479	**-**	-
- Joint ventures	**31,977**	29,321	**-**	-
	35,531	38,411	**6,542**	4,460

(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 RM5.5 million (2021: RM26.6 million) which bear interest rate of 3.80% per annum (2021: 3.79% per annum).

(d) The significant related parties' transactions of the Group and of the Company are disclosed in Note 40 to the financial statements.

26. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed banks		**8,230,733**	11,522,776	**160,328**	247,147
Cash and bank balances		**3,167,824**	2,155,871	**36,371**	3,071
Cash and cash equivalents in the statements of financial position		**11,398,557**	13,678,647	**196,699**	250,218
Bank overdrafts	31	**(101,892)**	(26,051)	**-**	-
Cash and cash equivalents as per statements of cash flows		**11,296,665**	13,652,596	**196,699**	250,218

26. CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and bank balances of the Group included amounts totalling RM7.125 million (2021: RM3.938 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		Company	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Deposits with licensed banks	**0.01-2.20**	0.01-4.90	**1.02-2.10**	0.01-3.35

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2021: 1 day to 365 days). Bank balances are deposits held at call with banks.

Included in the deposits with licensed banks amounting to RM100.566 million (2021: RM62.012 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.

27. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2022	**2021**	**2022**	**2021**
	'000	**'000**	**RM'000**	**RM'000**
Issued and fully paid:-				
At beginning/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 (2021: 11,022,762,340) ordinary shares issued and fully paid-up ordinary shares, the Company holds 58,675,950 (2021: 58,673,950) ordinary shares as treasury shares. As at 30 June 2022, the number of ordinary shares in issue and fully paid net of treasury shares are 10,964,086,390 (2021: 10,964,088,390).

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.

27. SHARE CAPITAL (CONTINUED)

(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 7 December 2021. 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 2,000 (2021: 40,750,100) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.64 (2021: RM0.74) 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 2022, the Company held as treasury shares a total of 58,675,950 (2021: 58,673,950) of its 11,022,762,340 (2021: 11,022,762,340) issued ordinary shares. Such treasury shares are held at a carrying amount of RM54,451,886 (2021: RM54,450,601).

(b) Employees' Share Option Scheme

(i) Employees' Share Option Scheme 2021 ("ESOS 2021")

On 6 January 2021, the Company implemented a 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 1 December 2020. The ESOS 2021 is valid for a period of ten (10) years and is for 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 2021 ("By-Laws"). The salient terms of the ESOS are as follows:-

(i) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS 2021 shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) or such other percentage of the total number of issued shares of the Company (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time throughout the duration of the ESOS 2021.

(ii) Any person who is a Director and/or an employee of a corporation in the Group, who meets the following criteria as at the date of offer of an option ("Offer Date") shall be eligible for consideration and selection by the Options Committee (as defined in the By-Laws) to participate in the ESOS 2021:

(a) the person has attained the age of eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;

(b) the person, save for a non-executive Director, must be on the payroll of a company within the Group; and

- he is employed on a full-time basis, has not served a notice to resign or received a notice of termination; or
- he is serving in a specific designation under an employment contract for a fixed duration, excluding those who are employed on a short-term contract or any other employees under contract as may be determined by the Options Committee;

(c) the person's employment, save for a non-executive Director, is 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; and

(d) the person fulfils any other criteria and/or falls within such category as may be set by the Options Committee from time to time.

27. SHARE CAPITAL (CONTINUED)

(b) Employees' Share Option Scheme (continued)

(i) Employees' Share Option Scheme 2021 ("ESOS 2021") (continued)

(iii) Subject to the Bursa Securities Listing Requirements and any adjustments in accordance with By-Law 13, the subscription price for shares under the ESOS 2021 shall be determined by the Board of Directors of the Company upon recommendation of the Options Committee and shall be fixed based on the 5-day volume weighted average market price of shares, as quoted on Bursa Securities, immediately preceding the Offer Date (as defined in the By-Laws) 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 during the scheme period.

(iv) Subject to By-Law 13, 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. Notwithstanding the above, and subject to By-Laws 10 and 11, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date.

(v) Subject to By-Law 12.2, a grantee shall be prohibited from disposing of the shares allotted and issued to him through the exercise of the option(s) 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 sole and absolute discretion.

(ii) 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.

The salient terms of the ESOS 2011 are as follows:-

(i) The ESOS 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.

27. SHARE CAPITAL (CONTINUED)

(b) Employees' Share Option Scheme (continued)

(ii) Employees' Share Option Scheme 2011 ("ESOS 2011") (continued)

(iv) The subscription price for shares under the ESOS 2011 shall be determined by the Board upon recommendation of the options committee and shall be fixed based on the 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.

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

		Number of share options over ordinary shares				
Grant date	**Expiry date**	**Exercise price RM/share**	**At 1 July 2021 '000**	**Granted '000**	**Lapsed '000**	**At 30 June 2022 '000**
Scheme						
27.01.2022	05.01.2031	0.50	–	**324,249**	**(8,492)**	**315,757**
23.05.2022	05.01.2031	0.53	–	**8,790**	**-**	**8,790**
			–	**333,039**	**(8,492)**	**324,547**

27. SHARE CAPITAL (CONTINUED)

(b) Employees' Share Option Scheme (continued)

The movement during the previous financial year in the number of share options of the Company is as follows:-

			Number of share options over ordinary shares			
Grant date	Expiry date	Exercise price RM/share	At 1 July 2020 '000	Lapsed '000	Expired '000	At 30 June 2021 '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 fair value of options granted for which MFRS 2 "Share-based payment" applies, were determined using the Trinomial Valuation model.

	ESOS 2021	ESOS 2011
Valuation assumptions:-		
Expected volatility	28.94%	22.1% – 23.6%
Expected dividend yield	4.99%	3.6% – 4.5%
Expected option life	3 years	3 years
Risk-free interest rate per annum (based on Malaysia securities bonds)	3.1%	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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Share option expenses				
By the Company	**4,370**	11,558	**4,370**	11,558
By the subsidiary	**2,618**	3,517	**–**	–
Allocation to subsidiaries	**–**	–	**(2,253)**	(6,859)
Allocation to related companies	**–**	(4)	**–**	(4)
Total share option expenses	**6,988**	15,071	**2,117**	4,695

There were no grants vested during the financial year under the Employees' Share Option Scheme 2021.

28. 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 - 2022								
At beginning of the financial year	97,305	27,023	803,039	-	19,096	(124,255)	70,191	892,399
Changes in fair value	-	-	-	-	-	(62,868)	161,850	98,982
Exchange differences	-	-	1,719	-	-	-	-	1,719
Realisation of cash flow hedges upon disposal of an associate	-	-	-	-	-	-	21,367	21,367
Total comprehensive income/ (loss) for the year	-	-	1,719	-	-	(62,868)	183,217	122,068
Conversion of ICULS	-	(27,023)	-	-	-	-	-	(27,023)
Reclassification upon disposal of investments designated at FVOCI	-	-	-	-	-	166	-	166
Share option expenses	-	-	-	5,825	-	-	-	5,825
Currency translation differences	(270)	-	(5,860)	-	1,192	-	4,938	-
At end of the financial year	97,035	-	798,898	5,825	20,288	(186,957)	258,346	993,435

Note:-

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

28. OTHER RESERVES (CONTINUED)

	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

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

	Share options reserve RM'000	Fair value reserve RM'000	Total other reserves RM'000
Company - 2022			
At beginning of the financial year	**-**	**2,759**	**2,759**
Reclassification upon disposal of investments designated at FVOCI	**-**	**105**	**105**
Share option expenses	**4,370**	**-**	**4,370**
At end of the financial year	**4,370**	**2,864**	**7,234**
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

Notes to the Financial Statements
– 30 June 2022

29. LONG-TERM PAYABLES

	Group	
	2022 RM'000	2021 RM'000
Deferred income	**1,349,708**	1,285,291
Deferred liabilities	**68,758**	-
Deposits	**35,941**	50,795
Payable to non-controlling interests	**62,090**	116,710
Other payables	**5,441**	11,845
	1,521,938	1,464,641

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.

