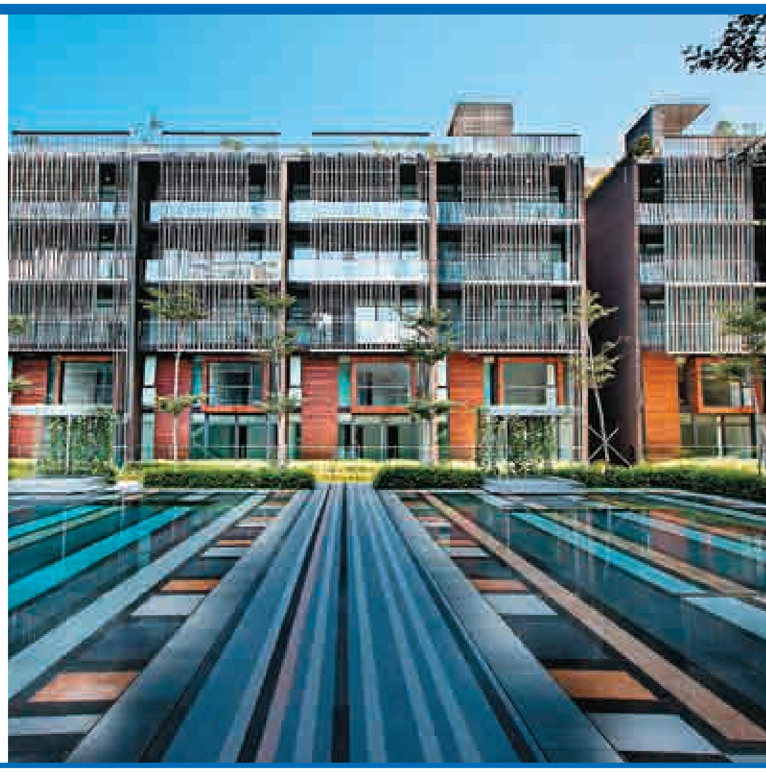
YTL CORPORATION BERHAD 92647-H

the journey continues...

YTL BEYOND 60

annual report 2015





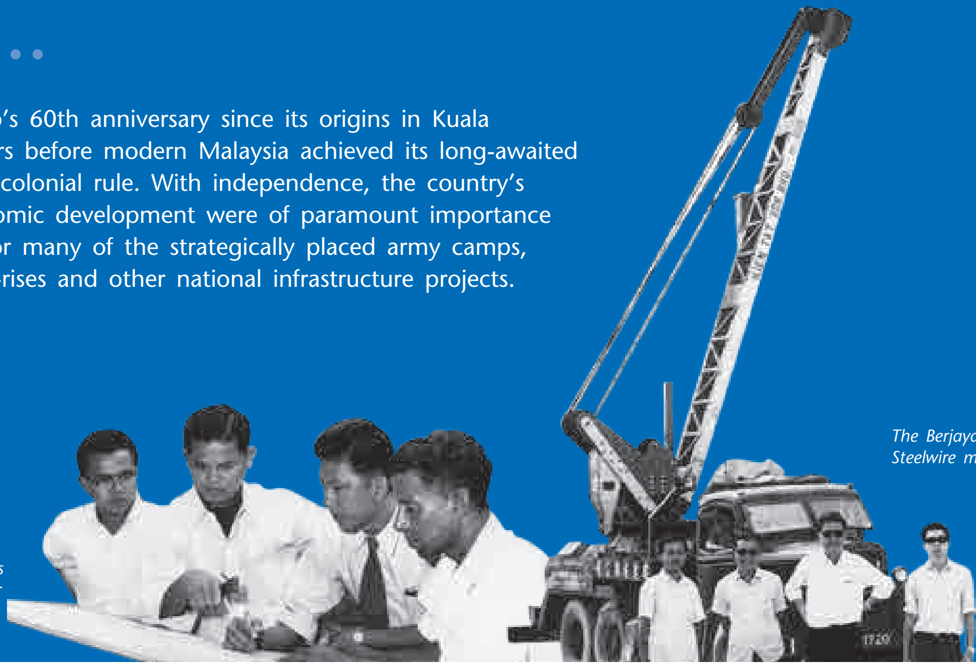
CONTENTS

SINCE 1955

YTL CORPORATION BERHAD (92647-H)

THE JOURNEY
BEGINS...

2015 marks the YTL Group's 60th anniversary since its origins in Kuala Selangor in 1955, two years before modern Malaysia achieved its long-awaited independence from British colonial rule. With independence, the country's national security and economic development were of paramount importance and YTL was responsible for many of the strategically placed army camps, hospitals, commercial high-rises and other national infrastructure projects.



Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay (second from right) detailing plans for the development of Kuala Selangor in 1955

The Berjaya Kawat Steelwire mill site

1955 — **1960s** — **1970s**

The first YTL fleet

Seremban Outpatient Centre

Universiti Sains Malaysia Sub-Campus at Sri Iskandar, Perak

Medical School, Universiti Sains Malaysia, Kota Bharu, Kelantan

Building the Nation's Infrastructure

YTL's experience developed rapidly in meeting the country's immediate construction needs, from military and police camps to town halls, schools, medical facilities, and other public sector and institutional buildings vital to give the newly-formed country its identity and direction.

Construction of Educational Centres

YTL began contributing to the Government's programme to eradicate illiteracy and achieve educational excellence in the 1960s and 1970s. The Group constructed numerous academic institutions starting with rural primary and secondary schools and teachers' quarters and expanding in later years to bigger projects including science schools in Sungai Petani and Kangar, vocational centres and university campuses in Kota Bharu and Sri Iskandar in Perak.

National Healthcare Facilities

In the 1980s, YTL began constructing larger hospitals such as the Klang General Hospital and the Kuala Terengganu General Hospital, the country's first turnkey hospital contract.

Nucleus Hospitals

The Government instituted its Nucleus Concept to develop a comprehensive rural health network throughout the peninsula, as an integral component of the nation's progress. YTL constructed 12 district hospitals throughout the country under this programme, beginning in 1990.

Commencement of Cement Operations

YTL's cement operations commenced in the late 1970s primarily to support and complement the construction division. The division started with a single plant and only six trucks but the buoyant construction industry fuelled rapid growth throughout the 1980s.

Contribution to the Nation's Modernisation

YTL's established reputation for expertise, reliability and efficiency created a flood of demand during the high-rise era of the 1980s and 1990s when the country was gripped by the momentum to modernise. Decades of experience enabled the Group to undertake construction on a vast array of projects, ranging from high rise commercial buildings, large-scale infrastructure and residential developments.

Klang General Hospital

Istana Hotel, Kuala Lumpur

Malacca State Development Corporation office block

Kulim Nucleus Hospital, Kedah

1980s

1990s





Taman Puncak Kinrara, Puchong

Asian Supply Base Phase II Shell Dedicated Terminal in Labuan

Development of Affordable Housing

YTL began developing affordable housing under the Government's 'Special Low Cost Housing' programme in the mid-1980s, developing a raft of projects such as Taman Pakatan Jaya (integrated satellite town in Ipoh, Perak), Taman Cahaya Masai (low and medium cost apartments, houses and shop lots in Johor) and Taman Puncak Kinrara (low and medium cost apartments, and double storey and terrace houses in Puchong).

Pangkor Laut Resort Opens

Pangkor Laut Resort was opened in the mid-1980s and YTL has developed it into an internationally acclaimed resort, painstakingly created to blend in with and complement the natural environment of the island.

Listing of YTL Corporation Berhad

On 3 April 1985, YTL Corporation Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad (then known as the Kuala Lumpur Stock Exchange).

Launch of Pantai Hillpark

Pantai Hillpark, with its Mediterranean-inspired architecture, was the Group's most successful high-end development throughout the 1990s. Phase I was launched in 1991, with subsequent phases following shortly thereafter. Centrio, comprising SOHO units, was completed in 2010, and commercial and high-end residential phases are planned for the future.

Vistana Hotel Kuala Lumpur Opens

The Vistana Hotel in Kuala Lumpur commenced operations in 1995, offering a moderately priced hotel catering to business travellers. This design proved successful and, in 1999, YTL opened two new hotels in the chain – the Vistana Kuantan and the Vistana Penang.

Malaysia's First Independent Power Producer (IPP)

In April 1993, YTL was awarded the first IPP licence and, within six months, raised a record RM2.66 billion entirely from the domestic financial markets, the largest ever Ringgit-denominated financing package at the time.

Listing of YTL Cement Berhad

In 1993, YTL Cement Berhad (then known as Buildcon Berhad) was listed on the Second Board of Bursa Malaysia Securities Berhad and, in 1997, had its listing transferred to the Main Market of Bursa Malaysia Securities Berhad. YTL Cement Berhad was delisted and privatised under the umbrella of the YTL Group In 2012.

Tokyo Stock Exchange Listing of YTL Corporation Berhad

On 29 February 1996, YTL Corporation Berhad obtained a secondary listing on the Foreign Section of the Tokyo Stock Exchange, the first non-Japanese Asian company to list on the Tokyo Stock Exchange.

Signing ceremony for the RM2.66 billion credit facility

Tokyo Stock Exchange President Mitsuhiro Yamaguchi and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping at the listing ceremony

From left to right, Dato' Mark Yeoh Seok Kah; the late Harald Burchardt, Managing Director of YTL Power Services Sdn Bhd; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay (in background); Prime Minister Tun Dr Mahathir Mohamad; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, at the official launch of the Paka Power Station

Investment in Eastern & Oriental Express

In 1991, YTL entered into a Shareholders Agreement for the legendary Eastern & Oriental Express luxury train service to Malaysia. Travelling between Singapore and Bangkok, the inaugural service of the Eastern & Oriental Express took place on 19 September 1993.

Record Continuous Cement Pour for the KL Tower Raft Foundation

In December 1992, YTL created a new Malaysian record with the continuous pour of 5000 cubic metres of concrete in 31 hours for the massive raft foundation of the Menara Kuala Lumpur tower, at the time the tallest tower of its kind in Asia.

Commissioning of the Power Plants

On 16 September 1995 and 22 September 1995, respectively, YTL's natural gas-fired, combined cycle power stations at Paka, Terengganu, and Pasir Gudang, Johor, were fully commissioned and commenced operations. Completed within 22 months, the YTL power plants set a new world record for construction of combined cycle power stations.

The Ritz-Carlton, Kuala Lumpur Opens

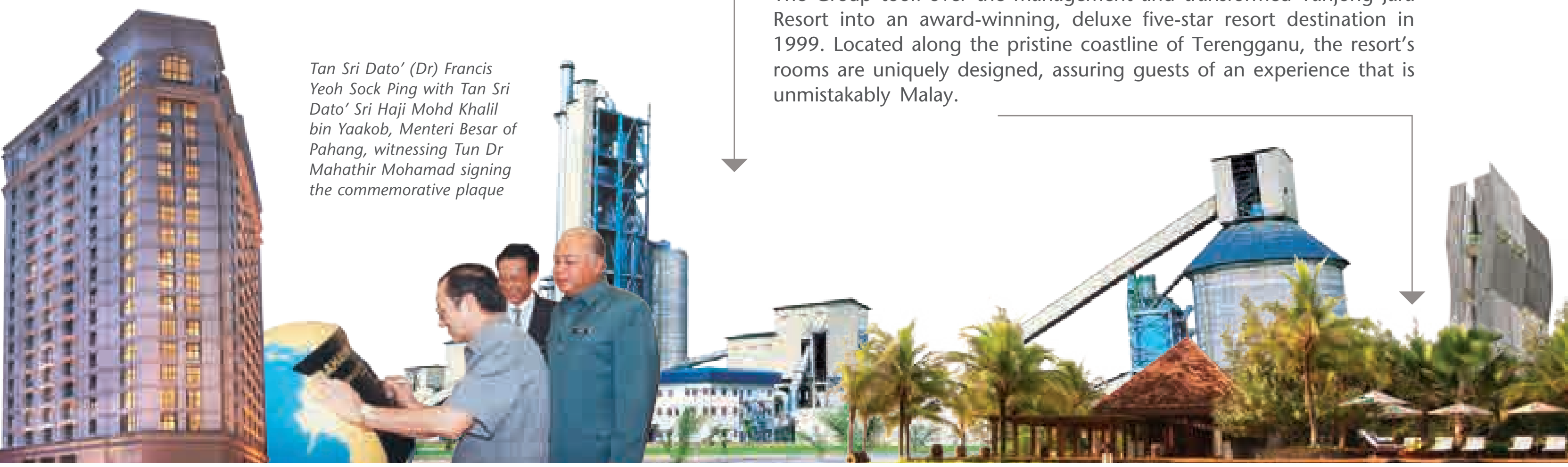
YTL opened The Ritz-Carlton, Kuala Lumpur in 1997, featuring the timeless elegance of The Ritz-Carlton style, blending old-world European elegance with fine Malaysian art and craftsmanship. In 2005, the Group completed construction of the adjoining complex, The Residences at The Ritz-Carlton, Kuala Lumpur.

Official Opening of Pahang Cement Plant

Operations commenced in 1998 at Pahang Cement Sdn Bhd's state of the art plant at Bukit Sagu, Pahang, undertaken as a joint venture between YTL and the Pahang State Government. With a capacity of 1.2 million tonnes per annum, this was the only integrated cement plant in the eastern corridor of Peninsula Malaysia. In 2004, the Group acquired the remaining 50% interest in Pahang Cement.

Tanjong Jara Resort Opens

The Group took over the management and transformed Tanjong Jara Resort into an award-winning, deluxe five-star resort destination in 1999. Located along the pristine coastline of Terengganu, the resort's rooms are uniquely designed, assuring guests of an experience that is unmistakably Malay.



Tan Sri Dato' (Dr) Francis Yeoh Sock Ping with Tan Sri Dato' Sri Haji Mohd Khalil bin Yaakob, Menteri Besar of Pahang, witnessing Tun Dr Mahathir Mohamad signing the commemorative plaque

1990s (continued)

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay (in foreground) with the members of the Board of Directors of YTL Power International Berhad, from left to right, Tuan Syed Abdullah Bin Syed Abd Kadir, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Min, Dato' (Dr) Yahya Bin Ismail, Dato' Yeoh Seok Hong, Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and the late Raja Tun Mohar Bin Raja Badiozaman

Concession Agreement Signing Ceremony for the Express Rail Link on 25 October 1997

Listing of YTL Power International Berhad

On 23 May 1997, YTL Power International Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad.

Acquisition of Starhill Gallery and Lot 10 & the Development of Bintang Walk

In 1999, YTL acquired the Lot 10 and Starhill Gallery shopping centres, together with the adjoining JW Marriott Hotel Kuala Lumpur, and proceeded to transform the surrounding areas into the 'Bintang Walk' shopping walkway.

Construction of the Express Rail Link

In 1997, the Engineering, Procurement and Construction contract for the Express Rail Link project connecting Kuala Lumpur to Kuala Lumpur International Airport was awarded to a consortium comprising Siemens AG, Siemens Electrical Engineering Sdn Bhd and YTL. YTL completed construction on schedule in 2002 and currently owns a 50% stake in Express Rail Link Sdn Bhd.

Launch of the Sentul Masterplan

In April 2002, YTL unveiled the new Sentul Masterplan, the Group's vision for the urban renewal of Sentul, in the heart of Kuala Lumpur. Since then, residences have launched in each of the two distinct quadrants that make up Sentul – in Sentul West, ***The Maple***, and in Sentul East, ***The Tamarind***, ***The Capers*** and ***The Fennel***. Commercial aspects of the Masterplan include the boutique offices ***d6*** and ***d7***, which were completed in 2011, and the upcoming d2 and d5. Sentul's unique features include the 35-acre Park at Sentul West and the Kuala Lumpur Performing Arts Centre.

Acquisition of Wessex Water Limited, United Kingdom

In May 2002, the YTL Group acquired a 100% equity stake in Wessex Water Limited for an enterprise value of GBP1.24 billion. Wessex Water is one of the most efficient water and sewerage providers in the United Kingdom, supplying 1.3 million customers with water and 2.7 million customers with sewerage services daily.

The Fennel at Sentul East

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Dato' Yeoh Seok Kian at the launch of the Sentul Masterplan

Kuala Lumpur Performing Arts Centre

From left to right, Dato' Mark Yeoh Seok Kah, Keith Harris, former Finance Director of Wessex Water Services Limited, Colin Skellett, Chief Executive Officer of Wessex Water Services Limited, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Dato' Yeoh Seok Hong at Wessex Water's headquarters in Bath

2000s

Jim Miller of Macquarie Bank and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping at the signing ceremony

From left to right, TNB Chairman the late Dato' Jamaludin Bin Mohd Jargis, Minister for Energy, Telecommunications & Posts Datuk Leo Moggie, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Dato' Yeoh Seok Hong

Supplemental Power Purchase Agreement with Tenaga Nasional Bhd (TNB)

The YTL Group entered into a three-year Supplemental Power Purchase Agreement with TNB in January 2001 for the supply of an additional 1,400 GWh of electricity per annum.

Acquisition of 33.5% Stake in ElectraNet Pty Ltd, Australia

In 2000, the Group acquired a 33.5% equity interest in ElectraNet Pty Ltd, its first significant foreign investment. ElectraNet owns and operates the electricity transmission grid for the state of South Australia under a 200-year concession from the Australian government.

Listing of YTL e-Solutions Berhad

On 2 July 2002, YTL e-Solutions Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad.

Launch of Lake Edge, Puchong

The Lake Edge development situated in Puchong was launched in April 2004 and has seen excellent take-up rates. Lake Edge is a secure gated community with resort-like facilities, offering innovative new home designs such as ***Courtyard Homes, Parkville, Promenade Homes, Waterville*** and ***Pavilion Terraces.***

Listing of YTL Hospitality REIT

YTL Hospitality REIT (then known as Starhill Real Estate Investment Trust) was listed on the Main Market of Bursa Malaysia Securities Berhad on 16 December 2005 with a retail and hotel portfolio. YTL Hospitality REIT acquired its present name in 2013 following the completion of a rationalisation exercise to transform the Trust into a pure-play hospitality vehicle focusing on a single class of hotel and hospitality-related assets.

Lake Fields, Sungei Besi

The Lake Fields development is a residential estate within a gated and guarded enclave in Sungei Besi. It was launched in 2005 and offers spacious 3-storey homes such as ***Meadows*** and ***Glades, Dale, Grove*** and ***Reed***.

2000s (continued)

From left to right, Choi Ir-Ju, Chief Representative South-East Asian Countries for Doosan, Hasan Ameer Ali, Executive Director of Gopeng, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Sung Hee Lee, Executive Vice President & Chief Financial Officer of Doosan and Dato' Sri Michael Yeoh Sock Siong, at the signing ceremony for the partial stake held by Korea's Doosan Heavy Industries & Construction Co Ltd

From left to right, Ralf Lucht, former President Director of PT Jawa Power, Colin Scoins, E.ON UK Head of Asian Asset Management, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Jongkie Sugiarto, President Director of PT Bumipertiwi Tatapradipta, and Dato' Yeoh Seok Hong at the completion ceremony in 2004

Dato' Yeoh Seok Hong and Marubeni Corporation's Masumi Kakinoki at the signing of the co-investment agreement in 2011

Acquisition of Perak-Hanjoong Simen Sdn Bhd

In 2004, the Group acquired a 64.84% equity interest in Perak-Hanjoong Simen Sdn Bhd, the second largest integrated cement producer in the country with an annual capacity of 3.0 million metric tonnes per annum for clinker and 3.4 million metric tonnes per annum for cement. The Group acquired the remaining 35.16% interest in Perak-Hanjoong Simen in 2010.

Investment in PT Jawa Power, Indonesia

In 2004, the Group acquired a 35% interest in PT Jawa Power, the owner of a 1,220 MW power station in Java, Indonesia. Operation and maintenance for the plant is carried out by PT YTL Jawa Timur, a YTL subsidiary. The Group currently has an effective interest of 20% in Jawa Power, following a co-investment agreement with Japan's Marubeni Corporation in 2011.

The Majestic Malacca Opens

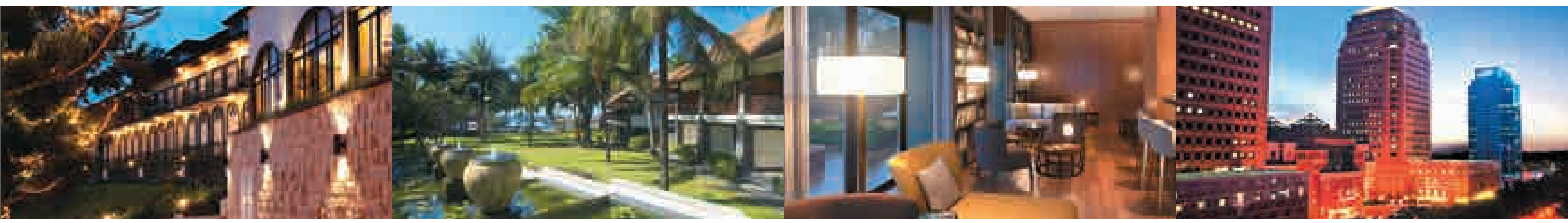
Set in the historical seaport city of Malacca, the hotel opened in January 2008. The Majestic Malacca, with influences drawn from the Portuguese, the Dutch, the British and the Peranakan Chinese, is an integral part of Malacca's history. The original mansion was restored whilst preserving the integrity of the building's history and heritage.

Acquisition of Zhejiang Hangzhou Dama Cement Co Ltd, China

The Group acquired a 100% stake in Zhejiang Hangzhou Dama Cement Co Ltd in the People's Republic of China in 2007, one of the largest suppliers in the Hangzhou market with annual cement and clinker production capacities of 1.5 million tonnes and 1.55 million tonnes, respectively.

Launch of Midfields, Sungei Besi

Midfields, which was unveiled in 2008, features prime residential and commercial units. Midfields' residential units comprise cutting edge condominiums, whilst its commercial precinct comprises office and retail units.



Cameron Highlands Resort Opens

Cameron Highlands Resort, a 56-room luxury hotel, opened in 2006, situated in a prime location adjacent to the only golf course in the country's foremost hill resort, and was designed and conceptualised to complement its highland setting and old English charm.

Spa Village Resort Tembok, Bali, Opens

The Group launched Spa Village Resort Tembok, Bali, in 2007, expanding its successful Spa Village concept into a spa resort. The resort is located on the north-eastern coast of the Bali, away from over-crowded tourist areas.

Acquisition of Westwood Apartments, Singapore

In 2007, YTL acquired the Westwood Apartments located on Singapore's famed Orchard Boulevard. The property is currently being developed into 3 Orchard By-The Park, a luxury property comprising 77 exclusive residences.

Investment in Starhill Global REIT, Singapore

In December 2008, the Group acquired a 26% stake in Starhill Global REIT which is listed on the Singapore stock exchange, as well as a 50% interest in the REIT's management company. Starhill Global REIT owns 13 prime retail and office assets across Singapore, Malaysia, Australia, Japan and China. The Group currently owns a 37.1% stake in the REIT and 100% of the management company.

Acquisition of YTL PowerSeraya Pte Limited, Singapore

In 2009, the Group acquired YTL PowerSeraya Pte Limited from Singapore's Temasek Holdings (Private) Limited for a purchase consideration of SGD3.6 billion. YTL PowerSeraya is the second largest power generation company in Singapore in terms of installed capacity, with a total licensed capacity of 3,100 MW, as well as oil trading and multi-utility businesses.

Muse Saint Tropez

Muse, a new luxury boutique hotel, opened its doors in St. Tropez, France, in June 2010. The hotel represents a completely new concept in luxury hotel products, providing guests with a sense of high style, featuring amenities from private pools to wine cellars, and even dedicated private spa treatment areas.

Acquisition of Niseko Village, Japan

Acquired in April 2010, Niseko Village occupies over 600 hectares of land in the south-eastern foothills of Mount Niseko Annupuri in Hokkaido, Japan. The village comprises two luxury hotels – the Hilton Niseko Village and the Green Leaf – as well as bespoke townhouses, golf courses, ski slopes and large tracts of undeveloped land.

From left to right, Dato' Yeoh Seok Hong, Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Dato' Yeoh Seok Kian, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Dato' Yeoh Soo Min, during a site visit to YTL PowerSeraya

2000s (continued)

2010s

From left to right, Jung Yeong Joo of Samsung; John Ng, former Chief Executive Officer of YTL PowerSeraya; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay; Dr Yaacob Ibrahim, Singapore's Minister for Communications and Information; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; Dato' Yeoh Seok Hong; and Dr Ranier Hauenshchild of Siemens

From left to right, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Deputy Prime Minister Tan Sri Dato' Haji Muhyiddin Yassin and Information, Communications, and Culture Minister Dato Seri Utama Dr Rais Yatim at the launch

Launch of 800 MW Co-Generation Plant

The Group's subsidiary, YTL PowerSeraya Pte Limited, officially launched its newest 800 MW natural gas-fired co-generation combined cycle plant in October 2010, which is capable of producing electricity and steam at higher rates of efficiency.

Launch of Yes

In November 2010, the Group launched the Yes 4G wireless broadband network across Peninsular Malaysia, providing users with fast, ubiquitous and always-connected voice, data and video services.

Gaya Island Resort in Sabah Opens

Opened in 2012, Gaya Island Resort, off the coast of Kota Kinabalu in Borneo, is a beautiful beachfront resort in stunning surroundings, seamlessly integrated within the island's mangroves and natural environment.

The Majestic Hotel Kuala Lumpur

The Majestic Hotel Kuala Lumpur held its grand opening in December 2012. Built in the 1930s, the hotel was the largest and grandest in the city at its height, unrivalled for prestige and luxury. Newly restored, The Majestic Hotel Kuala Lumpur includes the original Hotel Majestic, which is a gazetted national heritage site.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay receiving the key from Mr Lim Heng Suan, former bookkeeper at the original Hotel Majestic

Sandy Island Collection

Sydney Harbour Marriott

Melbourne Marriott

Brisbane Marriott

Development of Sandy Island & Kasara, The Lake

The Group completed construction in 2011 of 18 waterfront villas comprising the Sandy Island collection and 13 luxury bespoke villas comprising the Kasara, the Lake, collection, both of which are part of Singapore's iconic Sentosa Cove development.

Acquisition of Marriott Hotels in Brisbane, Sydney & Melbourne, Australia

In 2012, the Group acquired the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia for a total purchase consideration of AUD415 million. The three Marriott hotels are operated by the Marriott International, Inc. group, a leading worldwide operator and franchisor of hotels.

Launch of Yes-Powered Samsung 4G Chromebook

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

From left to right, Ian Son and Kwon JaeHoon of Samsung; Wing Lee, Chief Executive Officer of YTL Communications Sdn Bhd; David Song of Samsung; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; Caesar Sengupta of Google Inc; Dato' Yeoh Seok Hong; and Felix Lin of Google Inc

ERL Extension to KLIA2

YTL undertook the extension of the Express Rail Link service connecting Kuala Lumpur International Airport (KLIA) with KLIA2, the new-cost carrier terminal, which began operating in 2014. In 2015, the KLIA Ekspres service carried its 60 millionth passenger.

2010s (continued)

From left to right, Professor Datuk Dr Harun Abdullah, Universiti Sabah Malaysia; Datuk Jame Bin Alip, Director of Education, Sabah; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay; Datuk Seri Panglima Musa Bin Aman, Chief Minister of Sabah; Dato' Yeoh Soo Keng; Wing Lee, Chief Executive Officer of YTL Communications Sdn Bhd; and Datuk Abdullah Hj Mohd Said, Universiti Sabah Malaysia

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

The Yeoh Tiong Lay Centre of Politics, Philosophy & Law was established with a £7.0 million donation from YTL Foundation to King's College London in May 2013. The work of the Yeoh Tiong Lay Centre will underpin the teachings of King's College London's new Politics, Philosophy & Law (PPL) LLB degree.

Yes 4G Network Launched in Sabah

In April 2014, the Yes 4G network was expanded to Sabah, with 60% population coverage, covering most major cities and towns in state.

Express Rail Link Sdn Bhd Wins Global AirRail Award 2015

Express Rail Link Sdn Bhd, a subsidiary of the Group, won the coveted title of North Star Air Rail Link of the Year for the third time at the Global AirRail Awards 2015, adding to wins in 2012 and 2014.

Official Launch of The Gainsborough Bath Spa

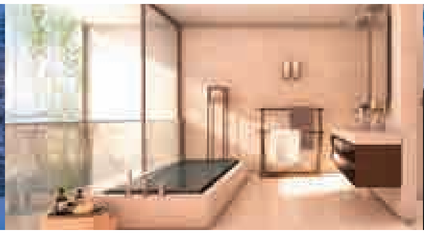
In September 2015, the Group held the official opening of The Gainsborough Bath Spa in the United Kingdom. The hotel is centred around Spa Village Bath with exclusive access to Bath's natural thermal, mineral-rich waters.

Largest Cement Terminal in Singapore

In 2014, operations commenced at the Group's new cement terminal located in Singapore's Jurong Port industrial hub. The terminal is the largest in Singapore, handling a range of cementitious products, and includes a full-scale blending plant.

Chief Executive Officer of ERL Maintenance Support Sdn Bhd, Thomas Baake, and Chief Executive Officer of ERL, Noormah Mohd Noor, receiving the awards in Toronto

2015



Launch of Shorefront, Penang

Shorefront in Penang was launched in 2015 and is one of the last sea-facing developments along the Georgetown coast. The property is a niche, upmarket, low-rise, low-density development next to the historic E&O Hotel.

From left to right, Mr Sajid Javid MP, British Secretary of State for Business, Innovation & Skills; Mr Gavin Anderson, British Council Director; Dato' Yeoh Seok Kian; and Mr Chris Hickey, British Council Schools Director

Launch of Kasara Niseko Village Townhouse

December 2014 saw the launch of Kasara Niseko Village Townhouse, a collection of townhouses that embody authentic Japanese charm with contemporary living elegance in the heart of Niseko Village in Hokkaido, Japan.

Development of New International School in Sentul West

In July 2015, the Group signed a Memorandum of Understanding with the British Council for the development of a new international school in Sentul West, part of the Group's Sentul urban regeneration development.

YTL Beyond 60

This year marks the 60th anniversary of the founding of the YTL Group, which has grown from its origins in construction in Kuala Selangor in 1955 into an integrated infrastructure developer with international operations spanning three continents, in countries including the United Kingdom, Singapore, Australia, Japan, China and Indonesia.

The YTL Group has expanded exponentially from its construction roots to businesses encompassing power generation and transmission, water and sewerage facilities, merchant multi-utilities, communications, cement manufacturing, property development and investment, hotel development and management, e-commerce initiatives and internet-based education solutions and services.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
Executive Chairman, YTL Corporation Berhad

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

ORIGINS IN CONSTRUCTION

Our journey has its beginnings in the Yeoh Tiong Lay Construction Company, established in 1955 with the modest goal of developing the Kuala Selangor region. The era saw the onset of the State of Emergency declared by the colonial British government to counter the threat from communist insurgents and, against this backdrop, YTL's early foundations were grounded in the construction of army barracks and munitions depots essential to ensure national security.

Following independence in 1957, the new Malaysian Government worked to develop the country, implementing vital large-scale infrastructure projects such as schools, hospitals and clinics, waterworks, power stations, roads, bridges and other basic facilities. YTL's initial involvement was predominantly in rural developments and we benefited from the policies of the day which enabled innovative and efficient entrepreneurs to thrive. Throughout the 1960s and 1970s, we continued to hone our construction knowledge, building defence and security installations for the Government, and progressing to educational, agro-business and commercial construction and development.

In the 1980s the Malaysian Government turned more heavily towards privatisation, looking to the private sector to drive the engine of economic growth. In this new environment, motivated by new incentives, we introduced the turnkey concept in Malaysia, and designed, raised the capital for, and built hospitals, including 12 nucleus hospitals, universities, residential properties, high-rise office buildings, industrial facilities and other infrastructure projects. Some of the most recognisable of these include the Malaysia Airlines System (MAS), Apera-ULG (now known as Menara ING), UMBC and PERKIM buildings, Sibu Airport and the Klang and Kuala Terengganu general hospitals.

Successful completion, particularly of the hospitals, bolstered our construction credentials further and laid the groundwork for the development of 12 nucleus hospitals across the country. With work commencing at all 12 sites simultaneously, the project was completed within 24 to 27 months, in advance of the 30-month contract period. The division had also embarked on the construction of two combined-cycle power plants. Work on these power stations in Paka, Terengganu, and Pasir Gudang, Johor, began in November 1993 and both plants were successfully commissioned and commenced operations within 22 months, a record-breaking feat.

In 1998, work commenced on the Express Rail Link (ERL) project connecting Kuala Lumpur with its international airport. Completed in 2002, the project was built using Siemens rail transportation technology and the ERL is virtually identical in design to the high-speed rail system in cities like London. The difference, however, is that YTL was able to build the ERL at a fraction of the cost and the service also runs on a fare of just RM35 for a 28-minute, 57-kilometre journey, making it one of the cheapest fares-per-kilometre in the world for rapid rail transit.

Other significant infrastructure contracts included the electrified double track projects between Sentul and Batu Caves, completed in 2010, and from Kuala Lumpur International Airport (KLIA) to KLIA2, the new low-cost carrier terminal, completed in 2014. The division has been instrumental in enhancing Kuala Lumpur's skyline over the years, in addition to constructing several YTL hotels and every phase of the Group's extensive residential developments from Pantai Hillpark, to Lake Fields, Lake Edge, Sentul and beyond.

EXPANSION INTO CEMENT OPERATIONS

One of the key lessons we learned along the journey occurred in the 1970s, when the local construction business was developing into a highly specialised industry. Yet Malaysia's construction contractors were still heavily reliant on imported building materials as the local industry had yet to develop sufficient capacity. The oil crisis of the early 1970s and the country's exposure to the volatile global commodities markets of the time meant skyrocketing prices of cement and steel hit every local contractor hard.

YTL was no exception, burdened with contracts priced before the effects of a global oil crisis could be anticipated. The Group rallied in order to survive, streamlining operations and increasing efficiencies to complete every project, and the benefits of being able to mitigate the vagaries of our operating environments by diversifying into complementary business lines became evident.

Cement operations commenced in the late 1970s as a natural adjunct of the construction contracting business, mitigating the risks of both supply and price of this essential building material. The division began with just one batching plant and 6 trucks, working from there to expand exponentially to reach the size and scale to stand alone as a self-sustaining business. Along the way, the Group made a series of strategic acquisitions to bolster its progress.

In 1995, the Group embarked on the development of Pahang Cement, its first integrated plant, a state-of-the-art facility located in Bukit Sagu, Pahang. The project was initially undertaken as a joint venture between YTL and the Pahang State Government, and operations commenced in 1998. With a capacity of 1.2 million metric tonnes (MT) per annum, this was the only integrated cement plant in the eastern corridor of Peninsula Malaysia. In 2004, the Group acquired the remaining 50% of Pahang Cement from the Pahang State Government.

In 2001, the Group acquired C.I. Readymix, which expanded its operations and distribution networks in the Klang Valley. Thereafter, in 2005, the Group acquired a 64.8% stake in Perak-Hanjoong Simen, an integrated plant with a total combined plant capacity of 3.0 million MT per annum of clinker and 3.4 million MT per annum of cement, in addition to a cement depot and packing plant with an annual capacity of 600,000 MT. The Group acquired the remaining 35.2% stake in Perak-Hanjoong Simen in 2010.

Looking to international markets, YTL expanded into China in 2007 with the acquisition a 100% stake in Zhejiang HangZhou Dama Cement, one of the largest suppliers in the wider Hangzhou market, with production capacities of 1.55 million MT per annum of clinker and 2.0 million MT per annum of cement.

Also in 2007, the Group had the distinction of being selected as the sole supplier to the biggest integrated resort development on Singapore's iconic Sentosa Island, subsequently expanding its ready-mix operations to four additional locations and establishing a cohesive, fully-operational division to supply the Singapore market. From this initial beginning in Singapore, the Group continued to develop its operations and, in 2014, our new cement terminal in Singapore's Jurong Port industrial hub became operational, becoming a new landmark as the largest cement terminal in Singapore.

The division's growth has been driven both organically, through an intense focus on increasing operational efficiencies and cost-effectiveness, as well as through a series of highly strategic acquisitions that have propelled it into the position of the 2nd largest cement operator in Malaysia and a key operator in Singapore, a significant achievement in light of the size, scale and resources of existing operators in these highly competitive markets.

DEVELOPMENT OF RESIDENTIAL, COMMERCIAL & HOSPITALITY ASSETS

The progression from our core construction and building materials businesses to property development was a natural one in the mid-1980s. The division became active amid the recession that gripped the country and escalated the need for low-cost housing. After initial projects consisting of walk-up flats, we streamlined construction costs and designs to begin offering better quality, more spacious 3-bedroom low-cost houses. These attractive developments were highly popular with buyers and made possible by our approach of keeping land costs low through joint ventures with landowners and profit sharing agreements to cut costs and reduce premiums and fees.

As the nation became more affluent, demand for more varied housing such as condominiums grew, and the YTL Group was one of the first developers in Malaysia to venture into this field on a wide scale, with developments such as Indera Putra Court in Johor and Pantai Hillpark in Kuala Lumpur. The Group now focuses on its new generation of property development projects which revolve around the creation of aesthetically appealing lifestyle concepts, with phases currently under development in our Sentul, Lake Fields, Midfields, Pantai Hillpark and Shorefront centrepiece projects.

Expanding into international markets, YTL developed the award-winning Sandy Island and Kasara collections in Singapore's Sentosa Cove, and is in the midst of developing its newest project, 3 Orchard By-The-Park, an exclusive bespoke condominium development on Orchard Boulevard.

With each successive housing project, from Spanish-inspired condo-villas, boutique SOHO (small-office/home-office) units and lakefront homes to the unique lifestyle of park living in Sentul and exquisite island villas in Sentosa Cove, the Group has aspired to create varied lifestyles and set new benchmarks across Malaysia and Singapore. This commitment to developing lifestyle concepts and homes in idyllic living environments has continued to be the hallmark of YTL-branded properties, and has driven us to offer our homeowners features such as a gated park and landscaped gardens, all designed to enhance the quality of life.

The development of our hotel business has been no different, with both service and operational excellence being key drivers in our aspirations to offer special and differentiated experiences to our guests. From the start, the division has not been confined to any one particular activity or sector in the hospitality industry, and we are now involved in both ownership and management of properties and operations ranging from moderately-priced hotels to luxury trains.

Pangkor Laut Resort was the Group's first venture in the hospitality industry, undergoing several phases of development as we gained experience over the years, to reach its current status as one of the best and most sought-after luxury resort experiences the country has to offer. Key to the division's success has been the forging of thriving partnerships as well as our own involvement in property ownership, establishing our position as both hotel owners and operators. The division continued to expand aggressively and the Group now owns and manages a stellar collection of hotels and resorts, both directly and under YTL Hospitality REIT in Malaysia, Japan, Australia, the United Kingdom, France, Indonesia and Thailand.

YTL Hospitality REIT houses the Group's business hotels in the Vistana chain to luxury assets including the Pangkor Laut, Tanjong Jara and Cameron Highlands resorts, the JW Marriott Hotel Kuala Lumpur, The Ritz-Carlton, Kuala Lumpur and The Residences at The Ritz-Carlton, Kuala Lumpur. Internationally, the Trust owns the Hilton Niseko Village in Hokkaido, Japan, and the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia.

The Group's internationally renowned hotels and resorts also include the Muse Saint Tropez, France, Spa Village Resort Tembok, Bali, The Green Leaf and Kasara Townhouse in Niseko Village, Muse Casa Marbella in Spain, The Majestic Malacca, The Majestic Hotel Kuala Lumpur and the Gaya Island Resort in Borneo, with our award-winning Spa Village concept being offered in most locations. This year, we launched our newest hotel, The Gainsborough Bath Spa, which offers unique and exclusive access to Bath's natural thermal, mineral-rich waters.

Meanwhile, the Group's foray into retail properties began in 1998 with the acquisitions of Lot 10 Shopping Centre and Starhill Gallery in Kuala Lumpur's Bukit Bintang precinct, which were put up for sale as the Asian Financial Crisis hit the region. The availability of cash reserves to meet the discounted but still substantial asking price enabled us to acquire these prime properties in the heart of the Golden Triangle. The Group went to on to redevelop the area with the launch of Bintang Walk, and promote the introduction of duty-free luxury retail, essential if Kuala Lumpur was to compete with retail havens such as Singapore and Hong Kong.