30. BONDS

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current:-					
Medium Term Notes	30(a)	**2,630,000**	845,000	**1,000,000**	-
4.0% Guaranteed Unsecured Bonds	30(i)	**-**	1,726,924	**-**	-
		2,630,000	2,571,924	**1,000,000**	-
Non-current:-					
Medium Term Notes	30(a)	**7,219,623**	9,768,631	**2,240,000**	3,240,000
3.52% Retail Price Index Guaranteed Bonds	30(b)	**464,999**	484,047	**-**	-
5.75% Guaranteed Unsecured Bonds	30(c)	**1,853,563**	1,995,257	**-**	-
5.375% Guaranteed Unsecured Bonds	30(d)	**1,063,730**	1,144,932	**-**	-
1.75% Index Linked Guaranteed Bonds	30(e)	**1,250,886**	1,302,127	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	30(f)	**1,250,886**	1,302,127	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	30(g)	**1,172,833**	1,237,197	**-**	-
2.186% Index Linked Guaranteed Bonds	30(h)	**404,202**	399,300	**-**	-
1.5% Guaranteed Unsecured Bonds	30(j)	**1,325,071**	1,425,701	**-**	-
1.25% Guaranteed Unsecured Bonds	30(k)	**1,577,145**	1,696,814	**-**	-
		17,582,938	20,756,133	**2,240,000**	3,240,000
Total		**20,212,938**	23,328,057	**3,240,000**	3,240,000

30. BONDS (CONTINUED)

The bonds are repayable:-

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Not later than 1 year	**2,630,000**	2,571,924	**1,000,000**	-
Later than 1 year but not later than 5 years	**5,584,622**	5,158,957	**740,000**	1,240,000
Later than 5 years	**11,998,316**	15,597,176	**1,500,000**	2,000,000
Total	**20,212,938**	23,328,057	**3,240,000**	3,240,000

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	
	2022 %	2021 %	2022 %	2021 %
Medium Term Notes	**4.45**	4.69	**4.25**	4.25
Bonds	**4.60**	3.82	**-**	-

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
3.52% Retail Price Index Guaranteed Bonds	**277,377**	309,401	**-**	-
5.75% Guaranteed Unsecured Bonds	**2,150,258**	2,871,768	**-**	-
5.375% Guaranteed Unsecured Bonds	**1,164,432**	1,432,230	**-**	-
1.75% Index Linked Guaranteed Bonds	**1,616,416**	1,934,326	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,768,908**	1,905,210	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,761,868**	1,897,627	**-**	-
2.186% Index Linked Guaranteed Bonds	**351,131**	470,366	**-**	-
4.0% Guaranteed Unsecured Bonds	**-**	1,739,531	**-**	-
1.5% Guaranteed Unsecured Bonds	**920,823**	1,138,740	**-**	-
1.25% Guaranteed Unsecured Bonds	**1,106,674**	1,558,430	**-**	-
Medium Term Notes	**9,780,755**	10,882,630	**3,146,461**	3,118,920
	20,898,642	26,140,259	**3,146,461**	3,118,920

30. BONDS (CONTINUED)

(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% 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% (2021: 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% (2021: 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% (2021: 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 YTL PI 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% (2021: 4.49% to 4.99%) per annum and repayable in full between 24 March 2023 and 24 August 2028 (2021: 13 October 2021 and 24 August 2028).

(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% (2021: 5.05%) per annum and repayable in full on 3 May 2027.

30. BONDS (CONTINUED)

(a) Medium term notes ("MTNs") (continued)

(iii) The MTNs of YTL Hospitality REIT Group ("YTL REIT") were issued pursuant to:-

The MTNs of YTL REIT 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, RM815 million (2021: 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 had been redeemed 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 had been redeemed 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.

(f) A nominal value of RM80 million of MTNs was issued on 23 May 2022 to redeem matured MTNs totalling RM75 million and to finance the renovation costs carried out at certain properties for RM5 million. The MTNs are redeemable on 21 May 2027 at nominal value.

The MTNs bear coupon rates ranging from 3.27% to 5.05% (2021: 3.31% to 5.05%) per annum, payable semi-annually in arrears and is secured by certain properties.

(iv) The MTNs of YTL Cement Berhad Group ("YTL Cement") were issued pursuant to:-

In 2016, Kedah Cement Sdn. Bhd. ("KCSB"), a subsidiary of YTL Cement, had established a Sukuk Wakalah Programme ("Sukuk Wakalah") for the issuance of up to RM500 million in nominal value of Sukuk Wakalah based on the Shariah principle of Wakalah and Murabahah. 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 which was on 13 January 2017.

On 13 January 2017, KCSB made its first and second issuance of RM100 million and RM180 million in nominal value of Sukuk Wakalah respectively to fund working capital requirements of KCSB. The Sukuk Wakalah bore profit at 4.40% and 4.80% per annum and have been fully settled in 2018 and January 2020, respectively.

On 13 December 2017 and 10 July 2019, KCSB made its third and fourth issuance of RM100 million in nominal value of Sukuk Wakalah to fund the working capital requirements of KCSB. The Sukuk Wakalah bore profit at 5.00% and 5.06% per annum and have been fully settled in December 2020 and July 2022 respectively.

30. BONDS (CONTINUED)

(a) Medium term notes ("MTNs") (continued)

(iv) The MTNs of YTL Cement Berhad ("YTL Cement") were issued pursuant to: (continued)

On 10 July 2019, KCSB made its fifth issuance of RM120 million in nominal value of Sukuk Wakalah to fund the working capital requirements of KCSB. The Sukuk Wakalah bore profit at 4.10% per annum and has been fully settled in July 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 to fund the 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.

On 8 July 2022, KCSB made its ninth issuance of RM100 million in nominal value of Sukuk Wakalah to fund the working capital requirements of KCSB. The Sukuk Wakalah is due on 10 July 2023 and bear profit at 4.25% per annum.

(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 2022 is 6.37% (2021: 4.38%) 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 2022 GBP346,914,254 (2021: GBP346,717,774) 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 GBP199,088,549 (2021: GBP198,955,933) remained outstanding as at 30 June 2022, 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.

30. BONDS (CONTINUED)

(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 2022 is 2.84% (2021: 2.61%) 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.

(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 2022 is 2.23% (2021: 2.23%) 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 2022 is 10.45% (2021: 2.96%) 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 2022 is 11.18% (2021: 3.66%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

30. BONDS (CONTINUED)

(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% 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 net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes. The nominal value of 4% GU Bonds issued amounted to GBP200 million was repaid in full on 24 September 2021.

On 30 August 2012, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP100 million nominal value 4% 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 net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes. The nominal value of 4% GU Bonds issued amounted to GBP100 million was repaid in full on 24 September 2021.

(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 1.5% 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. On 15 June 2020, the retained GBP50 million nominal value 1.5% Guaranteed Unsecured Bonds due 2029 was issued.

The nominal value of 1.5% GU Bonds issued amounted to GBP250 million, of which GBP248,001,336 (2021: GBP247,745,458) remained outstanding as at 30 June 2022, 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 GBP295,179,730 (2021: GBP294,857,025) remained outstanding as at 30 June 2022, 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.