Just over 10 years later, the onset of the Global Financial Crisis in 2008 caused monumental volatility and uncertainty in markets across the globe, but created an opportunity for us to acquire a stake in Starhill Global REIT (then known as Macquarie Prime REIT). At the time, the Trust owned stakes in Singapore's famed Ngee Ann City and Wisma Atria on Orchard Road, boutique properties in upmarket areas of Tokyo and a retail mall in China.

Since then, Starhill Gallery and the Lot 10 Shopping Centre parcel in Malaysia have been injected into Starhill Global REIT, along with 3 prime assets in Australia – the David Jones Building and Plaza Arcade in Perth and Myer Centre Adelaide. Within this relatively short period, the Trust's asset size has grown from SGD2.1 billion in 2008 to SGD3.1 billion in 2015. Today, our equity interest has increased to 37.1% and the Group also owns a 100% stake in Starhill Global REIT's management company.

EXPONENTIAL UTILITIES GROWTH

In 1993, triggered by the Peninsula-wide black-outs of 1992 that exposed the very real damage that an unstable, insufficient electricity supply could do to a thriving economy, YTL was awarded the first Independent Power Producer (IPP) licence in Malaysia. Our predominant concern was that such a large-scale project would have to be funded in Ringgit, to avoid exposing the Group to foreign exchange risk on that scale. This necessitated the development of financing using local lenders and borrowing in local currencies. Raising RM2.66 billion entirely from the domestic financial markets, YTL was able to commission the combined-cycle power plants in Paka and Pasir Gudang and commenced commercial operations in 1995.

This prescript, borne of the difficulties we endured during the Oil Crisis in the 1970s, has endured and, rather than working in foreign currencies to finance local projects, we have endeavoured to match financing for projects in local currencies, to better manage the costs of capital and balance the operational risks of different jurisdictions. We have been fortunate as this protective measure, generated from lessons learned decades earlier, also shielded the Group from the worst of the Asian Financial Crisis that ravaged the region's financial markets

YTL Beyond 60

and banking sectors in 1997 and then again, in 2008.

Geographic diversification has been a key strategy pursued throughout our Group and nowhere is this more relevant than in our utilities division. In 2000, the Group ventured into Australia, acquiring a 33.5% stake in ElectraNet, which operates the electricity transmission grid for the state of South Australia under a 200-year concession.

Our next investment was our landmark acquisition of Wessex Water, which we acquired in 2002 from Enron for an enterprise value of GBP1.24 billion (approximately RM8.0 billion). Wessex Water supplies 1.3 million customers with water and takes away sewage from 2.7 million customers daily over an area of 10,000 square kilometres in the southwest of England. Wessex Water's regulatory capital value in 2015 has more than doubled to GBP2.96 billion (approximately 18.9 billion) and it remains one of the most efficient water and sewerage operators in the United Kingdom.

In 2004, we acquired a 35% stake in Jawa Power in Indonesia, a 1,220 megawatt power plant that supplies power to the Java-Bali transmission grid, which currently handles the bulk of Indonesia's energy consumption. The investment in Indonesia's power generation sector was a natural extension for YTL, both as a sound regional investment and as an opportunity for growth. The success of this investment led to an agreement in 2011 enabling Japanese infrastructure powerhouse, Marubeni Corporation, to co-invest with us, building a foundation for potential collaborations, and the Group's effective interest in Jawa Power now stands at 20%.

Despite the Global Financial Crisis, 2009 saw another major leap forward with the Group's acquisition of YTL PowerSeraya in Singapore for a purchase consideration of SGD3.6 billion. YTL PowerSeraya is the second largest power generation company in Singapore in terms of installed capacity, with a total licensed capacity of 3,100 megawatts, representing approximately 25% of Singapore's total licensed generation capacity at the time, in addition to operating oil trading and multi-utility businesses.

In 2010, the utilities division embarked on a new venture into the 4G mobile Internet world, launching Yes, our 4G platform offering ubiquitous, always-connected high-speed mobile Internet with Voice services. Today, the network covers 85% of the country's population, including Sabah, and has launched an array of devices from mobile routers such as the Zoom and Huddle, and devices, including the Samsung 4G Chromebook, developed by Google and Samsung and powered by Yes. Tie-ups with other industry leaders also mean customers have access to the latest devices from providers such as Samsung, Xiaomi, Huawei and Acer bundled with Yes plans.

Our utilities division has grown from a single-purpose IPP into an international multi-utility provider with a strong track record in developing greenfield projects and acquiring operational assets through competitive auctions, active across key segments of the utilities industry including power generation, electricity transmission, water supply and sewerage services and 4G communications.

YTL IN 2015

The YTL Group has grown and thrived by adhering to a business model that focuses on what is relevant; on watching evolving economic trends and identifying long-term solutions to these conditions and, crucially, having the strength to ride out short term glitches in our operating environments without allowing these anomalies to affect the integrity of the business.

Rather than merely running operations to service the construction division and other in-house needs, the Group focused building up individual businesses able to compete with and outperform peers in their industries, meeting intra-Group needs as a secondary consideration. In addition to the development of complementary business lines, diversification across the globe has also been a key element of our growth story.

The last 60 years have demonstrated that recessions and economic downturns are the time to sit back, consolidate and regroup so that our Group is strong enough to weather the downswing and yet financially able to capitalise on unlikely opportunities that may arise during this time. Sustaining this business model from the outset of a project has helped to ensure financial success long after the doors open for business. As a counterweight, international awards and certifications reflect our developments in every area have passed international scrutiny and maintained a level of excellence equal to similar projects anywhere in the world.

As exemplified by the last 60 years, the YTL Group is a multi-generational business operating to ensure that our ventures are sustainable over the long-term, whether this means protecting the natural resources on which our operations depend and the communities where we operate or ensuring the livelihoods of the employees who form the backbone of our Group, delivering long-term returns to our shareholders and offering world class products and services at competitive prices to our customers.

Now, sixty years on, our Group must remain committed to the values on which YTL was founded and which, accumulated over more than half a century, have brought us from our humble beginnings in Kuala Selangor to an integrated infrastructure developer with operations on three continents and a combined market capitalisation of almost RM30 billion.

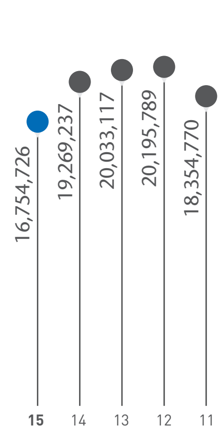
The journey continues.

Financial Highlights

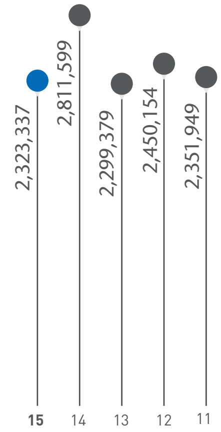
	2015	2014	2013	2012	2011
Revenue (RM'000)	**16,754,726**	19,269,237	20,033,117	20,195,789	18,354,770
Profit before taxation (RM'000)	**2,323,337**	2,811,599	2,299,379	2,450,154	2,351,949
Profit after taxation (RM'000)	**1,721,032**	2,604,930	1,830,905	1,974,090	1,835,920
Profit for the Year Attributable to Owners of the Parent (RM'000)	**1,017,645**	1,554,980	1,266,665	1,181,123	1,034,569
Total Equity Attributable to Owners of the Parent (RM'000)	**14,632,745**	14,386,764	13,142,113	11,943,641	10,365,853
Earnings per Share (Sen)	**9.80**	15.00	12.20	12.25	11.53
Dividend per Share (Sen)	**9.50**	2.50	2.50	4.00	2.00
Total Assets (RM'000)	**66,699,411**	61,042,410	53,603,401	51,599,872	48,266,185
Net Assets per Share (RM)	**1.40**	1.39	1.27	1.23	1.15

Financial Highlights

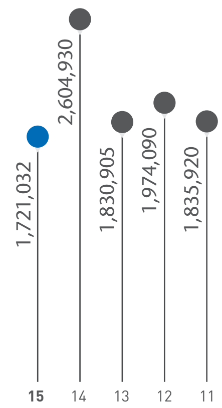
Revenue
(RM'000)



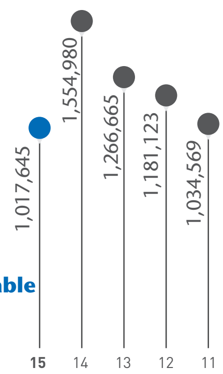
Profit before taxation
(RM'000)



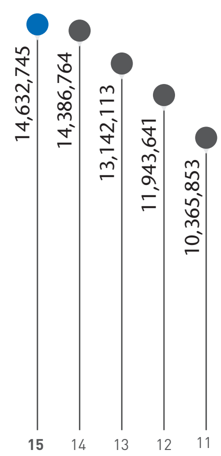
Profit after taxation
(RM'000)



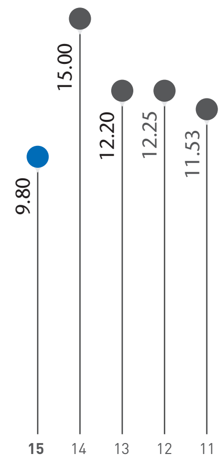
Profit for the Year Attributable to Owners of the Parent
(RM'000)



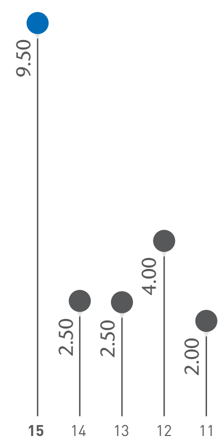
Total Equity Attributable to Owners of the Parent
(RM'000)



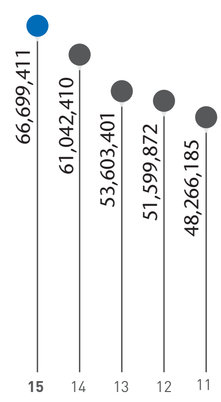
Earnings per Share
(Sen)



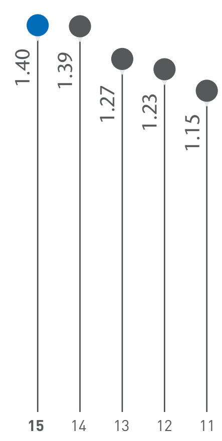
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS OF YTL CORPORATION BERHAD ("YTL CORP" OR THE "COMPANY"), I HAVE THE PLEASURE OF PRESENTING TO YOU THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES (THE "GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015.

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

OVERVIEW

The Group's performance for the financial year under review remained resilient despite challenging operating conditions, as the geographic breadth of the Group's activities coupled with the diversity and robustness of its core businesses served to safeguard its operations from ongoing volatility that continued to impact various segments.

The Malaysian economy grew at a stronger pace, registering gross domestic product (GDP) growth of 6.0% for the 2014 calendar year, compared to 4.7% in 2013, driven primarily by domestic demand and supported by an improvement in external trade performance. The economy remained resilient with steady growth of 5.6% for the first quarter of the 2015 calendar year, prior to the implementation of the new Goods and Services Tax (GST) regime on 1 April 2015, moderating to 4.9% in the second quarter. Meanwhile, in other major economies where the Group operates, the United Kingdom registered growth of approximately 2.6% during 2014, with the first and second quarters of the 2015 calendar year showing growth of 0.3% and 0.7%, respectively. Singapore's economy grew 2.9% in 2014, with growth of approximately 2.8% for the first quarter of the 2015 calendar year, and estimated at 1.7% for the second quarter *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia, Singapore Ministry of Trade & Industry, United Kingdom Office for National Statistics updates & reports).*

Chairman's Statement

Utilities

The utilities division continued to see the impact of new competition coming online in Singapore's electricity market, although this was moderated by better performance of the Group's water and sewerage operations in the United Kingdom.

In the contracted power generation business in Malaysia, the division's power purchase agreement was successfully completed in September 2015, and the Group is in discussions to supply power from its existing Paka Power Station under the short term capacity bid called by the Malaysian Energy Commission. Discussions on the terms are currently ongoing and upon completion, a new power purchase agreement is expected to be signed for the period from March 2016 to December 2018.

In August 2015, the Group acquired an 80% stake in PT Tanjung Jati Power Company, an independent power producer undertaking the development of Tanjung Jati A, a 2 x 660 megawatt (MW) coal-fired power project in Java, Indonesia. The project is part of the Indonesian government's drive to build new power plants with a generating capacity of up to 35,000 MW over the next 5 years to meet the country's escalating energy needs.

Cement Manufacturing

The Group's cement business registered a good set of results for the year in spite of tough market conditions. During the year under review, commercial operations commenced at the division's new cement terminal, situated in Singapore's Jurong Port industrial hub. The new facility is the largest cement terminal in Singapore, offering a throughput capacity of 3.0 million metric tonnes per annum for various cementitious products, in addition to a blending plant capable of producing a range of blended cement products.

Construction Contracting

The domestic construction sector's growth increased 11.6% for the 2014 calendar year compared to 10.9% in 2013. However, construction activity tapered for the first half of the 2015 calendar year with growth of 9.7% in the first quarter, moderating to 5.6% in the second quarter, following slower expansion in the residential, non-residential and civil engineering sub-sectors *(source: Ministry of Finance updates & reports).*

During the financial year, the construction division completed work on several phases of the Group's residential property developments including The Capers at Sentul East, with progress well underway on the newer launches such as The Fennel at Sentul East and Shorefront, the Group's new niche upmarket development in Penang.

Operation & Maintenance (O&M) Activities

In its O&M division, the Group provides condition monitoring services for its power stations, cement plants and the Express Rail Link (ERL) operating the KLIA Ekspres and Transit services, in addition to external clients in the oil and gas, water, chemical engineering and other sectors.

The KLIA Ekspres and Transit trains, operating between KL Sentral, Kuala Lumpur International Airport (KLIA) and the new KLIA2 low-cost carrier terminal, recorded good performance with total ridership growing 44% to 10.7 million passengers for the year under review. Overall growth was contributed by the extension of services to KLIA2 which opened in May 2014, with the ERL achieving a 13% market share of KLIA2 traffic a year after the launch of its services to the new terminal. Speed and reliability continue to be critical success factors and on-time train availability was consistently maintained at 99.7% for the year.

Chairman's Statement

Property Development & Investment

The cooling measures introduced in 2013 to curb highly speculative activities in the domestic residential property market have continued to have a moderating effect on market activity in the last 2 years, with a marginal uptick in market activity towards the end of the 2014 calendar year and into the first half of 2015 *(sources: Ministry of Finance economic reports; Bank Negara Malaysia quarterly bulletins and annual reports).*

The year under review saw the successful launch of Shorefront, the Group's newest development, situated along the Georgetown seafront in Penang, which was fully sold. In Sentul, The Capers at Sentul East was completed in December 2014 and the Group has continued to focus on its ongoing development, The Fennel. On the international front, 3 Orchard By-The-Park, the Group's exclusive residential project in Singapore's famed Orchard precinct, has progressed on schedule.

Meanwhile, Starhill Global REIT in Singapore, in which the Group has a 37.09% stake, added to its portfolio of retail assets with the acquisition of Myer Centre Adelaide, its third asset in Australia. This acquisition increased the Trust's asset valuation to SGD3.1 million and its portfolio now comprises 13 properties across Singapore, Japan, China and Australia.

Hotel Development & Management

In September 2015, the Group held the official opening of The Gainsborough Bath Spa in the UNESCO World Heritage City of Bath in the United Kingdom. The Group also launched its new Kasara Niseko Village townhouses in Hokkaido, Japan, during the year, adding to its Kasara collection of unique luxury hotels, resorts and residences in exotic locations. YTL Hospitality REIT ("YTL REIT"), a listed vehicle of the Group, which holds part of its hotel assets in key tourist and business destinations across Malaysia, Australia and Japan, performed steadily for the year under review.

In Malaysia's tourism industry, tourist arrivals grew 6.7% to 27.4 million for the 2014 calendar year, whilst the first half of the year was also bolstered by the 'Malaysia Year of Festivals 2015' programme, launched in January this year with a target of attracting 29.4 million tourists and RM89 billion in tourist receipts for the year *(sources: Ministry of Finance, Bank Negara Malaysia, Tourism Malaysia updates).*

Meanwhile, Japan's economy registered measured growth of about 1.6% for the 2014 calendar year and continued to recover moderately as a trend as the consumption tax hike continued to have prolonged effects on the economy, although foreign tourist arrivals for the 2014 calendar year increased 29.4% to 13.41 million, boosted by the weaker Yen. In Australia, the economy recorded GDP growth of 2.5% for the 2014 calendar year, with the tourism industry registering an increase of about 8% in international tourist arrivals and an uptick in domestic tourism levels *(sources: Bank of Japan, Ministry of Finance Japan, Japan National Tourism Organization, Reserve Bank of Australia, Australian Bureau of Statistics, Tourism Research Australia updates).*

Information Technology Initiatives

Growth of the domestic information and communication sub-sector remained strong at 9.6% for the first quarter and 9.3% for the second quarter of the 2015 calendar year, led by strong demand for mobile internet services, particularly higher data requirements *(source: Ministry of Finance economic reports).*

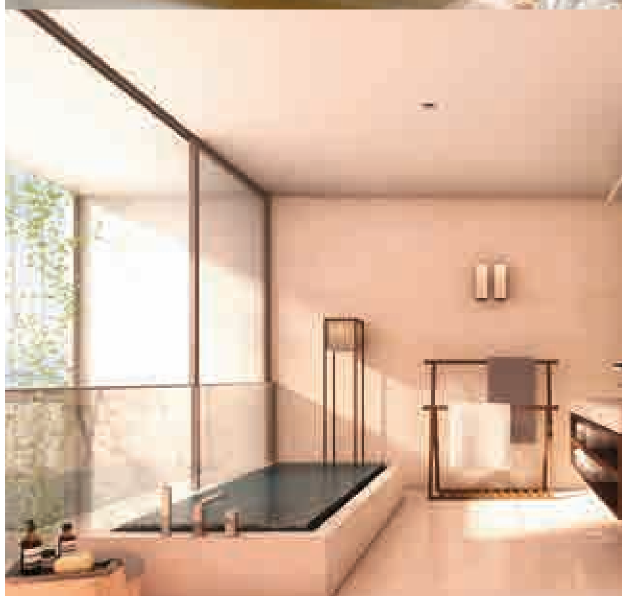
The Group's operating segments, comprising mainly its WiMAX (Worldwide Interoperability for Microwave Access) spectrum and digital media applications, registered stable performance during the year.

FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended 30 June 2015 stood at RM16,754.7 million compared to RM19,269.2 million for the last financial year ended 30 June 2014. Profit for the financial year stood at RM1,721.0 million, compared to RM2,604.9 million last year, whilst net profit attributable to owners of the parent decreased to RM1,017.6 million this year over RM1,555.0 million last year.

The decreases in revenue and profit were principally attributable to lower units of electricity sold and electricity prices as a result of a decrease in fuel oil prices in the multi-utilities segment, as well as lower generation of electricity sales and a higher depreciation charge in the contracted power generation segment.

In the cement division, higher revenue was contributed by the concrete and quarry businesses, in addition to consolidation of revenue of a subsidiary acquired during the year, whilst the decrease in profit was due to intense competition in the industry and higher production costs. Meanwhile, the Group's hotel division registered better performance for the year under review, as a result of higher unrealised foreign exchange gains from its international hotels, whilst the property development business recorded lower revenue and profit on the absence of sales of completed properties, as well as lower net fair value gains on investment properties.



Chairman's Statement

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 68.7% of the Group's revenue and 81.5% of non-current assets for the 2015 financial year, compared to 71.9% and 78.8%, respectively, last year.

Dividends

During the year under review, YTL Corp declared an interim dividend of 9.5 sen or 95% per ordinary share of 10 sen for the financial year ended 30 June 2015. Therefore, the Board of Directors of YTL Corp did not recommend a final dividend for the financial year under review.

This is the 31st consecutive year that YTL Corp has declared dividends to shareholders since its listing on the Main Market of Bursa Malaysia Securities Berhad in 1985.

SIGNIFICANT CORPORATE DEVELOPMENTS

- As reported previously, on 14 June 2013, Pintar Projek Sdn Bhd, a subsidiary of the Group and the manager of YTL REIT, announced a proposed placement of new units to raise gross proceeds of up to RM800 million, a proposed increase in YTL REIT's existing approved fund size from 1.324 billion units to a maximum of 2.125 billion units and a proposed increase in the Trust's borrowing limit to 60% of its total asset value (collectively referred to as the "Proposals"). On 30 December 2013, Securities Commission Malaysia ("SC") granted its approval for the listing of and quotation for the placement units on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and the proposed increase in fund size.

  Subsequently, on 10 January 2014, Bursa Securities approved the listing of and quotation for up to 800.61 million placement units to be issued pursuant to the proposed placement. The Trust received approval for the Proposals and the proposed subscription of new units of up to RM310 million by YTL Corp, an existing major unitholder of the Trust, at the meeting of unitholders held on 11 February 2014.

  These corporate exercises are currently pending implementation as the Trust received approvals from the SC on 21 May 2015 and Bursa Securities on 27 May 2015 for an extension of time until 29 December 2015 to implement the proposed placement and proposed increase in fund size.

- On 15 July 2015, YTL Power International Berhad ("YTL Power"), a subsidiary of the Group listed on the Main Market of Bursa Securities, announced that its wholly-owned subsidiary, YTL Jawa Energy BV ("Jawa Energy"), had entered into a Share Purchase Agreement ("SPA") for the acquisition of an 80% stake in PT Tanjung Jati Power Company ("TJPC") for an aggregate consideration of USD2.0 million in cash. TJPC is an independent power producer undertaking the development of Tanjung Jati A, a 2 x 660 MW coal-fired power project in Java, Indonesia.

  TJPC was incorporated in Indonesia in 1997 to undertake the development of the 2 x 660 MW Tanjung Jati A power project and entered into a Power Purchase Agreement ("PPA") on 2 April 1997 with PT PLN (Persero) ("PLN") for the purchase of power generated from the project. On 18 December 2014, TJPC and PLN entered into an agreement for the purpose of reviving the project and establishing the process for the parties to re-negotiate the original PPA, which included the requirement for TJPC to identify new equity sponsors for the project.

  Following discussions with the sellers, Jawa Energy entered into the SPA to acquire its 80% stake in TJPC, comprising 750,000 shares acquired from PT Bakrie Power and 1,250,000 shares acquired from TJA Power Corporation (Asia) Ltd. The acquisition was completed on 20 August 2015.

CORPORATE RESPONSIBILITY & SUSTAINABILITY INITIATIVES

For the ninth consecutive year, YTL Corp has issued its "**Sustainability Report 2015**" as a separate report, to enable its shareholders and stakeholders to better assess the Group's sustainability record. Meanwhile, YTL Corp's statements on corporate governance, risk management and internal control, which elaborate further on its systems and controls, can be found as a separate section in this Annual Report.

Chairman's Statement

Future Prospects

The outlook for Malaysia's economy remains fairly stable with GDP growth for the full 2015 calendar year expected to average between 4.5% and 5.5%, supported mainly by domestic demand and a resilient export sector, although the longer term effects of external uncertainties and other factors, such as the recent depreciation of the Malaysian Ringgit and volatile oil prices, remain to be seen. The global economy is projected to expand at a moderate pace for the rest of the 2015 calendar year, led by advanced economies on the back of lower oil prices, a more neutral Euro-area fiscal policy and improving confidence and labour market conditions. In contrast, growth in emerging markets and developing economies is expected to moderate due to lower commodity prices, external financial constraints, rebalancing in China and geopolitical tensions *(sources: Ministry of Finance, Bank Negara Malaysia updates).*

YTL Corp will remain focused on its core capabilities, supported by its cornerstones of strong technical expertise and an established track record in managing investments and improving operational efficiencies that have underpinned the Group's development and resilience to date. The Group's solid foundation, built on its extensive international operations and investments in countries including the United Kingdom, Singapore, Australia, Indonesia and Japan, and home-grown businesses in Malaysia, will continue to support its future growth and development. The Group will remain on the look-out for viable new investments that complement its core capabilities.

As the Group embarks on another year, the Board of Directors of YTL Corp wishes to take this opportunity to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff of the Group for their efforts in enabling YTL Corp to deliver another strong performance.

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

Managing Director's Review

The 2015 financial year saw some testing conditions for our Group, particularly in the merchant multi-utilities division where increasing competition in Singapore's electricity market coupled with lower vesting volumes continued to add pressure to both margins and sales volumes. However, this was partially offset by better performance in the water and sewerage division, as well as the strengthening of the British Pound against the Malaysian Ringgit.

Our cement division registered higher revenue from the concrete and quarry businesses, as well as the consolidation of revenue of a new subsidiary operating in Singapore which was acquired during the year. However, profit was impacted by the intense competition in the domestic industry and higher production costs. Meanwhile, the Group's hotel division registered better performance for the year under review, whilst our property development business was affected by lower earnings due to the absence of sales from completed properties, and a lower net fair value gain on investment properties.

In keeping with our long-standing commitment to our shareholders, YTL Corp, YTL Power and YTL e-Solutions declared dividends to reward shareholders for their confidence and continual support of the Group. YTL Corp declared an interim dividend of 9.5 sen share, representing a dividend yield of approximately 6.3%. YTL Power's dividend for the fiscal year was 10.0 sen per share for a yield of 6.6%, whilst YTL e-Solutions paid a dividend of 4.0 sen per share representing a yield of about 7.5%.

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

Managing Director's Review

Our utilities division is the largest segment of the Group. In September 2015, the 21-year power purchase agreement (PPA) for the Paka and Pasir Gudang power stations was successfully completed and we are in discussions to supply power from Paka under a short term capacity bid called by the Malaysian Energy Commission for a new PPA for the period from March 2016 to December 2018. Our utilities division has come a long way from its start as a single-purpose Independent Power Producer (IPP), Malaysia's first IPP, in 1993. Our utility operations now encompass multi-billion Ringgit assets Wessex Water in the United Kingdom and YTL PowerSeraya in Singapore, as well as investments in Jawa Power in Indonesia and ElectraNet in Australia.

In August 2015, the Group also acquired an 80% stake in an IPP undertaking the development of Tanjung Jati A, a 2 x 660 MW coal-fired power project in Java, **Indonesia**. The Indonesian government plans to build new generating capacity of up to 35,000 MW over the next 5 years to fuel the country's growth and development aspirations and we will be able to leverage our capabilities and experience in Indonesia's power sector to develop this vital power asset.

Indonesia, given its energy requirements and future development goals, remains one of the most compelling growth markets in the Asia-Pacific region for our multi-utility businesses, in particular, along with counties like Australia, Japan and, of course, Singapore, where our utilities and other operations have expanded significantly over the past few years.

YTL PowerSeraya in **Singapore** continues to manage the impact of increasing competition from new plants in country's power generation market. As the retail electricity sector is expected to remain challenging, the division remains focused on creating more value for customers, as well as developing complementary business lines. To this end, the division's trading and fuel management arm completed its asset development plans on schedule in January 2015. Commercial operations picked up speed with its upgraded jetty facilities to accommodate various vessels and oil tankers, while new additional fuel oil storage tanks were leased to customers to meet their storage needs. The oil terminal and oil storage business will be central to maintaining the division's growth in the dynamic fuel oil and related environment.

Also in Singapore, commercial operations commenced in late-2014 at our new cement terminal at the Jurong Port industrial hub. This new terminal has an annual throughput capacity of 3.0 million tonnes for cementitious products and incorporates a blending plant able to produce a range of blended cement products. This is the largest cement terminal in Singapore and the Group will benefit from this new asset in one of our key operating markets.

Managing Director's Review

Meanwhile, we acquired the Westwood Apartments on Orchard Boulevard, one of Singapore's most prestigious residential addresses, several years ago in what was the largest en-bloc purchase at the time, and are beginning to see our vision for this valuable property come together. The new luxury development, 3 Orchard By-The-Park, features 77 luxurious apartments spread over 25 floors, and is expected to be completed next year. The project has also been awarded the BCA Green Mark Gold Plus Award 2014 by the Building & Construction Authority of Singapore for achieving high standards of design and construction which are sustainable and environmentally-friendly.

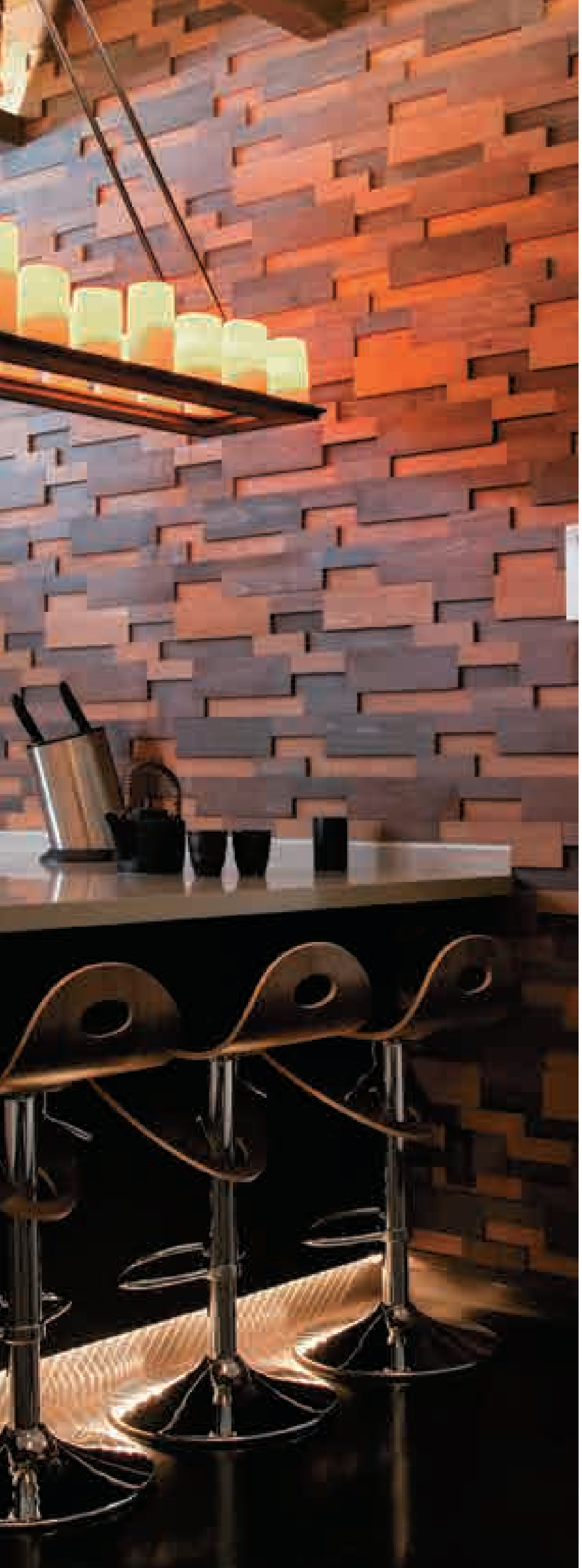
Starhill Global REIT, which is listed on the Singapore stock exchange and owns retail and office assets including stakes in Ngee Ann City and Wisma Atria on Orchard Road, Starhill Gallery and Lot 10 Shopping Centre in Kuala Lumpur's Golden Triangle and retail properties in Tokyo, added to its Australian portfolio this year with the acquisition of Myer Centre Adelaide. The Trust already owns the David Jones Building and Plaza Arcade in Perth, and this new asset was a good strategic fit for the portfolio.

Australia continues to be an appealing growth market, where the Group's other properties include the Sydney Harbour, Brisbane and Melbourne Marriott hotels. These sizeable assets are housed under YTL Hospitality REIT, which registered an increase of RM94.9 million in its investment portfolio to RM3.3 billion for the year under review, largely driven by the portfolio's Australian assets.

Both REITs also own assets in **Japan** – Hilton Niseko Village, owned by YTL Hospitality REIT, and 5 contemporarily designed commercial buildings located in the prime areas of Omotesando, Roppongi, Harajyuku and Ebisu, owned by Starhill Global REIT. This year, we launched the new Kasara Niseko Village Townhouse in Hokkaido, eight exclusive townhouses marking the first highly anticipated phase of our redefinition of alpine living at Niseko Village, with ski runs and lifts a mere heartbeat away. Embodying authentic Japanese charm, the dwellings are stylishly designed over two floors and feature bespoke interiors with key Japanese design principles in mind, crafted with a sense of calm and a touch of richness, through contemporary furnishings that brings an undercurrent of glamour and warmth.

On the other side of the world, in the 13 years since we acquired Wessex Water, the **United Kingdom** water industry has evolved considerably. We remain very positive about the British water regulation model and see it as the global gold standard for regulatory regimes in terms of strong, independent regulation and the stability it provides for investors and customers.

Wessex Water's latest price review covering the five years from 1 April 2015 has set tough new goals, reflecting the difficult economic climate. Bills for customers will come down in real terms, investment will be at its highest level ever and the division will need to be even more innovative to deliver all its outputs and maintain its industry leading service standards. Nevertheless, Wessex Water has an unparalleled record in customer service and environmental protection, and its



Managing Director's Review

ongoing improvements have put the business in a good position to meet its most acute challenges – climate change, a growing population and increasing customer expectations.

This year, we officially launched The Gainsborough Bath Spa which is fortuitously situated within Wessex Water's operating region. The hotel is centred around Spa Village Bath and, uniquely in the United Kingdom, has the exclusive privilege of having access to natural thermal, mineral-rich waters. Paying homage to its colourful history, the hotel is designed by New York-based Champalimaud Design to be welcoming, elegant, vibrant and social – a modern interpretation of a classic design which will provide a meaningful and enduring contribution to the life of the city.

Meanwhile, in **Malaysia**, the idyllic enclave that is our vision for Sentul continues to take shape. During the year, we completed The Capers at Sentul East and made good progress on development of The Fennel, both of which are high-end condominium developments offering the unique luxury lifestyle that is a hallmark of our properties. Together, the unconventional silhouettes of The Capers and The Fennel have begun to deliver on their promise to revolutionise Kuala Lumpur's skyline, bolstering the city's architectural credentials and adding distinctive icons to the cityscape.

Rounding out the developments for the year, we successfully launched Shorefront in Penang, one of the last sea-facing developments in Georgetown. The property is a niche, upmarket, low-rise, low-density development and comprises three blocks with a total of just 115 units on a freehold site next to the historic E&O Hotel.

It has been a challenging but productive year for our Group. We have remained committed to enhancing shareholder value and pursued both organic and acquisition-driven growth of our businesses. Looking forward, ongoing economic and fiscal uncertainties, in the markets both at home and overseas, are expected to make for more challenging operating conditions but we remain determined to pursue our proven growth, development and management strategies to ensure the success of our Group.

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

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

Utilities

The Group's utilities division performed well for the financial year under review. The Group undertakes its established multi-utility businesses in Malaysia, Singapore, the United Kingdom, Indonesia and Australia via its listed subsidiary, YTL Power International Berhad ("YTL Power").

POWER GENERATION, MERCHANT MULTI-UTILITIES & POWER TRANSMISSION

The Group's power generation, merchant multi-utilities and power transmission businesses are carried out by its wholly-owned subsidiaries in Malaysia and Singapore, and associates in Indonesia and Australia.

Operations in Malaysia

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

Overall plant availability remained good during the year under review with 97.07% at Paka Power Station and 94.82% at Pasir Gudang Power Station.

YTLPG's power purchase agreement was successfully completed on 30 September 2015. YTLPG has also been selected as a successful bidder for supply of power from its Paka Power Station under the short term capacity bid called by the Malaysian Energy Commission. Discussions on the terms and conditions are currently ongoing and, upon completion, a new power purchase agreement is expected to be signed for the period from 1 March 2016 to 31 December 2018.

Operations Review

Operations in Singapore

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

For the financial year under review, YTL PowerSeraya sold 8,457 gigawatt hours (GWh) of electricity and captured a total generation market share of 18.0%, compared to 20.5% last year. The drop was largely due to strong competition arising from the commercial operations of new plants in Singapore's power generation market.

Re-certifications achieved during the year under review included ISO9001, ISO14001, OHSAS18001 and ISO27001, all of which highlight the high standards maintained in quality, environmental, health and safety as well as cyber security management systems, respectively.

In the contestable retail electricity sector, the division's market share decreased to 20.5% for the year under review, as compared to 24.3% last year, due mainly to increased competition in the Singapore market. Correspondingly, sales volumes reached 6,330 GWh for the year ended 30 June 2015.

Despite the challenges faced, the division turned in a resilient performance, successfully reaching out to more than 15,000 newly eligible companies, and increased its portfolio of Small and Medium Enterprise (SME) customers by over 50% for the year under review. At the same time, customer touch-point processes were further enhanced to ensure that the large number of new customers had a seamless onboard experience. As the retail electricity sector is expected to remain challenging, the division remains focused on creating more value for customers. YTL PowerSeraya has also obtained a Gas Retail License which presents new opportunities to reach out to customers who utilise natural gas for their operations.

The Group's trading and fuel management arm completed its asset development plans on schedule in January 2015 with upgraded jetty facilities to accommodate various vessels and oil tankers, and new additional fuel oil storage tanks for lease to customers. Commercial operations in the oil terminal and oil storage business will be central to maintaining the division's growth in the dynamic fuel oil and related services environment.

Operations in Indonesia

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

Jawa Power achieved average availability of 90.67% for its financial year ended 31 December 2014 and 93.59% availability for the six months ended 30 June 2015. The station generated 8,434 GWh of electricity for its financial year compared to 8,062 GWh for its previous financial year, for its sole offtaker, PLN.

Operations in Australia

YTL Power has a 33.5% investment in ElectraNet Pty Ltd ("ElectraNet") in Australia, which is a regulated transmission network service provider in Australia's National Electricity Market ("NEM"). ElectraNet owns South Australia's high voltage electricity transmission network, which transports electricity from electricity generators to receiving end-users across the state.

The company is regulated by the Australian Energy Regulator which sets revenue caps based on the company's expected capital expenditure requirements for a five-year regulatory period. The current revenue cap became effective on 1 July 2013 and is valid for a period of five years until 30 June 2018.

ElectraNet's network covers approximately 200,000 square kilometres of South Australia via more than 5,700 circuit kilometres of transmission lines and 88 high voltage substations. The company also provides the important network link from South Australia to the NEM via two regulated interconnectors, one of which is owned by ElectraNet.

WATER & SEWERAGE SERVICES

The Group's water and sewerage operations are carried out by YTL Power's wholly-owned subsidiary, Wessex Water Limited, and its subsidiaries ("Wessex Water") in the United Kingdom. Wessex Water supplies water to 1.3 million customers per day and takes away sewage from 2.7 million customers daily, operating across an area of 10,000 square kilometres in the southwest of England.

Wessex Water's regulatory year, which ended on 31 March 2015, was the last in the five-year regulatory control period that began on 1 April 2010. Wessex Water's regulator is the Water Services Regulation Authority, known as Ofwat, the economic regulator of the water sector in England and Wales. The 5-year regulatory period was the most challenging since Wessex Water was privatised just over 25 years ago, driven by both the economic climate and the growing impact of the changing physical climate.

Through careful planning, innovative approaches and greater use of in-house resources, Wessex Water delivered its largest ever investment programme and met all regulatory outputs, which included major customer-focused programmes to reduce leakage and sewage flooding. The overall investment programme was delivered under budget and the efficiency savings shared between customers and investors.