31. BORROWINGS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current					
Bank overdrafts	31(a)	**101,892**	26,051	**-**	-
Hire purchase creditors	31(b)	**2,281**	1,542	**53**	140
Irredeemable convertible unsecured loan stocks	31(c)	**-**	1,122	**-**	-
Revolving credit	31(d)	**3,184,041**	2,770,314	**1,066,855**	1,066,855
Term loans	31(e)	**934,142**	4,262,079	**-**	-
Trade facilities	31(f)	**58,929**	30,864	**-**	-
		4,281,285	7,091,972	**1,066,908**	1,066,995
Non-current					
Hire purchase creditors	31(b)	**5,337**	1,905	**55**	-
Irredeemable convertible unsecured loan stocks	31(c)	**-**	2,417	**-**	-
Revolving credit	31(d)	**2,348,880**	1,554,092	**-**	-
Term loans	31(e)	**15,407,742**	13,096,000	**-**	-
		17,761,959	14,654,414	**55**	-
Total					
Bank overdrafts	31(a)	**101,892**	26,051	**-**	-
Hire purchase creditors	31(b)	**7,618**	3,447	**108**	140
Irredeemable convertible unsecured loan stocks	31(c)	**-**	3,539	**-**	-
Revolving credit	31(d)	**5,532,921**	4,324,406	**1,066,855**	1,066,855
Term loans	31(e)	**16,341,884**	17,358,079	**-**	-
Trade facilities	31(f)	**58,929**	30,864	**-**	-
		22,043,244	21,746,386	**1,066,963**	1,066,995

31. BORROWINGS (CONTINUED)

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 2022				
Bank overdrafts	**101,892**	**-**	**-**	**101,892**
Hire purchase creditors	**2,281**	**5,337**	**-**	**7,618**
Revolving credit	**3,184,041**	**2,213,880**	**135,000**	**5,532,921**
Term loans	**934,142**	**14,580,145**	**827,597**	**16,341,884**
Trade facilities	**58,929**	**-**	**-**	**58,929**
	4,281,285	**16,799,362**	**962,597**	**22,043,244**
At 30 June 2021				
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
Trade facilities	30,864	-	-	30,864
	7,091,972	13,714,945	939,469	21,746,386
Company				
At 30 June 2022				
Hire purchase creditors	**53**	**55**	**-**	**108**
Revolving credit	**1,066,855**	**-**	**-**	**1,066,855**
	1,066,908	**55**	**-**	**1,066,963**
At 30 June 2021				
Hire purchase creditors	140	-	-	140
Revolving credit	1,066,855	-	-	1,066,855
	1,066,995	-	-	1,066,995

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

31. BORROWINGS (CONTINUED)

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

	Group		Company	
	2022 %	2021 %	**2022 %**	2021 %
Bank overdrafts	**1.75**	1.10	**-**	-
ICULS	**-**	7.49	**-**	-
Revolving credit	**2.52**	2.45	**3.00**	2.72
Term loans	**2.51**	2.02	**-**	-
Trade facilities	**2.75**	3.92	**-**	-

(a) Bank overdrafts

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

(b) Hire purchase creditors

The Group's finance lease bears interest rates ranging from 1.49% to 4.28% (2021: 1.56% to 4.97%) per annum and the Company's finance lease bears interest rate at 2.15% to 2.27% (2021: 2.27%) per annum.

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Payable not later than 1 year	**2,340**	1,540	**56**	141
Payable later than 1 year and not later than 5 years	**5,808**	2,135	**57**	-
Total minimum lease payments	**8,148**	3,675	**113**	141
Less: Finance charges	**(530)**	(228)	**(5)**	(1)
Present value of minimum lease payments	**7,618**	3,447	**108**	140

(c) 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.

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.

31. BORROWINGS (CONTINUED)

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

ICULS 2011/2021 (continued)

(ii) The ICULS 2011/2021 are convertible at any time on or after its issuance date into new ordinary shares of YTL Land at the conversion price, which is fixed on a step-down basis, as follows:-

- For conversion at any time from the date of issue up to the fourth anniversary, conversion price is RM1.32;
- For conversion at any time after fourth anniversary of issue up to the seventh anniversary, conversion price is RM0.99; and
- For conversion at any time after seventh anniversary of issue up to the maturity date, conversion price is RM0.66

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

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

A certain amount of the ICULS 2011/2021 are held by the Company (refer Note 15 to the financial statements). The relevant amounts have been eliminated in the Statements of Financial Position.

The ICULS have matured on 31 October 2021. All the ICULS remaining immediately after the maturity date have been automatically converted into ordinary shares at the conversion price of RM0.66.

(d) Revolving credit

Save for RM80.0 million (2021: RM347.905 million) revolving credit facility of the Group which secured against properties of the subsidiaries, all the revolving credit facilities are unsecured and repayable on demand.

(e) 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] were unsecured loans of Wessex Water Services Limited and were guaranteed by Wessex Water Limited. The loans bear an interest rates ranging at 0.72% (2021: 0.72% to 1.21%) per annum and was repaid in full on 22 July 2021.

(b) The term loans of RM1,068.600 million [GBP200 million] (2021: RM1,150.940 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 an interest rate of 2.36% (2021: 2.16% to 2.36%) per annum, the second loan of GBP50 million was drawn down on 9 March 2015 bears interest rates ranging from 0.74% to 1.60% (2021: 0.74% to 0.94%) per annum, the third loan of GBP50 million was drawn down on 9 April 2015 bears an interest rate at 2.19% (2021: 1.99% to 2.19%) per annum, and the fourth loan of GBP50 million was drawn down on 25 May 2016 bears interest rates ranging from 1.07% to 2.19% (2021: 1.07% to 1.61%) per annum. All the loans are repayable in full between 30 January 2024 and 25 May 2025.

31. BORROWINGS (CONTINUED)

(e) Term loans (continued)

(i) Term loans denominated in Great British Pounds (continued)

(c) The term loans of RM1,068.600 million [GBP200 million] (2021: RM1,104,902,400 [GBP200 million]) was drawn by Wessex Water Services Limited of which RM934,596,379 [GBP174,919,779] (2021: RM1,097,047,188 [GBP190,634,992]) remained outstanding as at 30 June 2022, net of amortised fees. The loans bear interest rates ranging from 1.09% to 2.20% (2021: 1.09% to 1.82%) 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.

(d) The term loan of RM66,787,500 (GBP12,500,000) was drawn down by Wessex Water Limited during the financial year and is repayable in full on 29 November 2024. The borrowing is an unsecured loan and bears an interest rate at 1.54% per annum.

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] of previous financial year was drawn down by YTL Power International Berhad ("YTLPI") on 31 March 2017 of which RM1,035,850,635 [USD249,344,206] remained outstanding as at 30 June 2021, net of amortised fees. The borrowing bears interest rates ranging from 1.28% to 1.41% (2021: 1.29% to 1.38%) per annum. The term loan facility was fully settled on 31 March 2022.

(b) The term loan of RM881.100 million [USD200 million] (2021: RM830.860 million [USD200 million]) was drawn down by YTL Utilities Finance 4 Limited on 25 November 2020 of which RM877,320,081 [USD199.142 million] (2021: RM824,761,488 [USD198.532 million]) remained outstanding as at 30 June 2022, net of amortised fees. The term loan is guaranteed by YTLPI. The borrowing bears interest rates ranging from 1.44% to 2.41% (2021: 1.44% to 1.50%) per annum and is repayable on 25 November 2023.

All the term loans are unsecured.

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loan of RM3,380.0 million (2021: RM1,925.206 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 RM6,315.372 million [SGD1,995.0 million] was drawn down by YTL PowerSeraya Pte. Limited on 14 September 2017 and repayable in full on 12 September 2022, of which RM5,998,315,191 (SGD1,894,843,060) (2021: RM6,006,549,854 [SGD1,943,741,458]) remained outstanding as at 30 June 2022, net of amortised fees. The borrowing was refinanced on 1 June 2022 and is repayable in full on 1 June 2027. The term loan is secured (2021: unsecured loan) by charges over the assets and shares of YTL PowerSeraya Pte. Limited. The borrowing bears interest rates ranging from 1.61% to 2.79% (2021: 1.55% to 1.84%) per annum.

31. BORROWINGS (CONTINUED)

(e) Term loans (continued)

(iv) Term loans denominated in Singapore Dollars (continued)

(b) The term loan of RM728.088 million [SGD230.0 million] was drawn down by Taser Power Pte. Ltd. on 1 June 2022 of which RM725,582,165 (SGD229,208,417) remained outstanding as at 30 June 2022, net of amortised fees. The term loan is secured by charges over the assets and shares of Taser Power Pte. Ltd.. The borrowing bears an interest rate at 2.51% per annum and is repayable on 1 June 2027.

Save for the term loan of RM nil (2021: RM276.729 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.

(f) Trade facilities

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

32. LEASE LIABILITIES

The details of lease liabilities are as follows:-

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Presented as:				
Current	**170,939**	180,091	**6,844**	6,716
Non-current	**1,245,678**	1,303,867	**2,339**	9,056
	1,416,617	1,483,958	**9,183**	15,772

The Group's maturity profile of lease liabilities are disclosed in Note 38(e) 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 Statements in the period which the condition that triggers those payments occurs.

32. LEASE LIABILITIES (CONTINUED)

(a) Net investment in leases

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year	**11,693**	15,886
Additions	**63**	-
Interest income	**681**	573
Lease payments received	**(4,805)**	(4,766)
At end of the financial year	**7,632**	11,693

	Group	
	2022 RM'000	2021 RM'000
Presented as:		
Current	**3,326**	4,107
Non-current	**4,306**	7,586
	7,632	11,693

The Group leases mixer trucks and equipment to third parties. Each of the leases contains non-cancellable period of 2 to 7 years.

These leases transfer substantially all the risk and rewards incidental to ownership of the mixer trucks. These leases do not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:-

	Group	
	2022 RM'000	2021 RM'000
Less than 1 year	**3,622**	4,507
1 to 2 years	**2,598**	3,524
2 to 3 years	**1,345**	2,597
3 to 4 years	**537**	1,345
4 to 5 years	**-**	537
Total undiscounted lease payments	**8,102**	12,510
Unearned interest income	**(470)**	(817)
Net investment in leases	**7,632**	11,693

33. GRANTS AND CONTRIBUTIONS

	Note	Group 2022 RM'000	Group 2021 RM'000
At beginning of the financial year		**661,614**	596,669
Currency translation differences		**(40,017)**	48,011
Amortisation of grants and contributions	7	**(18,999)**	(21,548)
Disposal of a subsidiary*		**(14,035)**	–
Received during the financial year		**32,092**	38,482
At end of the financial year		**620,655**	661,614

* *This is in relation to the disposal of Albion Water Limited as disclosed in Note 15(b)(i).*

Grants and contributions mainly comprise government grants in foreign subsidiaries in respect of specific qualifying expenditure on infrastructure assets and a cogeneration plant.

34. DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Deferred tax liabilities, net	**3,068,801**	3,060,349	**113**	113
The gross movement on the deferred income tax account is as follows:				
At beginning of the financial year	**3,060,349**	2,164,004	**113**	113
Charged to Income Statements	**52,278**	611,681	**–**	–
– Property, plant and equipment	**40,115**	599,755	**–**	–
– Property development	**(1,621)**	(1,621)	**–**	–
– Investment properties	**2,491**	3,602	**–**	–
– Retirement benefits	**9,222**	12,711	**–**	–
– Provision	**(3,583)**	(167)	**–**	–
– Unutilised capital allowance	**18,538**	(301)	**–**	–
– Unabsorbed tax losses	**(37,702)**	15,355	**–**	–
– Leases	**(1,590)**	335	**–**	–
– Others	**26,408**	(17,988)	**–**	–
Currency translation differences	**(187,835)**	179,819	**–**	–
Acquisition of subsidiary	**1,781**	6,431	**–**	–
Charged to Other Comprehensive Income*	**142,228**	98,414	**–**	–
At end of the financial year	**3,068,801**	3,060,349	**113**	113

* *This is in relation to re-measurement of post-employment benefit obligations.*

34. DEFERRED TAXATION (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the Statements of Financial Position:-

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Deferred tax assets provided are in respect of:				
Deferred tax assets before offsetting				
Unutilised capital allowances	**(128,747)**	(176,227)	**-**	-
Retirement benefits	**36,315**	(108,232)	**-**	-
Unabsorbed tax losses	**(279,836)**	(231,759)	**-**	-
Provision	**(13,576)**	(5,612)	**-**	-
Leases	**(3,530)**	(1,963)	**-**	-
Others	**(45,759)**	(102,999)	**-**	-
	(435,133)	(626,792)	**-**	-
Offsetting	**435,133**	626,792	**-**	-
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	**3,433,725**	3,619,999	**113**	113
Land held for property development	**48,931**	47,077	**-**	-
Others	**21,278**	20,065	**-**	-
	3,503,934	3,687,141	**113**	113
Offsetting	**(435,133)**	(626,792)	**-**	-
Deferred tax liabilities after offsetting	**3,068,801**	3,060,349	**113**	113

34. DEFERRED TAXATION (CONTINUED)

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

	Group	
	2022 RM'000	2021 RM'000
Unabsorbed tax losses	**1,628,244**	1,379,207
Unutilised capital allowances	**2,905,487**	2,682,431
Deductible temporary differences	**372,524**	167,565
Taxable temporary differences – property, plant and equipment	**(372,561)**	(352,695)
	4,533,694	3,876,508

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/(ASSETS)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Defined contribution plans – Current					
– Malaysia	35(a)	**6,620**	7,048	**326**	315
Defined benefit plans – Non-current					
– Malaysia	35(b)	**21,734**	21,764	**–**	–
– United Kingdom	35(c)	**(174,802)**	437,922	**–**	–
– Indonesia	35(d)	**15,225**	21,996	**–**	–
		(137,843)	481,682	**–**	–

(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.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plans - Malaysia (continued)

(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	
	2022 %	**2021 %**
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 RM897,240/increase by RM947,875 (2021: decrease by RM959,471/increase by RM1,017,212).

The movements in the net liability recognised in the Statements of Financial Position are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
At beginning of the financial year	**21,764**	21,937
Charge for the financial year	**921**	901
Benefits paid/payables	**(951)**	(1,074)
At end of the financial year	**21,734**	21,764

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plans – Malaysia (continued)

The amounts recognised in the Statements of Financial Position are analysed as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Present value of unfunded obligation	**21,734**	21,764

Reconciliation of the present value of unfunded obligation are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
At beginning of the financial year	**21,764**	21,937
Benefits paid/payables	**(951)**	(1,074)
Current service cost	**72**	70
Interest cost	**849**	831
At end of the financial year	**21,734**	21,764

The amounts recognised in the Income Statements are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Current service cost	**72**	70
Interest cost	**849**	831
Total charge to Income Statements	**921**	901

(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 2022 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.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plans - United Kingdom (continued)

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 26% of the liabilities are attributable to current employees, 15% to former employees and 59% 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 17-18 years reflecting the approximate split of the defined benefit obligation between current employees (duration of c23-24 years), deferred members (duration of c23-24 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 (RM838.9 million). The subsidiary is paying deficit contributions of:

- GBP16.60 million (RM88.7 million) by 1 July 2022;
- GBP18.40 million (RM98.3 million) by 1 July 2023;
- GBP20.20 million (RM107.9 million) by 1 July 2024;
- GBP22.00 million (RM117.5 million) by 1 July 2025;
- GBP23.80 million (RM127.2 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.