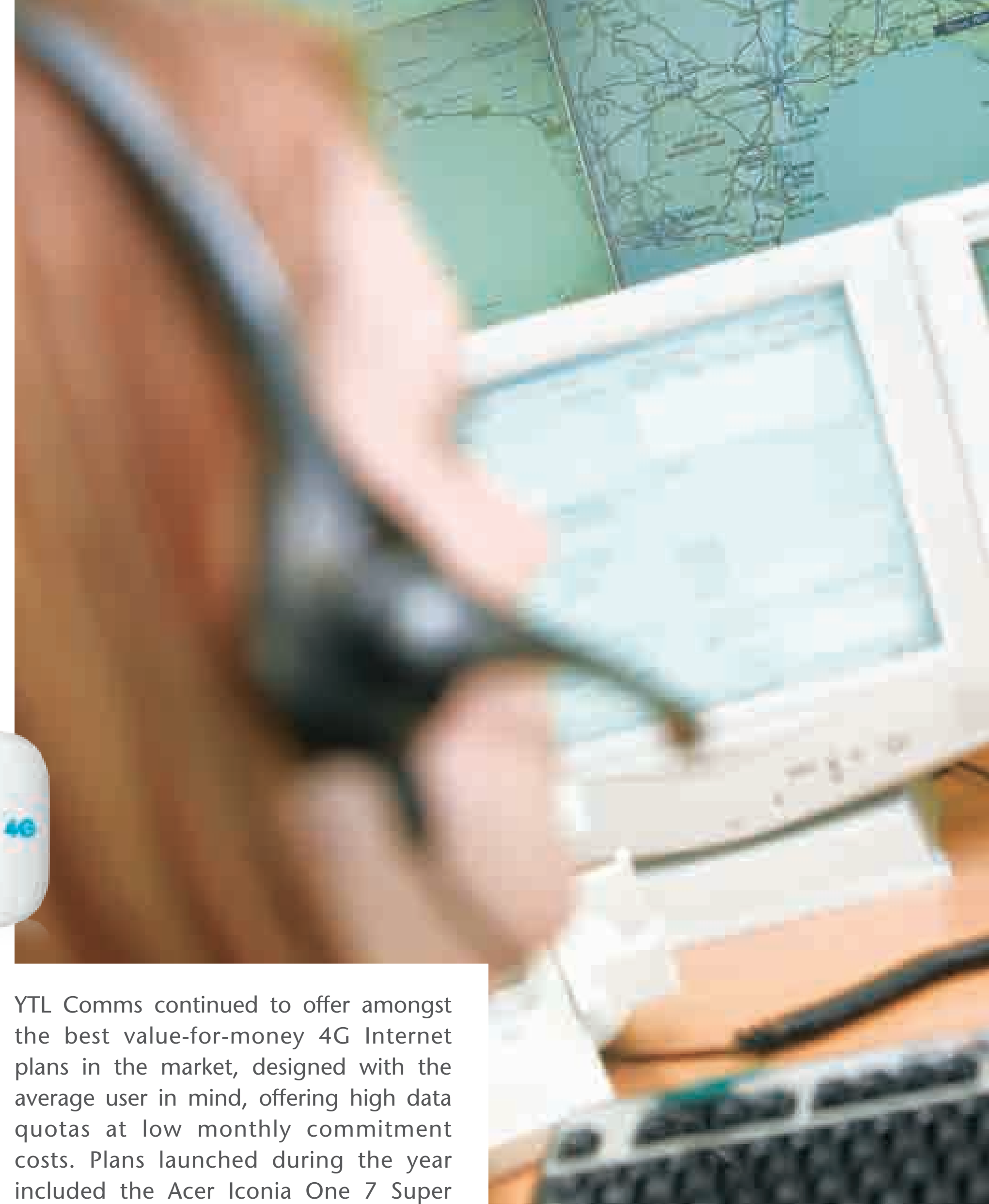
Wessex Water is now more than halfway through the construction of its integrated water supply grid, which will improve resilience of supplies to customers and deliver improvements in the water environment. As part of this project, an innovative system has been developed to optimise the supply of water across the region, so as to minimise future operating costs. The integrated water supply grid project is on track for completion in 2018.

Innovation is a key element of this investment programme and the division uses industry-leading no-dig techniques to replace and renew below-ground assets, thereby minimising the impact on customers and communities. Many new ideas come from Wessex Water's own employees and these are supplemented by trials of new technologies and a joint research programme with the University of Bath, where the company has developed a centre for water research and innovation.

Drinking water compliance was 99.97% and sewage treatment compliance was 99.70% for the regulatory year. Although the varying weather patterns caused problems, Wessex Water achieved a reduction in the total number of pollution incidents and halved the number of serious incidents.

The division has focused on understanding customers' changing needs and responding to the pressures that many have been under as a result of recessionary effects being experienced across the country. Average bills were frozen in real terms for the last regulatory period and reduced by 5% from 1 April 2015. Wessex Water also provides tailored assistance programmes for customers who struggle to pay their bills, with more than 18,000 customers now benefiting from these social tariffs or restart programmes.

Nevertheless, service standards have remained high, and it has now been 38 years since any restrictions on water use were last imposed in the Wessex Water supply area. The division has also maintained the highest levels of environmental and quality compliance, continued to invest in creating greater resilience to climate change and supported economic growth across its operating region. Wessex Water continued to deliver first-class customer service, with very high levels of customer satisfaction, topping the industry's customer service league tables for water and sewerage companies for the seventh consecutive year.



COMMUNICATIONS

The Group's communications operations in Malaysia are carried out by YTL Communications Sdn Bhd ("YTL Comms"), a 60% subsidiary of YTL Power, which has approval from the Malaysian Communications and Multimedia Commission to operate a 2.3 gigahertz (GHz) wireless broadband network in Malaysia. With its robust 4G network as the backbone and 85% population coverage nationwide including Sabah, YTL Comms' Yes network is a global frontrunner in mobile 4G, bringing mobile Internet and voice together in one simple converged offering. YTL Comms has also been awarded 80 megahertz (MHz) of the 4G spectrum which will enable it to add LTE services to its network in the near future.

YTL Comms continued to offer amongst the best value-for-money 4G Internet plans in the market, designed with the average user in mind, offering high data quotas at low monthly commitment costs. Plans launched during the year included the Acer Iconia One 7 Super Postpaid Bundle Plan, and plans bundled with smartphones such as the Xiaomi Note 4G, Redmi 2, and Mi 4i, the Samsung Note 4, Galaxy S6 and S6 Edge, and the Huawei Honor tablet.

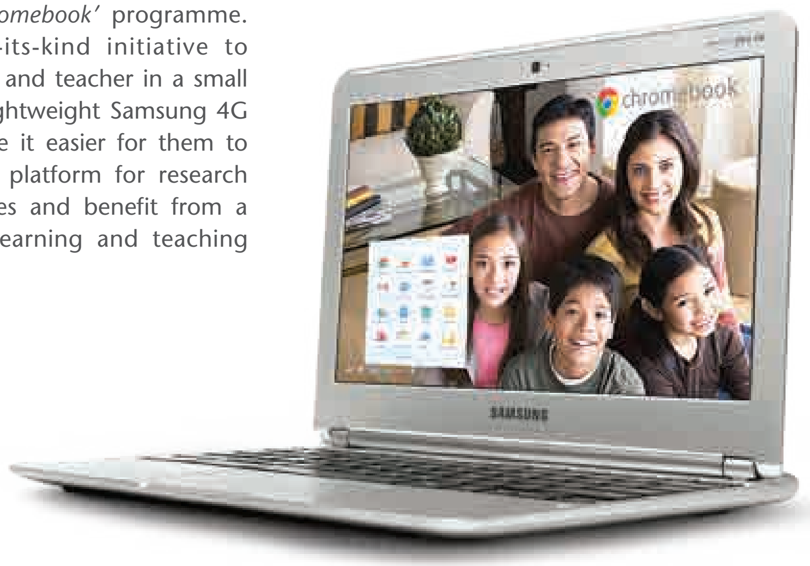
In its drive to champion the use of Internet technology to empower Malaysian students and equip them with a culture of lifelong learning and technology know-how to succeed in the global knowledge economy, YTL Comms continued to work with various partners to digitally transform the national education landscape across Malaysia.

Operations Review

In a joint initiative with the Malaysian Ministry of Education and FrogAsia Sdn Bhd, a subsidiary of YTL Power, YTL Comms co-launched an initiative called *'Guru Muda 1Malaysia Programme Using Frog VLE (Frog Virtual Learning Environment) as a Teaching and Learning Platform'*. The Frog VLE is a digital learning platform made available to all government schools across Malaysia by the Ministry of Education under the 1BestariNet project. The Guru Muda 1Malaysia programme assisted approximately 5,000 teachers from 2,500 schools nationwide to bolster their proficiency with the Frog VLE and better understand how to utilise the platform to enhance the teaching and learning experience.

Additionally, YTL Comms collaborated with SJK(C) Keng Chee in Pulau Ketam, Selangor, and several strategic partners to co-launch the *'1 Murid, 1 Chromebook'* programme. This was a first-of-its-kind initiative to provide each student and teacher in a small rural school with a lightweight Samsung 4G Chromebook to make it easier for them to access the Frog VLE platform for research and learning purposes and benefit from a more collaborative learning and teaching environment. YTL Comms also donated 100 Samsung 4G Chromebooks and Yes Internet plans to 100 American Fulbright English Teaching Assistants to technologically empower them in their efforts to improve English language education in various schools across Malaysia.

YTL Comms was also recently awarded the Malaysia Best Employer Brand Award 2015 in recognition for creating a culture of contribution and innovation at work. The company also picked up five awards at the 15th National Customer Experience Industry Awards 2014.



Cement Manufacturing

The Group's cement division saw an increase in revenue for the financial year under review despite difficult market conditions, contributed by its concrete and quarry businesses, coupled with the consolidation of a new subsidiary operating in Singapore acquired during the year, although performance was impacted by ongoing competition in the domestic market and higher production costs.

The Group has continued to maintain its market share, supplying a wide range of residential, commercial, infrastructure and niche projects. These include significant large-scale infrastructure developments, such as Kuala Lumpur's Light Rail Transit (LRT) extension and the Klang Valley Mass Rapid Transport (MRT) projects, as well as a number of other commercial developments and high-rise buildings across the country.

The Group's newest integrated cement plant in Malaysia is expected to commence operations in early-2016. The plant has a capacity of 5,000 tons of cement per day and has been built to the latest environmental standards, including technological advancements to meet European standards on lower nitrogen oxide emissions and more energy-efficient operations.

In Singapore, the division's new cement terminal, situated in the Jurong Port industrial hub, commenced operations during the year under review. The state-of-the-art facility represents a new landmark as Singapore's largest cement terminal, with a throughput capacity of 3.0 million metric tonnes per annum for various cementitious products, in addition to a blending plant capable of producing a range of blended cement products. The terminal is designed with the competitive advantage of handling the largest ships to better serve customers, and has further expanded the division's sizeable existing operations in Singapore, where strong ongoing demand for its range of products has enabled the Group to build up its presence and market share.

Meanwhile, the Group's plant in China continues to maintain its position as one of the major suppliers in the Hangzhou market. In line with local and national government environmental objectives, the division has continued to invest in emissions-reduction programmes and initiatives to improve plant efficiency and utilisation of alternative fuel sources.

On the research and development (R&D) front, the division continues to innovate and develop the best quality, high performance and ecologically-friendly products, underscoring its standing amongst the leading eco-friendly and innovative cement producers in Asia. The Group's products have been certified under the established industry standards, including the Singapore Environment Council's Green Labelling Scheme and Sirim Malaysia's Eco-Labelling Scheme, and the division continues to actively participate in the certification process to ensure that its products meet international levels of quality and standards.

Construction Contracting

The construction division performed well for the financial year under review, completing several phases of residential property developments on schedule and making good progress on existing projects under construction.

During the year under review, construction commenced on Shorefront, the Group's newest residential development, situated in Penang. The development is made up of 115 units housed in three 5-storey blocks and is scheduled for completion in late 2017.

In the Group's Sentul development, The Capers at Sentul East, comprising a 2-tower development of 36 storeys each, with 2 low-rise blocks of 5 storeys each on the podium floors of the towers, was completed during the year.

Meanwhile, work is progressing well on The Fennel at Sentul East, which is due for completion in stages from late 2016 to 2017. Similar to The Capers, The Fennel features exceptional design and architectural elements, including suspended swimming pools and tropical verandas, all of which will transform the silhouette of the Kuala Lumpur skyline.

In the Group's Lake Fields project in Sungei Besi, construction works on the Reed phase, which is made up of 285 units of 3-storey terrace and detached homes, was completed in May 2015, whilst in the Midfields mixed development, also in Sungei Besi, work is progressing on schedule on Midfields 2, comprising high-rise condominium blocks.

Civil works on the Group's newest integrated cement plant in Malaysia are ongoing. The new plant will have a capacity of 5,000 tonnes per day and is scheduled for completion by the end of the year. The division also commenced work on a new engineering office and related structures for the Group's cement plant in Bukit Sagu, Pahang, due to be completed in early 2016.

On the international front, progress is ongoing on the Group's luxury residential development in Singapore, named 3 Orchard By-The-Park. The project involves a 25-storey block with 77 exclusive residences on Orchard Boulevard. It has been recognised with the Green Mark Gold Plus award by Singapore's Building and Construction Authority, as the building features unique design elements and green initiatives in engineering and construction.

Property Development & Investment

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

RESIDENTIAL & COMMERCIAL DEVELOPMENTS

During the year under review, the Group launched Shorefront in Penang. The first release in February 2015 was an overwhelming success and was followed by the final release in May 2015 which saw 100% of the units launched sold within the first two hours. Shorefront is located in Georgetown and is one of the last sea-facing developments in Penang. The property is a niche, upmarket, low-rise, low-density development and comprises three blocks with a total of just 115 units on a freehold site next to the historic E&O Hotel. Selected units feature sky terraces and private gardens, and a private lift lobby creates a sense of added exclusivity and privacy.

The Capers at Sentul East was successfully completed, with vacant possession delivered to owners in December 2014. The Capers features 489 units housed in a pair of towers and 5-storey low-rise blocks on the podium floors of the towers. Capturing and balancing influences from Sentul's industrial, engineering-centric history, thoughtful attention has been paid to integrating local culture and nuances, building methods and architectural details that have become the hallmarks of the new Sentul.

The Group's newly designed YTL Sentul Sales Gallery is an embodiment of this concept. Built within the space of the old railway building, the existing structure was adapted to feature novel interior architectural elements and an updated and elegant design for modern use. The gallery won a silver award in the Interior Design category and a commendation for Adaptive Re-use at the Pertubuhan Arkitek Malaysia (PAM) Awards 2014, the Malaysian Institute of Architects' annual awards for architecture achievement.

Meanwhile, development is ongoing on The Fennel at Sentul East. Consisting of 916 units housed in four high-rise towers, three blocks have been launched to date, all of which have achieved excellent take-up rates. The Fennel offers an array of features and unique design elements, including two suspended salt-water swimming pools and a multitude of 'tropical verandas'. The Fennel's units also incorporate the dual-key concept in its final block, a configuration that creates flexibilities and new possibilities for multi-generational living, upsizing or rental opportunities.

Operations Review

In line with the Group's vision for Sentul, in July 2015, YTL Land & Development Berhad, a listed subsidiary of the Group, and the British Council entered into a memorandum of understanding to develop plans to establish a new international school in Sentul West. The school would offer its Malaysian students an outstanding quality of education, with an emphasis on multilingual and multicultural learning.

The Group's upcoming luxury freehold development, 3 Orchard By-The-Park, is located along Orchard Boulevard, one of Singapore's most prestigious residential addresses. The development is in close proximity to the iconic Orchard Road shopping precinct, as well as the famous Singapore Botanic Gardens, the first garden site in Asia to be conferred the title of UNESCO World Heritage Site.

The condominium features 77 luxurious apartments from 2 bedroom units to 5 bedroom penthouses spread over 25 floors, including some with private pools and gardens in the sky. Residents can enjoy lush gardens surrounding a landscaped pool, alfresco pool lounge, gym facilities and a library lounge. 3 Orchard By-The-Park has also been awarded the BCA Green Mark Gold Plus Award 2014 by the Building & Construction Authority of Singapore for achieving high standards of design and construction which are sustainable and environmentally friendly. The development is currently under construction and expected to be completed in 2016.

Meanwhile in the Group's Lake Fields development in Sungei Besi, construction works on Reed were completed in May 2015, whilst work on the latest offering in Midfields, also in Sungei Besi, the Midfields 2 condominium development, is well underway.

STARHILL GLOBAL REIT

The Group has a 37.09% stake in Starhill Global REIT, which is listed on the Singapore stock exchange and owns retail and office assets in Singapore, Malaysia, Australia, Japan and China. YTL Starhill Global REIT Management Limited, the manager of the REIT, is a wholly-owned subsidiary of the Group.

Starhill Global REIT continued to perform well for the year under review. In May 2015, the Trust acquired its third property in Australia, Myer Centre Adelaide for a purchase price of AUD288.0 million. Myer Centre Adelaide is the largest city mall located in the prime retail stretch (Rundle Mall) of Adelaide's central business district (CBD), the only retail pedestrian stretch in the city. It benefits from its close proximity to the main office district, established universities and the popular Riverbank Entertainment Precinct where the city's Convention Centre, Festival Theatre and the sports stadium are located.

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

Hotel Development & Management

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

NISEKO VILLAGE

Last December saw the launch of the Kasara Niseko Village Townhouse and the Village in Hokkaido, Japan. The opening of the Village marks the next phase in the development of Niseko, in creating a commercial hub for an integrated Resort and Residential Community. Niseko Village has embarked on a unique partnership with Vail Resorts, the first of its kind in Asia. Vail Epic Season Pass holders are eligible to enjoy five consecutive days of ski lift privileges accessing the entire 2,191 acres of skiable terrain in Niseko United; while Niseko United All Mountain Season Pass holders will be entitled to the same privileges at any of the Vail Resorts. These are just the first steps of the Group's long term plan to develop the already award-winning Niseko Village into the most sought-after mountain resort in Asia.

Niseko Village won the World Ski Awards 'Best Ski Resort in Japan' for the second consecutive year, while Hilton Niseko Village was voted 'Best Ski Resort Hotel in Japan' by World Ski Awards also for the second consecutive year. Kasara Niseko Village Townhouse was named Asia's Best Resort Residences by Property Report.

Operations Review

PANGKOR LAUT RESORT

Pangkor Laut, the Group's premier resort has maintained its performance levels. Its customers' positive responses to surveys validate the Resort's efforts to maintain its enviable reputation for service and customer attention. The Resort was named in TripAdvisor's Travellers Choice Awards in the Top 25 Hotels for Romance as well as Luxury; Best Body and Soul Escape by Harper's Bazaar Spa Awards, and Top 25 Spa Resort/Hotels in Asia by Smart Travel Asia. Celebrity guests included Prince Albert of Monaco and football star Eric Cantona.

TANJONG JARA RESORT

Tanjong Jara Resort has performed well, top of its competitive set. The Resort won the coveted TripAdvisor's Hall of Fame award, which can only be achieved by those properties that have been recognised with the TripAdvisor Certificate of Excellence for five consecutive years. The Resort's Spa Village won the Most Idyllic Couple's Ritual for its Couple's Spa Experience by Harper's Bazaar Spa Awards.

CAMERON HIGHLANDS RESORT

Cameron Highlands Resort is still the resort of choice in the Highlands. Its popularity is reflected in its consistent occupancy attained throughout the year. Awards won in the last year include: TripAdvisor Hall of Fame; Harper's Bazaar Spa Awards 2015: Most Luxurious Spa Treatment – The Semai, Best Escape From The City – Fresh Strawberry Escape, Best Traditional Spa Experience for Men – Tok Batin Mystical Tradition For Him, Top 5 Valentines Spa Destinations.

THE RITZ-CARLTON, KUALA LUMPUR

The Group has extended its partnership with The Ritz-Carlton brand, signing an additional 25-year management agreement for this hotel in Kuala Lumpur. A complete renovation of the hotel, rooms, suites and public areas, is underway and is on target for completion in December this year. The entire ground and first floors of both the hotel and suite wings are being renovated based on design concepts by the world renowned Champalimaud Design, headquartered in New York City. When completed these new guest facilities will feature grand lobby areas and seamlessly incorporate a new restaurant, library, and tea lounge that flow into the adjoining Starhill Gallery.

Awards garnered this year include being named as one of the Top 25 Luxury Hotels in Malaysia by TripAdvisor Traveller's Choice Awards 2014. Li Yen has been selected in the Top 101 Best Hotel Restaurants Around the World by the Daily Mail UK and Best Chinese Restaurant by Malaysian Tatler National and Regional Guide. The hotel was also the selected partner hotel for the prestigious IIFA (International Indian Film Academy) awards, considered the Oscars of Bollywood. Celebrity guests welcomed for the past year included artistes Mariah Carey and Michael Buble as well as actors John Cusak and Adrien Brody.

JW MARRIOTT KUALA LUMPUR

The JW Marriott Kuala Lumpur continues to consolidate its position as the leading hotel and preferred meeting venue in Kuala Lumpur. Studies confirm the JW Marriott's number one position in its competitive set and its financial performance mirrors that market position. Plans for the redevelopment of the JW Marriott's facilities and renovation of all guest rooms and suites are being timed for the third quarter of 2016. The hotel was awarded Malaysia's Leading Business Hotel by World Travel Awards in March 2015 and named in 25 Luxury Hotels in Malaysia by TripAdvisor Travellers' Choice Awards 2014.

VISTANA GROUP OF HOTELS

The updated and renovated Vistana Hotels are reclaiming their historic market positions of strength within their competitive sets after launching February 2014. Occupancy and average rates have improved across the board. The business sector is becoming a major portion of its guest profile, with corporate meetings growing in demand. Independent travel surveys confirm the Vistana Brand is a product leader in its class.

MUSE SAINT TROPEZ

The Muse Hotel retains its market position as a premier summer destination in the glamourous and trendy south of France. Media coverage features rave reviews for the hotel and its award-winning gardens. Celebrity guests included Brad Pitt and World Cup star Didier Deschamps. Awards include: Top Ten Sexiest Bedrooms by Smith Hotel Awards; Excellence Award for Best Boutique Hotel from Booking.com; and TripAdvisor Certificate of Excellence 2014 and 2015.

SWATCH ART PEACE HOTEL SHANGHAI

On 1 November 2014, the Swatch Art Peace Hotel staged a Faces and Traces Exhibition and street art festival on the Bund in recognition of the property's third anniversary and its unique role as atelier and landmark hotel. Over the past three years Swatch Art Peace Hotel has hosted 139 artists of 34 nationalities. The exhibition featured the art created by the artists in residence for the first time.

The Group manages the hotel's seven luxurious themed suites and rooms, and operates the very successful Shook! Restaurant and Rooftop Terrace. The hotel was declared a Hot Spot by Marie Claire Magazine; appeared as a Travel+Style Editor's Pick and was featured by Yahoo Travel as one of the World's Top Art Hotels. Shook! Shanghai was awarded the TripAdvisor Certificate of Excellence and won 2nd Best Restaurant during Shanghai's Restaurant Week organised by DiningCity, the leading worldwide restaurant guide.

Operations Review

GAYA ISLAND RESORT

Gaya Island Resort improved its operating results this year and continues to be the leading luxury resort in Sabah. It has successfully attained its objective to be recognised for its role in the protection of natural areas and wildlife conservation, especially so given its unique location in the Tunku Abdul Rahman Marine Park. The Resort recently opened a two storey Japanese restaurant, Omakase, with a stunning view of Malohom Bay and Mount Kinabalu. Omakase, "I leave it to you" in Japanese, refers to a degustation style menu crafted by the chef using the freshest ingredients of the day. The Resort won Best Honeymoon Hideout and Most Exotic Spa Retreat from Harper's Bazaar Spa Awards as well as Most Luxurious Head-to-Toe Treatment and Best Head-To-Toe Pampering for Couples from Malaysian Women's Weekly.

THE SURIN PHUKET

The Surin continues to perform well, receiving excellent reviews for its customer service. It has been included in TripAdvisor's Hall of Fame and received the Award of Excellence from Booking.com.

SPA VILLAGE RESORT TEMBOK, BALI

This 31 guest room Resort is pursuing an initiative to develop niche market alliances with life-style and fitness "gurus" to feature Spa Village Resort Tembok Bali as a venue in their programmes throughout the year. The Resort was awarded TripAdvisor's Hall of Fame; Top 25 Must-See Honeymoon Resorts in Asia by the Wedding Notebook; Best Honeymoon Hideout and Most Authentic Balinese Ritual by Harper's Bazaar Spa Awards.

THE MAJESTIC MALACCA

The Majestic Malacca remains the leading hotel in Malacca maintaining its occupancy despite considerable competitive pressure resulting from the opening of ten hotels and an additional 2,700 guest rooms over the last year. The Hotel was inducted into TripAdvisor's Hall of Fame; won Best Nature-Inspired Spa Treatment by Malaysian Women's Weekly and Best Traditional Spa Experience for Men, Best Escape from the City and Most Romantic Weekend Getaway from Harper's Bazaar Spa Awards.

THE MAJESTIC HOTEL KUALA LUMPUR

The Majestic Hotel Kuala Lumpur has achieved better than expected results this year. It continues to lead other hotels in its competitive set in Banquets. The Hotel guestroom occupancy is stabilising as is the meetings and conference business, towards attaining budgeted objectives. The hotel was the venue for several international events, including 2014 FIFA World Cup Brazil Post Conference and the 48th ASEAN Foreign Ministers' Meeting/Post Ministerial Conference. Celebrities hosted were David Beckham, Eric Cantona and David Foster.

Awards received in the past year included Brand Excellence Award in Hospitality for Luxury Hotels from The BrandLaureate – World Special Edition Awards 2015; Iconic Best Brand Awards in Hospitality by The BrandLaureate Awards 2015; Best Boutique Hotel from Expatriate Lifestyle Best of Malaysia Awards; HAPA Hotel of The Year Award from Hospitality Asia Platinum Awards 2013 - 2015; Malaysia's Hot Top Ten from LifestyleAsia; as well as Top 25 Luxury Hotels and Traveller's Choice Award 2015 by TripAdvisor. The hotel was mentioned in The Guardian, UK as one of six Best Colonial Hotels in Southeast Asia.

THE GAINSBOROUGH BATH SPA

In operation since 1 July, the Gainsborough Bath Spa has met with immediate success. Forbes Magazine called it "The U.K.'s Hottest New Hotel". After opening, The Gainsborough has garnered an excellent reputation. Its restaurant, Johann Lafer at The Gainsborough, features recipes of Austrian-born, Michelin-starred Chef Johann Lafer in his first restaurant venture outside Germany. Chef Lafer's inventive 'Dining Without Borders' philosophy is exemplified by a range of dishes all created with fresh, locally sourced produce, pairing diverse inspirations borne of Lafer's collaboration with Malaysian food hero and YTL Executive Chef, Chef Wai.

The Gainsborough Bath Spa is a member of prestigious The Leading Hotels of The World and is the first and only hotel in the UK to offer its visitors the opportunity to access and experience Bath's famed natural thermal waters in its Spa Village Bath. The Hotel is ideally located in the centre of the UNESCO World Heritage City of Bath, minutes away from the city's shopping and restaurant districts, the Theatre Royal and historical Roman Baths and directly opposite the Thermae Bath Spa.

Operations Review

EASTERN & ORIENTAL EXPRESS

The Eastern & Oriental Express is aiming to rationalise its operations while the Thai tourism industry recovers to historic levels. Their objective is to consolidate all operations to take full advantage of demand trends, focusing on the reputation and excellence of their product. Australia's Traveller Magazine named it "Southeast Asia's Most Luxurious Train Journey".

YTL REIT

YTL REIT's performance for the financial year ended 30 June 2015 remained steady. The Trust's well-established properties in key tourist and business destinations across Malaysia, Australia and Japan, coupled with the strategic revenue structure of its assets, continued to provide a stabilising buffer against the more cyclical elements of the hospitality industry.

YTL REIT's investment portfolio was valued at RM3,328.1 million as at 30 June 2015, an increase of RM94.9 million compared to the previous valuation of RM3,233.2 million as at 30 June 2014. The increase was mainly driven by the Trust's Australian assets, in particular, the Sydney Harbour Marriott and the Melbourne Marriott.

Malaysian Portfolio

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

YTL REIT received steady income from its portfolio of assets in Malaysia for the financial year under review. These assets comprise the JW Marriott Hotel Kuala Lumpur, The Ritz-Carlton, Kuala Lumpur, and The Residences at The Ritz-Carlton, Kuala Lumpur, luxury properties situated in the Golden Triangle which forms Kuala Lumpur's premier commercial precinct and operate in close proximity to high-end retail destinations, such as Starhill Gallery, the Feast Village fine dining pavilion, the Carlton Conference Centre and Spa Village Kuala Lumpur.

The Trust's resort portfolio comprises similar high quality offerings at Pangkor Laut Resort on the west coast of the Peninsular, Tanjong Jara Resort on the east coast and Cameron Highlands Resort. The high quality of services and experiences offered at these properties continues to draw high-end clientele from across the Asia-Pacific rim, Europe and the Americas.

The third element of YTL REIT's domestic portfolio is the Vistana chain of business hotels operating in Malaysia's key business city centres in Kuala Lumpur, Kuantan and Penang, where the major upgrading undertaken by the hotels' lessees during the last financial year has yielded good performance and occupancy levels.

Operations Review

International Portfolio

YTL REIT's international portfolio comprises the Hilton Niseko Village situated in Hokkaido, Japan, and the Sydney Harbour, Brisbane and Melbourne Marriott hotels in Australia.

Hilton Niseko Village, situated in Hokkaido, operates under a fixed lease arrangement, ensuring a stable level of income for the Trust. The hotel is one of Asia's most well-rounded winter and summer resort destinations, forming a cornerstone of Niseko Village, a prime destination set at the foot of the Niseko Annupuri Mountain with scenic views of Mountain Yotei, a landmark dormant volcano. Hilton Niseko Village remains the only hotel with an international brand name in the Niseko area, and continued to register strong lodging demand during the year under review, particularly during the peak winter season.

In Australia, the Sydney Harbour Marriott continued to perform well during the year under review due to its well-established position and the quality of its service offerings, coupled with limited supply and increasing demand for hotel beds in the Sydney area. Occupancy at the Sydney Harbour Marriott remained unchanged compared to last year at 87.2%. Renovation plans are also underway to increase the number of rooms and reconfigure the food and beverage and conference areas, which should be completed towards the end of the current calendar year. The Sydney Harbour Marriott is a 5-star, 563-room hotel set in the heart of Circular Quay, overlooking iconic landmarks including Harbour Bridge and the Sydney Opera House.

The 186-room Melbourne Marriott registered a slightly higher occupancy level of 88.8% this year compared to 88.2% for the 2014 financial year. Despite the increase in hotel room supply in the Victoria area of Melbourne over the past few years, the hotel has not been unduly affected and continues to sustain sound occupancy levels. The Melbourne Marriott is located close to the city's theatre precinct and within minutes of the Bourke and Collins street shopping districts, Chinatown, the Melbourne Museum and the Royal Exhibition Building.

The Brisbane Marriott achieved an increase in occupancy to 76.46% compared to 75.0% last year as the Brisbane market began to see some recovery from the recent downturn. In addition, the hotel continues to pursue various marketing strategies to attract a broader segment of guests, and new commercial and office developments in the surrounding area also bode well for the hotel. The Brisbane Marriott consists of 263 rooms and 4 suites and is situated between Brisbane's CBD and the Fortitude Valley hub, close to shopping, riverside dining, and the city's corporate and cultural locales.

Operations Review

IT & e-Commerce Initiatives

The division performed steadily for the financial year under review, supported mainly by its 2.3 gigahertz (GHz) Worldwide Interoperability for Microwave Access (WiMAX) spectrum and digital media advertising sales in the content and digital media division. The spectrum is utilised by YTL Communication Sdn Bhd ("YTL Comms"), a subsidiary of the Group, which operates the "Yes" brand name.

In the content and digital media division, YTL Info Screen Sdn Bhd ("YTLIS"), a subsidiary of the Group, delivered a good performance for the financial year, attracting many renowned brand names, despite a challenging advertising market both immediately before, and after, the introduction of GST.

YTLIS is an end-to-end Out of Home (OOH) digital media solutions provider and OOH digital network owner and operator. It creates content and delivers advertising on its digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, the iconic digital "cube" fronting Lot 10 shopping centre and a large LED screen adjacent to the centre's main entrance, digital networks in other retail and commercial areas such as Starhill Gallery and near the Selangor Turf Club in the Mines area of Selangor, and on the Kuala Lumpur Express Rail Link (KLIA Ekspres and Transit) trains, including the service operating between Kuala Lumpur International Airport (KLIA) and the KLIA2 low-cost carrier terminal.

During the year, YTLIS also completed installation of 12 portrait-style digital poster boards on the train station platforms located at KLIA and KL Sentral, to further exploit the significantly higher passenger numbers utilising the KLIA Ekspres service to and from KLIA following the opening of the new KLIA2 terminal. YTLIS' production and content sales activities also continued to grow, despite weaker economic conditions after the implementation of GST.

Protection of the Environment

"Technical and financial challenges are no longer the principal ones, but political will is. It is going to be crucial for businesses to work alongside governments, whilst at the same time helping to stimulate change and momentum at the community level in paving the way towards a sustainable future."

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

Corporate Events

Beginning 3rd from left, Mr Harry Kwa, Head of Education, Asia Pacific, Google Inc; Encik Abdullah Bin Nordin, Head of Information and ICT Management, Selangor State Education Department; Ms Chuah Soo Cheng, Headmistress, SJK (C) Keng Chee; Datin Kathleen Chew Wai Lin, Group Legal Counsel, YTL Corporation Berhad; and Mr Wing Lee, Chief Executive Officer, YTL Communications Sdn Bhd

14 AUGUST 2014

"1 Murid, 1 Chromebook" Programme Launched

YTL Communications Sdn Bhd, a subsidiary of YTL Corporation Berhad, in collaboration with Multiple Technology MSC Sdn Bhd, EduSpec Holding Bhd and SJK(C) Keng Chee in Pulau Ketam officially launched the *"1 Murid, 1 Chromebook"* programme. The programme is a first-of-its-kind initiative in Malaysia to provide a lightweight, cloud-based, Samsung 4G Chromebook to every single student and teacher in a school, to provide the students of the remote primary school with high quality learning made possible by Internet technology.

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Ms Diana Khoo, Chief Editor, The Peak

OCTOBER 2014

Lifetime Achievement Award – Tan Sri Dato' (Dr) Francis Yeoh Sock Ping

YTL Corporation Berhad's Managing Director, Tan Sri Dato' (Dr) Francis Yeoh, was awarded the Lifetime Achievement Award for his leadership of the YTL Group at The Peak's 25th Anniversary held at the Mandarin Oriental, Kuala Lumpur.

Datuk Azizan Nordin, Tourism Malaysia Deputy Director-General, with Mr Joseph Yeoh Keong Shyan, Vice President of YTL Hotels & Properties Sdn Bhd, at the launch

21 NOVEMBER 2014

Starhill Gallery's 'A Journey Through Time VIII'

Starhill Gallery held 'A Journey Through Time', its luxury watch and jewellery showcase, for the eighth year. The event showcased rare private collections, first-in-market editions and exquisite pieces from over 125 luxury brands such as Bedat & Co, Chopard, Garrard, Gubelin, Hublot, Hermes, Jaeger-LeCoultre, Mouawad, Omega, Rolex and Van Cleef & Arpels.

Corporate Events

Front row, beginning 3rd from left, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, Dato' Mark Yeoh Seok Kah, Executive Director of YTL Corporation Berhad, and Mr Joseph Yeoh Keong Shyan, Vice President of YTL Hotels & Properties Sdn Bhd, with guests at the launch in Japan

8 DECEMBER 2014

Launch of Kasara Niseko Village Townhouse

YTL Hotels and Properties Sdn Bhd, a wholly-owned subsidiary of YTL Corporation Berhad, launched its newest development, Kasara Niseko Village Townhouse, together with new dining and retail experiences within the heart of Niseko Village in Hokkaido, Japan. The Kasara Niseko Village Townhouse is a collection of townhouses that embody authentic Japanese charm with contemporary living elegance.

From left to right, Dato' Yeoh Soo Min, Executive Director, YTL Corporation Berhad; Mr Dean Martin, Managing Director of The Original Maids of Honour Limited; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad; H.E Ms Victoria Treadell, British High Commissioner to Malaysia; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; and Ms Kimberly Martin, Director of The Original Maids of Honour Limited, officiating the launch

9 DECEMBER 2014

Launch of Newens Tea House of London at Starhill Gallery

Newens Tea House, a historic British tea house dating back to 1850, opened its first international location at Starhill Gallery in Kuala Lumpur. Newens Tea House is a London icon, combining the finest English baking traditions from the Original Newens Tea House in London and the contemporary setting of Starhill Gallery, featuring its historic, world-famous 'Maids of Honour' cakes which have been produced exclusively to a secret recipe by Newens bakers since the 18th century.


SAMSUNG

Support for Education & Community Development

"Technology empowers students to do things differently and bring about a wave of positive change that will eventually contribute to the larger future success of the nation. We believe in utilising technology as a great equaliser in education, providing students with access to the world, even in remote areas, and driving the next generation of learning."

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

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, and Mr Steve Mollenkopf, Chief Executive Officer of Qualcomm Incorporated

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, and Mr Hugo Barra, Vice President of Xiaomi Global

From left to right, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Sundar Pichai, Chief Executive Officer, Google Inc; Mr Hiroshi Lockheimer, Vice President of Engineering, Google Inc; and Mr Felix Lin, Director of Product Management and Chrome OS, Google Inc

2-5 MARCH 2015

Mobile World Congress, Barcelona, Spain

YTL Communications Sdn Bhd, a subsidiary of YTL Corporation Berhad, which owns and operates the Yes 4G network in Malaysia, participated in the Mobile World Congress 2015 in Barcelona, Spain. Attended by over 2,200 companies and 94,000 attendees from 200 countries in 2015, the Mobile World Congress is an annual industry-leading gathering for the mobile industry and related industries, organised by the GSMA (GSM Association), which represents the interests of mobile operators worldwide in the broader mobile ecosystem.

Chief Executive Officer of ERL Maintenance Support Sdn Bhd, Mr Thomas Baake, and Chief Executive Officer of ERL, Puan Noormah Mohd Noor, receiving the awards in Toronto

21 MAY 2015

Express Rail Link Sdn Bhd wins Global AirRail Awards 2015

Express Rail Link Sdn Bhd ("ERL"), a subsidiary of YTL Corporation Berhad won the coveted title of North Star Air Rail Link of the Year for the third time at the Global AirRail Awards 2015 held in Toronto, Canada. ERL, which owns and operates the KLIA Ekspres and KLIA Transit, previously won the award in 2012 and 2014. This year ERL also won the Marketing Campaign of the Year award for its KLIA2 Service Extension launch campaign.

Corporate Events

From left to right, Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad, and Trustee, YTL Foundation; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad, and Trustee, YTL Foundation; H.E. Ms Victoria Treadell, British High Commissioner to Malaysia; Mr Tim Gardam, Principal, St Anne's College, Oxford University; and Datin Kathleen Chew Wai Lin, Group Legal Counsel, YTL Corporation Berhad, and Programme Director, YTL Foundation

20 JULY 2015

An Evening with St. Anne's College, University of Oxford

The YTL Foundation hosted an evening of lectures at The Majestic Hotel Kuala Lumpur, an initiative between St. Anne's College, Oxford University, and YTL Foundation in conjunction with the St Anne's College Summer School Kuala Lumpur being held the same week. Guests had the opportunity to hear from two professors from St. Anne's College on The Nuclear Future for Malaysia and Biodiversity Conservation in South East Asia.