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 GBP16.6 million (RM88.7 million) is expected to be paid by the subsidiary during the year ending on 30 June 2023.

(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.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plans – United Kingdom (continued)

(iii) Risks associated with the scheme (continued)

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	
	2022 RM'000	**2021 RM'000**
At 1 July	**437,922**	869,245
Pension cost	**64,258**	73,632
Contributions and benefits paid	**(134,094)**	(120,782)
Currency translation differences	**(589)**	63,158
Re-measurement gain	**(542,299)**	(447,331)
At 30 June	**(174,802)**	437,922

The amounts recognised in the Statements of Financial Position are analysed as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Present value of funded obligations	**3,207,024**	4,722,344
Fair value of plan assets	**(3,381,826)**	(4,284,422)
(Asset)/liability in the Statements of Financial Position	**(174,802)**	437,922

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

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**4,722,344**	4,424,366
Currency translation differences	**(275,586)**	407,168
Interest cost	**88,320**	75,574
Current service cost	**52,444**	55,850
Past service cost	**-**	556
Net benefits paid	**(153,576)**	(142,257)
Re-measurement (gain)/loss:		
– Actuarial gain arising from financial assumptions	**(1,294,428)**	(38,343)
– Actuarial loss/(gain) arising from experience adjustments	**67,506**	(60,570)
Present value of defined benefit obligations, at 30 June	**3,207,024**	4,722,344

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plans - United Kingdom (continued)

(iii) Risks associated with the scheme (continued)

Changes in fair value of plan assets are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**4,284,422**	3,555,121
Currency translation differences	**(274,997)**	344,010
Interest income	**82,132**	61,682
Contributions by employer	**134,094**	120,782
Net benefits paid	**(153,576)**	(142,257)
Administration expenses	**(5,626)**	(3,334)
Re-measurement gain:		
- Return on plan assets excluding interest income	**(684,623)**	348,418
Fair value of plan assets, at 30 June	**3,381,826**	4,284,422

The pension cost recognised is analysed as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Current service cost	**52,444**	55,850
Interest cost	**6,188**	13,892
Past service cost	**-**	556
Administration expenses	**5,626**	3,334
Total charge to Income Statements	**64,258**	73,632

The charge to Income Statements was included in the following line items:

	Group	
	2022 RM'000	**2021 RM'000**
Cost of sales	**53,887**	54,165
Administration expenses	**4,183**	5,575
Interest cost	**6,188**	13,892
Total charge to Income Statements	**64,258**	73,632

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plans – United Kingdom (continued)

(iii) Risks associated with the scheme (continued)

The principal assumptions used in the actuarial calculations were as follows:

	Group	
	2022	**2021**
	%	**%**
Discount rate	**3.80**	1.90
Rate of increase in pensions	**2.10-2.90**	2.10-2.90
Rate of increase in salaries – long-term	**1.90**	1.90
Inflation – RPI	**3.00**	3.00
Inflation – CPI	**2.50**	2.50

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.

	2022 Male Years	**2022 Female Years**	**2021 Male Years**	**2021 Female Years**
Life expectancy – current age 60	**25.9**	**28.5**	25.9	28.4
Life expectancy – current age 40	**47.2**	**49.7**	47.1	49.6

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.

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.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plans - United Kingdom (continued)

(iii) Risks associated with the scheme (continued)

Sensitivity analysis: (continued)

		Scheme liabilities		Scheme surplus	
Key assumptions	**Increase by RM'000**	**Increase from RM'000**	**Increase to RM'000**	**Decrease from RM'000**	**Decrease to RM'000**
A reduction in the discount rate of 0.1% (from 3.8% to 3.7%)	53,430	3,207,024	3,260,454	(174,802)	(121,372)
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)	41,675	3,207,024	3,248,699	(174,802)	(133,127)
An increase in life expectancy of 1 year	106,326	3,207,024	3,313,350	(174,802)	(68,476)

The plan assets comprised the following:

	2022		**2021**	
	RM'000	**%**	**RM'000**	**%**
Equity instrument	**1,073,409**	**31.7**	1,790,287	41.8
Debt instrument	**1,892,491**	**56.0**	2,097,588	49.0
Property	**249,518**	**7.4**	240,546	5.6
Others	**166,408**	**4.9**	156,001	3.6
	3,381,826	**100.0**	4,284,422	100.0

	Group	
	2022 RM'000	**2021 RM'000**
Actual return on plan assets	**(602,491)**	410,100

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(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	
	2022 RM'000	**2021 RM'000**
Obligation relating to post-employment benefits	**12,254**	19,310
Obligation relating to other long-term employee benefits	**2,971**	2,686
Total	**15,225**	21,996

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 2022.

(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	
	2022 RM'000	**2021 RM'000**
At 1 July	**19,310**	17,261
Pension (credit)/cost	**(4,756)**	2,209
Contributions and benefits paid	**(675)**	(659)
Currency translation differences	**465**	(765)
Re-measurement (gain)/loss	**(2,090)**	1,264
At 30 June	**12,254**	19,310

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

	Group	
	2022 RM'000	**2021 RM'000**
Present value of obligations	**12,254**	19,310

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(d) Defined benefit plans – Indonesia (continued)

(i) Post-employment benefit obligations (continued)

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

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**19,310**	17,261
Currency translation differences	**465**	(765)
Interest cost	**1,219**	1,179
Current service cost	**1,203**	1,030
Past service credit	**(6,197)**	–
Net benefits paid	**(675)**	(659)
Adjustment due to change in benefit attribution method	**(981)**	–
Re-measurement (gain)/loss:		
– Actuarial (gain)/loss arising from financial assumptions	**(654)**	1,650
– Actuarial gain arising from experience adjustments	**(1,436)**	(386)
Present value of defined benefit obligations, at 30 June	**12,254**	19,310

The pension cost recognised can be analysed as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Current service cost	**1,203**	1,030
Interest cost	**1,219**	1,179
Past service credit	**(6,197)**	–
Adjustment due to change in benefit attribution method	**(981)**	–
Total charge to Income Statements	**(4,756)**	2,209

(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	
	2022 RM'000	**2021 RM'000**
Present value of obligations	**2,971**	2,686

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(d) Defined benefit plans – Indonesia (continued)

(ii) Other long-term employee benefit obligations (continued)

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

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**2,686**	2,455
Pension cost	**659**	478
Actuarial loss	**–**	20
Contributions and benefits paid	**(76)**	(158)
Currency translation differences	**(298)**	(109)
At 30 June	**2,971**	2,686

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

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**2,686**	2,455
Currency translation differences	**(298)**	(109)
Current service cost	**659**	473
Actuarial loss	**–**	20
Interest cost	**–**	5
Net benefits paid	**(76)**	(158)
At 30 June	**2,971**	2,686

The amounts relating to other long-term employee benefits obligation recognised in the Income Statements are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Current service cost	**659**	473
Interest cost	**–**	5

The charge above was included in the cost of sales.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(d) Defined benefit plans - Indonesia (continued)

(ii) Other long-term employee benefit obligations (continued)

The principal assumptions used in the actuarial calculations were as follows:

	Group	
	2022	**2021**
	%	**%**
Discount rate	**7.3**	6.3
Future salary increase rate	**9.0**	9.0

At 30 June 2022, the weighted-average duration of the defined benefit obligations was 6.90 years (2021: 7.04 years).

Sensitivity analysis:

Reasonably possible changes to the key assumptions, would have affected the defined benefit obligations by the amounts shown below:

	2022		2021	
	RM'000	**RM'000**	**RM'000**	**RM'000**
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	**(723)**	**794**	(935)	1,044
Future salary increase rate (1% movement)	**1,134**	**(1,055)**	1,778	(1,631)

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.

36. PROVISION FOR LIABILITIES AND CHARGES

	Note	Affordable housing 36(a) RM'000	Rectification works 36(b) RM'000	Restructuring 36(c) RM'000	Damages claims 36(d) RM'000	Total RM'000
Group - 2022						
At beginning of the financial year		**-**	**4,035**	**39,328**	**105,618**	**148,981**
Additions		**-**	**-**	**623**	**-**	**623**
Accretion of interests		**-**	**-**	**869**	**-**	**869**
Currency translation differences		**-**	**6**	**(349)**	**(6,044)**	**(6,387)**
Charged/(credited) to Income Statements	7	**22,343**	**(3,575)**	**892**	**1,343**	**21,003**
Utilised		**-**	**(276)**	**-**	**(1,437)**	**(1,713)**
Payments		**-**	**-**	**(759)**	**-**	**(759)**
At end of the financial year		**22,343**	**190**	**40,604**	**99,480**	**162,617**
Presented as follows:						
Current		**22,343**	**190**	**18,959**	**99,480**	**140,972**
Non-current		**-**	**-**	**21,645**	**-**	**21,645**
		22,343	**190**	**40,604**	**99,480**	**162,617**
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)
Utilised		-	(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

(a) Affordable housing

This represents a provision for foreseeable losses arising from the present obligation for construction of low cost houses.

(b) Rectification works

This represents a provision for estimated cost of rectification works for completed project.

36. PROVISION FOR LIABILITIES AND CHARGES (CONTINUED)

(c) Restructuring

This represents a provision for scaling down of operations, environmental liabilities and asset retirement obligation.

(d) Damages claims

This represents a provision for 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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Trade payables	**2,286,487**	1,892,457	**-**	-
Other payables	**575,044**	380,589	**511**	1,102
Deferred income	**100**	9,266	**-**	-
Security deposits	**196,604**	118,185	**-**	-
Accrued expenses*	**1,466,864**	1,295,442	**27,406**	26,956
	4,525,099	3,695,939	**27,917**	28,058

* *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 (2021: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

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.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency exchange risk (continued)

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.

Hedge of a net investment in Australia and Japan

At the reporting date, the Group's investment in its Australia and Japanese subsidiaries are hedged by AUD term loan with a total carrying amount of RM844 million [AUD278 million] (2021: RM868 million [AUD278 million]) and the JPY term loan with a carrying amount of RM174 million [JPY5,401 million] (2021: nil), respectively with the purpose to mitigates the currency risk arising from the subsidiary's net assets. The foreign currency loans are 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 : 1.13 (2021: 1 : 1.20) for Australia and 1 : 0.87 (2021: nil) for Japan 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.

(b) 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.

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Fixed rate instruments				
Financial liabilities	**18,897,981**	22,943,057	**3,240,000**	3,240,000
Variable rate instruments				
Financial assets	**8,990,479**	12,243,775	**705,996**	901,855
Financial liabilities	**23,358,201**	22,131,386	**1,066,963**	1,066,995
	32,348,680	34,375,161	**1,772,959**	1,968,850

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (continued)

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 before tax and equity would be higher/lower by approximately RM116.8 million (2021: RM110.6 million) and RM5.3 million (2021: RM5.3 million), respectively, as a result of lower/higher interest expense on borrowings.

The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect their profit before 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 RM9.0 million (2021: RM12.2 million) and RM0.7 million (2021: RM0.9 million), respectively.

(c) Price risk

Investments

The Group and the Company are exposed to equity securities and income funds price risk arising from investments held which are classified on the Statement of Financial Position either as financial assets at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL").

To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio. For income funds and unit trusts, the Group and the Company mainly invest in AAA rated bonds and Money Market Funds. This investment is meant to achieve better yield as compared to fixed deposits. At the reporting date, if the prices of the income funds and unit trusts at FVTPL increased/decreased by 1% (2021: 1%) with all other variables including tax rate being held constant, the Group's and the Company's profit after tax will be lower/higher by RM15.0 million (2021: RM24.7 million) and RM5.5 million (2021: RM6.5 million), respectively.

At the reporting date, the Group's and the Company's exposure to quoted equity investments at fair value are RM770.404 million (2021: RM1,789.730 million) and RM14.153 million (2021: RM12.687 million), respectively.

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 - 2022			
Local equities	**13,770**	**+/- 10**	**1,377**
Foreign equities	**756,634**	**+/- 10**	**75,663**
Group - 2021			
Local equities	363,799	+/- 10	36,380
Foreign equities	1,425,931	+/- 10	142,593

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Price risk (continued)

Investments (continued)

	Carrying amounts RM'000	Increase/ Decrease in quoted market prices %	Effect on equity RM'000
Company - 2022			
Local equities	**5,708**	**+/- 10**	**571**
Foreign equities	**8,445**	**+/- 10**	**845**
Company - 2021			
Local equities	4,853	+/- 10	485
Foreign equities	7,834	+/- 10	783

Fuel commodity

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 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.

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.

(d) 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.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

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 multi utilities 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.

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 - 2022					
Gross carrying amount					
- Trade receivables	1,619,984	185,254	18,925	978,551	2,802,714
- Unbilled receivables	1,291,969	-	-	-	1,291,969
- Contract assets	208,065	-	-	-	208,065
	3,120,018	185,254	18,925	978,551	4,302,748
Allowance for impairment					
- Trade receivables	(45,608)	(9,171)	(2,862)	(480,457)	(538,098)
- Unbilled receivables	(7,997)	-	-	-	(7,997)
- Contract assets	(289)	-	-	-	(289)
	(53,894)	(9,171)	(2,862)	(480,457)	(546,384)
Net carrying amount	3,066,124	176,083	16,063	498,094	3,756,364

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

Trade receivables, unbilled receivables and contract assets (continued)

		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

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.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

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

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.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

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 - 2022						
At 1 July 2021	**537,206**	**8,191**	**19**	**757**	**90,456**	**636,629**
Allowance for impairment of receivables	**116,166**	**413**	**270**	**206**	**31,028**	**148,083**
Write back of impairment of receivables	**(25,398)**	**-**	**-**	**-**	**(94)**	**(25,492)**
Written off during the financial year as uncollectible	**(68,597)**	**-**	**-**	**-**	**(4,911)**	**(73,508)**
Currency translation differences	**(21,279)**	**(607)**	**-**	**-**	**1,188**	**(20,698)**
At 30 June 2022	**538,098**	**7,997**	**289**	**963**	**117,667**	**665,014**
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

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

	Related parties RM'000	Other receivables RM'000	Total RM'000
Company – 2022			
At 1 July 2021	**116,665**	**1,765**	**118,430**
Write back of impairment of receivables	**(79,680)**	**-**	**(79,680)**
At 30 June 2022	**36,985**	**1,765**	**38,750**
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

(e) 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 2022

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

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 - 2022				
Non-derivative:				
Trade and other payables	4,524,999	103,472	-	4,628,471
Bonds and borrowings	8,696,349	26,457,760	21,652,692	56,806,801
Lease liabilities	258,765	742,219	1,122,104	2,123,088
Related parties	35,531	-	-	35,531
	13,515,644	27,303,451	22,774,796	63,593,891
Derivative:				
Fuel oil swaps	8,053	1,298	-	9,351
Currency forwards	262	69	-	331
Electricity futures	13,425	-	-	13,425
	21,740	1,367	-	23,107
Company - 2022				
Non-derivative:				
Trade and other payables	27,917	-	-	27,917
Bonds and borrowings	2,208,298	1,092,800	1,956,625	5,257,723
Lease liabilities	7,074	2,358	-	9,432
Related parties	6,542	-	-	6,542
	2,249,831	1,095,158	1,956,625	5,301,614

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

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:- (continued)