From left to right, Mr Sajid Javid MP, British Secretary of State for Business, Innovation & Skills; Mr Gavin Anderson, British Council Director; Dato' Yeoh Seok Kian, Deputy Managing Director of YTL Corporation Berhad and Executive Director of YTL Land & Development Berhad; and Mr Chris Hickey, British Council Schools Director

31 JULY 2015

Memorandum of Understanding for Development of New International School in Sentul West

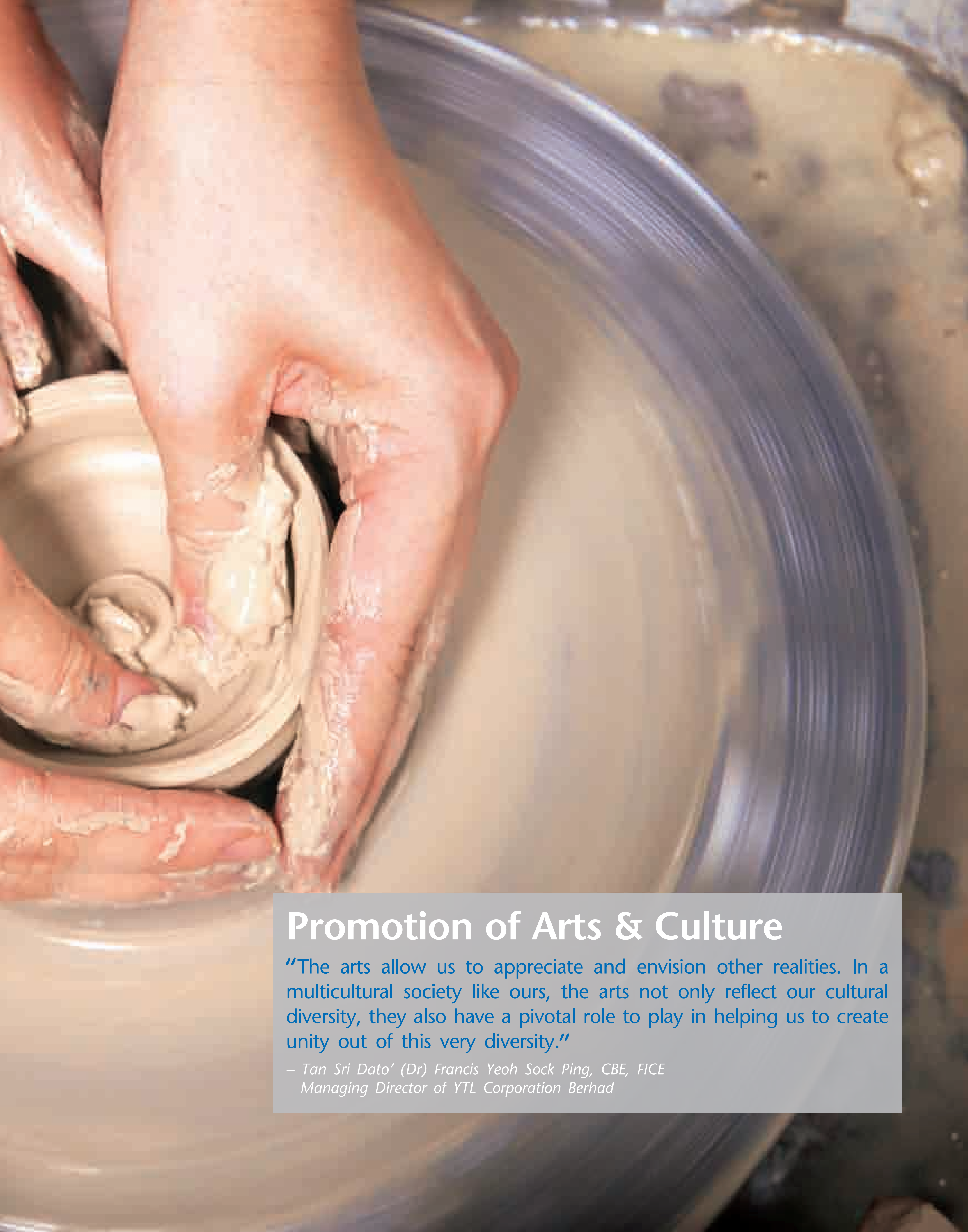
YTL Land & Development Berhad, a listed subsidiary of YTL Corporation Berhad, and the British Council signed a Memorandum of Understanding for the development of a new international school in Sentul West, part of the Group's Sentul urban regeneration development.

Dato' Yeoh Seok Kian, Deputy Managing Director of YTL Corporation Berhad, and Mr Marcus Langston, Senior Manager Asia/Pacific, Euromoney

SEPTEMBER 2015

Malaysia's Best Real Estate Developer (Overall), Euromoney Real Estate Awards 2015

YTL Corporation Berhad was rated as Malaysia's Best Real Estate Developer (Overall) in Euromoney's Real Estate Awards 2015. Euromoney magazine's 11th annual Real Estate Survey canvassed the opinions of real estate advisers, developers, investment managers, corporate end-users and banks worldwide.



Promotion of Arts & Culture

"The arts allow us to appreciate and envision other realities. In a multicultural society like ours, the arts not only reflect our cultural diversity, they also have a pivotal role to play in helping us to create unity out of this very diversity."

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Second Annual General Meeting of YTL Corporation Berhad ("the Company") will be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 24th day of November, 2015 at 4.00 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and Auditors thereon; *Please refer Explanatory Note A*

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

   (i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping *Resolution 1*
   (ii) Dato' Sri Michael Yeoh Sock Siong *Resolution 2*
   (iii) Faiz Bin Ishak *Resolution 3*

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

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

   (ii) "THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." *Resolution 5*

4. To approve the payment of Directors' fees amounting to RM720,000 for the financial year ended 30 June 2015; *Resolution 6*

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. *Resolution 7*

Notice of Annual General Meeting

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 subject to the passing of the Ordinary Resolution 5, approval be and is hereby given to Eu Peng Meng @ Leslie Eu, 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***

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

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." ***Resolution 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, 1965, the provisions of the Company's Memorandum and Articles of Association and the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 25 November 2014, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

(ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2015, the audited Retained Profits and Share Premium Account of the Company were RM5,157,833,000 and RM2,069,188,000 respectively; and

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

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

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

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

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR and all other relevant governmental/regulatory authorities." *Resolution 11*

Notice of Annual General Meeting

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 2 November 2015 subject to the following:-

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

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

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

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." *Resolution 12*

By Order of the Board,

Ho Say Keng
Company Secretary

Kuala Lumpur
2 November 2015

Notes:-

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 17 November 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 17 November 2015 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Note A

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

Retirement of Director

Dato' (Dr) Yahya Bin Ismail, an Independent Non-Executive Director via his letter dated 16 October 2015 informed the Board of Directors of the Company that he does not wish to seek re-appointment pursuant to Section 129(6) of the Companies Act, 1965. Hence, he will retire at the conclusion of the Thirty-Second Annual General Meeting.

Explanatory Notes to Special Business

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

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolutions 8 and 9 are to enable Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu 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 in the Nominating Committee Statement which is available under the "Governance" section on the Company's website at **www.ytl.com**.

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

Resolution 10 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Thirty-First Annual General Meeting held on 25 November 2014 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Thirty-Second Annual General Meeting to be held on 24 November 2015.

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

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

For Resolution 11, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 2 November 2015 which is despatched together with the Company's Annual Report 2015.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 12, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 2 November 2015 which is despatched together with the Company's Annual Report 2015.

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-Second 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 Section 132D of the Companies Act, 1965 are set out in the Explanatory Notes to Special Business of the Notice of Thirty-Second Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman

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

Managing Director

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

Deputy Managing Director

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

Directors

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

Dato' Cheong Keap Tai

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

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

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

Faiz Bin Ishak
Fellow of the Chartered Association of Certified Accountants

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

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

REGISTRAR

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

SOLICITORS

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

Corporate Information

AUDIT COMMITTEE

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

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

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

NOMINATING COMMITTEE

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

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

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

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

AUDITORS

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

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
AmBank (M) Berhad
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
CIMB Bank Berhad
Commonwealth Bank of Australia
DBS Bank Ltd
European Investment Bank
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
National Australian Bank Limited
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
Sumitomo Mitsui Banking Corporation Malaysia Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (3.4.1985)

Tokyo Stock Exchange
Foreign Section (29.2.1996)

Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 1965 ("the Act") and Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2015, the Directors have:

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

The Directors confirm that the financial statements have been prepared on a going concern basis.

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

Statement on Corporate Governance

for the financial year ended 30 June 2015

The Board of Directors ("Board") of YTL Corporation Berhad ("YTL Corp" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL Corp Group"). The YTL Corp Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL Corp Group's achievements and strong financial profile to date.

The YTL Corp Group's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL Corp Group, whilst taking into account the interests of all stakeholders.

In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code").

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code for the financial year ended 30 June 2015. This statement explains the Company's application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, including, where otherwise indicated, explanations of its alternative measures and processes.

ROLES & RESPONSIBILITIES OF THE BOARD

YTL Corp is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL Corp Group's operations. This broad spectrum of skills and experience ensures the YTL Corp Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the YTL Corp Group. Key elements of the Board's stewardship responsibilities include those set out in Code:

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

The Managing Director and Executive Directors are accountable to the Board for the profitability and development of the YTL Corp Group, consistent with the primary aim of enhancing long-term shareholder value. The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the YTL Corp Group.

The 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.

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

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

Statement on Corporate Governance
for the financial year ended 30 June 2015

The Board believes sustainability is integral to the long-term success of the YTL Corp Group. Further information on the YTL Corp Group's sustainability activities can be found in YTL Corp's ***Sustainability Report 2015***, a separate report published in conjunction with this Annual Report.

The Board's functions are governed and regulated by the Memorandum and Articles of Association of the Company and the various applicable legislation, Listing Requirements and other regulations and codes. The Board's charter was formalised during the financial year ended 30 June 2014 and a copy can be found under the "Governance" section on the Company's website at **www.ytl.com**.

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Corp Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2015.

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

The Directors have full and unrestricted access to all information pertaining to the YTL Corp Group's business and affairs to enable them to discharge their duties. Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting.

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

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations. The Company Secretary works very closely with management for timely and appropriate information, which will then be passed on to the Directors. In accordance with the Board's procedures, deliberations and conclusions in Board meetings are recorded by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of the Company.

COMPOSITION & INDEPENDENCE OF THE BOARD

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

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

The Nominating Committee, which was established by the Board on 23 May 2013, is now responsible for assessing suitable candidates for appointment to the Board for approval, taking into account the required mix of skills, experience and expertise of members of the Board before submitting its recommendation to the Board for decision. Further information on the activities of the Nominating Committee can be found in the ***Nominating Committee Statement*** which is available under the "Governance" section on the Company's website at **www.ytl.com**.

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

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

In order to ensure balance of authority and accountability, the roles of the Executive Chairman and the Managing Director are separate and distinct, and these positions are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and effectiveness of the Board whereas the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. Whilst the Code recommends that the Chairman should be a non-executive member, the Board is of the view that its existing measures, including the delineation of the roles and duties of the Managing Director and the Executive Chairman and the presence of independent oversight by the Independent Non-Executive Directors, are sufficient to ensure the balance of accountability and authority within the Board.

BOARD COMMITMENT

In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL Corp Group thereby enabling them to discharge their duties effectively. The details of each Director's attendance of Board meetings and training programmes attended during the year under review are disclosed in the ***Profile of the Board of Directors*** and the ***Nominating Committee Statement*** which are available under the "Governance" section on the Company's website at **www.ytl.com**.

INTEGRITY IN FINANCIAL REPORTING

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors, in compliance with the Listing Requirements which require all the members of the Audit Committee to be non-executive members. The Audit Committee holds quarterly meetings to review matters including the YTL Corp Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 5 times during the financial year ended 30 June 2015. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the ***Audit Committee Report*** which is 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, Messrs HLB Ler Lum. The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders.

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

In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, to present a true and fair assessment of the Company's position and prospects. Interim financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities.

Statement on Corporate Governance
for the financial year ended 30 June 2015

RISK MANAGEMENT

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of its shareholders and the YTL Corp Group's assets. Details of the YTL Corp Group's system of risk management and internal control and its internal audit function are contained in the ***Statement on Risk Management & Internal Control*** in this Annual Report and the ***Audit Committee Report*** which is available under the "Governance" section on the Company's website at **www.ytl.com**.

CORPORATE DISCLOSURE & COMMUNICATION WITH SHAREHOLDERS

The YTL Corp Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting stakeholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders.

Accordingly, the Board ensures that shareholders are kept well-informed of any major development of the YTL Corp Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are communicated via the Company's corporate website at **www.ytl.com** and the YTL Corp Group's community website at **www.ytlcommunity.com**, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Corp Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the YTL Corp Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Corp Group's performance and major development programs. Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, 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.

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

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

The rights of shareholders, including the right to demand for a poll, are found in the Articles of Association of the Company. At the 31st AGM of the Company, held on 25 November 2014, the resolutions put forth for shareholders' approval were voted on by a show of hands as there were no shareholder demands for voting to be done by way of a poll.

This statement was approved by the Board of Directors on 20 August 2015.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2015

During the financial year under review, YTL Corporation Berhad ("YTL Corp" or "Company") and its subsidiaries ("YTL Corp Group") continued to enhance the YTL Corp Group's system of internal control and risk management, to comply with the applicable provisions of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ("Code").

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

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

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

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

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

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

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

- **Internal Audit Function:** The YTL Corp Group's internal audit function is carried out by its Internal Audit department ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by Management, and reports directly to the Audit Committee. A description of the activities of the internal audit function can be found in the ***Audit Committee Report*** which is available under the "Governance" section of the Company's website at **www.ytl.com**.

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

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

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

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

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

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

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

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

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

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

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

The Board assumes overall responsibility for the YTL Corp Group's risk management framework. Identifying, evaluating and managing any significant risks faced by the YTL Corp Group is an ongoing process which is undertaken by the senior management at each level of operations and by the Audit Committee, which assesses and analyses these findings and reports to the Board. At the same time, YTLIA, in the performance of its internal audit function, will identify and evaluate any significant risks faced by the YTL Corp Group and report these findings to the Audit Committee. During the financial year under review, the Board's functions in the risk management framework were exercised primarily by the Executive Directors through their participation in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

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

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

Statement on Risk Management & Internal Control
for the financial year ended 30 June 2015

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

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs HLB Ler Lum, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2015, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the YTL Corp Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL Corp Group's operations and that risks are at an acceptable level throughout its businesses. The Managing Director and the Executive Director primarily responsible for the financial management of YTL Corp have provided assurance to the Board that the YTL Corp Group's risk management and internal control system is operating adequately and effectively. Reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard shareholders' investments and the YTL Corp Group's assets.

This statement was approved by the Board of Directors on 20 August 2015.

Analysis of Shareholdings
as at 22 September 2015

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	2,311	9.77	63,177	0.00
100 – 1,000	3,727	15.75	2,025,929	0.02
1,001 – 10,000	10,847	45.85	47,839,158	0.46
10,001 – 100,000	5,521	23.34	160,876,704	1.54
100,001 to less than 5% of issued shares	1,247	5.27	3,800,549,932	36.48
5% and above of issued shares	4	0.02	6,407,290,223	61.50
Total	**23,657**	**100.00**	**10,418,645,123**	**100.00**

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

	Name	No. of Shares	%#
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,961,075,858	38.02
2	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank AG Singapore (PWM Asing)	1,047,276,418	10.05
3	Malaysia Nominees (Tempatan) Sendirian Berhad – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (88-00006-000)	707,200,000	6.79
4	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	691,737,947	6.64
5	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd	300,000,000	2.88
6	HSBC Nominees (Asing) Sdn Bhd – Exempt An for J.P.Morgan Bank Luxembourg S.A. (JPMINTL BK Ltd)	159,730,022	1.53
7	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (West CLT OD67)	107,698,171	1.03
8	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	97,477,545	0.94
9	State Secretary, Pahang	94,697,451	0.91
10	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	93,859,456	0.90
11	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	89,018,145	0.85
12	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Orchestral Harmony Limited	84,626,832	0.81
13	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Velvet Properties Limited	82,872,522	0.80

Analysis of Shareholdings
as at 22 September 2015

	Name	No. of Shares	%#
14	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (514084576710)	80,000,000	0.77
15	HSBC Nominees (Asing) Sdn Bhd – Exempt An for The Bank of New York Mellon (MELLON ACCT)	66,164,541	0.64
16	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	63,869,349	0.61
17	Amanahraya Trustees Berhad – Amanah Saham Wawasan 2020	61,322,942	0.59
18	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	58,340,667	0.56
19	Dato' Yeoh Seok Kian	55,481,889	0.53
20	Dato' Yeoh Soo Keng	53,916,634	0.52
21	Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.51
22	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	52,863,121	0.51
23	Dato' Yeoh Soo Min	51,797,932	0.50
24	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Windchime Developments Limited	48,088,309	0.46
25	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	45,023,429	0.43
26	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	44,294,664	0.43
27	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Water City Limited	43,414,362	0.42
28	Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	41,359,000	0.40
29	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	37,814,090	0.36
30	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	35,677,620	0.34
	Total	**8,410,351,450**	**80.73**

SUBSTANTIAL SHAREHOLDERS
(as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%#	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,135,912,567	49.30	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	90,561,164	0.87	5,135,912,567*	49.30
Employees Provident Fund Board	743,122,547	7.13	–	–

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

\# Based on the issued and paid-up share capital of the Company of RM1,079,399,126.20 comprising 10,793,991,262 ordinary shares net of 375,346,139 treasury shares retained by the Company as per Record of Depositors.

Statement of Directors' Interests

in the Company and the related corporation as at 22 September 2015

THE COMPANY
YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	90,561,164	0.87	5,180,207,231(1)(2)	49.72
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.28	–	–
Dato' Yeoh Seok Kian	55,481,889	0.53	11,352,517(2)	0.11
Dato' (Dr) Yahya Bin Ismail	398,000	*	482,418(2)	*
Dato' Yeoh Soo Min	51,797,932	0.50	1,525,605(2)(5)	0.01
Dato' Yeoh Seok Hong	44,535,079	0.43	23,549,759(2)	0.23
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.51	19,332,622(2)	0.19
Dato' Yeoh Soo Keng	53,916,634	0.52	758,214(2)	0.01
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597(2)	0.04
Syed Abdullah Bin Syed Abd Kadir	9,304,133	0.09	19,642(2)	*

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

HOLDING COMPANY
Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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

Statement of Directors' Interests
in the Company and the related corporation as at 22 September 2015

SUBSIDIARY COMPANIES
YTL Cement Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	737,661,273(6)	99.61

YTL e-Solutions Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	999,172,000(3)	74.27
Dato' Yeoh Seok Kian	–	–	200,000(2)	0.01
Dato' Yeoh Soo Min	–	–	1,053,800(5)	0.08
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(2)	0.14
Dato' Yeoh Soo Keng	500,000	0.04	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

YTL Land & Development Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	558,976,534(3)	67.41
Dato' Yeoh Seok Kian	61,538	0.01	–	–
Dato' Yeoh Soo Min	–	–	625,582(5)	0.08
Dato' Yeoh Soo Keng	100,000	0.01	–	–

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

Statement of Directors' Interests

in the Company and the related corporation as at 22 September 2015

YTL Power International Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	21,599,262	0.30	4,284,359,386(2)(4)	60.41
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,719,213	0.21	89,000(2)	*
Dato' Yeoh Seok Kian	10,404,890	0.15	3,221,155(2)	0.05
Dato' (Dr) Yahya Bin Ismail	252,200	*	40,540(2)	*
Dato' Yeoh Soo Min	16,862,430	0.24	3,754,488(2)(5)	0.05
Dato' Yeoh Seok Hong	45,845,216	0.65	5,015,218(2)	0.07
Dato' Sri Michael Yeoh Sock Siong	14,055,133	0.20	2,658,052(2)	0.04
Dato' Yeoh Soo Keng	13,666,251	0.19	140,175(2)	*
Dato' Mark Yeoh Seok Kah	9,387,959	0.13	1,415,320(2)	0.02
Syed Abdullah Bin Syed Abd Kadir	2,381,613	0.03	550(2)	*

Name	No. of Warrants 2008/2018 Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	586,019,271(3)	74.85
Dato' Yeoh Soo Min	–	–	2,000(2)	*
Dato' Yeoh Soo Keng	–	–	87,054(2)	0.01

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

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

Statement of Directors' Interests

in the Company and the related corporation as at 22 September 2015

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

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

* Negligible
(1) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(2) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.
(3) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
(4) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(5) Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(6) Deemed interests by virtue of interests held by YTL Corporation Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act, 1965.

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

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

Schedule of Share Buy-Back

for the financial year ended 30 June 2015

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

Monthly Breakdown	No. of Shares of RM0.10 each Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
September 2014	1,000	1.65	1.65	1.69250	1,692.50
February 2015	1,000	1.73	1.73	1.77252	1,772.52
Total	**2,000**				**3,465.02**

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June, 2015 a total of 375,346,039 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

List of Properties

as at 30 June 2015

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 2015 RM'000	Date of Acquisition
Ngee Ann City Property, 391/391B Orchard Road, Singapore 238874^	Leasehold	26,846.4 sq.m.	4 strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City, located on: (a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block; (b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and (c) Whole of Level 21 to Level 24 of Tower B (office)	40,210	22	31.03.2072	3,041,953	20.09.2005
Wisma Atria Property, 435 Orchard Road, Singapore 238877^	Leasehold	8,218.7 sq.m.	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria. Wisma Atria is a building comprising a podium block with 4 levels and 1 basement level of retail space, 3 levels of car parking space and 13 levels of office space in the office block	21,161	29	31.03.2061	2,771,152	20.09.2005
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427 acres	Residential development	–	–	–	1,707,750	22.11.2007
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.	A 33-storey hotel building with central atrium comprising 563 rooms including 3 levels of basement with car parking bays	47,276	26	–	1,006,187	29.11.2012
Myer Centre Adelaide, 14-38 Rundle Mall, Adelaide, Australia	Freehold	10,451 sq.m.	A 8-storey retail centre with 4 basement levels, and office component which includes a 6-storey office tower and 2 heritage buildings	56,274 (Net Lettable Area)	24	Freehold	834,258	18.05.2015
Starhill Gallery, 181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Freehold	12,338 sq.m.	Shopping centre comprising part of a 7-storey building with 5 basements and a 12-storey annex building with 3 basements	76,401.38	20	Freehold	682,100	28.06.2010
Avonmouth STW, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	525,284	21.05.2002

List of Properties
as at 30 June 2015

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 2015 RM'000	Date of Acquisition
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	–	–	Year 2087	464,850	30.07.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	–	–	Year 2087		30.07.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	–	–	Year 2095		17.04.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	–	–	Year 2096		29.12.1997
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	–	–	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	–	–	Year 2095		17.04.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	–	–	Year 2095		17.04.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	–	–	Year 2095		17.04.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	–	–	Year 2026		17.04.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	–	–	Year 2026		17.04.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	–	–	Year 2095		29.05.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	–	–	Year 2095		27.06.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	–	–	Year 2026		17.04.1996
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	–	–	Year 2097		15.09.1998
HS (D) 4171 PT 1420#	Leasehold	3.54 acres	Cement plant	–	–	Year 2097		15.09.1998
HS (D) 8804 PT 1421#	Leasehold	13.38 acres	Cement plant	–	–	Year 2102		01.10.2003
PN 00108181, Lot 2764#	Leasehold	49.57 acres	Cement plant	–	–	Year 2886		01.11.1996
Lot 10 Property, 50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Leasehold	10,138 sq.m.	137 strata parcels and 2 accessory parcels within Lot 10 shopping centre	39,984	25	29.07.2076	430,000	28.06.2010
David Jones Building, 622-648 Hay Street Mall, Perth, Australia^	Freehold	6,640 sq.m.	A 4 level property known as David Jones Building which has heritage-listed components including the Savoy Hotel	24,069.3 (Gross Lettable Area)	13	Freehold	420,026	20.01.2010

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

@ Based on valuation on 29 May 2015

^ Based on independent valuation as at 30 June 2015

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 2015.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are set out in Note 13 to the Financial Statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,721,032	1,646,083
Attributable to:-		
Owners of the parent	1,017,645	1,646,083
Non-controlling interests	703,387	–
	1,721,032	1,646,083

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2014:-	
A third interim single tier dividend of 95% or 9.5 sen per ordinary share of 10 sen each paid on 14 November 2014	984,541

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2015.

On 20 August 2015, the Board of Directors declared an interim single tier dividend of 95% or 9.5 sen per ordinary share of 10 sen each for the financial year ended 30 June 2015. The book closure and payment dates in respect of the aforesaid dividend are 7 October 2015 and 23 October 2015, respectively.

RESERVES AND PROVISIONS

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

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 25 November 2014. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

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

EMPLOYEES' SHARE OPTION SCHEME

The Employees Share Option Scheme ("ESOS") for employees and Executive Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation was governed by the by-laws approved by the shareholder at an Extraordinary General Meeting ("EGM") held on 30 November 2010. The scheme was implemented on 1 April 2011. The salient features and terms of the ESOS are set out in Note 28(b) to the financial statements.

The aggregate maximum allocation of the share options granted to key management personnel is not more than fifty per cent (50%) of the fifteen per cent (15%) of the net paid up shares capital of the Company at the point of time throughout the duration of the scheme.

The actual allocation granted to key management personnel is as follows:-

	Actual Allocation Since 1.4.2011	Financial Year 30.6.2015
Key management personnel	4.49%*	–

** Computed based on 15% of the net paid up share capital of the Company.*

Since the date of the last report, no options have been granted under the ESOS.

Details of options granted to Non-Executive Director of the Company are as follows:

	Number of share options <--------------- over ordinary shares of RM0.10 each --------------->			
	Balance at 1.7.2014	Granted	Exercised	Balance at 30.6.2015
Name of Director				
Dato' (Dr) Yahya Bin Ismail	1,000,000	–	–	1,000,000
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–	–	1,000,000
Eu Peng Meng @ Leslie Eu	1,000,000	–	–	1,000,000

DIRECTORS

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Dato' Yeoh Seok Kian
Dato' (Dr) Yahya Bin Ismail
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Soo Keng
Dato' Mark Yeoh Seok Kah
Eu Peng Meng @ Leslie Eu
Syed Abdullah Bin Syed Abd. Kadir
Faiz Bin Ishak

DIRECTORS' INTERESTS

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

The Company

	<------------ Number of ordinary shares of RM0.10 each			------------>
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	90,561,164	–	–	90,561,164
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	–	–	133,001,216
Dato' Yeoh Seok Kian	55,481,889	–	–	55,481,889
Dato' (Dr) Yahya Bin Ismail	480,000	–	(82,000)	398,000
Dato' Yeoh Soo Min	51,797,932	–	–	51,797,932
Dato' Yeoh Seok Hong	44,535,079	–	–	44,535,079
Dato' Sri Michael Yeoh Sock Siong	53,652,534	–	–	53,652,534
Dato' Yeoh Soo Keng	53,916,634	–	–	53,916,634
Dato' Mark Yeoh Seok Kah	20,081,152	–	–	20,081,152
Syed Abdullah Bin Syed Abd. Kadir	9,304,133	–	–	9,304,133

Directors' Report

DIRECTORS' INTERESTS (CONTINUED)

The Company

	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
	<------- Number of ordinary shares of RM0.10 each ------->			
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,087,101,282(1)(2)	93,105,949	–	5,180,207,231(1)(2)
Dato' Yeoh Seok Kian	7,844,248(1)	600,000	–	8,444,248(1)
Dato' (Dr) Yahya Bin Ismail	517,418(1)	–	(35,000)	482,418(1)
Dato' Yeoh Soo Min	1,525,605(1)(5)	–	–	1,525,605(1)(5)
Dato' Yeoh Seok Hong	23,549,759(1)	–	–	23,549,759(1)
Dato' Sri Michael Yeoh Sock Siong	19,332,622(1)	–	–	19,332,622(1)
Dato' Yeoh Soo Keng	758,214(1)	–	–	758,214(1)
Dato' Mark Yeoh Seok Kah	4,005,597(1)	–	–	4,005,597(1)
Syed Abdullah Bin Syed Abd. Kadir	19,642(1)	–	–	19,642(1)

	Balance at 1.7.2014	Granted	Exercised	Balance at 30.6.2015
	Number of share options <----------- over ordinary shares of RM0.10 each ----------->			
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	–	–	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	7,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' (Dr) Yahya Bin Ismail	1,000,000	–	–	1,000,000
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–	–	1,000,000
Dato' Yeoh Soo Min	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Eu Peng Meng @ Leslie Eu	1,000,000	–	–	1,000,000
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	–	–	1,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,000(1)	–	–	5,000,000(1)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000(1)	–	–	2,000,000(1)
Dato' Yeoh Seok Hong	3,000,000(1)	–	–	3,000,000(1)

DIRECTORS' INTERESTS (CONTINUED)

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

	<------- Number of ordinary shares of RM1.00 each ------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	–	–	8,220,004
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Min	1,250,000	–	–	1,250,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	1,250,000	–	–	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,004(1)	–	–	5,000,004(1)

Subsidiaries
– YTL Cement Berhad

	<------- Number of ordinary shares of RM0.50 each ------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	737,620,570(3)	40,703	–	737,661,273(3)

	Number of Irredeemable Convertible <-------------- Unsecured Loan Stocks 2005/2015 -------------->			
	Balance at 1.7.2014	Acquired	Converted/ Disposed	Balance at 30.6.2015
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	10,000(7)	6,240	(16,240)	–

Directors' Report

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries
– YTL Power International Berhad

	<------- Number of ordinary shares of RM0.50 each ------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	21,399,262	–	–	21,399,262
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	992,291	13,726,922	–	14,719,213
Dato' Yeoh Seok Kian	6,706,098	3,698,792	–	10,404,890
Dato' (Dr) Yahya Bin Ismail	283,500	–	–	283,500
Dato' Yeoh Soo Min	13,408,430	3,454,000	–	16,862,430
Dato' Yeoh Seok Hong	28,885,780	11,959,436	–	40,845,216
Dato' Sri Michael Yeoh Sock Siong	7,981,831	6,073,302	–	14,055,133
Dato' Yeoh Soo Keng	8,485,865	5,180,386	–	13,666,251
Dato' Mark Yeoh Seok Kah	8,049,216	1,338,743	–	9,387,959
Syed Abdullah Bin Syed Abd. Kadir	2,381,613	–	–	2,381,613
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,214,556,386(1)(4)	69,825,000	(22,000)	4,284,359,386(1)(4)
Dato' Yeoh Seok Kian	2,037,210(1)	1,182,949	–	3,220,159(1)
Dato' (Dr) Yahya Bin Ismail	40,540(1)	–	–	40,540(1)
Dato' Yeoh Soo Min	3,447,595(1)(5)	306,893	–	3,754,488(1)(5)
Dato' Yeoh Seok Hong	3,445,237(1)	1,571,981	(2,000)	5,015,218(1)
Dato' Sri Michael Yeoh Sock Siong	1,070,255(1)	1,587,797	–	2,658,052(1)
Dato' Yeoh Soo Keng	140,175(1)	–	–	140,175(1)
Dato' Mark Yeoh Seok Kah	1,148,281(1)	267,039	–	1,415,320(1)
Syed Abdullah Bin Syed Abd. Kadir	550(1)	–	–	550(1)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries
– YTL Power International Berhad

	<---------------- Number of Warrants 2008/2018			---------------->
	Balance at 1.7.2014	Acquired	Exercised/ Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	6,037,432	–	(6,037,432)	–
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	–	(13,726,922)	–
Dato' Yeoh Seok Kian	3,698,792	–	(3,698,792)	–
Dato' Yeoh Soo Min	3,454,000	–	(3,454,000)	–
Dato' Yeoh Seok Hong	2,969,004	–	(2,969,004)	–
Dato' Sri Michael Yeoh Sock Siong	6,073,302	–	(6,073,302)	–
Dato' Yeoh Soo Keng	5,180,386	–	(5,180,386)	–
Dato' Mark Yeoh Seok Kah	1,338,743	–	(1,338,743)	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	519,265,210(1)(6)	69,707,061	(2,953,000)	586,019,271(6)
Dato' Yeoh Seok Kian	282,949(1)	–	(282,949)	–
Dato' Yeoh Soo Min	308,893(1)(5)	–	(306,893)	2,000(1)
Dato' Yeoh Seok Hong	1,569,981(1)	–	(1,569,981)	–
Dato' Sri Michael Yeoh Sock Siong	1,587,797(1)	–	(1,587,797)	–
Dato' Yeoh Soo Keng	87,054(1)	–	–	87,054(1)
Dato' Mark Yeoh Seok Kah	267,039(1)	–	(267,039)	–

	<------------ Number of share options over ordinary shares of RM0.50 each			------------>
	Balance at 1.7.2014	Granted	Exercised	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	–	–	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	7,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' (Dr) Yahya Bin Ismail	1,000,000	–	–	1,000,000
Dato' Yeoh Soo Min	3,000,000	–	–	3,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	3,000,000	–	–	3,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	–	–	3,000,000
Deemed interests				
Dato' Yeoh Seok Hong	500,000(1)	–	–	500,000(1)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries
– YTL Land & Development Berhad

	<----- Number of ordinary shares of RM0.50 each ----->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Dato' Yeoh Seok Kian	61,538	–	–	61,538
Dato' Yeoh Soo Keng	100,000	–	–	100,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	497,846,293(6)	61,130,241	–	558,976,534(6)
Dato' Yeoh Soo Min	625,582(5)	–	–	625,582(5)

	Number of Irredeemable Convertible <--- Unsecured Loan Stocks 2011/2021 of RM0.50 each --->			
	Balance at 1.7.2014	Acquired	Converted/ Disposed	Balance at 30.6.2015
Direct interests				
Dato' Yeoh Seok Kian	37,000	–	–	37,000
Dato' Yeoh Soo Keng	60,000	–	–	60,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	793,717,049(6)	–	–	793,717,049(6)

Subsidiaries
– YTL e-Solutions Berhad

	<------- Number of ordinary shares of RM0.10 each ------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Dato' Yeoh Soo Keng	500,000	–	–	500,000
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	300,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	999,172,000(6)	–	–	999,172,000(6)
Dato' Yeoh Soo Min	1,053,800(5)	–	–	1,053,800(5)
Dato' Sri Michael Yeoh Sock Siong	1,905,500(1)	–	–	1,905,500(1)

DIRECTORS' INTERESTS (CONTINUED)

Subsidiaries

– YTL Corporation (UK) PLC*

	<--------- Number of ordinary shares of £0.25 each --------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

** Incorporated in England & Wales*

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

	<------- Number of ordinary shares of RM1.00 each ------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	1
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

– YTL Construction (Thailand) Limited+

	<------- Number of ordinary shares of THB100 each ------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

– Samui Hotel 2 Co., Ltd+

	<-------- Number of ordinary shares of THB10 each -------->			
	Balance at 1.7.2014	Acquired	Disposed	Balance at 30.6.2015
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

+ Incorporated in Thailand

DIRECTORS' INTERESTS (CONTINUED)

(1) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act 1965.
(2) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.
(3) Deemed interests by virtue of interests held by YTL Corporation Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act 1965.
(4) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., YTL Corporation Berhad, YTL Power Services Sdn. Bhd. and Cornerstone Crest Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.
(5) Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.
(6) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. and YTL Corporation Berhad pursuant to Section 6A of the Companies Act 1965.
(7) Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act 1965.

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

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

DIRECTORS' BENEFITS

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

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

In their opinion,

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

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

HOLDING COMPANY

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

AUDITORS

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

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

Dated: 9 October 2015

Statement by Directors

We, TAN SRI DATO' SERI (DR) YEOH TIONG LAY and TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being two of the Directors of YTL CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2015 and of the results of the operations and cash flows of the Group and of the Company for the financial year then ended.

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

Signed on behalf of the Board in accordance with a resolution of the Directors, dated 9 October 2015.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

Statutory Declaration

I, DATO' YEOH SEOK HONG, 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.

Dato' Yeoh Seok Hong

Subscribed and solemnly declared by the abovenamed
DATO' YEOH SEOK HONG
at Kuala Lumpur on 9 October 2015.

Before me:

Tan Seok Kett
Commissioner for Oaths

Independent Auditors' Report

to the members of YTL Corporation Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL CORPORATION BERHAD, which comprise the Statements of Financial Position as at 30 June 2015 of the Group and of the Company, and the Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other information notes, as set out on pages 98 to 254.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Independent Auditors' Report

to the members of YTL Corporation Berhad

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the Financial Statements.

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

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

Other Reporting Responsibilities

The supplementary information set out on page 255 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

HLB LER LUM
AF 0276
Chartered Accountants

DATO' LER CHENG CHYE
871/3/17(J/PH)
Chartered Accountant

Dated: 9 October 2015
Kuala Lumpur

Income Statements

for the financial year ended 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	3	**16,754,726**	19,269,237	**1,851,194**	288,376
Cost of sales	4	**(12,186,243)**	(14,424,659)	**–**	–
Gross profit		**4,568,483**	4,844,578	**1,851,194**	288,376
Other operating income		**452,119**	850,544	**5,497**	31,592
Selling and distribution costs		**(353,163)**	(342,977)	**–**	–
Administration expenses		**(1,231,379)**	(1,254,101)	**(72,131)**	(53,295)
Other operating expenses		**(244,708)**	(412,367)	**–**	–
Finance costs	5	**(1,165,265)**	(1,123,749)	**(121,085)**	(116,629)
Share of results of associated companies and joint ventures, net of tax		**297,250**	249,671	**–**	–
Profit before tax	6	**2,323,337**	2,811,599	**1,663,475**	150,044
Income tax expenses	7	**(602,305)**	(206,669)	**(17,392)**	(46,326)
Profit for the year		**1,721,032**	2,604,930	**1,646,083**	103,718
Attributable to:-					
Owners of the parent		**1,017,645**	1,554,980	**1,646,083**	103,718
Non-controlling interests		**703,387**	1,049,950	**–**	–
		1,721,032	2,604,930	**1,646,083**	103,718
Earnings per share (sen)					
Basic	8	**9.80**	15.00		
Diluted	8	**9.80**	15.00		
Dividend per ordinary shares (sen)	9	**9.50**	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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the year	**1,721,032**	2,604,930	**1,646,083**	103,718
Other comprehensive income/(loss):				
Items that may not be reclassified subsequently to income statement:				
– remeasurement of post-employment benefit obligations	**(103,885)**	51,679	**–**	–
Items that may be reclassified subsequently to income statement:				
– available-for-sale financial assets				
– fair value changes	**(313)**	3,338	**826**	29,099
– reclassification	**–**	–	**(1,048)**	(28,700)
– cash flow hedges	**(344,103)**	19,138	**–**	–
– foreign currency translation	**1,459,448**	696,561	**–**	–
Other comprehensive income/(loss) for the year, net of tax	**1,011,147**	770,716	**(222)**	399
Total comprehensive income for the year	**2,732,179**	3,375,646	**1,645,861**	104,117
Total comprehensive income attributable to:-				
Owners of the parent	**1,536,972**	1,977,071	**1,645,861**	104,117
Non-controlling interests	**1,195,207**	1,398,575	**–**	–
	2,732,179	3,375,646	**1,645,861**	104,117

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

Statements of Financial Position

as at 30 June 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**27,569,745**	25,314,106	**3,206**	3,256
Investment properties	11	**9,014,876**	7,586,285	–	–
Development expenditures	12	**825,026**	940,529	–	–
Investment in subsidiaries	13	–	–	**7,650,302**	6,123,489
Investment in associated companies	14	**1,862,200**	1,649,437	**205,241**	205,241
Joint ventures	15	**34,755**	26,312	–	–
Investments	16	**262,342**	192,605	**31,848**	31,640
Intangible assets	18	**5,560,416**	5,013,992	–	–
Biological assets	19	**1,798**	1,798	–	–
Trade and other receivables	20	**287,445**	576,776	–	–
Other non-current assets	23	**32,558**	60,965	–	–
Derivative financial instruments	24	**53,792**	19,848	–	–
		45,504,953	41,382,653	**7,890,597**	6,363,626
Current assets					
Inventories	21	**770,212**	773,878	–	–
Property development costs	22	**1,883,184**	1,530,598	–	–
Trade and other receivables	20	**3,420,880**	2,966,771	**15,475**	17,953
Other current assets	23	**224,425**	485,059	**178**	392
Derivative financial instruments	24	**85,243**	30,590	–	–
Income tax assets		**19,168**	4,661	**23,452**	18,433
Amounts due from related parties	26	**42,634**	42,173	**960,650**	2,251,775
Short term investments	27	**632,106**	609,531	**632,106**	609,531
Fixed deposits	17	**13,318,448**	11,907,881	**1,223,338**	1,284,720
Cash and bank balances	17	**798,158**	1,308,615	**3,154**	228,839
		21,194,458	19,659,757	**2,858,353**	4,411,643
Total assets		**66,699,411**	61,042,410	**10,748,950**	10,775,269

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

Statements of Financial Position
as at 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	28	**1,079,399**	1,073,893	**1,079,399**	1,073,893
Share premium	29	**2,069,188**	1,987,700	**2,069,188**	1,987,700
Other reserves	29	**489,086**	(111,478)	**48,690**	33,659
Retained earnings		**11,591,646**	12,033,219	**5,157,833**	4,496,291
Treasury shares, at cost	28	**(596,574)**	(596,570)	**(596,574)**	(596,570)
		14,632,745	14,386,764	**7,758,536**	6,994,973
Non-controlling interests		**6,163,877**	5,392,919	**–**	–
Total equity		**20,796,622**	19,779,683	**7,758,536**	6,994,973
Non-current liabilities					
Long term payables	30	**845,610**	644,071	**–**	–
Other non-current liabilities	31	**67,696**	67,696	**–**	–
Bonds	32	**16,555,979**	14,319,274	**1,500,000**	1,500,000
Borrowings	33	**16,503,667**	13,869,725	**200,244**	340
Grants and contributions	34	**413,485**	347,207	**–**	–
Deferred tax liabilities	35	**2,403,899**	2,275,723	**100**	100
Post-employment benefit obligations	36	**743,365**	553,780	**–**	–
Derivative financial instruments	24	**136,223**	10,754	**–**	–
Total non-current liabilities		**37,669,924**	32,088,230	**1,700,344**	1,500,440
Current liabilities					
Trade and other payables	37	**3,165,615**	3,253,302	**12,490**	12,469
Other current liabilities	38	**14,687**	91,938	**–**	–
Derivative financial instruments	24	**304,311**	77,831	**–**	–
Amounts due to related parties	26	**10,132**	6,559	**9,911**	999,716
Bonds	32	**348,390**	1,518,590	**–**	–
Borrowings	33	**4,074,500**	3,877,519	**1,267,294**	1,267,341
Provision for liabilities and charges	39	**59,695**	27,302	**–**	–
Post-employment benefit obligations	36	**5,720**	4,606	**375**	330
Income tax liabilities		**249,815**	316,850	**–**	–
Total current liabilities		**8,232,865**	9,174,497	**1,290,070**	2,279,856
Total liabilities		**45,902,789**	41,262,727	**2,990,414**	3,780,296
Total equity and liabilities		**66,699,411**	61,042,410	**10,748,950**	10,775,269