	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

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 – 2022						
Non-current						
Investments	18	-	99,978	-	241,550	341,528
Trade and other receivables	20	2,481,355	275,745	-	-	2,757,100
Derivative financial instruments	21	-	-	20,607	-	20,607
Current						
Investments	18	-	1,500,569	-	-	1,500,569
Derivative financial instruments	21	-	884	415,007	-	415,891
Trade and other receivables	20	4,117,934	-	-	-	4,117,934
Amount due from related parties	25	101,465	-	-	-	101,465
Fixed deposits	26	8,230,733	-	-	-	8,230,733
Cash and bank balances	26	3,167,824	-	-	-	3,167,824
Total		18,099,311	1,877,176	435,614	241,550	20,653,651

	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 – 2022					
Non-current					
Long-term payables	29	-	-	103,472	103,472
Bonds	30	-	-	17,582,938	17,582,938
Borrowings	31	-	-	17,761,959	17,761,959
Lease liabilities	32	-	-	1,245,678	1,245,678
Derivatives financial instruments	21	761	606	-	1,367
Current					
Trade and other payables	37	-	-	4,524,999	4,524,999
Derivatives financial instruments	21	-	21,740	-	21,740
Amount due to related parties	25	-	-	35,531	35,531
Bonds	30	-	-	2,630,000	2,630,000
Borrowings	31	-	-	4,281,285	4,281,285
Lease liabilities	32	-	-	170,939	170,939
Total		761	22,346	48,336,801	48,359,908

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows: (continued)

		Financial Assets			
	Note	Amortised cost RM'000	Fair value through profit or loss RM'000	FVOCI RM'000	Total RM'000
Company - 2022					
Non-current					
Investments	18	-	14,153	9,598	23,751
Current					
Trade and other receivables	20	8,117	-	-	8,117
Amount due from related parties	25	951,154	-	-	951,154
Investments	18	-	545,668	-	545,668
Fixed deposits	26	160,328	-	-	160,328
Cash and bank balances	26	36,371	-	-	36,371
Total		1,155,970	559,821	9,598	1,725,389

		Financial Liabilities	
	Note	Amortised cost RM'000	Total RM'000
Company - 2022			
Non-current			
Bonds	30	2,240,000	2,240,000
Borrowings	31	55	55
Lease liabilities	32	2,339	2,339
Current			
Trade and other payables	37	27,917	27,917
Amount due to related parties	25	6,542	6,542
Bonds	30	1,000,000	1,000,000
Borrowings	31	1,066,908	1,066,908
Lease liabilities	32	6,844	6,844
Total		4,350,605	4,350,605

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows: (continued)

		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 - 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

		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 - 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
Derivatives financial instruments	21	39	674	–	713
Lease liabilities	32	–	–	1,303,867	1,303,867
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

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows: (continued)

		Financial Assets			
	Note	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

		Financial Liabilities	
	Note	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

39. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement

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

(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 – 2022				
Assets				
Financial assets at fair value through profit or loss:				
– Trading derivatives	-	884	-	884
– Income/equity funds	-	1,500,569	-	1,500,569
– Equity investments	14,153	85,825	-	99,978
Derivatives used for hedging	5,352	430,262	-	435,614
Financial assets at fair value through other comprehensive income	15,428	19,873	206,249	241,550
Total	34,933	2,037,413	206,249	2,278,595
Liabilities				
Financial liabilities at fair value through profit or loss:				
– Trading derivatives	-	761	-	761
Derivative used for hedging	13,425	8,921	-	22,346
Total	13,425	9,682	-	23,107

39. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position: (continued)

	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
Company - 2022				
Assets				
Financial assets at fair value through profit or loss	**14,153**	**545,668**	**-**	**559,821**
Financial assets at fair value through other comprehensive income	**4**	**-**	**9,594**	**9,598**
Total	**14,157**	**545,668**	**9,594**	**569,419**
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

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

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	2022 RM'000	2021 RM'000
Alliance Concrete Singapore Pte. Ltd.	Joint venture company	Sale of cement and concrete and related services	**136,128**	96,227
Bristol Wessex Billing Services Limited	Joint venture company	Billing and debts collection	**60,001**	61,221
		Information technology consultancy and related services	**18,102**	3,122
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**11,152**	10,813
		Rental income from outsource of hotel rooms and food & beverage income	**8,874**	14,681
ElectraNet Pty. Ltd.	Associated company	Interest income	**13,240**	26,370
Express Rail Link Sdn. Bhd.	Associated company	Progress billings related to civil engineering & construction works	**21,311**	21,190
P.T. Jawa Power	Associated company	Management, operation and maintenance fees	**65,918**	61,949
Starhill Global REIT	Associated company	Lease expense	**79,661**	62,889
		Progress billing of construction works	**12,657**	83,833
		Property management fees, leasing commission, servicer fees and other fees	**62,228**	62,017
Xchanging Malaysia Sdn. Bhd.	Joint venture company	IT Consultancy & related services expenses	**26,252**	34,064

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (continued)

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

			Company	
Entity	Relationship	Type of transactions	2022 RM'000	2021 RM'000
Pinnacle Trend Sdn. Bhd.	Subsidiary	Rental of premises	**7,418**	7,698

(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	
	2022 RM'000	2021 RM'000
Starhill Global REIT		
- Tenant deposits	**7,140**	7,140
- Progress billings	**100,094**	162,343
Company related to key management personnel		
- Trade receivables	**2,335**	2,335

(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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors' and key management personnel's remuneration				
- short-term employee benefits	**64,322**	45,101	**2,157**	1,558
- defined contribution plans	**5,011**	2,568	**146**	73
- benefits-in-kind	**661**	971	**-**	-
	69,994	48,640	**2,303**	1,631

Notes to the Financial Statements
– 30 June 2022

41. COMMITMENTS

(a) Capital commitments

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Authorised but not contracted for	**512,861**	644,980	**–**	–
Contracted but not provided for	**1,751,039**	711,181	**2,688**	–

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

	Group	
	2022 RM'000	2021 RM'000
Capital commitments in relation to addition investment	**36,668**	74,912

(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	
	2022 RM'000	2021 RM'000
Less than 1 year	**207,302**	182,310
Between 1 to 2 years	**143,414**	134,703
Between 2 to 3 years	**121,392**	118,459
Between 3 to 4 years	**109,328**	110,107
Between 4 to 5 years	**91,716**	108,115
Later than 5 years	**7,367**	51,670
Total undiscounted lease payments to be received	**680,519**	705,364

Those leases classified as finance leases are disclosed in Note 32(a).

42. SEGMENTAL INFORMATION

The Group has six reportable segments as described below:

(a) Construction

(b) Hotel operations

(c) Cement and building materials industry

(d) Management services & others

(e) Property investment & development

(f) Utilities

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

The Utilities segment comprises power generation (contracted), multi utilities business (merchant), water and sewerage and mobile broadband network. These sub-segments have similar economic characteristics. Details of these sub-segments are disclosed in YTL Power International Berhad's annual report which is available to the public.

42. SEGMENTAL INFORMATION (CONTINUED)

The segment information for the reportable segments is as follows:

	Construction 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
2022							
Revenue							
Total revenue	1,191,901	703,561	3,909,865	509,346	892,622	17,518,522	24,725,817
Inter-segment revenue	(55,673)	(9,890)	(18,890)	(205,124)	(175,254)	(19,483)	(484,314)
External revenue	1,136,228	693,671	3,890,975	304,222	717,368	17,499,039	24,241,503
Results							
Interest income	8,870	457	39,050	6,004	13,835	3,307	71,523
Finance costs	(11,758)	(23,064)	(204,715)	(536,129)	(152,194)	(658,712)	(1,586,572)
Share of results of associated companies and joint ventures	-	4,518	38,625	(758)	62,362	337,304	442,051
Segment profit/(loss) before tax	62,279	(58,364)	264,157	465,412	192,515	622,938	1,548,937
Segment assets							
Investment in associated companies and joint ventures	-	41,543	80,617	2,738	2,071,862	1,780,499	3,977,259
Other segment assets	726,271	2,395,191	10,016,018	13,410,426	6,858,457	34,959,162	68,365,525
Segment liabilities							
Bonds and borrowings	385,719	857,431	4,264,718	13,104,356	2,929,795	20,714,163	42,256,182
Other segment liabilities	491,819	328,796	1,145,728	1,524,770	1,337,443	7,738,782	12,567,338
Other segment information							
Capital expenditure	6,204	9,247	124,018	434,453	67,137	1,395,025	2,036,084
Impairment/(write back)	7,577	(195)	(15,873)	174,033	(190)	131,474	296,826
Depreciation and amortisation	14,294	70,062	357,931	21,325	149,841	1,258,189	1,871,642

42. SEGMENTAL INFORMATION (CONTINUED)

The segment information for the reportable segments is as follows: (continued)

	Construction 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	427,633	4,117,477	527,590	541,685	10,590,970	17,774,616
Inter-segment revenue	(54,756)	(6,921)	(23,968)	(224,610)	(175,089)	(18,853)	(504,197)
External revenue	1,514,505	420,712	4,093,509	302,980	366,596	10,572,117	17,270,419
Results							
Interest income	15,227	969	25,192	6,422	4,539	6,011	58,360
Finance costs	(7,243)	(24,568)	(193,455)	(536,962)	(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/(loss) before tax	217,403	(153,565)	562,886	(242,338)	(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	2,604,370	9,743,672	13,138,067	7,075,623	35,847,100	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	325,952	1,103,323	998,478	1,348,740	7,948,285	12,451,162
Other segment information							
Capital expenditure	11,608	96,748	118,474	34,984	23,235	1,733,705	2,018,754
Impairment/(write back)	–	(9,279)	59,338	3,474	(25,449)	21,738	49,822
Depreciation and amortisation	22,433	82,024	378,902	19,674	147,703	1,262,606	1,913,342

42. SEGMENTAL INFORMATION (CONTINUED)

(a) Geographical information

The Group's six business segments operate in three main geographical areas:

(i)	Malaysia	-	Construction
		-	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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	**5,570,614**	5,775,438	**11,777,165**	11,850,527
United Kingdom	**4,387,341**	3,852,723	**20,297,664**	21,373,358
Singapore	**13,200,534**	6,450,301	**9,157,038**	8,135,788
Other countries	**1,083,014**	1,191,957	**3,737,058**	4,017,163
	24,241,503	17,270,419	**44,968,925**	45,376,836

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

	Non-current assets	
	2022 RM'000	2021 RM'000
Property, plant and equipment	**31,943,103**	32,120,318
Right-of-use assets	**1,552,929**	1,712,517
Investment properties	**1,976,595**	1,976,498
Development expenditures	**806,353**	1,067,428
Intangible assets	**8,689,945**	8,500,075
	44,968,925	45,376,836

(b) Major customers

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

	2022 RM'000	2021 RM'000	Segment
Energy Market Company	**7,946,821**	2,620,109	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	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Bonds	30	**20,212,938**	23,328,057	**3,240,000**	3,240,000
Borrowings	31	**22,043,244**	21,746,386	**1,066,963**	1,066,995
Bonds and borrowings		**42,256,182**	45,074,443	**4,306,963**	4,306,995
Less: Cash and cash equivalents	26	**(11,398,557)**	(13,678,647)	**(196,699)**	(250,218)
Net debt		**30,857,625**	31,395,796	**4,110,264**	4,056,777
Equity attributable to owners of the parent		**12,938,529**	12,788,485	**6,192,757**	6,307,840
Capital and net debt		**43,796,154**	44,184,281	**10,303,021**	10,364,617
Debt-to-capital ratio (%)		**70**	71	**40**	39

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.

44. SIGNIFICANT EVENTS DURING AND AFTER REPORTING PERIOD

The United Kingdom fiscal statement on 23 September 2022 included the cancellation of the planned increase in the United Kingdom corporation tax rate to 25%. The cancellation was not substantively enacted as at 30 June 2022 and the date of this report, and hence has not been reflected in the measurement of deferred tax balances at the period end. If the Group's deferred tax balances at the period end were remeasured at 19% this would result in a deferred tax credit of RM568 million (GBP101 million) to the Income statements.

Save for the above, there was no other material events subsequent to the end of the current financial year ended 30 June 2022 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 29 September 2022.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of YTL Corporation Berhad (the **"Company"**) will be held on Tuesday, the 6th day of December, 2022 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 2022 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) Dato' Ahmad Fuaad Bin Mohd Dahalan ***Resolution 1***
   (ii) Dato' Yeoh Soo Keng ***Resolution 2***
   (iii) Syed Abdullah Bin Syed Abd. Kadir ***Resolution 3***
   (iv) Raja Noorma Binti Raja Othman ***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 2022. ***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 2023 to December 2023. ***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 nine years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 8***

   (ii) "THAT 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.

AND THAT in connection with the above, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares in the Company, such new shares when issued, to rank pari passu with existing issued shares in the Company." ***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 7 December 2021, 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;

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***

9. **PROPOSED WAIVER OF STATUTORY PRE-EMPTIVE RIGHTS OF SHAREHOLDERS OVER ALL OPTIONS GRANTED AND/OR TO BE OFFERED/GRANTED AND ALL NEW SHARES TO BE ISSUED IN RELATION TO THE EMPLOYEES SHARE OPTION SCHEME OF THE COMPANY**

"THAT further to the approvals granted by the shareholders of the Company at the Extraordinary General Meeting held on 1 December 2020 for the establishment of the Company's Employees Share Option Scheme ("**ESOS**") under which options will be granted to eligible employees and directors of the Company and/or its subsidiaries ("**Grantees**") to subscribe for new ordinary shares in the share capital of the Company in accordance with the By-laws of the 2020 Scheme set out in the Circular to Shareholders dated 10 November 2020, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all options granted and/or to be offered/granted to the Grantees, as well as all new shares of the Company to be issued pursuant to the ESOS, whether before or after the date of this resolution, such new shares when issued, to rank pari passu with existing issued shares in the Company." ***Resolution 12***

By Order of the Board,

HO SAY KENG
Company Secretary

Kuala Lumpur
31 October 2022

Notice of Annual General Meeting

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 https://www.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.*
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 **4 December 2022** 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 29 November 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as at 29 November 2022 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 2022. 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-Eighth Annual General Meeting held on 7 December 2021 ("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.

By voting in favour of Resolution 10, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act, 2016 over all new shares to be allotted and issued by the Directors pursuant to this mandate.

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 31 October 2022 which is available on the Company's website at https://www.ytl.com/meetings.

Resolution pertaining to the proposed waiver of statutory pre-emptive rights of shareholders over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS

Resolution 12 is for shareholders to affirm the waiver of their pre-emptive rights under Section 85 of the Companies Act, 2016 over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS.

As at the date of this Notice, none of the ESOS options granted were exercised.

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-Ninth 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-Ninth Annual General Meeting.

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-Ninth 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, 6 December 2022** 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 Dato' Ahmad Fuaad Bin Mohd Dahalan		
2.	Re-election of Dato' Yeoh Soo Keng		
3.	Re-election of Syed Abdullah Bin Syed Abd. Kadir		
4.	Re-election of Raja Noorma Binti Raja Othman		
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		
12.	Proposed waiver of statutory pre-emptive rights of shareholders of the Company		

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 ____________________________ 2022.

____
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.

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* ***4 December 2022*** *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 29 November 2022 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.*

First fold here

AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for the 39th 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

Then fold here

Fold this flap for sealing