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 2015

Group – 2015	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	<---- Attributable to Owners of the Parent ----							
	<---- Non-distributable ----			<---- Distributable ---->				
At 1 July 2014	1,073,893	1,987,700	(111,478)	12,033,219	(596,570)	14,386,764	5,392,919	19,779,683
Profit for the year	–	–	–	1,017,645	–	1,017,645	703,387	1,721,032
Other comprehensive income/ (loss) for the year	–	–	578,288	(58,961)	–	519,327	491,820	1,011,147
Total comprehensive income for the year	–	–	578,288	958,684	–	1,536,972	1,195,207	2,732,179
Changes in composition of the Group	–	–	–	(415,738)	–	(415,738)	273,405	(142,333)
Conversion of ICULS	–	–	(29)	–	–	(29)	–	(29)
Dividends paid	–	–	–	(984,541)	–	(984,541)	(697,654)	(1,682,195)
Issue of share capital	5,506	81,488	–	–	–	86,994	–	86,994
Share option lapsed	–	–	(22)	22	–	–	–	–
Share option expenses by subsidiary	–	–	7,074	–	–	7,074	–	7,074
Share option expenses	–	–	15,253	–	–	15,253	–	15,253
Treasury shares	–	–	–	–	(4)	(4)	–	(4)
At 30 June 2015	1,079,399	2,069,188	489,086	11,591,646	(596,574)	14,632,745	6,163,877	20,796,622

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 2015

Group – 2014	<------ Attributable to Owners of the Parent ------> <------ Non-distributable ------> Share capital RM'000	Share premium RM'000	Other reserves RM'000	<---- Distributable ----> Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2013	1,073,893	1,987,700	(527,520)	11,201,379	(593,339)	13,142,113	2,042,832	15,184,945
Profit for the year	–	–	–	1,554,980	–	1,554,980	1,049,950	2,604,930
Other comprehensive income for the year	–	–	392,234	29,857	–	422,091	348,625	770,716
Total comprehensive income for the year	–	–	392,234	1,584,837	–	1,977,071	1,398,575	3,375,646
Changes in composition of the Group	–	–	–	(493,877)	–	(493,877)	2,276,605	1,782,728
Goodwill impairment	–	–	–	–	–	–	5,290	5,290
Dividends paid	–	–	–	(259,120)	–	(259,120)	(330,885)	(590,005)
Treasury shares	–	–	–	–	(3,231)	(3,231)	–	(3,231)
Share option forfeiture	–	–	(502)	–	–	(502)	502	–
Share option expenses by subsidiary	–	–	8,610	–	–	8,610	–	8,610
Share option expenses	–	–	15,700	–	–	15,700	–	15,700
At 30 June 2014	1,073,893	1,987,700	(111,478)	12,033,219	(596,570)	14,386,764	5,392,919	19,779,683

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 2015

Company	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000
		<---- Non-distributable	---->	<------- Distributable	------->	
Balance at 1 July 2013	1,073,893	1,987,700	17,560	4,651,693	(593,339)	7,137,507
Profit for the year	–	–	–	103,718	–	103,718
Other comprehensive income	–	–	399	–	–	399
Total comprehensive income	–	–	399	103,718	–	104,117
Dividends paid	–	–	–	(259,120)	–	(259,120)
Treasury shares	–	–	–	–	(3,231)	(3,231)
Share option expenses	–	–	15,700	–	–	15,700
Balance at 30 June 2014	**1,073,893**	**1,987,700**	**33,659**	**4,496,291**	**(596,570)**	**6,994,973**
Profit for the year			–	**1,646,083**	–	**1,646,083**
Other comprehensive loss	–	–	**(222)**	–	–	**(222)**
Total comprehensive income/(loss)			**(222)**	**1,646,083**	–	**1,645,861**
Issue of share capital	**5,506**	**81,488**	–	–	–	**86,994**
Dividends paid	–	–	–	**(984,541)**	–	**(984,541)**
Treasury shares	–	–	–	–	**(4)**	**(4)**
Share option expenses	–	–	**15,253**	–	–	**15,253**
Balance at 30 June 2015	**1,079,399**	**2,069,188**	**48,690**	**5,157,833**	**(596,574)**	**7,758,536**

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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities				
Profit before tax	**2,323,337**	2,811,599	**1,663,475**	150,044
Adjustments for:-				
Adjustment on fair value of investment properties	**(38,414)**	(447,530)	–	–
Write back for fuel cost	**(9,949)**	(559)	–	–
Allowance/(write back) for inventories obsolescence	**4,724**	(1,180)	–	–
Amortisation of deferred income	**(4,142)**	(3,399)	–	–
Amortisation of grants and contributions	**(10,042)**	(9,757)	–	–
Amortisation of other intangible assets	**72,448**	47,776	–	–
Bad debts recovered	**(185)**	–	–	–
Bad debts written off	**7,576**	831	**5,965**	–
Depreciation	**1,709,180**	1,561,281	**837**	862
Dividend income	**(1,488)**	(2,089)	**(1,764,040)**	(204,258)
Fair value changes of derivatives	**(71,122)**	(55,459)	–	–
Gain on derecognition of financial assets	–	–	–	(28,054)
Gain on derecognition of associated companies	–	(61,580)	–	–
Gain on disposal of investments	**(383)**	(6,793)	**(1,101)**	(880)
Gain on disposal of investment properties	**(164)**	(999)	–	–
(Gain)/loss on disposal of property, plant and equipment	**(29,798)**	(6,402)	**12**	1
Gain on redemption of financial assets	–	(768)	–	–
Impairment losses	**61,513**	290,269	**1,049**	359
Ineffective portion on cash flow hedges	–	(2,290)	–	–
Interest expense	**1,165,265**	1,123,749	**121,085**	116,629
Interest income	**(258,889)**	(211,244)	**(86,925)**	(84,075)
Property, plant and equipment written off	**15,275**	13,366	–	–
Provision for post-employment benefit	**66,780**	61,197	–	–
Provision for liabilities and charges	**31,113**	24,064	–	–
Share option expenses	**17,144**	18,838	**6,659**	6,678
Share of results of associated companies and joint ventures	**(297,250)**	(249,671)	–	–
Unrealised loss/(gain) on foreign exchange – net	**10,489**	(25,720)	–	–
Operating profit/(loss) before changes in working capital	**4,763,018**	4,867,530	**(52,984)**	(42,694)

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 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)				
Changes in working capital:-				
Inventories	**54,446**	90,017	**–**	–
Property development costs	**(218,229)**	(101,222)	**–**	–
Receivables	**122,454**	588,381	**2,239**	468
Other assets	**135,673**	6,258	**–**	–
Other liabilities	**(188,385)**	100,071	**–**	–
Payables	**(432,788)**	(38,700)	**65**	(2,270)
Related parties balances	**(3,112)**	(27)	**43,217**	94,218
Cash generated from/(used in) operations	**4,233,077**	5,512,308	**(7,463)**	49,722
Dividends received	**656,435**	302,438	**739,571**	178,895
Interest paid	**(1,141,606)**	(1,030,076)	**(121,085)**	(116,629)
Interest received	**219,361**	190,382	**64,350**	65,260
Payment to a retirement benefits scheme	**(99,251)**	(98,663)	**–**	–
Income tax paid	**(757,129)**	(576,594)	**(22,411)**	(18,746)
Income tax refunded	**9,246**	6,485	**–**	–
Net cash from operating activities	**3,120,133**	4,306,280	**652,962**	158,502
Cash flows from investing activities				
Acquisition of additional shares in existing subsidiaries	**(159,993)**	(418)	**(154,542)**	(260)
Acquisition of new subsidiaries (net of cash acquired)	**(119,102)**	71,064	**–**	–
Additional investments accounted for using the equity method	**(15,261)**	(8,137)	**–**	–
Development expenditure incurred	**(78,415)**	(21,689)	**–**	–
Grants received in respect of infrastructure assets	**41,900**	33,766	**–**	–
Proceeds from disposal of investment properties	**742**	32,583	**–**	–
Proceeds from disposal of property, plant and equipment	**89,995**	73,380	**46**	791
Proceeds from disposal of investments	**1,046**	65,541	**–**	–
Purchase of intangible assets	**(126,945)**	(74,308)	**–**	–
Purchase of investment properties	**(908,996)**	(12,547)	**–**	–
Purchase of property, plant and equipment	**(2,122,794)**	(2,680,069)	**(413)**	(133)
Purchase of investments	**(79,245)**	(38,969)	**–**	–
Purchase of biological assets	**–**	(98)	**–**	–
Net cash (used in)/from investing activities	**(3,477,068)**	(2,559,901)	**(154,909)**	398

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 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from financing activities				
Dividends paid	**(984,541)**	(259,120)	**(984,541)**	(259,120)
Dividends paid to non-controlling interests by subsidiaries	**(697,654)**	(330,885)	–	–
Repurchase of own shares by the company (at net)	**(4)**	(3,231)	**(4)**	(3,231)
Repurchase of subsidiaries' shares by subsidiaries	**(6)**	(1,332,167)	–	–
Proceeds from bonds	**1,000,000**	–	–	–
Proceeds from borrowings	**5,590,123**	2,382,943	**200,000**	–
Proceeds from disposal of interest in subsidiary to non-controlling interests	–	(2,240)	–	–
Proceeds from issue of shares in subsidiaries to non-controlling interests	**278,618**	108,247	–	–
Repayment of bonds	**(863,250)**	–	–	–
Repayment of borrowings	**(3,932,658)**	(3,263,137)	**(575)**	(137,438)
Net cash from/(used in) financing activities	**390,628**	(2,699,590)	**(785,120)**	(399,789)
Net changes in cash and cash equivalents	**33,693**	(953,211)	**(287,067)**	(240,889)
Effects of exchange rate changes	**848,555**	359,764	–	–
Cash and cash equivalents at beginning of the financial year	**13,149,164**	13,742,611	**1,513,559**	1,754,448
Cash and cash equivalents at the end of the financial year (Note 17)	**14,031,412**	13,149,164	**1,226,492**	1,513,559

Notes to the statements of cash flows

Analysis of acquisition of property, plant and equipment:-

	Group 2015	Group 2014	Company 2015	Company 2014
Cash	**2,122,794**	2,680,069	**413**	133
Finance lease arrangement	**4,402**	61,348	**432**	358
Provision of liabilities	–	25,000	–	–
Transfer of assets from customers	**138,856**	264,835	–	–
Transfer from prepayments	**31,823**	–	–	–
Payables	**15,920**	137,874	–	–
Receivables	**259**	16,965	–	–
	2,314,054	3,186,091	**845**	491

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

Notes to the Financial Statements

1. GENERAL INFORMATION

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in Note 13 to the Financial Statements.

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

The address of the registered office and principal place of business of the Company are as follows:-

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 45 to the Financial Statements.

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

(b) Changes in accounting policies

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

On 1 July 2014, the Group and the Company have adopted the following new and amendments to FRSs and IC Interpretation which are mandatory for annual financial year beginning on or after 1 January 2014.

Amendments to FRS 10: Consolidated Financial Statements – Investment Entities
Amendments to FRS 12: Disclosure of Interests in Other Entities – Investment Entities
Amendments to FRS 127: Separate Financial Statements – Investment Entities
Amendments to FRS 132: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136: Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21: Levies
Amendments to FRS 119 Defined Benefit Plans: Employee Contributions
Annual improvements to FRSs 2010 – 2012 cycle
Annual improvements to FRSs 2011 – 2013 cycle

Adoption of the above new and amendments to FRSs and IC Interpretation did not have any effect on the financial position and policy of the Group and the Company.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment and depreciation

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

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

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

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

Freehold land and freehold oil palm plantation are not amortised.

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

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

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

	%
Buildings	1 – 10
Leasehold land	1 – 3
Infrastructure & site facilities	0.9 – 20
Plant & machinery	4 – 20
Telecommunication equipment	4 – 20
Furniture, fixtures & equipment	10 – 50
Vehicles	10 – 33⅓

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of non-financial assets

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

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

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

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

(e) Leases

(i) Finance leases – the Group as lessee

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Operating leases – the Group as lessee

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

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

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

(iii) Operating leases – the Group as lessor

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

(f) 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 operating 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 profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

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

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

(g) Biological assets

Plantation development expenditure

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Development expenditure

(i) Land held for property development

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

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

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

(ii) Project development expenditure

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

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

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

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. 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 with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Basis of consolidation (continued)

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 statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income 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 in 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 profit or loss;
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss 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(n) to the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

(j) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 profit or loss.

(l) Investment in associated companies

Associated companies are entities in which the Group is in a position to exercise significant influence but which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions, but not control over their policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence over another entity.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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 profit or loss.

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

(m) Joint 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.

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 profit or loss 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 profit or loss.

(n) Intangible assets

(i) Customer acquisition costs

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Intangible assets (continued)

(ii) Goodwill

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

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

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

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

(o) Inventories

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

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

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

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

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

(p) Construction contracts

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Construction contracts (continued)

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

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

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

(q) Property development costs

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

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

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

(r) Financial assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Available-for-sale financial assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets (continued)

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

(s) Impairment of financial assets

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

(i) Assets carried at amortised cost

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

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

(ii) Available-for-sale financial assets

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

(t) Cash and cash equivalents

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

(u) Financial liabilities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Financial liabilities (continued)

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

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

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

(ii) Other financial liabilities

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

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

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

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

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

(v) Derivatives financial instruments and hedging activities

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

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

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

(iii) Embedded derivatives in exchangeable bonds

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 24. Movements on the hedging reserve in other comprehensive income are shown in Note 29(b). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

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

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

(ii) Cash flow hedge

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Embedded derivatives in exchangeable bonds

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

(w) Bonds and borrowings

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

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

Upon issuance of exchangeable bonds, the proceeds are allocated between the derivative financial instrument component arising from the conversion option, and the liability component of the bond. The derivative financial instrument component is recognised at its fair value using the method mentioned in Note 2(v)(iii). The liability component is recognised as the difference between total proceeds and the fair value of the derivative financial instrument component. The liability component is subsequently carried at amortised cost until the liability is extinguished on conversion or redemption. When a conversion option is exercised, the carrying amounts of the liability component and the derivative financial instrument component are derecognised with a corresponding recognition of share capital.

(x) Grants and contributions

Grants and contributions 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 profit or loss over the expected economic useful lives of the related assets.

(y) Deferred income

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

(z) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Share capital

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

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

(bb) Treasury shares

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

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

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

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

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

(dd) Borrowing 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. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ee) Employee benefits

(i) Short term employee benefits

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

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.

Defined contribution plan

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

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.

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

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

Remeasurement gains and losses are recognised outside the Income Statements in retained earnings and presented in the Statements of Comprehensive Income.

Past-service costs are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ee) Employee benefits (continued)

(iii) Share-based compensation

The Company and certain subsidiaries operate equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted and the number of share options to be vested by vesting date. At each reporting date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity. For options granted by the Company to its subsidiaries' employees, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(ff) Income tax and deferred tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(gg) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria for revenue are as follows:-

(i) Sale of goods and rendering of services

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

Revenue from rendering of services is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Sale of electricity

Revenue from sale of electricity is recognised upon performance of services based on the invoiced value of sale of electricity net of discounts allowed and also includes an estimate of the value of services provided between the last meter reading date and the financial year end.

(iii) Sale of clean water and the treatment and disposal of waste water

Revenue from supply of clean water and treatment and disposal of waste water represents the amounts (excluding value added tax, where applicable) derived from the provision of goods and services to third party customers.

(iv) Sale of fuel oil

Revenue from sale of fuel oil is recognised when the risks and rewards of ownership of the oil have been passed to the customers which occur when the oil has been delivered and the collectability of the related receivable is reasonably assured.

(v) Sale of steam

Revenue is recognised upon delivery of steam.

(vi) Property development projects

Revenue from property development projects is accounted for by the stage of completion method as described in Note 2(q) to the Financial Statements.

(vii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(p) to the Financial Statements.

(viii) Interest income

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

(ix) Dividend income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(gg) Revenue recognition (continued)

(x) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on the straight-line basis over the lease term.

(xi) Hotel operations

Revenue from room rental is recognised on the accrual basis. Revenue from the sale of food and beverages is recognised based on invoiced value of goods sold. Rendering of other services is recognised when the services are rendered.

(xii) Broadband and telecommunications revenue

Revenue relating to provision of broadband, telecommunications and related services is recognised net of discounts upon the transfer of risks and rewards when goods are delivered and services are performed. Revenue derived from services is deferred if the services have not been rendered at the reporting date.

Revenue from the sale of device is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold.

(hh) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is also the Company's functional and presentation currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into RM as follows:

- assets and liabilities are translated at the rate of exchange ruling at the reporting date;
- income and expenses are translated at exchange rates at the dates of the transactions; and
- all exchange differences arising on the translation are recognised as other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2006, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments.

(jj) Financial guarantee

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(kk) Contingent liabilities and contingent assets

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ll) 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.

3. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of electricity	**7,194,729**	9,391,057	–	–
Sale of clean water, treatment and disposal of waste water	**3,043,780**	2,896,355	–	–
Sale of goods	**2,947,495**	2,811,625	–	–
Sale of fuel oil	**503,917**	965,078	–	–
Property development projects	**340,019**	405,690	–	–
Hotel operations	**692,950**	669,730	–	–
Construction contracts revenue	**85,061**	102,685	–	–
Rendering of services	**338,270**	345,628	**229**	43
Sale of steam	**192,397**	191,833	–	–
Broadband and telecommunications revenue	**687,195**	817,215	–	–
Rental income				
– investment properties	**536,385**	518,934	–	–
– other properties	**8,003**	2,884	–	–
Interest income				
– loan stocks, in Malaysia, quoted	–	–	**11,745**	11,745
– others	**183,610**	149,599	**75,180**	72,330
Dividends				
– quoted investments				
– subsidiaries, in Malaysia	–	–	**444,578**	92,965
– subsidiaries, outside Malaysia	–	–	**9,793**	9,298
– other investments, in Malaysia	**915**	924	**540**	553
– unquoted investments				
– subsidiaries, in Malaysia	–	–	**1,309,129**	101,442
	16,754,726	19,269,237	**1,851,194**	288,376

4. COST OF SALES

Included in cost of sales are the following:-

	Group	
	2015 RM'000	2014 RM'000
Cost of inventories	**2,157,316**	2,156,563
Construction contracts costs	**44,661**	80,059
Energy costs	**6,426,908**	8,627,402
Property development costs	**194,027**	258,312

5. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense				
– Bonds	**677,573**	689,477	**66,140**	68,050
– Borrowings	**559,627**	491,552	**54,945**	48,579
	1,237,200	1,181,029	**121,085**	116,629
Less: Amount capitalised in				
– Development expenditure	**(1,269)**	(1,743)	–	–
– Property developments costs	**(34,046)**	(29,851)	–	–
– Construction contracts	**(131)**	(414)	–	–
– Property, plant and equipment	**(36,489)**	(25,272)	–	–
Interest expenses of financial liabilities carried at amortised cost	**1,165,265**	1,123,749	**121,085**	116,629

6. PROFIT BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is stated after charging (other than those disclosed in Note 4 & 5 to the Financial Statements):-				
Allowance/(write back) for inventories obsolescence	**4,724**	(1,180)	**–**	–
Amortisation of intangible assets	**72,448**	47,776	**–**	–
Auditors' remuneration				
– statutory audit				
– current financial year	**7,393**	6,237	**230**	222
– under-provision in prior financial year	**23**	54	**8**	17
– others	**61**	60	**–**	7
Bad debts written off				
– receivables	**7,284**	831	**77**	–
– subsidiaries	**–**	–	**5,596**	–
– associated companies	**292**	–	**292**	–
Depreciation (Note 10)	**1,709,180**	1,561,281	**837**	862
Directors' remuneration				
– emoluments	**75,943**	65,194	**5,642**	5,649
– fees	**2,596**	2,410	**720**	720
– benefits in kind	**409**	366	**–**	–
Net fair value loss on derivatives	**–**	13,350	**–**	–
Hiring of plant and machinery	**24,338**	28,172	**–**	25
Impairment losses on				
– Goodwill	**–**	27,696	**–**	–
– Receivables – net of reversal (Note 20)	**72,547**	139,013	**–**	–
– Investments	**1,049**	1,253	**1,049**	359
– Investment in associates	**–**	23,938	**–**	–
– Property, plant and equipment (Note 10)	**524**	98,369	**–**	–
Loss on foreign exchange – net				
– realised	**7,951**	22,363	**–**	154
– unrealised	**49,483**	82,441	**–**	6
Property, plant and equipment written off	**15,275**	13,366	**–**	–
Provision for liabilities and charges – net (Note 39)	**31,113**	24,064	**–**	–
Rental of land and buildings	**126,365**	122,986	**800**	789

6. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
And crediting (other than those disclosed in Note 3 to the Financial Statements):-				
Adjustment on fair value of investment properties (Note 11)	**38,414**	447,530	**–**	–
Amortisation of deferred income	**4,142**	3,399	**–**	–
Amortisation of grants and contributions (Note 34)	**10,042**	9,757	**–**	–
Bad debts recovered	**185**	–	**–**	–
Gain on derecognition of financial assets	**–**	768	**–**	28,054
Net fair value gains on derivatives	**71,122**	68,809	**–**	–
Gain/(loss) on disposal of				
– Investments – net	**383**	6,793	**1,101**	880
– Investment properties	**164**	999	**–**	–
– Property, plant and equipment	**29,798**	6,402	**(12)**	1
Gain on derecognition of associated companies	**–**	61,580	**–**	–
Gain on foreign exchange – net				
– realised	**14,124**	568	**1,638**	101
– unrealised	**38,994**	56,721	**–**	5
Gross dividend from quoted investments				
– within Malaysia	**573**	1,165	**–**	–
Hiring income from plant, machinery and equipment	**3,175**	2,473	**–**	–
Interest income	**78,441**	61,645	**–**	–
Ineffective portion of cash flow hedges	**–**	2,290	**–**	–
Rental income				
– investment properties	**–**	50	**–**	–
– other properties	**5,049**	5,351	**–**	–
Write back of fuel cost	**9,949**	559	**–**	–
Write back of impairment loss on property, plant and equipment (Note 10)	**12,607**	–	**–**	–

Direct operating expenses from investment properties in respect of income and non-income generating properties of the Group during the financial year amounted to RM83,304,000 (2014: RM84,188,000) and RM84,000 (2014: RM423,000), respectively.

6. PROFIT BEFORE TAX (CONTINUED)

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

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group – 2015					
Executive Directors	**1,896**	**36,430**	**24,147**	**15,252**	**77,725**
Non-Executive Directors	**700**	**–**	**–**	**523**	**1,223**
Company – 2015					
Executive Directors	**450**	**–**	**–**	**5,250**	**5,700**
Non-Executive Directors	**270**	**–**	**–**	**392**	**662**

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group – 2014					
Executive Directors	1,730	31,351	19,367	14,302	66,750
Non-Executive Directors	680	–	–	539	1,219
Company – 2014					
Executive Directors	450	–	–	5,250	5,700
Non-Executive Directors	270	–	–	399	669

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Defined contribution plan	**6,682**	5,510	**–**	–
Share option expenses	**8,579**	8,850	**5,600**	5,600

6. PROFIT BEFORE TAX (CONTINUED)

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

2015 Range of remuneration	Group No. of Directors Executive	 Non-Executive	Company No. of Directors Executive	 Non-Executive
RM50,001 – RM100,000	–	1	–	1
RM150,001 – RM200,000	–	–	1	3
RM350,001 – RM400,000	–	2	–	–
RM400,001 – RM450,000	–	1	–	–
RM600,001 – RM650,000	–	–	6	–
RM850,001 – RM900,000	–	–	2	–
RM1,400,001 – RM1,450,000	1	–	–	–
RM1,450,001 – RM1,500,000	1	–	–	–
RM8,150,001 – RM8,200,000	1	–	–	–
RM8,300,001 – RM8,350,000	1	–	–	–
RM9,000,001 – RM9,050,000	1	–	–	–
RM9,200,001 – RM9,250,000	1	–	–	–
RM9,300,001 – RM9,350,000	1	–	–	–
RM10,400,001 – RM10,450,000	1	–	–	–
RM20,300,001 – RM20,350,000	1	–	–	–

2014 Range of remuneration	Group No. of Directors Executive	 Non-Executive	Company No. of Directors Executive	 Non-Executive
RM50,001 – RM100,000	–	1	–	1
RM150,001 – RM200,000	–	–	1	2
RM200,001 – RM250,000	–	–	–	1
RM300,001 – RM350,000	–	1	–	–
RM350,001 – RM400,000	–	1	–	–
RM400,001 – RM450,000	–	1	–	–
RM600,001 – RM650,000	–	–	6	–
RM850,001 – RM900,000	–	–	2	–
RM1,400,001 – RM1,450,000	1	–	–	–
RM1,450,001 – RM1,500,000	1	–	–	–
RM7,000,001 – RM7,050,000	1	–	–	–
RM7,200,001 – RM7,250,000	1	–	–	–
RM7,700,001 – RM7,750,000	1	–	–	–
RM8,000,001 – RM8,050,000	1	–	–	–
RM8,100,001 – RM8,150,000	1	–	–	–
RM8,750,001 – RM8,800,000	1	–	–	–
RM16,950,001 – RM17,000,000	1	–	–	–

6. PROFIT BEFORE TAX (CONTINUED)

EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Employees compensation (excluding Directors' remuneration)				
Salaries, wages and bonus	**1,006,386**	947,968	**14,398**	12,292
Defined contribution plan	**87,907**	81,968	**1,742**	1,491
Defined benefit plan	**66,780**	61,197	**–**	–
Share option expenses	**13,680**	15,460	**1,059**	1,078
Other benefits	**38,674**	34,584	**696**	535
	1,213,427	1,141,177	**17,895**	15,396

7. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax				
– Malaysian income tax	**446,213**	392,858	**17,392**	46,326
– Foreign income tax	**192,781**	206,441	**–**	–
Deferred tax (Note 35)	**(36,689)**	(392,630)	**–**	–
	602,305	206,669	**17,392**	46,326

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax				
– current financial year	**644,259**	714,687	**23,220**	42,648
– (Over)/under-provision in prior financial years	**(5,265)**	(115,388)	**(5,828)**	3,678
Deferred tax				
– Origination and reversal of temporary differences	**(36,689)**	(392,630)	**–**	–
	602,305	206,669	**17,392**	46,326

7. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	**2,323,337**	2,811,599	**1,663,475**	150,044
Income tax using Malaysian tax rate of 25% (2014: 25%)	**580,834**	702,900	**415,869**	37,511
Non-deductible expenses	**286,807**	313,242	**40,380**	25,721
Income not subject to tax	**(89,179)**	(158,715)	**(433,029)**	(20,584)
Different tax rates in other countries including remeasuring of deferred tax*	**(96,879)**	(272,928)	–	–
Double deductible expenses	**(923)**	(1,636)	–	–
(Over)/under provision in prior financial years**	**(5,265)**	(115,388)	**(5,828)**	3,678
Tax effect on share of profits of associated companies	**(74,313)**	(62,418)	–	–
Tax effect of under/(over) provision of deferred tax	**60**	(380)	–	–
Tax effect of unrecognised deferred tax assets	**17,318**	27,701	–	–
Adjustments in respect of prior year**	–	(165,787)	–	–
Utilisation of reinvestment allowances	**(16,155)**	(59,922)	–	–
	602,305	206,669	**17,392**	46,326

* The remeasurement of deferred tax during the last financial year was due to a reduction in the United Kingdom corporation tax rate from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015 which were substantively enacted on 2 July 2013. This will reduce the subsidiary's future current tax charge accordingly. The deferred tax liability at 30 June 2014 had been calculated based on the 20% rate substantively enacted at the financial year ended 30 June 2014.

** The tax credits recognised by a subsidiary company in the United Kingdom includes a deferred tax credits of RM165.8 million and current tax credit of RM101.7 million which arises from a refund of over payment of tax in prior periods. It was a result of an industry-wide agreement reached with Her Majesty's Revenue and Customs ('HMRC') for the re-categorisation of capital allowances from industrial building allowances ('IBA') into long life plant during the last financial year. The agreement followed HMRC's decision under the UK Finance Act 2008 issued on 2 July 2008 to reduce IBA over the period 2008 to 2012 from 4% in the year 2008 to zero in the year 2012.

8. EARNINGS PER SHARE ("EPS")

Basic/diluted EPS

Basic EPS of the Group is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015 RM'000	**2014 RM'000**
Profit for the financial year attributable to owners of the parent (RM'000)	**1,017,645**	1,554,980
Weighted average number of ordinary shares in issue for basic EPS ('000)	**10,385,547**	10,363,587
Basic EPS (sen)	**9.80**	15.00
Diluted EPS (sen)	**9.80**	15.00

135,635,000 (2014: 138,135,000) share options granted to employees under ESOS have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

9. DIVIDENDS

	Group/Company			
	2015		2014	
	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 2014				
– First interim, single tier	–	–	1.5	155,484
– Second interim, single tier	–	–	1.0	103,636
– Third interim, single tier	**9.5**	**984,541**	–	–
Dividend recognised as distribution to ordinary equity holders of the Company	**9.5**	**984,541**	2.5	259,120

Subsequent to the financial year ended 30 June 2015, the Directors of the Company had on 20 August 2015 declared an interim single tier dividend of 95% or 9.5 sen per ordinary share of RM0.10 each, with the total amounting to approximately RM984,541,000 computed based on the total issued and paid-up share capital of 10,418,645,223 ordinary shares of RM0.10 each in the Company, excluding treasury shares, in respect of the financial year ended 30 June 2015. The financial statements for the current financial year do not reflect these dividends. The dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 June 2016. The Directors do not propose any final dividend in respect of the financial year ended 30 June 2015.

10. PROPERTY, PLANT AND EQUIPMENT

Group – 2015	Land & buildings* RM'000	Infrastructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munication equipment RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation								
At 1.7.2014	8,811,354	6,698,722	15,877,027	1,380,564	526,111	1,705,298	1,890,138	36,889,214
Acquisition of subsidiaries	50,984	–	57,994	13,371	285	37,498	3,626	163,758
Additions	41,181	279,926	456,043	94,635	137,898	4,310	1,300,061	2,314,054
Disposals	–	–	(23,731)	(2,610)	(100,314)	(141)	–	(126,796)
Written off	(9,528)	(8,733)	(343,452)	(55,808)	(78)	(591)	(62)	(418,252)
Write back of impairment loss (Note 6)	12,607	–	–	–	–	–	–	12,607
Transfer on commissioning	121,281	253,925	499,256	44,547	–	454,334	(1,373,343)	–
Transfer from project development expenditures (Note 12)	74,661	–	–	–	–	–	1,400	76,061
Currency translation differences	314,215	640,039	1,071,416	54,577	7,461	–	87,958	2,175,666
At 30.6.2015	9,416,755	7,863,879	17,594,553	1,529,276	571,363	2,200,708	1,909,778	41,086,312
Accumulated depreciation and impairment								
At 1.7.2014	2,160,232	399,617	7,805,426	591,363	286,820	288,324	43,326	11,575,108
Acquisition of subsidiaries	41,694	–	53,498	11,861	277	–	–	107,330
Charge for the financial year	272,082	66,502	1,089,058	108,518	63,837	116,546	–	1,716,543
Disposals	–	–	(17,484)	(1,409)	(47,568)	(138)	–	(66,599)
Written off	(8,449)	(409)	(338,833)	(54,902)	(78)	(306)	–	(402,977)
Impairment loss (Note 6)	–	–	–	364	–	160	–	524
Currency translation differences	74,726	39,479	448,704	19,604	4,125	–	–	586,638
At 30.6.2015	2,540,285	505,189	9,040,369	675,399	307,413	404,586	43,326	13,516,567
Net Book Value								
At 30.6.2015	6,876,470	7,358,690	8,554,184	853,877	263,950	1,796,122	1,866,452	27,569,745

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group – 2014	Land & buildings* RM'000	Infrastructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munication equipment RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation								
At 1.7.2013	7,703,191	5,346,878	14,326,337	1,198,088	442,393	1,598,190	1,364,027	31,979,104
Acquisition of subsidiaries	55,015	311	–	15,022	–	–	–	70,348
Additions	633,198	585,376	580,587	71,005	81,439	2,445	1,232,041	3,186,091
Disposals	(6,168)	–	(17,248)	(11,585)	(15,431)	(71,214)	–	(121,646)
Written off	(2,611)	(9)	(235,437)	(4,972)	(1,801)	(344)	–	(245,174)
Impairment loss (Note 6)	(58,084)	–	–	–	–	–	–	(58,084)
Transfer on commissioning	51,748	75,017	440,958	25,916	14,544	176,221	(784,404)	–
Transfer from project development expenditures (Note 12)	6,143	–	–	–	–	–	916	7,059
Transfer from investment properties (Note 11)	4,000	–	–	–	–	–	–	4,000
Currency translation differences	424,922	691,149	781,830	87,090	4,967	–	77,558	2,067,516
At 30.6.2014	8,811,354	6,698,722	15,877,027	1,380,564	526,111	1,705,298	1,890,138	36,889,214
Accumulated depreciation and impairment								
At 1.7.2013	1,814,034	302,603	6,754,385	468,981	243,885	187,730	–	9,771,618
Acquisition of subsidiaries	4,404	311	–	8,154	–	–	–	12,869
Charge for the financial year	270,199	59,358	985,556	90,707	56,594	104,639	–	1,567,053
Disposals	(3,970)	–	(14,370)	(7,992)	(13,014)	(15,322)	–	(54,668)
Written off	(245)	(3)	(226,462)	(3,206)	(1,801)	(91)	–	(231,808)
Impairment loss (Note 6)	(14,411)	–	–	2	–	11,368	43,326	40,285
Currency translation differences	90,221	37,348	306,317	34,717	1,156	–	–	469,759
At 30.6.2014	2,160,232	399,617	7,805,426	591,363	286,820	288,324	43,326	11,575,108
Net Book Value								
At 30.6.2014	6,651,122	6,299,105	8,071,601	789,201	239,291	1,416,974	1,846,812	25,314,106

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group – 2015	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation									
At 1.7.2014									
At cost	740,619	431,012	153,304	–	6,241,999	1,044,115	188,721	2,635	8,802,405
At valuation	4,271	200	–	2,000	2,478	–	–	–	8,949
	744,890	431,212	153,304	2,000	6,244,477	1,044,115	188,721	2,635	8,811,354
Acquisition of subsidiaries	–	–	4,640	–	1,840	–	44,504	–	50,984
Additions	10,712	21	–	–	26,079	2,351	2,018	–	41,181
Written off	–	–	–	–	(1,513)	(12)	(8,003)	–	(9,528)
Write back of impairment loss	–	–	–	–	12,607	–	–	–	12,607
Transfers	3,429	–	–	–	75,090	3,850	113,573	–	195,942
Currency translation differences	20,527	1,949	17,705	–	259,789	18,898	(4,653)	–	314,215
At 30.6.2015	779,558	433,182	175,649	2,000	6,618,369	1,069,202	336,160	2,635	9,416,755
Representing:-									
At cost	775,287	432,982	175,649	–	6,615,891	1,069,202	336,160	2,635	9,407,806
At valuation	4,271	200	–	2,000	2,478	–	–	–	8,949
At 30.6.2015	779,558	433,182	175,649	2,000	6,618,369	1,069,202	336,160	2,635	9,416,755

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group – 2015	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Accumulated depreciation and impairment									
At 1.7.2014									
At cost	–	31,835	30,430	–	1,769,421	276,787	49,659	1,923	2,160,055
At valuation	–	22	–	–	155	–	–	–	177
	–	31,857	30,430	–	1,769,576	276,787	49,659	1,923	2,160,232
Acquisition of subsidiaries	–	–	–	–	–	–	41,694	–	41,694
Charge for the financial year	–	5,343	9,642	–	223,038	24,481	9,504	74	272,082
Written off	–	–	–	–	(447)	–	(8,002)	–	(8,449)
Currency translation differences	–	371	3,110	–	76,627	6,187	(11,569)	–	74,726
At 30.6.2015	–	37,571	43,182	–	2,068,794	307,455	81,286	1,997	2,540,285
Net Book Value:-									
At cost	775,287	395,435	132,467	–	4,547,301	761,747	254,874	638	6,867,749
At valuation	4,271	176	–	2,000	2,274	–	–	–	8,721
At 30.6.2015	779,558	395,611	132,467	2,000	4,549,575	761,747	254,874	638	6,876,470

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group – 2014	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation									
At 1.7.2013									
At cost	578,170	189,521	95,731	–	5,643,790	1,023,968	160,390	2,432	7,694,002
At valuation	4,511	200	–	2,000	2,478	–	–	–	9,189
	582,681	189,721	95,731	2,000	5,646,268	1,023,968	160,390	2,432	7,703,191
Acquisition of subsidiaries	17,406	10,982	–	–	–	–	26,627	–	55,015
Additions	127,310	197,886	59,346	–	227,507	19,626	1,320	203	633,198
Disposals	(774)	–	(2,788)	–	(1,998)	–	(608)	–	(6,168)
Written off	–	–	–	–	(2,611)	–	–	–	(2,611)
Impairment loss	(9,624)	–	–	–	(48,460)	–	–	–	(58,084)
Transfers	7,896	31,960	–	–	22,035	–	–	–	61,891
Currency translation differences	19,995	663	1,015	–	401,736	521	992	–	424,922
At 30.6.2014	744,890	431,212	153,304	2,000	6,244,477	1,044,115	188,721	2,635	8,811,354
Representing:-									
At cost	740,619	431,012	153,304	–	6,241,999	1,044,115	188,721	2,635	8,802,405
At valuation	4,271	200	–	2,000	2,478	–	–	–	8,949
At 30.6.2014	744,890	431,212	153,304	2,000	6,244,477	1,044,115	188,721	2,635	8,811,354

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group – 2014	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Accumulated depreciation and impairment									
At 1.7.2013									
At cost	–	24,863	25,869	–	1,469,550	253,476	38,269	1,844	1,813,871
At valuation	–	20	–	–	143	–	–	–	163
	–	24,883	25,869	–	1,469,693	253,476	38,269	1,844	1,814,034
Acquisition of subsidiaries	–	142	–	–	–	–	4,262	–	4,404
Charge for the financial year	–	6,155	6,931	–	226,465	23,410	7,159	79	270,199
Disposals	–	–	(2,788)	–	(579)	–	(603)	–	(3,970)
Written off	–	–	–	–	(245)	–	–	–	(245)
Impairment loss	–	–	–	–	(14,411)	–	–	–	(14,411)
Currency translation differences	–	677	418	–	88,653	(99)	572	–	90,221
At 30.6.2014	–	31,857	30,430	–	1,769,576	276,787	49,659	1,923	2,160,232
Net Book Value:-									
At cost	740,619	399,177	122,874	–	4,472,578	767,328	139,062	712	6,642,350
At valuation	4,271	178	–	2,000	2,323	–	–	–	8,772
At 30.6.2014	744,890	399,355	122,874	2,000	4,474,901	767,328	139,062	712	6,651,122

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company – 2015

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2014	–	5,874	4,800	10,674
Additions	–	294	551	845
Disposals	–	–	(131)	(131)
At 30.6.2015	–	6,168	5,220	11,388
Accumulated Depreciation				
At 1.7.2014	–	4,776	2,642	7,418
Charge for the financial year	–	339	498	837
Disposals	–	–	(73)	(73)
At 30.6.2015	–	5,115	3,067	8,182
Net Book Value				
At 30.6.2015	–	1,053	2,153	3,206

Company – 2014

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2013	1,207	5,781	4,402	11,390
Additions	–	93	398	491
Disposals	(1,207)	–	–	(1,207)
At 30.6.2014	–	5,874	4,800	10,674
Accumulated Depreciation				
At 1.7.2013	415	4,196	2,360	6,971
Charge for the financial year	–	580	282	862
Disposals	(415)	–	–	(415)
At 30.6.2014	–	4,776	2,642	7,418
Net Book Value				
At 30.6.2014	–	1,098	2,158	3,256

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit or loss (Note 6)	**1,709,180**	1,561,281	**837**	862
Amount due from contract customers	**7,363**	5,772	**–**	–
	1,716,543	1,567,053	**837**	862

(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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Plant and machinery	**157,424**	260,686	**–**	–
Vehicles	**10,964**	12,673	**1,374**	1,366
	168,388	273,359	**1,374**	1,366

(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	
	2015 RM'000	2014 RM'000
Buildings	**2,285,119**	2,408,095

(d) Borrowing cost

Borrowing costs of RM36,489,000 (2014: RM25,272,000) arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year.

11. INVESTMENT PROPERTIES

	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
Group – 2015			
At beginning of the financial year	**1,502,555**	**6,083,730**	**7,586,285**
Additions	**907,619**	**1,377**	**908,996**
Currency translation differences	**(36,221)**	**517,980**	**481,759**
Change in fair value recognised in profit or loss (Note 6)	**(16,029)**	**54,443**	**38,414**
Disposal	**–**	**(578)**	**(578)**
At end of the financial year	**2,357,924**	**6,656,952**	**9,014,876**
Group – 2014			
At beginning of the financial year	314,074	319,534	633,608
Acquisition of subsidiary	1,160,609	5,409,839	6,570,448
Additions	4,363	8,184	12,547
Currency translation differences	(25,809)	(16,455)	(42,264)
Change in fair value recognised in profit or loss (Note 6)	84,325	363,205	447,530
Disposal	(31,007)	(577)	(31,584)
Transfer to property, plant and equipment (Note 10)	(4,000)	–	(4,000)
At end of the financial year	1,502,555	6,083,730	7,586,285

Investment properties with carrying amount of RM2,500 million (2014: RM1,633 million) are charged as security for a borrowing granted to the Group as disclosed in Note 32 and Note 33 to the Financial Statements.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group – 2015				
Recurring fair value measurements:				
Investment properties				
– Commercial properties	–	–	**8,325,665**	**8,325,665**
– Hotel properties	–	–	**611,000**	**611,000**
– Other properties	–	**78,211**	–	**78,211**
Total	–	**78,211**	**8,936,665**	**9,014,876**

11. INVESTMENT PROPERTIES (CONTINUED)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group – 2014				
Recurring fair value measurements:				
Investment properties				
– Commercial properties	–	–	6,913,734	6,913,734
– Hotel properties	–	–	600,000	600,000
– Other properties	–	72,551	–	72,551
Total	–	72,551	7,513,734	7,586,285

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

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 valuation standards. The estimates underlying the valuation techniques 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.

The valuers have considered the capitalisation approach and/or discounted cash flows in arriving at the open market value as at the reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

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 41(b) to the Financial Statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

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 selling price per square meter.

11. INVESTMENT PROPERTIES (CONTINUED)

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.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow method is the total of discounted income stream and present value of the properties' anticipated sale value in arriving at the total present market value.	Discount rate of 4.10% to 11.50% (2014: 4.10% to 11.50%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 4.25% to 11.50% (2014: 4.25% to 11.50%)	The higher the capitalisation rate, the lower the fair value.

Key unobservable inputs correspond to:

– Capitalisation rates derived from specialised publications from the related markets and comparable transactions.
– Discount rate, based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in the asset class.

12. DEVELOPMENT EXPENDITURES

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

Group – 2015	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development				
At beginning of the financial year	472,156	176,537	249,982	898,675
Additions	180	15	9,102	9,297
Transfer to property development costs	(16,444)	(72,076)	(10,596)	(99,116)
Reclassification	(2,332)	1,010	1,322	–
Currency translation difference	–	–	919	919
At end of the financial year	453,560	105,486	250,729	809,775
(b) Project development expenditure				
At beginning of the financial year	13,089	–	28,765	41,854
Additions	68,860	–	258	69,118
Charge to profit or loss	(4,953)	–	(10,895)	(15,848)
Transfer to property, plant and equipment (Note 10)	(74,661)	–	(1,400)	(76,061)
Currency translation difference	(2,054)	–	(1,758)	(3,812)
At end of the financial year	281	–	14,970	15,251
Total	453,841	105,486	265,699	825,026

12. DEVELOPMENT EXPENDITURES (CONTINUED)

The movement in development expenditure of the Group during the financial year are as follows (continued):

Group – 2014	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development				
At beginning of the financial year	476,881	176,537	268,006	921,424
Additions	–	–	6,315	6,315
Transfer to property development costs	(4,725)	–	(24,339)	(29,064)
At end of the financial year	472,156	176,537	249,982	898,675
(b) Project development expenditure				
At beginning of the financial year	3,637	2,506	48,307	54,450
Additions	13,089	–	2,285	15,374
Charge to profit or loss	–	–	(20,573)	(20,573)
Transfer to property, plant and equipment (Note 10)	(3,637)	(2,506)	(916)	(7,059)
Currency translation difference	–	–	(338)	(338)
At end of the financial year	13,089	–	28,765	41,854
Total	485,245	176,537	278,747	940,529

Included in development expenditure of the Group is interest capitalised during the financial year amounting to RM1,269,000 (2014: RM1,743,000).

12. DEVELOPMENT EXPENDITURES (CONTINUED)

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

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group – 2015				
Cost:				
Land held for property development	**453,560**	**105,486**	**250,729**	**809,775**
Project development expenditure	**281**	**–**	**54,050**	**54,331**
	453,841	**105,486**	**304,779**	**864,106**
Accumulated amortisation:				
Project development expenditure	**–**	**–**	**(3,877)**	**(3,877)**
Accumulated impairment losses:				
Project development expenditure	**–**	**–**	**(35,203)**	**(35,203)**
Net book value:				
Land held for property development	**453,560**	**105,486**	**250,729**	**809,775**
Project development expenditure	**281**	**–**	**14,970**	**15,251**
	453,841	**105,486**	**265,699**	**825,026**
Group – 2014				
Cost:				
Land held for property development	472,156	176,537	249,982	898,675
Project development expenditure	13,089	–	67,845	80,934
	485,245	176,537	317,827	979,609
Accumulated amortisation:				
Project development expenditure	–	–	(3,877)	(3,877)
Accumulated impairment losses:				
Project development expenditure	–	–	(35,203)	(35,203)
Net book value:				
Land held for property development	472,156	176,537	249,982	898,675
Project development expenditure	13,089	–	28,765	41,854
	485,245	176,537	278,747	940,529

13. SUBSIDIARIES

(a) Investment in subsidiaries

	Company 2015 RM'000	2014 RM'000
Quoted shares, at cost	**3,657,353**	3,523,801
Unquoted shares, at cost	**3,568,133**	2,195,720
# Quoted warrants, at cost	**33,314**	12,447
* Quoted ICULS, at cost	**391,502**	391,502
* Unquoted ICULS, at cost	–	19
	7,650,302	6,123,489
Market value		
– Quoted shares	**7,510,796**	6,946,725
– Quoted warrants	**70,270**	47,686
– Quoted ICULS	**344,521**	340,606

The number of warrants held in a subsidiary is as follows ('000):-

YTL Power International Berhad		
– Warrant 2008/2018	**160,537**	90,830

Quoted warrants – Warrants 2008/2018

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each in YTL Power International Berhad at the revised exercise price of RM1.14 payable in cash. The exercise price is also subject to adjustments in accordance with the basis set out in the Deed Poll.

The warrants may be exercised at any time commencing on the date of issue of warrants on 12 June 2008 but not later than 11 June 2018. Any warrants which have not been exercised at the expiry date will lapse and cease to be valid for any purpose.

The warrants are quoted on Bursa Malaysia Securities Berhad ("Bursa Securities").

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

* ICULS

(i) Quoted ICULS, at cost

These are related to ten (10) years ICULS issued by YTL Land & Development Berhad, a subsidiary of the Group, on 31 October 2011. These ICULS bear a step-up coupon rate ranging from 3% to 6% per annum until its maturity date. The interest is payable semi-annually. The conversion price of the ICULS is fixed at a step-down basis. In the first four (4) years, the conversion price is at RM1.32 for one (1) ordinary share in YTL Land & Development Berhad, after which it is at RM0.99 in the next three (3) years and at RM0.66 for the remaining three (3) years.

The ICULS are quoted on Bursa Securities.

(ii) Unquoted ICULS, at cost

These are related to ten (10) years ICULS issued by YTL Cement Berhad, a subsidiary of the Group, on 10 November 2005. These ICULS bear a step-up coupon rate ranging from 4% to 6% per annum until its maturity date. The interest is payable semi-annually. The conversion price of the ICULS is fixed at a step-down basis. In the first four (4) years, the conversion price is at RM2.72 for one (1) ordinary share in YTL Cement Berhad, after which it is at RM2.04 in the next three (3) years and at RM1.82 for the remaining three (3) years.

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

Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held by the Company:				
Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Business & Budget Hotels Sdn. Bhd.	Malaysia	Investment holding & property investment	**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
Dynamic Project Development Sdn. Bhd.	Malaysia	Civil engineering works & construction	**100.00**	100.00
Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held by the Company (continued):				
* Starhill Global Real Estate Investment Trust	Singapore	Investment in prime real estate	**37.09**	36.27
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	Malaysia	Civil engineering works, construction, property development & real estate investment, investment holding & related services	**100.00**	100.00
* YTL Cayman Limited	Cayman Islands	Investment holding, ownership & chartering of yachts & vessels	**100.00**	100.00
YTL Hospitality REIT	Malaysia	Real estate investment	**58.99**	59.03
YTL Cement Berhad	Malaysia	Investment holding, management services & hiring of vehicles	**98.09**	98.13
YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships & vehicles	**100.00**	100.00
* YTL Corporation (UK) Plc.	England & Wales	Inactive	**100.00**	100.00
* YTL Corp Finance (Cayman) Ltd.	Cayman Islands	Inactive	**100.00**	100.00
YTL Corp Finance (Labuan) Limited	Malaysia	Special purpose vehicle for issuance of securities & investment holding	**100.00**	100.00
YTL e-Solutions Berhad	Malaysia	Investment holding, provision of incubation services including developing & incubating technology companies, internet contents of all descriptions & non-internet related businesses & provision of consultancy & advisory services in relation to the business of electronic commerce or internet commerce solutions	**74.12**	74.12
YTL Eco Solutions Sdn. Bhd.	Malaysia	Consultancy services in relation to the promotion of the gasification of municipal solid waste for disposal in cement plant kilns	**100.00**	100.00
YTL Energy Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held by the Company (continued):				
*YTL (Guernsey) Limited	Guernsey	Investment & property holding	**100.00**	100.00
*YTL Hotel Management Saint Tropez SARL	France	Hotel operator & management services	**100.00**	100.00
YTL Hotels & Properties Sdn. Bhd.	Malaysia	Investment holding & management services	**100.00**	100.00
YTL Industries Berhad	Malaysia	Investment holding, property development & property investment	**100.00**	100.00
YTL Land Sdn. Bhd.	Malaysia	Property investment & property management	**100.00**	100.00
*YTL Land & Development Berhad	Malaysia	Investment holding & the provision of financial, treasury & secretarial services	**65.26**	57.89
*YTL Power International Berhad ("YTL Power")	Malaysia	Investment holding & provision of administrative & technical support services	**56.76**	57.77
*YTL Singapore Pte. Ltd.	Singapore	Property investment	**100.00**	100.00
YTL-SV Carbon Sdn. Bhd.	Malaysia	Providing consultancy services	**75.00**	75.00
YTL Vacation Club Berhad	Malaysia	In member's voluntary liquidation	**100.00**	100.00
Held through Business & Budget Hotels Sdn. Bhd.:				
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel & resort operator	**51.00**	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd.	Malaysia	Inactive	**51.00**	51.00
Held through Cane Creations Sdn. Bhd.:				
Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts, accessories & related services	**100.00**	100.00
Natural Adventure Sdn. Bhd.	Malaysia	Retailing of merchandise furniture & cafe	**100.00**	100.00
Niche Retailing Sdn. Bhd.	Malaysia	Retailing business	**100.00**	100.00

Notes to the Financial Statements

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through Cane Creations Sdn. Bhd. (continued):				
Star Hill Living.Com Sdn. Bhd.	Malaysia	Project management services, trading of painting, furniture, accessories & related services	**100.00**	100.00
Trendy Retailing Sdn. Bhd.	Malaysia	Retailing business	**100.00**	100.00
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 Starhill Global Real Estate Investment Trust ("SGREIT"):				
* Ara Bintang Berhad	Malaysia	Property investment	**37.09**	36.27
* Renhe Spring Department Store Co., Ltd.	The People's Republic of China	Property investment	**37.09**	36.27
* SG REIT (M) Pte. Ltd.	Singapore	Investment holding	**37.09**	36.27
* SG REIT (WA) Pte. Ltd.	Singapore	Investment holding	**37.09**	36.27
* SG REIT (WA) Trust	Australia	Property investment	**37.09**	36.27
* SG REIT (WA) Sub-Trust1	Australia	Property investment	**37.09**	36.27
* SG REIT (WA) Sub-Trust2	Australia	Property investment	**37.09**	–
* Starhill Global REIT Japan SPC One Pte. Ltd.	Singapore	Investment holding	**37.09**	36.27
* Starhill Global REIT Japan SPC Two Pte. Ltd.	Singapore	Investment holding	**37.09**	36.27
* Starhill Global REIT MTN Pte. Ltd.	Singapore	Issuer of notes under the Medium Term Note Programme	**37.09**	36.27
* Starhill Global REIT One TMK	Japan	Property investment	**37.09**	36.27
* Starhill Global ML K.K.	Japan	Master lessee of Japan properties	**37.09**	36.27
* Top Sure Investment Limited	Hong Kong	Investment holding	**37.09**	36.27

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.:				
* Austasia Metal Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase & credit	**100.00**	100.00
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00
Dynamic Property Management Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
First Commercial Development Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	**100.00**	100.00
Permai Property Management Sdn. Bhd.	Malaysia	Property management & related services	**100.00**	100.00
Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing & other related services	**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 GmbH	Germany	Dormant	**100.00**	100.00
* YTL Construction (S) Pte. Ltd.	Singapore	Construction related activities & real estate developer	**100.00**	100.00
YTL Development Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
YTL Civil Engineering Sdn. Bhd.	Malaysia	Civil engineering works & construction	**90.00**	90.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd. (continued):				
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	**99.24**	99.25
Held through YTL Cayman Limited:				
*Just Heritage Sdn. Bhd.	Malaysia	Property management & related services	**100.00**	100.00
*Starhill Global REIT Investments Limited	Cayman Islands	Investment holding	**100.00**	100.00
*Starhill Global REIT Management Limited	Cayman Islands	Investment holding	**100.00**	100.00
*YTL Construction International (Cayman) Ltd.	Cayman Islands	Investment holding in construction related activities	**100.00**	100.00
*YTL Construction (Thailand) Limited	Thailand	Construction activities	**74.89**	74.89
*YTL Power Services (Cayman) Ltd.	Cayman Islands	Investment holding & provision of operations & maintenance services of power plants	**100.00**	100.00
*YTL Property Investments Limited	Cayman Islands	Investment holding	**100.00**	100.00
*YTL Power Services (Leb) SARL	Lebanon	Operation & maintenance of power station	**100.00**	100.00
YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power station	**100.00**	100.00
*YTL Power Services (S) Pte. Ltd.	Singapore	Operation & maintenance of power station	**100.00**	100.00
*YTL Starhill Global Property Management Pte. Ltd.	Singapore	Property management services	**100.00**	100.00
*YTL Starhill Global REIT Management Holdings Pte. Ltd.	Singapore	Investment holding	**100.00**	100.00
*YTL Starhill Global REIT Management Limited	Singapore	Investment advisor, property fund management	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Cement Berhad:				
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**98.09**	98.13
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**98.09**	98.13
Bentara Gemilang Industries Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.05**	49.06
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.09**	49.51
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.09**	98.13
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.09**	98.13
Buildcon Desa Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.09**	98.13
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Granite quarrying	**98.09**	98.13
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**98.09**	98.13
Competent Teamwork Sdn. Bhd.	Malaysia	Investment holding	**98.09**	98.13
* Concrete Industries Pte. Ltd.	Singapore	Dormant	**98.09**	98.13
Gemilang Pintar Sdn. Bhd.	Malaysia	Marketing & trading of quarry products	**68.66**	68.69
* Hopefield Enterprise Limited	Hong Kong	Dormant	**98.09**	–
* Industrial Procurement Limited	Cayman Islands	Dormant	**98.09**	98.13
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry operator, manufacture of granite blocks, aggregates, chippings & crusher runs	**98.09**	98.13
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**98.09**	98.13
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**98.09**	98.13

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Cement Berhad (continued):				
* Linan Lu Hong Transport Co., Ltd.	The People's Republic of China	Road transport of goods, storage & associated services	**98.09**	98.13
Madah Seloka Sdn. Bhd.	Malaysia	Investment holding	**98.09**	98.13
Mini-Mix Sdn. Bhd.	Malaysia	Inactive	**98.09**	98.13
Mobijack Sea Sdn. Bhd.	Malaysia	Quarry business & related services	**98.09**	–
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**98.09**	98.13
* Nanyang Cement Pte. Ltd. *(formerly known as Sin Heng Chan (Singapore) Pte. Ltd.)*	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**98.09**	–
Oasis Vision Sdn. Bhd.	Malaysia	Manufacturing, production, trading & delivery of building & construction materials & products to the building & construction industry	**35.02**	35.03
* Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**98.09**	98.13
* Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**98.09**	98.13
Permodalan Hitec Sdn. Bhd.	Malaysia	Dormant	**98.09**	98.13
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary portland cement & blended cement	**98.09**	98.13
PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	**98.09**	98.13
* P.T. YTL Simen Indonesia	Indonesia	Dormant	**98.09**	98.13
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**98.09**	98.13
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**98.09**	98.13

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Cement Berhad (continued):				
SMC Mix Sdn. Bhd.	Malaysia	Inactive	**98.09**	98.13
Solaris Concept Sdn. Bhd.	Malaysia	Manufacturing, production, trading & delivery of building & construction materials & products to the building & construction industry	**50.03**	50.05
Straits Cement Sdn. Bhd.	Malaysia	Inactive	**98.09**	98.13
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**98.09**	98.13
*YTL Cement (Cambodia) Holdings Pte. Ltd.	Singapore	Dormant	**98.09**	–
YTL Cement Enterprise Sdn. Bhd.	Malaysia	Dormant	**98.09**	98.13
*YTL Cement (Hong Kong) Limited	Hong Kong	Investment holding	**98.09**	98.13
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale & marketing of cementitious products	**98.09**	98.13
*YTL Cement Marketing Singapore Pte. Ltd.	Singapore	Sale & marketing of cement, cementitious products & other related construction products	**98.09**	98.13
*YTL Cement Myanmar Company Limited	Myanmar	Dormant	**98.09**	–
*YTL Cement (Myanmar) Holdings Pte. Ltd. *(formerly known as YTL Cement (Myanmar) Pte. Ltd.)*	Singapore	Investment holding	**98.09**	98.13
*YTL Cement (Philliphines) Holdings Pte. Ltd.	Singapore	Dormant	**98.09**	–
YTL Cement (Sabah) Sdn. Bhd.	Malaysia	Dormant	**98.09**	98.13
*YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding, sale & marketing of construction products	**98.09**	98.13
*YTL Cement Terminal Services Pte. Ltd.	Singapore	Operation of port terminal & specialise in handling of cementitious products	**98.09**	98.13
*YTL Cement (Vietnam) Pte. Ltd.	Singapore	Investment holding	**98.09**	98.13
*YTL Concrete (S) Pte. Ltd.	Singapore	Manufacture & sale of ready-mixed concrete & related products	**98.09**	98.13

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Cement Berhad (continued):				
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**98.09**	98.13
YTL Quarry Sdn. Bhd.	Malaysia	Dormant	**98.09**	98.13
* Zhejiang Hangzhou Dama Cement Co., Ltd.	The People's Republic of China	Manufacture & sale of cement & cementitious products	**98.09**	98.13
* Zhejiang YTL Cement Marketing Co., Ltd.	The People's Republic of China	Sale & marketing of cement & cementitious products	**98.09**	98.13
Held through YTL Charters Sdn. Bhd.:				
Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	80.00
Nusantara Sakti Sdn. Bhd.	Malaysia	Carriage of passengers & air carriers	**80.00**	80.00
Held through YTL e-Solutions Berhad:				
Airzed Services Sdn. Bhd.	Malaysia	Inactive	**41.50**	41.50
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**51.88**	51.88
Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	**44.47**	44.47
* Infoscreen Networks Ltd.	England & Wales	Investment holding	**74.12**	74.12
Property Net Asia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	**74.12**	74.12
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media & up to date information via electronic media	**74.12**	74.12
YMax Sdn. Bhd.	Malaysia	Inactive	**74.12**	74.12

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL e-Solutions Berhad (continued):				
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**44.47**	44.47
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**74.12**	74.12
Held through YTL (Guernsey) Limited:				
* YTL Construction (SA) (Proprietary) Ltd.	South Africa	Inactive	**100.00**	100.00
Held through YTL Hospitality REIT ("YTL REIT"):				
* Starhill Hospitality (Australia) Pty. Ltd.	Australia	Trustee company	**58.99**	59.03
* Starhill Hospitality REIT (Australia) Trust	Australia	Real estate investment	**58.99**	59.03
* Starhill Hospitality REIT (Brisbane) Trust	Australia	Real estate investment	**58.99**	59.03
* Starhill Hospitality REIT (Melbourne) Trust	Australia	Real estate investment	**58.99**	59.03
* Starhill Hospitality REIT (Sydney) Trust	Australia	Real estate investment	**58.99**	59.03
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	**58.99**	59.03
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	**58.99**	59.03
* Starhill Hotel (Brisbane) Pty. Ltd.	Australia	Hotel operator	**58.99**	59.03
* Starhill Hotel (Melbourne) Pty. Ltd.	Australia	Hotel operator	**58.99**	59.03
* Starhill Hotel (Sydney) Pty. Ltd.	Australia	Hotel operator	**58.99**	59.03
* Starhill REIT (Australia) Pty. Ltd.	Australia	Trustee company	**58.99**	59.03
* Starhill REIT Niseko G.K.	Japan	Purchase, possession, disposal, lease and management of real properties	**58.99**	59.03
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	**58.99**	59.03

Notes to the Financial Statements

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Hotels & Properties Sdn. Bhd.:				
Autodome Sdn. Bhd.	Malaysia	Operator of food & beverage outlets & sub-letting of premises	**100.00**	100.00
* Bath Hotel & SPA B.V.	Netherlands	Investment holding	**100.00**	100.00
* Bath Hotel and SPA Limited	England & Wales	Hotel developer and operator	**100.00**	100.00
Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	**90.00**	90.00
Borneo Island Villas Sdn. Bhd.	Malaysia	Dormant	**80.00**	80.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	**100.00**	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**51.00**	51.00
* Gainsborough Hotel (Bath) Limited	England & Wales	Hotel operations	**100.00**	100.00
Happy Steamboat Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**100.00**	100.00
Magna Boundary Sdn. Bhd.	Malaysia	Hotel & resort operator	**90.00**	90.00
Marble Valley Sdn. Bhd.	Malaysia	Management & investment holding	**80.00**	80.00
Marble Valley Two Sdn. Bhd.	Malaysia	Hotel & resort operator	**64.00**	64.00
* M Hotel Management Pte. Ltd.	Singapore	Hotel management services	**51.00**	51.00
* Niseko Village K.K.	Japan	Owning, managing, maintaining and developing the Niseko Village Resort	**100.00**	100.00
* Niseko Village (S) Pte. Ltd.	Singapore	Investment holding	**100.00**	100.00
* P.T. Jepun Bali	Indonesia	Managing & operating a hotel	**100.00**	100.00
Restoran Kisap Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
* Samui Hotel 2 Co., Ltd.	Thailand	Hotel operator	**100.00**	100.00
Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers & distributors of Koi fish	**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
YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Hotels & Properties Sdn. Bhd. (continued):				
*YTL Hotels B.V.	Netherlands	Investment holding	**100.00**	100.00
*YTL Hotels (Cayman) Limited	Cayman Islands	Hotel operator & hotel management services	**100.00**	100.00
YTL Hotels Central Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotel Management Services Sdn. Bhd.	Malaysia	Providing professional & commercial education & training in hospitality	**70.00**	70.00
*YTL Hotels (Singapore) Pte. Ltd.	Singapore	Travel and hospitality related business	**100.00**	100.00
Held through YTL Industries Berhad:				
Yeoh Tiong Lay Brickworks Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Yeoh Tiong Lay Management Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Held through YTL Land Sdn. Bhd.:				
Katagreen Development Sdn. Bhd.	Malaysia	Property leasing management & related services	**100.00**	100.00
Pintar Projek Sdn. Bhd.	Malaysia	Management of real estate investment trust funds, licensing of trademarks & brand management	**70.00**	70.00
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Majestic Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Held through YTL Land & Development Berhad:				
Amanresorts Sdn. Bhd.	Malaysia	Dormant	**65.26**	57.89
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
*# Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**65.26**	57.89
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	**45.68**	40.52

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Land & Development Berhad (continued):				
* Lakefront Pte. Ltd.	Singapore	Real estate development	**65.26**	57.89
* Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**65.26**	57.89
* Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**65.26**	57.89
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**65.26**	57.89
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
Pinnacle Trend Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
PYP Sendirian Berhad	Malaysia	Property development	**65.26**	57.89
* Sandy Island Pte. Ltd.	Singapore	Real estate development	**65.26**	57.89
Satria Sewira Sdn. Bhd.	Malaysia	Dormant	**65.26**	57.89
* Sentul Raya Sdn. Bhd.	Malaysia	Property development & property investment	**45.68**	40.52
* Sentul Raya Golf Club Berhad	Malaysia	Inactive	**45.68**	40.52
* Sentul Raya City Sdn. Bhd.	Malaysia	Property development	**45.68**	40.52
* Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**45.68**	40.52
* SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	**65.26**	57.89
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
Trend Acres Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**65.26**	57.89
* YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**65.26**	57.89
* YTL Land & Development Management Pte. Ltd.	Singapore	Provision of financial and management consultancy services	**65.26**	57.89
* YTL Westwood Properties Pte. Ltd.	Singapore	Real estate development	**65.26**	57.89

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Power International Berhad ("YTL Power"):				
* Attarat Operation and Maintenance Company B.V.	Netherlands	Dormant	**42.57**	–
* Cellular Structures Sdn. Bhd.	Malaysia	Undertaking financing facilities for use by holding company	**27.24**	–
* Enterprise Laundry Services Limited	England & Wales	Provision of laundry services	**56.76**	57.77
Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VoIP telephony & other advanced network media appliance for services provider & enterprise telephony markets	**34.06**	34.66
FrogAsia Sdn. Bhd.	Malaysia	Software licence reseller focusing on virtual education learning platforms	**56.76**	57.77
* Frog Education Limited *(formerly known as Frogtrade Limited)*	England & Wales	Sale into the education market and further development of the company's web environment products	**32.68**	33.26
* Frog Education Group Limited	England & Wales	Investment holding	**32.68**	–
* Geneco Limited	England & Wales	Dormant	**56.76**	57.77
* Geneco (South West) Limited *(formerly known as NES (South West) Limited)*	England & Wales	Dormant	**56.76**	–
* Granite Investments (Cayman Islands) Limited	Cayman Islands	Dormant	**56.76**	57.77
* I Education Limited	England & Wales	Providing internet services, development & provision of software	**32.68**	16.96
* Konsortium Jaringan Selangor Sdn. Bhd.	Malaysia	Planning, implementation and maintenance of telecommunication towers and telecommunication related services	**27.25**	–
*^ PowerSeraya Limited	Singapore	In voluntary liquidation	–	57.77
* PetroSeraya Pte. Limited	Singapore	Oil trading & oil tank leasing	**56.76**	57.77

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Power International Berhad ("YTL Power") (continued):				
* P.T. YTL Jawa Timur	Indonesia	Provision of construction management, consultancy services & power station operation services	**56.76**	57.77
* Seraya Energy & Investment Pte. Ltd.	Singapore	Investment holding	**56.76**	57.77
* Seraya Energy Pte. Ltd.	Singapore	Sale of electricity	**56.76**	57.77
* SC Technology Deutschland GmbH	Germany	Waste treatment processes	**56.76**	57.77
* SC Technology GmbH	Switzerland	Waste treatment processes	**56.76**	57.77
* SC Technology Nederlands B.V.	Netherlands	Waste treatment processes	**56.76**	57.77
SIPP Power Sdn. Bhd.	Malaysia	Develop, constructing, completing, maintaining & operating power plants	**39.73**	40.44
* Sword Bidco (Holdings) Limited	England & Wales	Investment holding	**56.76**	57.77
* Sword Bidco Limited	England & Wales	Investment holding	**56.76**	57.77
* Sword Holdings Limited	Cayman Islands	Investment holding	**56.76**	57.77
* Sword Midco Limited	England & Wales	Investment holding	**56.76**	57.77
* Water 2 Business Limited	England & Wales	Licenced water supplier, providing retail water services to business customers	**56.76**	57.77
* Wessex Electricity Utilities Limited	England & Wales	Dormant	**56.76**	57.77
* Wessex Engineering & Construction Services Ltd.	England & Wales	Engineering & construction services	**56.76**	57.77
* Wessex Logistics Limited	England & Wales	Dormant	**56.76**	57.77
* Wessex Promotions Limited	England & Wales	Entertainment promotion	**56.76**	57.77

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Power International Berhad ("YTL Power") (continued):				
*Wessex Property Services Limited	England & Wales	Dormant	**56.76**	57.77
*Wessex Spring Water Limited	England & Wales	Dormant	**56.76**	57.77
*Wessex Water Commercial Limited	England & Wales	Dormant	**56.76**	57.77
*Wessex Water Engineering Services Limited	England & Wales	Dormant	**56.76**	57.77
*Wessex Water Enterprises Limited	England & Wales	Water supply & waste water services	**56.76**	57.77
Wessex Water International Limited	Cayman Islands	Investment holding	**56.76**	57.77
*Wessex Water Limited	England & Wales	Investment holding	**56.76**	57.77
*Wessex Water Pension Scheme Trustee Limited	England & Wales	Management of Wessex Water Pension Scheme	**56.76**	57.77
*Wessex Water Services Finance Plc.	England & Wales	Issue of bonds	**56.76**	57.77
*Wessex Water Services Limited	England & Wales	Water supply & waste water services	**56.76**	57.77
*Wessex Water Trustee Company Limited	England & Wales	Dormant	**56.76**	57.77
*Wessex Water Utility Solutions Ltd.	England & Wales	Dormant	**56.76**	57.77
YTL Broadband Sdn. Bhd.	Malaysia	Provision of wired, line and wireless broadband access and other related services	**27.24**	–
*YTL Communications International Ltd.	Cayman Islands	Inactive	**34.06**	34.66
YTL Communications Sdn. Bhd.	Malaysia	Providing wired, line & wireless broadband access services	**34.06**	34.66
*YTL Communications (S) Pte. Ltd.	Singapore	Dormant	**34.06**	34.66

Notes to the Financial Statements

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Power International Berhad ("YTL Power") (continued):				
YTL Digital Sdn. Bhd.	Malaysia	Sale & marketing of telecommunication products	**34.06**	34.66
*YTL EcoGreen Pte. Ltd.	Singapore	Dormant	**56.76**	57.77
*YTL Education (UK) Limited	England & Wales	Investment holding	**56.76**	57.77
YTL Energy Holdings Sdn. Bhd.	Malaysia	Investment holding	**56.76**	57.77
*YTL Engineering Limited	England & Wales	Dormant	**56.76**	57.77
*YTL Events Limited	England & Wales	Providing public entertainment events & public relations services	**56.76**	57.77
*YTL Global Networks Limited	Cayman Islands	Dormant	**34.06**	34.66
*YTL Infrastructure Limited	Cayman Islands	Investment holding	**56.76**	57.77
*YTL Java Energy B.V.	Netherlands	Dormant	**56.76**	–
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	**56.76**	57.77
YTL Jawa O & M Holdings Limited	Cyprus	Investment holding	**56.76**	57.77
YTL Jawa Power B.V.	Netherlands	Investment holding	**32.43**	33.01
YTL Jawa Power Finance Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**32.43**	33.01
YTL Jawa Power Holdings Limited	Cyprus	Investment holding	**56.76**	57.77
YTL Jawa Power Services B.V.	Netherlands	Investment holding	**56.76**	57.77
YTL Power Australia Limited	Cayman Islands	Investment holding	**56.76**	57.77
*YTL Power Finance (Cayman) Limited	Cayman Islands	Dormant	**56.76**	57.77
*YTL Power Generation Sdn. Bhd.	Malaysia	Developing, constructing, completing, maintaining & operating power plants	**56.76**	57.77

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Power International Berhad ("YTL Power") (continued):				
YTL Power Investments Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Power International Holdings Limited	Cayman Islands	Investment holding	**56.76**	57.77
*YTL PowerSeraya Pte. Ltd.	Singapore	Own & operate energy facilities & services (full value chain of electricity generation including trading of physical fuels & fuel related derivative instruments, tank leasing activities & sale of by-products from the electricity generation process)	**56.76**	57.77
*YTL Power (Thailand) Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Power Trading (Labuan) Limited	Malaysia	Dormant	**56.76**	57.77
YTL Seraya Limited	Cayman Islands	Investment holding	**56.76**	57.77
*YTL Services Limited	England & Wales	Dormant	**56.76**	57.77
YTL SIPP Power Holdings Sdn. Bhd.	Malaysia	Investment holding	**39.73**	40.44
YTL Utilities Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Utilities Finance Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Utilities Finance 3 Limited	Cayman Islands	Investment holding	**56.76**	57.77
YTL Utilities Finance 4 Limited	Cayman Islands	Financial services	**56.76**	57.77
YTL Utilities Finance 5 Limited	Cayman Islands	Financial services	**56.76**	57.77
YTL Utilities Finance 6 Limited	Cayman Islands	Investment holding	**56.76**	57.77

13. SUBSIDIARIES (CONTINUED)

(a) Investment in subsidiaries (continued)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held through YTL Power International Berhad ("YTL Power") (continued):				
YTL Utilities Finance 7 Limited	Cayman Islands	Financial services	**56.76**	57.77
YTL Utilities Holdings Limited	Cayman Islands	Investment holding	**56.76**	57.77
* YTL Utilities Holdings (S) Pte. Limited	Singapore	Investment holding	**56.76**	57.77
* YTL Utilities (S) Pte. Limited	Singapore	Investment holding	**56.76**	57.77
* YTL Utilities (UK) Limited	England & Wales	Investment holding	**56.76**	57.77
Held through YTL Singapore Pte. Ltd.:				
* Ideal World Pte. Ltd.	Singapore	Wholesale of furniture	**51.00**	51.00
* Genesis-Alliance Retail Pte. Ltd.	Singapore	Retailing of furniture	**51.00**	51.00
* Guangzhou Autodome Food & Beverage Management Co., Ltd.	The People's Republic of China	Operator of food & beverage outlets	**100.00**	100.00
Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture, accessories & related services	**51.00**	51.00
* Shanghai Autodome Food & Beverage Co., Ltd.	The People's Republic of China	Operator of food & beverage outlets	**100.00**	100.00
* Shanghai YTL Hotels Management Co., Ltd.	The People's Republic of China	Dormant	**100.00**	100.00

* Subsidiaries not audited by HLB Ler Lum
^ Dissolved during the financial year
\# The subsidiary was servicing notice of strike off by the Registrar of Companies

13. SUBSIDIARIES (CONTINUED)

(b) Subsidiaries' financial statements

The unaudited financial statements of Bath Hotel & SPA B.V., Gainsborough Hotel (Bath) Limited, Industrial Procurement Limited, Niseko Village K.K., Starhill Global REIT Investments Limited, Starhill Global REIT Management Limited, YTL Cayman Limited, YTL Construction (SA) (Proprietary) Limited, YTL Construction GmbH, YTL Construction International (Cayman) Ltd., YTL Corp Finance (Cayman) Limited, YTL (Guernsey) Limited, YTL Hotels B.V., YTL Hotels (Cayman) Limited, SCI YTL Hotels Saint Tropez, YTL Power Services (Cayman) Ltd. and YTL Property Investments Limited were consolidated in the Group's financial statements as these subsidiaries were not required by their local legislations to have their financial statements audited.

(c) Significant changes in group structure

(i) On 1 August 2014, YTL Communications Sdn. Bhd., a 60%-owned subsidiary of YTL Power International Berhad completed the acquisition of 1,500,000 ordinary shares of RM1.00 each representing 60% of the issued and paid-up share capital of Konsortium Jaringan Selangor Sdn. Bhd. for an aggregate consideration of RM49,485,000 as adjusted in accordance with the terms of the Share Puchase Agreement dated 2 June 2014. The fair value of identifiable assets was determined to be RM20,966,130 and NCI at acquisition date amounted to RM32,990,000 giving rise to goodwill amounting to RM61,508,870. On 4th March 2015, YTL Communications Sdn. Bhd. purchased an additional 500,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid-up share capital of Konsortium Jaringan Selangor Sdn. Bhd. for an aggregate consideration of RM16,600,000.

(ii) On 3 December 2014, YTL Cement Singapore Pte. Ltd. ("YTL Cement Singapore"), a wholly-owned subsidiary of YTL Cement Berhad, acquired the entire issued and paid-up share capital of Nanyang Cement Pte. Ltd. (formerly known as Sin Heng Chan (Singapore) Pte. Ltd.) ("Nanyang Cement") comprising 30,000,000 ordinary shares for a total cash consideration of SGD24,734,274 (equivalent to RM64,969,518 based on Bank Negara Malaysia's published middle rate of 2.6267 RM/SGD as at close of business on 3 December 2014). As a result of the acquisition, Nanyang Cement became a wholly-owned subsidiary of YTL Cement Singapore and an indirect subsidiary of the Company. Nanyang Cement is principally involved in the business of cement terminal operation, bulk breaking activities and trading in cement.

(d) Summary of effect of acquisition of new subsidiaries

There is no significant effect of the newly acquired subsidiaries on the financial results for the current financial year.

If the acquisitions had occurred on 1 July 2014, there is no significant change for the Group's revenue and profit for the financial year.

13. SUBSIDIARIES (CONTINUED)

(e) Non-controlling interests in subsidiaries

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

Group – 2015	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI effective equity interest	*43.24%*	*62.91%*	*41.01%*		
Carrying amount of NCI	1,423,139	3,491,941	544,565	704,232	6,163,877
Profit allocated to NCI	593,747	431,900	17,526	152,034	1,195,207

Summarised financial information before inter-company elimination

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000
As at 30 June			
Non-current assets	31,206,771	8,812,359	3,275,045
Current assets	12,427,718	159,800	155,582
Non-current liabilities	(27,485,838)	(2,880,369)	(1,566,865)
Current liabilities	(4,519,956)	(520,942)	(81,166)
Net assets	11,628,695	5,570,848	1,782,596
Year ended 30 June			
Revenue	11,858,093	519,182	417,669
Profit for the year	918,812	325,817	94,992
Total comprehensive income	1,372,998	686,194	47,721
Cash flows from operating activities	2,327,136	295,221	90,395
Cash flows used in investing activities	(1,781,172)	(915,767)	(4,535)
Cash flows (used in)/from financing activities	(585,362)	491,009	(107,720)
Net changes in cash and cash equivalents	(39,398)	(129,537)	(21,860)
Dividend paid to NCI	424,844	180,925	43,420

13. SUBSIDIARIES (CONTINUED)

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

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

Group – 2014	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI effective equity interest	*42.23%*	*63.73%*	*40.97%*		
Carrying amount of NCI	1,168,765	3,306,288	570,459	347,407	5,392,919
Profit allocated to NCI	762,803	464,576	94,848	76,348	1,398,575

Summarised financial information before inter-company elimination

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000
As at 30 June			
Non-current assets	28,662,323	7,381,138	3,157,589
Current assets	11,422,782	234,114	168,045
Non-current liabilities	(24,806,283)	(1,996,980)	(1,578,770)
Current liabilities	(4,595,099)	(443,739)	(77,197)
Net assets	10,683,723	5,174,533	1,669,667
Year ended 30 June			
Revenue	14,383,623	504,189	425,114
Profit for the year	1,202,413	617,202	195,094
Total comprehensive income	1,846,069	794,855	465,658
Cash flows from operating activities	2,474,532	259,411	116,038
Cash flows (used in)/from investing activities	(1,456,888)	181,934	(3,522)
Cash flows used in financing activities	(2,007,950)	(226,322)	(129,386)
Net changes in cash and cash equivalents	(990,306)	215,023	(16,870)
Dividend paid to NCI	57,292	167,272	45,180

Notes to the Financial Statements

14. INVESTMENT IN ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares, at cost	**1,158,477**	1,135,933	**205,241**	205,241
Share of post-acquisition reserves	**732,261**	542,042	**–**	–
Allowance for impairment	**(28,538)**	(28,538)	**–**	–
	1,862,200	1,649,437	**205,241**	205,241

Details of the associated companies are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %
Held by the Company:				
* Express Rail Link Sdn. Bhd.	Malaysia	Operation & maintenance of the ERL railway system between KLIA in Sepang & KL Sentral Station	**50.00**	50.00
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
Held through YTL Cement Berhad:				
^* Cementitious Products Pte. Ltd.	Singapore	General wholesale trade (including general importers and exporters)	**49.05**	–
Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**49.05**	49.07
Held through YTL e-Solution Berhad:				
^ Endless Momentum Sdn. Bhd.	Malaysia	Investment holding	**22.24**	22.24

14. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(a) Investment in associated companies

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2015 %	2014 %
Held through YTL Hotels & Properties Sdn. Bhd.:				
^* Eastern & Oriental Express Ltd.	Bermuda	Ownership & management of the luxury train service known as the 'Eastern & Oriental Express'	**32.00**	32.00
^* Surin Bay Company Limited	Thailand	Hotel operator	**49.00**	49.00
Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
Held through YTL Power International Berhad:				
* Attarat Power Holding Company B.V.	Netherlands	Dormant	**17.03**	–
+* ElectraNet Pty. Ltd.	Australia	Trade as ElectraNet SA (operates & manages the electricity transmission network throughout South Australia)	**19.01**	19.35
* Enefit Jordan B.V.	Netherlands	Investment holding	**17.03**	17.33
^ Jimah Power Generation Sdn. Bhd.	Malaysia	Dormant	**27.80**	28.30
+* P.T. Jawa Power	Indonesia	To construct, commission & operate a coal-fired thermal power station	**11.35**	11.55

* Companies not audited by HLB Ler Lum
^ Companies with financial year end of 31 December
\+ The Group's direct interest in ElectraNet Pty. Ltd. and P.T. Jawa Power are 33.5% and 35.0% respectively

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 October or 31 December as the case may be.

14. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) 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:-

(i) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Non-current assets	**4,301,267**	3,757,213	**7,996,270**	7,638,353
Current assets	**996,416**	746,207	**125,273**	104,286
Non-current liabilities	**(1,243,842)**	(977,298)	**(5,498,498)**	(5,410,711)
Current liabilities	**(198,044)**	(207,337)	**(1,432,083)**	(1,133,398)
Net assets	**3,855,797**	3,318,785	**1,190,962**	1,198,530
Profit for the financial year	**709,069**	656,014	**112,683**	54,039
Other comprehensive loss	**–**	–	**(43)**	(71,904)
Total comprehensive income/(loss)	**709,069**	656,014	**112,640**	(17,865)
Included in the total comprehensive income is:-				
Revenue	**2,045,001**	1,930,149	**979,455**	941,926
Other information:				
Dividends received from associate	**265,678**	280,172	**24,792**	20,177

14. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) 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 below: (continued)

(ii) Reconciliation of net assets to carrying amount:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Opening net assets, 1 July	**3,318,785**	3,597,644	**1,198,530**	1,243,288	**4,517,315**	4,840,932
Profit for the financial year	**709,069**	656,014	**112,683**	54,039	**821,752**	710,053
Other comprehensive loss	–	–	**(43)**	(71,904)	**(43)**	(71,904)
Repayment of loan stock	–	(135,671)	–	–	–	(135,671)
Foreign exchange differences	**587,023**	1,289	**(46,202)**	33,338	**540,821**	34,627
Dividend paid	**(759,080)**	(800,491)	**(74,006)**	(60,231)	**(833,086)**	(860,722)
Closing net assets, 30 June	**3,855,797**	3,318,785	**1,190,962**	1,198,530	**5,046,759**	4,517,315
Interest in associates direct hold by subsidiary	**35.0%**	35.0%	**33.5%**	33.5%		
Carrying amount	**1,349,529**	1,161,575	**398,972**	401,508	**1,748,501**	1,563,083

Goodwill amounting to RM23,357,000 (2014: RM23,357,000) was included in the carrying amount of investment in associated companies.

The Group has not recognised its share of losses of an associated company amounting to RM2,036,000 (2014: RM15,235,000) because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amounted to RM278,495,000 (2014: RM276,459,000) at the reporting date.

The individually immaterial associate's carrying amount is RM113,699,000 (2014: RM86,354,000) and the Group's share of profits, total comprehensive income is RM11,341,000 (2014: RM90,999,000).

15. JOINT VENTURES

Investments in joint ventures

	Group 2015 RM'000	Group 2014 RM'000
Unquoted investments, at cost	**23,400**	23,400
Share of post-acquisition reserves	**11,355**	2,912
	34,755	26,312

(i) **Details of the joint ventures are as follows:-**

Name of company	Place of incorporation	Principal activities	Effective equity interest 2015 %	Effective equity interest 2014 %
Held through YTL Land & Development Berhad:				
Shorefront Development Sdn. Bhd. (formerly known as PDC Heritage Hotel Sdn. Bhd.)	Malaysia	Property development	**32.63**	28.95
Held through YTL Power International Berhad:				
Attarat Mining Company B.V.	Netherland	Dormant	**28.38**	–
Bristol Wessex Billing Services Limited	England & Wales	Billing services	**28.38**	28.89
Xchanging Malaysia Sdn. Bhd.	Malaysia	Mobile internet & cloud-based technology solutions	**17.03**	17.33

(ii) The aggregate amounts of each of the current assets, non-current assets, current liabilities, income and expenses related to the Group's interests in the joint ventures are as follows:-

	Group 2015 RM'000	Group 2014 RM'000
Non-current assets	**127**	324
Current assets	**48,288**	25,768
Current liabilities	**(23,220)**	(9,339)
Net assets	**25,195**	16,753
Total comprehensive income	**38,195**	2,083

16. INVESTMENTS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Available-for-sale financial assets				
Quoted equity investments				
– Within Malaysia	**15,664**	16,313	**5,080**	4,436
– Outside Malaysia	**13,182**	12,432	**7,285**	7,721
Unquoted equity investments				
– Within Malaysia	**20,431**	19,533	**19,483**	19,483
– Outside Malaysia	**213,065**	144,327	**–**	–
	262,342	192,605	**31,848**	31,640

A loss arising from the changes in fair values of available-for-sale financial assets during the financial year of RM852,000 (2014: gain of RM3,453,000) and RM222,000 (2014: gain of RM1,045,000) was recognised as other comprehensive income in the Statements of Comprehensive Income of the Group and the Company, respectively.

During the financial year, the Group and the Company recognised an impairment loss of RM1,049,000 (2014: RM1,253,000) and RM1,049,000 (2014: RM359,000) against equity investments whose trade prices had been below cost for a prolonged period, respectively.

17. CASH AND CASH EQUIVALENTS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Deposits with licensed banks	**13,318,448**	11,907,881	**1,223,338**	1,284,720
Cash and bank balances	**798,158**	1,308,615	**3,154**	228,839
Cash and cash equivalents	**14,116,606**	13,216,496	**1,226,492**	1,513,559
Bank overdrafts (Note 33)	**(85,194)**	(67,332)	**–**	–
Cash and cash equivalents as per statements of cash flows	**14,031,412**	13,149,164	**1,226,492**	1,513,559

Cash and bank balances of the Group included amounts totalling RM24,265,000 (2014: RM30,684,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966. Those amounts were restricted from use in other operations.

17. CASH AND CASH EQUIVALENTS (CONTINUED)

The range of interest rates of deposits that were effective at the reporting date were as follows:-

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Deposits with licensed banks	**0.01 – 4.10**	0.01 – 3.50	**2.95 – 4.00**	2.95 – 3.40

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2014: 1 day to 365 days). Bank balances are deposits held at call with banks.

Included in the deposits with licensed banks amounting to RM10,159,000 (2014: RM19,211,000) is pledged as a security for a borrowing as disclosed in Note 33.

The Group and the Company seek to invest cash and cash equivalents safely and profitably with creditworthy local and offshore licensed banks. The credit quality of the local and offshore licenced banks are P1 as rated by RAM Rating Services Bhd. and Moody's Investors Service, Inc., respectively.

18. INTANGIBLE ASSETS

The details of intangible assets are as follows:-

Group – 2015	Customer acquisition costs RM'000	Goodwill on consolidation RM'000	Others RM'000	Total RM'000
At cost				
At beginning of the financial year	135,785	4,987,334	–	5,123,119
Additions	91,317	–	35,628	126,945
Acquisition of new subsidiaries	–	85,832	18,461	104,293
Dilution of interest in subsidiaries	–	(236,471)	–	(236,471)
Currency translation differences	–	621,981	2,124	624,105
At end of the financial year	227,102	5,458,676	56,213	5,741,991
Accumulated amortisation and impairment				
At beginning of the financial year	(69,052)	(40,075)	–	(109,127)
Amortisation (Note 6)	(68,531)	–	(3,917)	(72,448)
At end of the financial year	(137,583)	(40,075)	(3,917)	(181,575)
Net carrying amount				
At 30 June 2015	89,519	5,418,601	52,296	5,560,416

18. INTANGIBLE ASSETS (CONTINUED)

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

Group – 2014	Customer acquisition costs RM'000	Goodwill on consolidation RM'000	Others RM'000	Total RM'000
At cost				
At beginning of the financial year	61,477	4,762,953	–	4,824,430
Additions	74,308	–	–	74,308
Acquisition of new subsidiaries	–	74,263	–	74,263
Currency translation differences	–	150,118	–	150,118
At end of the financial year	135,785	4,987,334	–	5,123,119
Accumulated amortisation and impairment				
At beginning of the financial year	(21,276)	(17,669)	–	(38,945)
Amortisation (Note 6)	(47,776)	–	–	(47,776)
Impairment losses (net of NCI)	–	(22,406)	–	(22,406)
At end of the financial year	(69,052)	(40,075)	–	(109,127)
Net carrying amount				
At 30 June 2014	66,733	4,947,259	–	5,013,992

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

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

	Group	
	2015 RM'000	**2014 RM'000**
Utilities	**4,797,042**	4,379,016
Management services	**274,418**	251,080
Cement manufacturing & trading	**157,585**	102,883
Property investment & development	**96,078**	124,728
Hotel & restaurant operations	**68,644**	64,798
Others	**24,834**	24,754
	5,418,601	4,947,259

18. INTANGIBLE ASSETS (CONTINUED)

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

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

(a) Key assumption used in the value-in-use calculation

The following assumption has been applied in the value-in-use calculation for the two of the major goodwill in utilities segment amounting to RM3.9 billion (2014: RM3.7 billion) ("A") and RM819 million (2014: RM670 million) ("B"), respectively, one of the major goodwill in management services ("C") and cement manufacturing & trading ("D") segment amounting to RM274 million (2014: RM251 million) and RM158 million (2014: RM103 million), respectively.

	2015				2014			
	A %	B %	C %	D %	A %	B %	C %	D %
Pre-tax discounts	**6.0**	**5.2**	**5.6**	**4.5**	6.0	5.7	4.5	4.5
Terminal growth rate	**2.0**	**(0.5)**	**6.5**	**6.5**	2.0	0.1	6.5	6.5
Revenue growth	**1.2**	**2.2**	**2.0**	**3.0**	2.7	2.5	3.0	3.0
Electricity margin growth rate	**2.0**	**N/A**	**N/A**	**N/A**	2.0	N/A	N/A	N/A
Electricity volume growth rate	**2.0**	**N/A**	**N/A**	**N/A**	2.0	N/A	N/A	N/A

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", the revenue growth assumption is calculated using the Compound Annual Growth Rate method and applied on the current year's sales figures and the terminal growth rates indicate the expected growth of cash flows after the forecast period of 8 years.

(b) Sensitivity to change in key assumptions

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's results. The Group's review includes the sensitivity of key assumptions to the cash flow projections.

18. INTANGIBLE ASSETS (CONTINUED)

(b) Sensitivity to change in key assumptions (continued)

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:-

	2015				2014	
	A	B	C	D	A	B
	%	%	%	%	%	%
Pre-tax discount	**7.8**	**12.0**	**7.0**	**5.7**	8.6	12.5
Terminal growth rate	**(1.6)**	**(2.2)**	**7.2**	**7.2**	(4.1)	(0.5)
Revenue growth	**0.3**	**(5.0)**	**0.6**	**0.9**	1.8	(4.4)
Electricity margin growth rate	**(0.2)**	N/A	N/A	N/A	(2.5)	N/A
Electricity volume growth rate	**0.3**	N/A	N/A	N/A	(1.5)	N/A

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

19. BIOLOGICAL ASSETS

	Group	
	2015 RM'000	2014 RM'000
Plantation development expenditure – at cost		
At beginning of the financial year	**1,798**	1,700
Addition	–	98
At end of the financial year	**1,798**	1,798

20. TRADE AND OTHER RECEIVABLES

	Group 2015 RM'000	Group 2014 RM'000
Non-current		
Trade receivables	**449**	–
Amounts recoverable from supplier*	**–**	410,446
Less: Allowance for impairment	**–**	(149,390)
Amounts recoverable from supplier (net)	**–**	261,056
Other receivables	**10,729**	22,857
Less: Allowance for impairment	**(100)**	–
Other receivables (net)	**10,629**	22,857
Accrued income	**435**	895
Deposits	**1,030**	900
Receivables from associate company^	**274,902**	291,068
	287,445	576,776

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current				
Trade receivables	**2,528,223**	2,511,045	**–**	–
Shareholder amounts held by solicitors	**29,162**	1,948	**–**	–
	2,557,385	2,512,993	**–**	–
Less: Allowance for impairment	**(361,366)**	(313,591)	**–**	–
Trade receivables (net)	**2,196,019**	2,199,402	**–**	–
Other receivables	**416,689**	297,928	**15,085**	12,661
Less: Allowance for impairment	**(3,645)**	(1,703)	**–**	–
Other receivables (net)	**413,044**	296,225	**15,085**	12,661
Amounts recoverable from supplier*	**453,366**	–	**–**	–
Less: Allowance for impairment	**(149,390)**	–	**–**	–
Amounts recoverable from supplier (net)	**303,976**	–	**–**	–
Retention sum	**–**	2,424	**–**	–
Accrued income	**429,079**	413,097	**–**	–
Deposits	**78,762**	55,623	**390**	5,292
	3,420,880	2,966,771	**15,475**	17,953

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

* A subsidiary of the Group had entered into the Agreement for the Sale and Purchase of Dry Gas ("Agreement") on 15 March 1993. Under this agreement, the price of gas to be supplied is calculated by reference to a market price-related formula. However, since 1 May 1997, the Government of Malaysia has fixed the price of gas and accordingly, the market price-related formula applicable under the Agreement has not been used by the gas supplier. The gas supplier unilaterally withdrew a discount provided for under the market price-related formula and as a consequence, a dispute arose over whether the discount is, in the circumstances, applicable under the Agreement.

The subsidiary has commenced arbitration against the gas supplier for recovery of sums over-invoiced by the gas supplier in respect of the discount. A Notice of Arbitration was issued on 31 March 2014 and evidential hearings were completed on 6 March 2015.

Subsequent to financial year end, an award was issued in favour of the subsidiary for recovery of the amount in dispute. On 29 July 2015, the gas supplier filed an Originating Summons to set aside or to vary the award under the relevant provisions of the Arbitration Act, 2005. On 21 August 2015, the subsidiary filed a Notice of Application to the High Court to strike out or dismiss the Originating Summons as the Board has been advised that the application to set aside or vary the award has no merit. The hearing dates have yet to be fixed. The Directors have been advised that there is more than a reasonable prospect that the amount of RM304 million paid under protest would be recoverable.

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Neither past due nor impaired	**1,390,443**	1,638,360
1 to 90 days past due not impaired	**420,966**	263,831
91 to 120 days past due not impaired	**31,014**	26,865
More than 120 days past due not impaired	**353,596**	270,346
Total past due not impaired	**805,576**	561,042
Impaired	**361,366**	313,591
	2,557,385	2,512,993

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables amounting to RM94.2 million (2014: RM86.1 million) are secured by financial guarantees given by banks and RM14.3 million (2014: RM12.1 million) are secured by cash collateral.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM805,576,000 (2014: RM561,042,000) that are past due at the reporting date but not impaired. These include mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts.

Receivables that are impaired

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

	Trade receivables RM'000	Others RM'000	Total RM'000
Group – 2015			
At beginning of the financial year	**313,591**	**151,093**	**464,684**
Charge for the year	**82,190**	**2,093**	**84,283**
Reversal of impairment losses	**(11,668)**	**(68)**	**(11,736)**
Bad debts written off	**(44,258)**	**–**	**(44,258)**
Currency translation differences	**21,511**	**17**	**21,528**
At end of the financial year	**361,366**	**153,135**	**514,501**
Group – 2014			
At beginning of the financial year	260,887	104,108	364,995
Acquisition of subsidiary	1,931	–	1,931
Charge for the year	94,351	46,985	141,336
Reversal of impairment losses	(2,323)	–	(2,323)
Bad debts written off	(64,374)	–	(64,374)
Currency translation differences	23,119	–	23,119
At end of the financial year	313,591	151,093	464,684

Receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The fair value of receivables approximates their carrying amounts.

21. INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000
At cost		
Consumable stores	**15,219**	16,958
Finished goods	**89,458**	108,143
Fuel	**216,811**	227,228
Properties held for sale	**71,045**	67,248
Raw materials	**142,991**	126,309
Spare parts	**183,748**	168,632
Work-in-progress	**50,940**	41,645
At fair value less cost to sell		
Fuel	**–**	17,715
	770,212	773,878

22. PROPERTY DEVELOPMENT COSTS

Group – 2015	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs:-				
At beginning of the financial year	1,184,843	53,333	741,996	1,980,172
Cost incurred during the financial year	–	35,099	278,491	313,590
Transfer from land held for property development	16,444	72,076	10,596	99,116
Transfer to inventories	(79)	(6,848)	–	(6,927)
Reversal of completed projects	(2,769)	(19,198)	(422,273)	(444,240)
Currency translation differences	104,097	–	36,737	140,834
At end of the financial year	1,302,536	134,462	645,547	2,082,545
Cumulative cost recognised in profit or loss:-				
At beginning of the financial year				(449,574)
Recognised during the financial year				(194,027)
Reversal of completed projects				444,240
At end of the financial year				(199,361)
Property development costs at end of the financial year				1,883,184

22. PROPERTY DEVELOPMENT COSTS (CONTINUED)

Group – 2014	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs:-				
At beginning of the financial year	1,155,192	66,577	473,398	1,695,167
Cost incurred during the financial year	–	5,171	354,069	359,240
Transfer from land held for property development	4,725	–	24,339	29,064
Reversal of completed projects	–	(18,415)	(114,609)	(133,024)
Currency translation differences	24,926	–	4,799	29,725
At end of the financial year	1,184,843	53,333	741,996	1,980,172
Cumulative cost recognised in profit or loss:-				
At beginning of the financial year				(324,286)
Recognised during the financial year				(258,312)
Reversal of completed projects				133,024
At end of the financial year				(449,574)
Property development costs at end of the financial year				1,530,598

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM34,046,000 (2014: RM29,851,000).

Included in property development costs of the Group is a freehold land under development with carrying value of RM1,661,000,000 (2014: RM1,429,000,000) pledged as security for a borrowing granted to the Group as disclosed in Note 33 to the Financial Statements.

23. OTHER ASSETS

	Group 2015 RM'000	Group 2014 RM'000
Non-current		
Prepayments	**32,558**	60,965

23. OTHER ASSETS (CONTINUED)

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current				
Prepayments	**214,354**	383,051	**178**	392
Accrued billings in respect of property development costs	**7,298**	87,619	**–**	–
Amount due from contract customers (Note 25)	**2,773**	14,389	**–**	–
	224,425	485,059	**178**	392

24. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets RM'000	Liabilities RM'000	Total RM'000
Group – 2015			
At beginning of the financial year	**50,438**	**(88,585)**	**(38,147)**
Movement during the year	**79,363**	**(319,275)**	**(239,912)**
Currency translation differences	**9,234**	**(32,674)**	**(23,440)**
At end of the financial year	**139,035**	**(440,534)**	**(301,499)**
Group – 2014			
At beginning of the financial year	45,504	(201,614)	(156,110)
Acquisition of subsidiary	11,431	(2,383)	9,048
Movement during the year	(7,857)	119,577	111,720
Currency translation differences	1,360	(4,165)	(2,805)
At end of the financial year	50,438	(88,585)	(38,147)

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

	Contract/ notional amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
Group – 2015			
Cash-flow hedges			
– fuel oil swaps	**1,868,333**	**17,558**	**414,194**
– currency forwards	**2,049,678**	**102,669**	**5,595**
– interest rate swaps	**3,072,017**	**12,514**	**2,927**
Fair value through profit or loss			
– fuel oil swaps	**256,141**	**4,904**	**16,977**
– currency forwards	**168,403**	**1,390**	**841**
		139,035	**440,534**
Current portion		**85,243**	**304,311**
Non-current portion		**53,792**	**136,223**
		139,035	**440,534**
Group – 2014			
Cash-flow hedges			
– fuel oil swaps	1,785,786	33,534	6,473
– currency forwards	2,055,391	5,472	16,249
– interest rate swaps	1,897,347	2,533	5,433
Fair value through profit or loss			
– fuel oil swaps	315,843	8,515	835
– currency forwards	324,841	384	2,176
– 1.875% exchangeable bonds		–	57,419
		50,438	88,585
Current portion		30,590	77,831
Non-current portion		19,848	10,754
		50,438	88,585

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The changes in fair value that arose from fair value through profit or loss during the financial year that was recognised in the Income Statements amounted to a gain of RM71.1 million (2014: RM55.5 million), while there is no gain or loss (2014: gain of RM2.3 million) was recognised in Income Statements on the ineffective portion of cash flows hedge.

Financial period when the cash flows on cash flow hedges are expected to occur or affect profit or loss:-

(a) Fuel oil swaps

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates within 41 months (2014: 50 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 profit or loss upon consumption of the underlying fuels.

The fair values of fuel oil swaps are determined using the quoted market prices for similar instruments.

(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 43 months (2014: 52 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 profit or loss upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency payments of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

For those currency forwards used to hedge highly probably forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in profit or loss over the period of the contracts.

The fair values of forward currency contracts are determined using actively quoted forward currency rates.

(c) Interest rate swaps

Interest rate swaps are entered into to hedge floating semi-annual interest payments on borrowings. Since the borrowings are obtained specifically for the construction of property, plant and equipment, the interest on these borrowings along with the net interest on the interest swaps are capitalised. The interest payments are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

The fair values of interest rate swaps are calculated using the present value of the estimated future cash flows.

24. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(d) 1.875% Exchangeable bonds

These represent the exchange features which are separate embedded derivatives contained in the Group's bonds. Bondholders are able to exchange the bonds into ordinary shares of RM0.10 each in the Company ("YTL Corp Shares") at fixed exchange prices as disclosed in Note 32(I). The derivative financial instruments are carried at fair value through profit or loss.

The fair values of the derivative financial instruments are valued using the jump diffusion model. The significant inputs in the model as at reporting date are as follows:-

	Group	
	2015 **RM'000**	2014 RM'000
YTL Corp Share price (RM)	**1.62**	1.62
Exchange price (RM)	**1.67**	1.67
Expected volatility (%)	**22.40**	21.60
Expected life of exchange feature (years)	**–**	0.72
Risk free rate per annum (%)	**1.48**	1.48

The expected life of exchange feature is based on the contractual life of these exchangeable bonds. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

25. CONSTRUCTION CONTRACTS

	Group	
	2015 **RM'000**	2014 RM'000
Aggregate costs incurred to date	**766,272**	945,707
Recognised profits less recognised losses	**(23,639)**	18,275
	742,633	963,982
Less: Progress billings	**(743,624)**	(956,077)
Total	**(991)**	7,905
Representing:		
Amount due to contract customers (Note 38)	**(3,764)**	(6,484)
Amount due from contract customers (Note 23)	**2,773**	14,389
Total	**(991)**	7,905

Included in aggregate costs incurred to date of the Group are depreciation and interest capitalised during the financial year amounting to RM7,363,000 (2014: RM5,772,000) and RM131,000 (2014: RM414,000), respectively.

26. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a) Amounts due from related parties				
Amounts due from:-				
– Holding company	**856**	–	–	–
– Subsidiaries	–	–	**959,039**	2,250,051
– Related companies	**18,155**	14,029	**1,558**	1,384
– Associated companies	**4,955**	13,078	**53**	340
– Joint ventures	**18,668**	15,066	–	–
	42,634	42,173	**960,650**	2,251,775
(b) Amounts due to related parties				
Amounts due to:-				
– Holding company	**12**	845	–	–
– Subsidiaries	–	–	**9,907**	999,602
– Related companies	**5,256**	4,148	**4**	114
– Associated companies	**1,664**	1,566	–	–
– Joint ventures	**3,200**	–	–	–
	10,132	6,559	**9,911**	999,716

(c) The amounts due from/to related parties pertain mainly to trade receivables/payables, advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand except for advances given to a subsidiary amounting RM51.4 million (2014: RM38.7 million) which bear interest rate of 4.6% per annum (2014: 4.4% per annum).

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

27. SHORT TERM INVESTMENTS

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Available-for-sale financial assets				
Unquoted unit trusts in Malaysia				
– at cost	**632,106**	609,531	**632,106**	609,531

Unquoted unit trusts are measured at cost less impairment losses at each reporting date because fair values cannot be obtained directly from quoted market price.

28. SHARE CAPITAL

	Group/Company 2015 RM'000	2014 RM'000
Authorised:-		
At beginning and end of the financial year – 15,000,000,000 ordinary shares of RM0.10 each	**1,500,000**	1,500,000
Issued and fully paid:-		
At beginning of the financial year – 10,738,931,473 (2014: 10,738,931,473) ordinary shares of RM0.10 each	**1,073,893**	1,073,893
Conversion of exchangeable bonds – 55,059,789 (2014: Nil) ordinary shares of RM0.10 each	**5,506**	–
At end of the financial year – 10,793,991,262 (2014: 10,738,931,473) ordinary shares of RM0.10 each	**1,079,399**	1,073,893

Out of a total of 10,793,991,262 (2014: 10,738,931,473) ordinary shares of RM0.10 issued and fully paid-up ordinary shares, the Company holds 375,346,039 (2014: 375,344,039) ordinary shares of RM0.10 as treasury shares. As at 30 June 2015, the number of ordinary shares in issue and fully paid net of treasury shares are 10,418,645,223 (2014: 10,363,587,434).

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

(a) Treasury Shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 25 November 2014. 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 ordinary shares of RM0.10 each (2014: 2,000,100) ordinary shares of RM0.10 each of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.73 (2014: RM1.62) per ordinary share of RM0.10 each. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2015, the Company held as treasury shares a total of 375,346,039 (2014: 375,344,039) of its 10,793,991,262 (2014: 10,738,931,473) issued ordinary shares. Such treasury shares are held at a carrying amount of RM596,573,469 (2014: RM596,570,004).

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

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

28. SHARE CAPITAL (CONTINUED)

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

The salient terms of the ESOS 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 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 if, as at the date of offer of an option ("Offer Date"), the person:-

(a) has attained the age of eighteen (18) years;

(b) is a director or an employee employed by and on payroll of a company within the Group; and

(c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.

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

(a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) market days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or

(b) the par value of the shares (or such other par value as may be permitted by the provisions of the Companies Act 1965).

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(vi) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion.

As at the end of the financial year, no options have been granted under the ESOS.

28. SHARE CAPITAL (CONTINUED)

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

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

Financial year ended 30 June 2015

Grant date	Expiry date	Exercise price RM	<----- Number of share options over ordinary shares of RM0.10 each -----> At beginning of financial year '000	Granted '000	Lapsed '000	At end of financial year '000
Financial year ended 30 June 2015						
Scheme						
16.07.2012	31.03.2021	1.75	**138,135**	–	**(2,500)**	**135,635**
			138,135	–	**(2,500)**	**135,635**
Financial year ended 30 June 2014						
Scheme						
16.07.2012	31.03.2021	1.75	141,075	–	(2,940)	138,135
			141,075	–	(2,940)	138,135

None of the 135,635,000 (2014: 138,135,000) outstanding options are exercisable.

The fair value of options granted for which FRS 2 applies, was determined using the Trinomial Valuation model. The significant inputs in the model are as follows:-

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

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

28. SHARE CAPITAL (CONTINUED)

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

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share option expenses				
by the Company	**15,253**	15,700	**15,253**	15,700
by the subsidiary	**7,074**	8,610	**–**	–
Allocation to subsidiaries	**–**	–	**(8,594)**	(9,022)
Total share option expenses	**22,327**	24,310	**6,659**	6,678

29. NON-DISTRIBUTABLE RESERVES

(a) Share premium

	Group/Company	
	2015 RM'000	2014 RM'000
At beginning of the financial year	**1,987,700**	1,987,700
Conversion of exchangeable bonds	**81,488**	–
At end of the financial year	**2,069,188**	1,987,700

(b) Other reserves

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Capital reserve	**102,165**	102,000	**–**	–
Equity component of Irredeemable Convertible Unsecured Loan Stocks	**74,037**	74,066	**–**	–
Foreign currency translation reserve	**428,406**	(359,761)	**–**	–
Share options reserve	**72,714**	50,409	**46,813**	31,560
Statutory reserve	**32,325**	27,415	**–**	–
Available-for-sale reserve	**7,902**	8,754	**1,877**	2,099
Hedging reserve	**(228,463)**	(14,361)	**–**	–
	489,086	(111,478)	**48,690**	33,659

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(b) Other reserves (continued)

Group – 2015	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Statutory reserve[1] RM'000	Available-for-sale reserve RM'000	Hedging reserve RM'000	Total other reserves RM'000
At beginning of the financial year	102,000	74,066	(359,761)	50,409	27,415	8,754	(14,361)	(111,478)
Changes in fair values loss	–	–	–	–	–	(852)	(338,142)	(338,994)
Reclassification	–	–	–	–	–	–	142,845	142,845
Exchange differences	–	–	774,437	–	–	–	–	774,437
Total comprehensive income/(loss) for the year	–	–	774,437	–	–	(852)	(195,297)	578,288
Share option expenses	–	–	–	15,253	–	–	–	15,253
Share option expenses by subsidiary	–	–	–	7,074	–	–	–	7,074
Conversion of ICULS	–	(29)	–	–	–	–	–	(29)
Share option lapsed	–	–	–	(22)	–	–	–	(22)
Currency translation differences	165	–	13,730	–	4,910	–	(18,805)	–
At end of the financial year	102,165	74,037	428,406	72,714	32,325	7,902	(228,463)	489,086

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(b) Other reserves (continued)

Group – 2014	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Statutory reserve[1] RM'000	Available-for-sale reserve RM'000	Hedging reserve RM'000	Total other reserves RM'000
At beginning of the financial year	101,991	74,066	(739,135)	26,601	27,141	5,299	(23,483)	(527,520)
Changes in fair values gain	–	–	–	–	–	3,453	11,057	14,510
Exchange differences	–	–	377,724	–	–	–	–	377,724
Total comprehensive income for the year	–	–	377,724	–	–	3,453	11,057	392,234
Share option expenses	–	–	–	15,700	–	–	–	15,700
Share option expenses by subsidiary	–	–	–	8,610	–	–	–	8,610
Share option forfeiture	–	–	–	(502)	–	–	–	(502)
Currency translation differences	9	–	1,650	–	274	2	(1,935)	–
At end of the financial year	102,000	74,066	(359,761)	50,409	27,415	8,754	(14,361)	(111,478)

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

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(b) Other reserves (continued)

	Share options reserve RM'000	Available-for-sale reserve RM'000	Total other reserves RM'000
Company – 2015			
At beginning of the financial year	**31,560**	**2,099**	**33,659**
Changes in fair values	**–**	**826**	**826**
Disposal of available-for-sale investment securities	**–**	**(1,048)**	**(1,048)**
Share option expenses	**15,253**	**–**	**15,253**
At end of the financial year	**46,813**	**1,877**	**48,690**
Company – 2014			
At beginning of the financial year	15,860	1,700	17,560
Changes in fair values	–	29,099	29,099
Disposal of available-for-sale investment securities	–	(646)	(646)
Gain on derecognition of financial assets	–	(28,054)	(28,054)
Share option expenses	15,700	–	15,700
At end of the financial year	31,560	2,099	33,659

30. LONG TERM PAYABLES

	Group 2015 RM'000	Group 2014 RM'000
Deferred income	**635,637**	449,230
Deposits	**168,750**	132,969
Other payables	**41,223**	61,872
	845,610	644,071

The deferred income in relation to assets transferred from customer and services which are yet to be provided.

Deposits consist of deposits collected from retail customers in relation to the provision of electricity, deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure and security deposits from property tenants.

31. OTHER NON-CURRENT LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Amount due to contract customer	**67,696**	67,696

This represents the balance of the total purchase consideration of not less than RM105,616,000 (2014: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which will be settled by way of phased development, construction and completion of the Railway Village by Sentul Raya Sdn. Bhd. ("SRSB"), a subsidiary of YTL Land & Development Berhad for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB as amended pursuant to the Supplementary Development Agreement dated 21 December 2000.

32. BONDS

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current:-					
Medium Term Notes	32(A)	**348,390**	628,988	–	–
1.875% Guaranteed Exchangeable Bonds Due 2015	32(I)	–	889,602	–	–
		348,390	1,518,590	–	–
Non-current:-					
Medium Term Notes	32(A)	**7,209,363**	5,821,545	**1,500,000**	1,500,000
3.52% Retail Price Index Guaranteed Bonds	32(B)	**435,794**	391,000	–	–
5.75% Guaranteed Unsecured Bonds	32(C)	**2,063,739**	1,889,545	–	–
5.375% Guaranteed Unsecured Bonds	32(D)	**1,182,665**	1,083,603	–	–
1.75% Index Linked Guaranteed Bonds	32(E)	**1,172,322**	1,051,822	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	32(F)	**1,172,322**	1,051,822	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	32(G)	**1,113,911**	999,857	–	–
2.186% Index Linked Guaranteed Bonds Due 2039	32(H)	**357,436**	325,135	–	–
4.0% Guaranteed Unsecured Bonds Due 2021	32(J)	**1,810,222**	1,666,236	–	–
Japan bonds	32(K)	**38,205**	38,709	–	–
		16,555,979	14,319,274	**1,500,000**	1,500,000
Total		**16,904,369**	15,837,864	**1,500,000**	1,500,000

32. BONDS (CONTINUED)

The bonds are repayable:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Not later than 1 year	**348,390**	1,518,590	**–**	–
Later than 1 year but not later than 5 years	**3,046,880**	2,534,071	**500,000**	500,000
Later than 5 years	**13,509,099**	11,785,203	**1,000,000**	1,000,000
Total	**16,904,369**	15,837,864	**1,500,000**	1,500,000

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

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Medium Term Notes	**2.19**	2.25	**4.42**	4.42
Bonds	**4.34**	4.66	**–**	–

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
3.52% Retail Price Index Guaranteed Bonds	**302,463**	301,106	**–**	–
5.75% Guaranteed Unsecured Bonds	**2,599,306**	2,273,931	**–**	–
5.375% Guaranteed Unsecured Bonds	**1,405,313**	1,237,774	**–**	–
1.75% Index Linked Guaranteed Bonds	**1,402,249**	1,473,790	**–**	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,462,953**	1,361,222	**–**	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,490,517**	1,353,949	**–**	–
2.186% Index Linked Guaranteed Bonds Due 2039	**400,232**	312,811	**–**	–
1.875% Guaranteed Exchangeable Bonds Due 2015	**–**	886,300	**–**	–
4.0% Guaranteed Unsecured Bonds Due 2021	**1,903,316**	1,701,863	**–**	–
Medium Term Notes	**6,283,362**	6,109,509	**1,491,234**	1,491,279
Japan Bonds	**38,612**	39,559	**–**	–
Total	**17,288,323**	17,051,814	**1,491,234**	1,491,279

32. BONDS (CONTINUED)

(A) MEDIUM TERM NOTES ("MTNs")

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

(a) An MTNs issuance programme of up to RM500 million constituted by a Trust Deed and Programme Agreement, both dated 18 June 2004, and the First Supplemental MTNs Trust Deed dated 13 July 2004;

A nominal value of RM500 million of MTNs was issued on 25 June 2014 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.47% (2014: 4.47%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 25 June 2019 at nominal value.

(b) An 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 RM1,000,000,000 of MTNs was issued under the programme on 25 April 2013 at a coupon rate 4.38% (2014: 4.38%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 25 April 2023 at nominal value.

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

(a) a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2.0 billion ("CP/MTNs Programme") constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007; and

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

During the financial year, YTLPI issued RM700 million and RM300 million of MTNs bearing interest payable semi-annually. The facility bears interest rates ranging from 4.35% to 4.95% (2014: 4.35% to 4.62%) per annum. No MTNs repaid during the financial year. A MTNs of RM550,000,000 has been repaid during the last financial year.

The MTN of YTL Power Generation Sdn. Bhd., a subsidiary of the Group, was issued pursuant to a MTNs issuance programme of up to RM1,300,000,000 constituted by a Trust Deed and Facility Agreement, both dated 9 July 2003. Interest is payable semi-annually. The facility bears interest rate at 4.05% (2014: 4.05%) per annum. MTNs of RM300,000,000 (2014: RM300,000,000) has been repaid during the financial year.

(iii) The MTNs of Starhill Global REIT ("SGREIT") were issued pursuant to:-

(a) Singapore MTNs (Series 001 Notes)

The Group issued SGD124 million unsecured five-year Singapore MTNs comprised in Series 001 (the "Series 001 Notes") in July 2010 (maturing in July 2015) under its SGD2 billion Multicurrency MTNs Programme. The Series 001 Notes bear a fixed rate interest of 3.405% per annum payable semi-annually in arrears and have a rating of "BBB+" by Standard & Poor's Rating Services.

(b) Singapore MTNs (Series 002 Notes)

The Group issued SGD100 million unsecured seven-year Singapore MTNs comprised in Series 002 (the "Series 002 Notes") in February 2014 (maturing in February 2021) under its SGD2 billion Multicurrency MTNs Programme. The Series 002 Notes bear a fixed rate interest of 3.5% per annum payable semi-annually in arrears and have a rating of "BBB+" by Standard & Poor's Rating Services.

(c) Singapore MTNs (Series 003 Notes)

The Group issued SGD125 million unsecured eight-year Singapore MTNs comprised in Series 003 (the "Series 003 Notes") in May 2015 (maturing in May 2023) under its SGD2 billion Multicurrency MTNs Programme. The Series 003 Notes bear a fixed rate interest of 3.4% per annum payable semi-annually in arrears and have a rating of "BBB+" by Standard & Poor's Rating Services.

32. BONDS (CONTINUED)

(A) MEDIUM TERM NOTES ("MTNs") (continued)

(iii) The MTNs of Starhill Global REIT ("SGREIT") were issued pursuant to (continued):-

(d) Malaysia MTNs
The Group acquired the Malaysia Properties through an asset-backed securitisation structure in June 2010. Under the structure, the properties were acquired by Ara Bintang Berhad, a subsidiary of the Group (a bankruptcy-remote special purpose vehicle) which issued five-year fixed-rate RM330 million SGD128.3 million of Malaysia MTNs to partially fund the acquisition of the Malaysia Properties. The Malaysia MTNs have an expected maturity date of 5 years and legal maturity date of 6.5 years from the issuance date, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad, a subsidiary of the Group.

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

The RPIG Bonds of Wessex Waters Services Finance Plc, a subsidiary of the Group, 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 2015 is 5.50% (2014: 6.17%) 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 GBP350,000,000 nominal value of 5.75% Guaranteed Unsecured Bonds due 2033 ("5.75% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), 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 GBP350,000,000 and as at 30 June 2015 GBP346,689,488 (2014: GBP345,614,692) 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 5.75% GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The 5.75% GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest.

(D) 5.375% GUANRANTEED UNSECURED BONDS

On 10 March 2005, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ("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 GBP200,000,000, of which GBP198,677,077 (2014: GBP198,200,754) remained outstanding as at 30 June 2015, net of amortised fees and discount. The net proceeds of the 5.375% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The 5.375% GU Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The 5.375% GU bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with all accrued interest.

32. BONDS (CONTINUED)

(E) 1.75% INDEX LINKED GUARANTEED BONDS

On 31 July 2006, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued two (2) tranches of GBP75,000,000 nominal value of 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds 1 were each constituted under a Trust Deed dated 31 July 2006 and are 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 2015 is 3.73% (2014: 4.40%) per annum. The ILG Bonds 1 will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche, at their indexed value together with all accrued interest.

(F) 1.369% AND 1.374% INDEX LINKED GUARANTEED BONDS

On 31 January 2007, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP75,000,000 nominal value of 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value of 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds 2") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. 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 2015 is 3.35% (2014: 4.02%) per annum. The ILG Bonds 2 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"), a subsidiary of the Group, issued GBP50,000,000 nominal value of 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value of 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value of 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds 3") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. 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 2015 is 2.39% (2014: 3.94%) per annum. The ILG Bonds 3 will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

(H) 2.186% INDEX LINKED GUARANTEED BONDS

On 7 September 2009, Wessex Water Services Finance Plc ("Issuer") issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds 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 2015 is 1.99% (2014: 3.34%) per annum. The ILG Bonds 4 are redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

32. BONDS (CONTINUED)

(I) 1.875% GUARANTEED EXCHANGEABLE BONDS DUE 2015

On 18 March 2010, YTL Corp Finance (Labuan) Limited ("YTLCF"), a subsidiary of the Group, issued USD350 million in aggregate principal amount of 1.875% Guaranteed Exchangeable Bonds due 2015 (subject to an upsize option ("Upsize Option") of up to USD50 million ("Option Bonds")) (the "Bonds") which were listed on the Singapore Exchange Securities Trading Limited on 19 March 2010.

The Upsize Option was exercised in full on 16 April 2010, bringing the total issue size of the Bonds to USD400 million. The Option Bonds were issued on 23 April 2010 and listed on the Singapore Exchange Securities Trading Limited on 26 April 2010. The Bonds were listed on the Labuan International Financial Exchange Inc. on 27 April 2010.

Each Bond entitles its registered holder to exchange for fully paid ordinary shares of the Company, with a par value of RM0.50 each at an initial exchange price of RM8.976 per share at a fixed exchange rate of USD1.00 = RM3.3204. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the Bonds as set out in the Trust Deed dated 18 March 2010. The exchange price was adjusted to RM1.80 with effect from 29 April 2011 as a result of the subdivision of every 1 existing ordinary share of RM0.50 each of the Company into 5 ordinary shares of RM0.10 each. Subsequently, the exchange price was adjusted to RM1.67.

The Bonds bear interest at the rate of 1.875% per annum calculated semi-annually and payable in arrears on 18 March and 18 September each year. Unless previously purchased and cancelled, redeemed or exchanged, the Bonds will be redeemed on 18 March 2015 at 100% of their principal amount together with accrued but unpaid interest. During the financial year, the bonds has been fully redeemed or converted to the Company's shares.

(J) 4.0% GUARANTEED UNSECURED BONDS DUE 2021

On 24 January 2012, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 nominal value 4.0% Guaranteed Unsecured Bonds due 2021 ("4.0% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The 4.0% GU Bonds are constituted under a Trust Deed dated 24 January 2012. The nominal value of 4.0% GU Bonds issued amounted to GBP200,000,000, of which GBP198,335,776 (2014: GBP198,069,500) remained outstanding as at 30 June 2015, net of amortised fees and discount. The net proceeds of the 4.0% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 30 August 2012, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP100,000,000 nominal value 4.0% Guaranteed Unsecured Bonds due 2021 ("4.0% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4.0% GU Bonds are constituted under a Trust Deed dated 30 August 2012. The nominal value of 4.0% GU Bonds issued amounted to GBP100,000,000 of which GBP105,765,148 (2014: GBP106,700,037) remained outstanding as at 30 June 2015, net of amortised fees and discount. The net proceeds of the 4.0% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The 4.0% GU Bonds bear interest at 4.00% per annum, payable annually on 24 September of each year. The 4.0% GU Bonds will be redeemed in full by the Issuer on 24 September 2021 at their nominal value together with all accrued interest.

The 4.0% GU Bonds GBP100,000,000 due 24 September 2021 were consolidated to form a single series with the 4.0% GU Bonds GBP200,000,000 which was issued on 24 January 2012.

(K) JAPAN BONDS

Starhill Global REIT One TMK, a subsidiary of the Group, has JPY1.2 billion (SGD13.7 million) of Japan bonds outstanding as at 30 June 2015, maturing in November 2016 ("Series 2 Bonds"). The bondholders of Series 2 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

33. BORROWINGS

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Current					
Bankers' acceptances	33(A)	**23,458**	33,841	–	–
Bank overdrafts	33(B)	**85,194**	67,332	–	–
Committed bank loans	33(C)	**5,065**	16,192	–	–
Finance lease liabilities	33(D)	**52,094**	69,820	**439**	486
Irredeemable Convertible Unsecured Loan Stocks	33(E)	**9,447**	5,329	–	–
Revolving credit	33(F)	**2,809,210**	2,580,977	**1,266,855**	1,266,855
Term loans	33(G)	**1,005,610**	1,031,334	–	–
Trade loans	33(H)	**84,422**	72,694	–	–
		4,074,500	3,877,519	**1,267,294**	1,267,341
Non-current					
Finance lease liabilities	33(D)	**93,106**	225,486	**244**	340
Irredeemable Convertible Unsecured Loan Stocks	33(E)	**22,464**	27,708	–	–
Revolving credit	33(F)	**1,955,471**	1,784,421	–	–
Term loans	33(G)	**14,432,626**	11,832,110	**200,000**	–
		16,503,667	13,869,725	**200,244**	340
Total					
Bankers' acceptances	33(A)	**23,458**	33,841	–	–
Bank overdrafts	33(B)	**85,194**	67,332	–	–
Committed bank loans	33(C)	**5,065**	16,192	–	–
Finance lease liabilities	33(D)	**145,200**	295,306	**683**	826
Irredeemable Convertible Unsecured Loan Stocks	33(E)	**31,911**	33,037	–	–
Revolving credit	33(F)	**4,764,681**	4,365,398	**1,266,855**	1,266,855
Term loans	33(G)	**15,438,236**	12,863,444	**200,000**	–
Trade loans	33(H)	**84,422**	72,694	–	–
		20,578,167	17,747,244	**1,467,538**	1,267,681

33. BORROWINGS (CONTINUED)

The borrowings of the Group and the Company are repayable as follows:-

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2015				
Bankers' acceptances	**23,458**	**–**	**–**	**23,458**
Bank overdrafts	**85,194**	**–**	**–**	**85,194**
Committed bank loans	**5,065**	**–**	**–**	**5,065**
Finance lease liabilities	**52,094**	**93,106**	**–**	**145,200**
Irredeemable Convertible Unsecured Loan Stocks	**9,447**	**22,464**	**–**	**31,911**
Revolving credit	**2,809,210**	**1,955,471**	**–**	**4,764,681**
Term loans	**1,005,610**	**13,073,268**	**1,359,358**	**15,438,236**
Trade loans	**84,422**	**–**	**–**	**84,422**
	4,074,500	**15,144,309**	**1,359,358**	**20,578,167**
At 30 June 2014				
Bankers' acceptances	33,841	–	–	33,841
Bank overdrafts	67,332	–	–	67,332
Committed bank loans	16,192	–	–	16,192
Finance lease liabilities	69,820	225,486	–	295,306
Irredeemable Convertible Unsecured Loan Stocks	5,329	–	27,708	33,037
Revolving credit	2,580,977	1,784,421	–	4,365,398
Term loans	1,031,334	9,019,867	2,812,243	12,863,444
Trade loans	72,694	–	–	72,694
	3,877,519	11,029,774	2,839,951	17,747,244

33. BORROWINGS (CONTINUED)

Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2015				
Finance lease liabilities	**439**	**244**	–	**683**
Revolving credit	**1,266,855**	–	–	**1,266,855**
Term loan	–	**200,000**	–	**200,000**
	1,267,294	**200,244**	–	**1,467,538**
At 30 June 2014				
Finance lease liabilities	486	340	–	826
Revolving credit	1,266,855	–	–	1,266,855
	1,267,341	340	–	1,267,681

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

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	
	2015 %	**2014 %**	**2015 %**	**2014 %**
Term loans	**2.32**	1.91	**4.55**	–
Trade loans	**2.03**	1.68	–	–
Revolving credit	**2.99**	2.77	**3.99**	3.74
Committed bank loans	**1.05**	1.10	–	–
Irredeemable convertible unsecured loan stocks	**7.49**	7.49	–	–
Bankers' acceptances	**4.58**	3.94	–	–
Bank overdrafts	**1.51**	2.25	–	–
Finance lease liabilities	**1.54**	1.02	**2.41**	2.38

33. BORROWINGS (CONTINUED)

Group 2015 RM'000	Group 2014 RM'000	Securities
5,515,106	3,080,199	– Clean
9,993,779	11,107,510	– Corporate guarantee by the subsidiaries
1,564,898	1,576,899	– A first fixed charge over the properties of subsidiaries – An assignment of insurance proceeds of subsidiaries – A charge over the fixed deposit account of subsidiary
103,884	78,161	– A first party first fixed charge over the land of a subsidiary – A debenture creating a first fixed and floating charge over a subsidiary's present and future assets – Charge over the shares of a subsidiary
964,468	834,162	– Corporate guarantee by a subsidiary – A fixed charge over the freehold land under development – An assignment of insurance proceeds of a subsidiary
1,661,698	509,035	– Corporate guarantee by the Company
145,200	295,306	– A fixed charge over the respective vehicles, plant and machinery of the Group
28,096	77,109	– A charge over quoted shares of the subsidiaries
601,038	188,863	– A charge over the investment properties of the subsidiary
20,578,167	17,747,244	

Company 2015 RM'000	Company 2014 RM'000	Securities
1,466,855	1,266,855	– Clean
683	826	– A fixed charge over the respective vehicles of the Company
1,467,538	1,267,681	

(A) Bankers' acceptances

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

(B) Bank overdrafts

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

(C) Committed bank loans

All Committed bank loans are unsecured and repayable in full on demand.

33. BORROWINGS (CONTINUED)

(D) Finance lease liabilities

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments:-				
Payable not later than 1 year	**57,630**	82,224	**460**	513
Payable later than 1 year and not later than 5 years	**99,165**	245,883	**251**	348
	156,795	328,107	**711**	861
Less: Finance charges	**(11,595)**	(32,801)	**(28)**	(35)
Present value of finance lease liabilities	**145,200**	295,306	**683**	826

Finance lease of RM134,310,672 (2014: RM285,147,010) is repayable in instalments until 30 June 2019. This finance lease bears an interest rate ranging from 1.40% to 3.85% (2014: 0.91% to 3.62%) per annum.

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

ICULS 2011/2021

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

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

(i) The ICULS 2011/2021 bear a coupon rate of 3.0% per annum from date of issue up to fourth anniversary and 4.5% per annum from the date after the fourth anniversary up to the seventh anniversary. Thereafter, the ICULS 2011/2021 bear a coupon rate of 6.0% per annum up to the maturity date. The interest is payable semi-annually in arrears.

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

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

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

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

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

33. BORROWINGS (CONTINUED)

(F) Revolving credit

Included in the revolving credit is unsecured facility of YTL PowerSeraya Pte Limited of RM1,955,471,075 [SGD695,996,254] (2014: RM1,784,421,126 [SGD694,246,246)). The borrowing bears interest rates ranging from 1.24% to 2.01% (2014: 1.24% to 1.29%) per annum and is repayable in full on 14 September 2017.

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

(G) Term loans

(i) Term loans denominated in Great Britain Pounds

The term loans of RM446,452,500 [GBP75,000,000] (2014: RM956,760,000 [GBP175,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates ranging from 0.80% to 0.81% (2014: 0.76% to 0.81%) per annum on the GBP100,000,000 loan and 1.09% to 1.19% (2014: 1.06% to 1.13%) per annum on the GBP75,000,000 loan. The loans of GBP100 million and GBP75 million are repayable on 15 December 2015 and 22 July 2021 respectively. However, the loan of GBP100,000,000 was repaid early on 16 March 2015.

The term loans of RM833,378,000 [GBP140,000,000] (2014: RM765,408,000 [GBP140,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates ranging from 0.84% to 0.85% (2014: 0.78% to 0.80%) per annum and are repayable in full on 15 December 2018.

The term loans of RM892,905,000 [GBP150,000,000] are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50,000,000 was withdrawn on 30 January 2015 bears an interest rate of 2.16% per annum, the second loan of GBP50,000,000 was withdrawn on 9 March 2015 bears an interest rate of LIBOR plus 0.45% and the third loan of GBP50,000,000 was withdrawn on 9 April 2015 bears an interest rate of 1.99%. All the loans are repayable in full between 30 January and 9 April 2024.

(ii) Term loans denominated in US Dollars

Term loans of RM756,153,625 [USD199,750,000] (2014: RM1,279,929,194 [USD398,669,738]) are unsecured and guaranteed by YTL Power International Berhad. A loan of USD200 million was repaid on 29 May 2015 and the remaining loan of USD200 million is repayable on 17 December 2015. These loans bear average interest rates ranging from 1.30% to 1.84% (2014: 1.30% to 1.84%) per annum.

Term loans of RM757,100,000 [USD200,000,000] was drawn by YTL Power International Berhad on 28 May 2015 and repayable on 28 May 2020. The loan bears interest rate of 1.39% per annum up to 31 May 2016 and LIBOR plus 1.35% subsequently for every half year.

During the financial year, term loans of RM1,059,940,000 [USD280,000,000] was drawn by YTL Corp. Finance (Cayman) Limited and repayable by 8 semi-annual instalments of USD7.5 million, commencing on 16 March 2016 and a final instalment of USD220 million on 16 March 2020. The loan bears net rate of 1.48% per annum.

(iii) Term loans denominated in Ringgit Malaysia

Included in the term loan is the borrowing of YTL Hospitality REIT amounting to RM821,800,000 (2014: RM1,581,800,000) secured by first fixed charge over the properties of the subsidiary. The facility bears a weighted average interest rate of 4.81% (2014: 4.56%) per annum. The facility is repayable in full on 23 November 2017.

Save for the above, all the term loans are unsecured.

33. BORROWINGS (CONTINUED)

(G) Term loans (continued)

(iv) Term loans denominated in Singapore Dollars

Term loan of SGD380,000,000 is unsecured loan of YTL PowerSeraya Pte. Limited. The term loan was fully paid on 30 June 2015.

Term loan of RM2,123,082,874 [SGD755,653,073] (2014: RM1,937,371,503 [SGD753,753,065]) is unsecured loan of YTL PowerSeraya Pte. Limited. The borrowings bear interest rates ranging from 1.24% to 2.01% (2014: 1.24% to 1.29%) per annum and is repayable in full on 14 September 2017.

Term loan of RM2,111,848,067 [SGD751,654,352] (2014: RM1,926,981,998 [SGD749,710,928]) is unsecured loan of YTL PowerSeraya Pte. Limited. The borrowings bear interest rates ranging from 1.34% to 2.11% (2014: 1.34% to 1.39%) per annum and is repayable in full on 14 September 2019.

Term loan of RM964,467,000 [SGD343,275,000] (2014: RM834,162,000 [SGD324,439,000]) is a secured loan of YTL Westwood Properties Pte. Ltd. ("YTLW"). This term loan bears interest rates ranging from 2.11% to 2.93% (2014: 2.12% to 2.17%) per annum and is secured by legal mortgage of the property of YTLW.

Starhill Global Real Estate Investment Trust withdraw three year and five year unsecured loan facilities in September 2013 with a club of eight banks, at inception, which comprise SGD100 million three years loan (maturing in September 2016) and SGD250 million five years loan (maturing in September 2018). The interest rate on the unsecured loan facilities was largely hedged using a combination of interest rate swaps and caps.

(v) Term loans denominated in Australian Dollars

The term loans of RM762,912,000 [AUD262,538,860] was drawn by YTL Hospitality REIT and secured first fixed charge over the properties of the subsidiary. The facility bears a weighted average interest rate of 4.19% (2014: Nil) per annum and is repayable by bullet payment on 29 June 2020.

(H) Trade loans

All the trade loans are unsecured, guaranteed by a subsidiary and repayable on demand.

34. GRANTS AND CONTRIBUTIONS

	Group	
	2015 RM'000	**2014 RM'000**
At beginning of the financial year	**347,207**	295,774
Currency translation differences	**34,420**	27,424
Amortisation of grants and contributions (Note 6)	**(10,042)**	(9,757)
Received during the financial year	**41,900**	33,766
At end of the financial year	**413,485**	347,207

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

35. DEFERRED TAX LIABILITIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of the financial year	**2,275,723**	2,403,546	**100**	100
Credited to profit or loss (Note 7)	**(36,689)**	(392,630)	**–**	–
Currency translation differences	**182,301**	190,744	**–**	–
Acquisition of subsidiary	**10,137**	49,113	**–**	–
(Credited)/charge to other comprehensive income*	**(27,573)**	24,950	**–**	–
At end of the financial year	**2,403,899**	2,275,723	**100**	100

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

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax provided are in respect of:-				
Deferred tax assets before offsetting				
Unutilised capital allowances	**(8,892)**	(264)	**–**	–
Retirement benefits	**(147,619)**	(109,745)	**–**	–
Unabsorbed tax losses	**(2,710)**	(1,995)	**–**	–
Provisions	**(3,848)**	(10,399)	**–**	–
Others	**(13,053)**	(11,734)	**–**	–
	(176,122)	(134,137)	**–**	–
Offsetting	**176,122**	134,137	**–**	–
Deferred tax assets after offsetting	**–**	–	**–**	–
Deferred tax liabilities before offsetting				
Property, plant and equipment				
– capital allowances in excess of depreciation	**2,513,570**	2,342,436	**100**	100
Land held for property development	**47,372**	52,918	**–**	–
Others	**19,079**	14,506	**–**	–
	2,580,021	2,409,860	**100**	100
Offsetting	**(176,122)**	(134,137)	**–**	–
Deferred tax liabilities after offsetting	**2,403,899**	2,275,723	**100**	100

35. DEFERRED TAX LIABILITIES (CONTINUED)

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

	Group	
	2015 RM'000	2014 RM'000
Unabsorbed tax losses	**1,184,746**	1,055,321
Unutilised capital allowances	**1,574,806**	1,084,411
Unutilised investment tax allowance	**40,657**	40,537
Deductible temporary differences	**90,627**	101,124
Taxable temporary differences		
– property, plant and equipment	**(1,065,469)**	(810,072)
	1,825,367	1,471,321

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

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Defined contribution plan – Current				
Malaysia	**5,720**	4,606	**375**	330

	Group	
	2015 RM'000	2014 RM'000
Defined contribution plan – Non-current		
Overseas		
– United Kingdom	**734,028**	546,654
– Indonesia	**9,337**	7,126
	743,365	553,780

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – 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 at 30 September 2013. This valuation was updated as at 30 June 2015 using revised assumptions.

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 July	**546,654**	558,734
Pension cost	**88,792**	87,525
Contributions and benefits paid	**(99,008)**	(98,261)
Currency translation differences	**60,502**	68,043
Remeasurement loss/(gain)	**137,088**	(69,387)
At end of the financial year	**734,028**	546,654

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Present value of funded obligations	**3,806,216**	3,105,038
Fair value of plan assets	**(3,072,188)**	(2,558,384)
Liability in the Statements of Financial Position	**734,028**	546,654

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 July	**3,105,038**	2,607,480
Exchange differences	**312,378**	334,821
Interest cost	**134,912**	129,769
Current service cost	**55,064**	56,275
Contributions by scheme participants	**1,088**	1,059
Past service cost	**6,528**	1,059
Net benefits paid	**(109,624)**	(93,752)
Remeasurement loss/(gain):		
– Actuarial loss arising from demographic assumptions	**–**	2,118
– Actuarial loss arising from financial assumptions	**338,368**	14,831
– Actuarial (gain)/loss arising from experience adjustments	**(37,536)**	51,378
Present value of defined benefit obligations, at 30 June	**3,806,216**	3,105,038

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 July	**2,558,384**	2,048,746
Exchange differences	**251,876**	266,778
Interest income	**111,520**	102,226
Contributions by employer	**99,008**	98,261
Contributions by scheme participants	**1,088**	1,059
Net benefits paid	**(109,624)**	(93,752)
Administration expenses	**(3,808)**	(2,648)
Remeasurement gain:		
– Return on plan assets excluding interest income	**163,744**	137,714
Fair value of plan assets, at 30 June	**3,072,188**	2,558,384

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

The pension cost recognised is analysed as follows:-

	Group 2015 RM'000	Group 2014 RM'000
Current service cost	**55,064**	56,275
Interest cost	**23,392**	27,543
Past service cost	**6,528**	1,059
Administration expenses	**3,808**	2,648
Total charge to Income Statements	**88,792**	87,525

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

	Group 2015 RM'000	Group 2014 RM'000
Cost of sales	**49,050**	44,987
Administration expenses	**16,350**	14,995
Interest cost	**23,392**	27,543
Total charge to Income Statements	**88,792**	87,525

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

	Group 2015 %	Group 2014 %
Discount rate	**3.80**	4.40
Expected rate of increase in pension payment	**2.20 – 3.10**	2.10 – 3.10
Expected rate of salary increases	**0.75 – 3.70**	2.30 – 3.80
Price inflation	**3.20**	3.30

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

The plan assets are comprised as follow:-

	2015		2014	
	RM'000	%	RM'000	%
Equity instrument	**1,554,845**	**50.6**	1,320,876	51.6
Debt instrument	**1,355,429**	**44.1**	1,112,028	43.5
Property	**160,723**	**5.2**	119,731	4.7
Others	**1,191**	**0.1**	5,749	0.2
	3,072,188	**100.0**	2,558,384	100.0

	Group	
	2015 RM'000	2014 RM'000
Actual return on plan assets	**275,264**	239,940

(c) Defined benefit plan – 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	
	2015 RM'000	2014 RM'000
Obligation relating to post-employment benefits	**7,351**	5,598
Obligation relating to other long term employee benefits	**1,986**	1,528
Total	**9,337**	7,126

The Group has a defined contribution pension fund program for its permanent national employees. The Group's contribution is 6% of employee basic salary, while the employees' contributions range from 3% to 14%.

The obligations for post-employment and other long term employee benefits were recognised with reference to actuarial reports prepared by an independent actuary. The latest actuarial report was dated 30 June 2015.

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia (continued)

(i) Post-employment benefits obligation

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

	Group 2015 RM'000	Group 2014 RM'000
At beginning of the financial year	**5,598**	6,025
Pension cost	**924**	866
Contributions and benefits paid	**(148)**	(286)
Currency translation differences	**354**	(1,041)
Remeasurement loss	**623**	34
At end of the financial year	**7,351**	5,598

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

	Group 2015 RM'000	Group 2014 RM'000
Present value of obligations	**7,351**	5,598

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

	Group 2015 RM'000	Group 2014 RM'000
At beginning of the financial year	**5,598**	6,025
Currency translation differences	**354**	(1,041)
Interest cost	**482**	406
Current service cost	**463**	460
Past services cost	**(21)**	–
Net benefits paid	**(148)**	(286)
Remeasurement loss:		
– Actuarial loss arising from experience adjustments	**623**	34
At end of the financial year	**7,351**	5,598

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia (continued)

(i) Post-employment benefits obligation (continued)

The pension cost recognised can be analysed as follows:-

	Group	
	2015 RM'000	2014 RM'000
Current service cost	463	460
Interest cost	482	406
Past service cost	(21)	–
Total charge to Income Statements	924	866

(ii) Other long term employee benefits obligation

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	
	2015 RM'000	2014 RM'000
Present value of obligations	1,986	1,528

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

	Group	
	2015 RM'000	2014 RM'000
At beginning of the financial year	1,528	1,551
Pension cost	456	349
Contributions and benefits paid	(95)	(116)
Currency translation differences	97	(256)
At end of the financial year	1,986	1,528

36. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia (continued)

(ii) Other long term employee benefits obligation (continued)

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
At beginning of the financial year	**1,528**	1,551
Currency translation differences	**97**	(256)
Current service cost	**456**	349
Net benefits paid	**(95)**	(116)
At end of the financial year	**1,986**	1,528

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Current service cost	**456**	349

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

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

	Group	
	2015	**2014**
	%	**%**
Discount rate	**8.0**	8.5
Future salary increase	**8.0**	8.0

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	**1,187,299**	1,282,403	–	–
Other payables	**482,160**	436,662	**1,813**	1,617
Receipts in advance	**311,766**	285,828	–	–
Accruals	**1,014,218**	1,080,792	**10,677**	10,852
Deferred income	**48,832**	50,507	–	–
Security deposits	**121,340**	117,110	–	–
	3,165,615	3,253,302	**12,490**	12,469

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2014: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

38. OTHER CURRENT LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Progress billings in respect of property development cost	–	79,016
Amount due to contract customers (Note 25)	**3,764**	6,484
Accrual for rectification works	**10,923**	6,438
	14,687	91,938

39. PROVISION FOR LIABILITIES AND CHARGES

	Group 2015 RM'000	Group 2014 RM'000
Restructuring (Note a)	**40,617**	27,265
Damages claims (Note b)	**19,078**	37
	59,695	27,302

Movements in the provision are as follows:-

	Restructuring RM'000	Damages claims RM'000	Total RM'000
Group – 2015			
At beginning of the financial year	**27,265**	**37**	**27,302**
Currency translation differences	**865**	**–**	**865**
Acquisition of subsidiary	**5,448**	**–**	**5,448**
Charged to profit or loss (Note 6)	**12,049**	**19,064**	**31,113**
Payments	**(5,010)**	**(23)**	**(5,033)**
At end of the financial year	**40,617**	**19,078**	**59,695**
Group – 2014			
At beginning of the financial year	870	4,405	5,275
Currency translation differences	150	–	150
Charged/(credited) to profit or loss (Note 6)	27,542	(3,478)	24,064
Payments	(1,297)	(890)	(2,187)
At end of the financial year	27,265	37	27,302

(a) Restructuring

The provision for liabilities and charges relates to scaling down of operations, environmental liabilities and asset retirement obligation.

(b) Damages claims

The provision of damages claims relate to projects undertaken by subsidiaries and are recognised for expected damages claims based on the term of the applicable agreements.

40. FINANCIAL RISK MANAGEMENT

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

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

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below:-

(a) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to risks arising from various currency exposures primarily with respect to the Great Britain Pounds ("GBP") and Singapore Dollars ("SGD"). The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

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

Group	Increase/Decrease in Net assets 2015 RM'000	2014 RM'000
5% changes on GBP exchange rate	**192,464**	169,555
5% changes on SGD exchange rate	**480,363**	438,880

There is no significant exposure to foreign currency exchange risk at the Company level.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from their floating rate bonds and borrowings, which is partially offset by the deposits and short term investments held at variable rates. The Group and the Company manage their cash flow interest rate risk by using a mix of fixed and variable rate debts. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixed rate instruments				
Financial liabilities	**18,669,267**	17,414,763	**1,700,000**	1,500,000
Variable rate instruments				
Financial assets	**13,950,554**	12,517,412	**1,855,444**	1,894,251
Financial liabilities	**18,813,269**	16,170,345	**1,267,538**	1,267,681
	32,763,823	28,687,757	**3,122,982**	3,161,932

At the reporting date, if the interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit after tax would be higher/lower by approximately RM94.1 million (2014: RM80.8 million) and RM6.3 million (2014: RM6.3 million), respectively, as a result of lower/higher interest expense on borrowings.

The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect their profit after tax.

The excess funds of the Group and of the Company are invested in bank deposits and other short term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income of the Group and of the Company for the financial year would increase/decrease by RM14.0 million (2014: RM12.5 million) and RM1.9 million (2014: RM1.9 million), respectively.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Price risk

Equity price risk

The Group's and the Company's exposure to equity price risk arise primarily from their investments in quoted securities.

To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

At the reporting date, the Group's and the Company's exposure to quoted equity investments at fair value are RM28,847,000 (2014: RM28,745,000) and RM12,365,000 (2014: RM12,157,000), 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 – 2015			
Local equities	**15,664**	**+/– 10**	**1,566**
Foreign equities	**13,183**	**+/– 10**	**1,318**
Group – 2014			
Local equities	16,313	+/– 10	1,631
Foreign equities	12,432	+/– 10	1,243
Company – 2015			
Local equities	**5,080**	**+/– 10**	**508**
Foreign equities	**7,285**	**+/– 10**	**729**
Company – 2014			
Local equities	4,436	+/– 10	444
Foreign equities	7,721	+/– 10	772

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

Exposure to price fluctuations arising from the purchase of fuel is managed via fuel oil swaps where the price of fuel is indexed to a benchmark fuel price index, for example 180 CST fuel oil. As at 30 June 2015, if the forward fuel oil price curve increased/decreased by 10% (2014: 5%), the profit before tax would be lower/higher by RM0.7 million (2014: RM1.8 million) for the Group.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

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

In the Group's Power Generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counter party risk is considered to be minimal. As for the Group's Power Generation business in Singapore, credit review are performed on all customers with established credit limits and supported by collateral in the form of guarantees. For the Group's Water and Sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In addition, the Directors are of the view that credit risk arising from the Water and Disposal of Waste Water businesses is limited due to its large customer base.

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

Receivable balances are monitored continually with the result that the Group's exposure to credit risk is minimised.

The ageing analysis, information regarding impairment, credit quality and significant concentration of credit risk of the Group and of the Company are disclosed in Note 20 to the Financial Statements.

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

Financial guarantees

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

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

A nominal amount of RM1,413,841,000 (2014: RM1,440,161,000) relating to corporate guarantees provided by the Company to the banks is in respect of subsidiaries' banking facilities.

As at the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised as their fair values on initial recognition are insignificant.

Inter-company balances

The Company provides advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Company monitors the results of the subsidiaries regularly. As at 30 June 2015, the maximum exposure to credit risk is represented by their carrying amounts in the Statements of Financial Position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2015, there was no indication that the advances extended to the subsidiaries are not recoverable.

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:-

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group – 2015				
Non-derivative				
Bonds and borrowings	5,795,987	19,634,355	25,738,675	51,169,017
Trade and other payables	3,116,783	209,973	–	3,326,756
Related parties	10,132	–	–	10,132
	8,922,902	19,844,328	25,738,675	54,505,905
Derivative				
Net – Interest rate swaps	4,900	13,514	–	18,414
Gross – fuel oil swaps	300,959	130,212	–	431,171
Gross – currency forwards	3,304	3,084	–	6,388
	309,163	146,810	–	455,973
Company – 2015				
Non-derivative				
Bonds and borrowings	1,389,816	961,032	1,131,160	3,482,008
Trade and other payables	12,490	–	–	12,490
Related parties	9,911	–	–	9,911
	1,412,217	961,032	1,131,160	3,504,409

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group – 2014				
Non-derivative				
Bonds and borrowings	6,290,573	15,542,043	27,730,273	49,562,889
Trade and other payables	3,202,795	194,841	–	3,397,636
Related parties	6,559	–	–	6,559
	9,499,927	15,736,884	27,730,273	52,967,084
Derivative				
Net – Interest rate swaps	3,625	1,808	–	5,433
Gross – fuel oil swaps	6,784	524	–	7,308
Gross – currency forwards	10,003	8,422	–	18,425
Exchangeable bonds	57,419	–	–	57,419
	77,831	10,754	–	88,585
Company – 2014				
Non-derivative				
Bonds and borrowings	1,270,082	612,048	1,386,160	3,268,290
Trade and other payables	12,469	–	–	12,469
Related parties	999,716	–	–	999,716
	2,282,267	612,048	1,386,160	4,280,475

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

		<----------	Financial Assets	---------->		
	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
Group – 2015						
Non-current						
Investments	16	–	–	–	262,342	262,342
Trade and other receivables	20	287,445	–	–	–	287,445
Derivative financial instruments	24	–	–	53,792	–	53,792
Current						
Derivative financial instruments	24	–	6,294	78,949	–	85,243
Trade and other receivables	20	3,420,880	–	–	–	3,420,880
Amount due from related parties	26	42,634	–	–	–	42,634
Short term investments	27	632,106	–	–	–	632,106
Fixed deposits	17	13,318,448	–	–	–	13,318,448
Cash and bank balances	17	798,158	–	–	–	798,158
Total		18,499,671	6,294	132,741	262,342	18,901,048

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	<---------- Financial Assets			---------->
		Loans and receivables RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
Group – 2014						
Non-current						
Investments	16	–	–	–	192,605	192,605
Trade and other receivables	20	576,776	–	–	–	576,776
Derivative financial instruments	24	–	–	19,848	–	19,848
Current						
Derivative financial instruments	24	–	8,899	21,691	–	30,590
Trade and other receivables	20	2,966,771	–	–	–	2,966,771
Amount due from related parties	26	42,173	–	–	–	42,173
Short term investments	27	609,531	–	–	–	609,531
Fixed deposits	17	11,907,881	–	–	–	11,907,881
Cash and bank balances	17	1,308,615	–	–	–	1,308,615
Total		17,411,747	8,899	41,539	192,605	17,654,790

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
		<---------- Financial Liabilities		---------->	
Group – 2015					
Non-current					
Long term payables	30	–	–	**209,973**	**209,973**
Bonds	32	–	–	**16,555,979**	**16,555,979**
Borrowings	33	–	–	**16,503,667**	**16,503,667**
Derivative financial instruments	24	**17,818**	**118,405**	–	**136,223**
Current					
Trade and other payables	37	–	–	**3,116,783**	**3,116,783**
Derivative financial instruments	24	–	**304,311**	–	**304,311**
Amount due to related parties	26	–	–	**10,132**	**10,132**
Bonds	32	–	–	**348,390**	**348,390**
Borrowings	33	–	–	**4,074,500**	**4,074,500**
Total		**17,818**	**422,716**	**40,819,424**	**41,259,958**
Group – 2014					
Non-current					
Long term payables	30	–	–	194,841	194,841
Bonds	32	–	–	14,319,274	14,319,274
Borrowings	33	–	–	13,869,725	13,869,725
Derivative financial instruments	24	3,011	7,743	–	10,754
Current					
Trade and other payables	37	–	–	3,202,795	3,202,795
Derivative financial instruments	24	57,419	20,412	–	77,831
Amount due to related parties	26	–	–	6,559	6,559
Bonds	32	–	–	1,518,590	1,518,590
Borrowings	33	–	–	3,877,519	3,877,519
Total		**60,430**	**28,155**	**36,989,303**	**37,077,888**

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	<-------------------- Financial Assets --------------------> Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Company – 2015				
Non-current				
Investments	16	–	**31,848**	**31,848**
Current				
Trade and other receivables	20	**15,475**	–	**15,475**
Amount due from related parties	26	**960,650**	–	**960,650**
Short term investments	27	**632,106**	–	**632,106**
Fixed deposits	17	**1,223,338**	–	**1,223,338**
Cash and bank balances	17	**3,154**	–	**3,154**
Total		**2,834,723**	**31,848**	**2,866,571**
Company – 2014				
Non-current				
Investments	16	–	31,640	31,640
Current				
Trade and other receivables	20	17,953	–	17,953
Amount due from related parties	26	2,251,775	–	2,251,775
Short term investments	27	609,531	–	609,531
Fixed deposits	17	1,284,720	–	1,284,720
Cash and bank balances	17	228,839	–	228,839
Total		4,392,818	31,640	4,424,458

41. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Note	<------- Financial Liabilities -------> Other financial liabilities at amortised cost RM'000	Total RM'000
Company – 2015			
Non-current			
Bonds	32	**1,500,000**	**1,500,000**
Borrowings	33	**200,244**	**200,244**
Current			
Trade and other payables	37	**12,490**	**12,490**
Amount due to related parties	26	**9,911**	**9,911**
Borrowings	33	**1,267,294**	**1,267,294**
Total		**2,989,939**	**2,989,939**
Company – 2014			
Non-current			
Bonds	32	1,500,000	1,500,000
Borrowings	33	340	340
Current			
Trade and other payables	37	12,469	12,469
Amount due to related parties	26	999,716	999,716
Borrowings	33	1,267,341	1,267,341
Total		3,779,866	3,779,866

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement

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

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

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

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

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

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group – 2015			
Assets			
Financial assets at fair value through profit and loss:			
– Trading derivatives	–	**6,294**	**6,294**
Derivative used for hedging	–	**132,741**	**132,741**
Available-for-sale financial assets	**28,846**	–	**28,846**
Total	**28,846**	**139,035**	**167,881**
Liabilities			
Financial liabilities at fair value through profit and loss:			
– Trading derivatives	–	**17,818**	**17,818**
Derivative used for hedging	–	**422,716**	**422,716**
Total	–	**440,534**	**440,534**
Group – 2014			
Assets			
Financial assets at fair value through profit and loss:			
– Trading derivatives	–	8,899	8,899
Derivative used for hedging	–	41,539	41,539
Available-for-sale financial assets	28,745	–	28,745
Total	28,745	50,438	79,183
Liabilities			
Financial liabilities at fair value through profit and loss:			
– Trading derivatives	–	3,011	3,011
Derivative used for hedging	–	85,574	85,574
Total	–	88,585	88,585

41. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Company – 2015			
Assets			
Available-for-sale financial assets	**12,365**	–	**12,365**
Total	**12,365**	–	**12,365**
Company – 2014			
Assets			
Available-for-sale financial assets	12,157	–	12,157
Total	12,157	–	12,157

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

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values.

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2015				
Financial assets:				
Unquoted equity investments				
– Within Malaysia	**20,431**	*	**19,483**	*
– Outside Malaysia	**213,065**	*	–	–
Financial liabilities:				
Bonds	**16,904,369**	^	**1,500,000**	^
2014				
Financial assets:				
Unquoted equity investments				
– Within Malaysia	19,533	*	19,483	*
– Outside Malaysia	144,327	*	–	–
Financial liabilities:				
Bonds	15,837,864	^	1,500,000	^

41. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values. (continued)

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

Fair value information has not been disclosed for these unquoted equity and debt instruments as fair value cannot be measured reliably as these instruments are not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

^ Bonds (Note 32)

Fair value information regarding these bonds is as disclosed in the Note 32 to the Financial Statements. The fair values of these bonds are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements and of the same remaining maturities.

(d) Determination of fair value

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

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

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

– The likelihood of the guaranteed party defaulting within the guaranteed period;

– The exposure on the portion that is not expected to be recovered due to the-guaranteed party’s default;

– The estimated loss exposure if the party guaranteed were to default.

42. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

(a) Significant related party transactions

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

			Group	
Entity	**Relationship**	**Type of transactions**	**2015 RM'000**	**2014 RM'000**
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Management fee, incentive fee and software maintenance cost	**1,139**	712
		Lease rental of investment property	**6,000**	6,000
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of office and car park	**2,565**	2,207
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion expenses	**9,283**	12,310
Express Rail Link Sdn. Bhd.	Associated company	Progress billings related to civil engineering & construction works	**15,480**	3,812
		Sale of computer equipment & services income	**1,344**	1,705
		Advertising & maintenance fees	**900**	1,350
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**19,250**	19,250
		Hotel accommodation & lease rental of equipment	**5,043**	5,638
Oriental Place Sdn. Bhd.	Subsidiary of holding company	Rental of premises expenses	**8,315**	7,847

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (continued)

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

Entity	Relationship	Type of transactions	Group 2015 RM'000	Group 2014 RM'000
Shorefront Development Sdn. Bhd. *(Formerly known as PDC Heritage Hotel Sdn. Bhd.)*	Joint venture company	Progress billing relates to construction works	**27,330**	7,000
Syarikat Pelancongan Pangkor Laut Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**8,400**	8,400
		Hotel accommodation	**1,748**	6,392
		Management fees & data processing fees & royalty income	**2,335**	2,534
Thunder Match Technology Sdn. Bhd.	Subsidiary of associated company	Commission, incentives and/or reimbursement of bundle device sold	**15,584**	10,310
Xchanging Malaysia Sdn. Bhd.	Joint venture company	IT Consultancy & related services expenses	**32,450**	34,456

Entity	Relationship	Type of transactions	Company 2015 RM'000	Company 2014 RM'000
Construction Lease (M) Sdn. Bhd.	Subsidiary	Other interest income	**1,278**	1,702
YTL Corp Finance (Labuan) Ltd.	Subsidiary	Issue of shares for exchangeable bonds	**81,488**	–
YTL Land & Development Berhad	Subsidiary	ICULS interest income	**11,745**	11,745
YTL e-Solutions Berhad	Subsidiary	Computer equipment & services income	**1,163**	1,332
Suri Travel & Tours Sdn. Bhd.	Subsidiary	Travelling expenses	**2,356**	1,081

42. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (continued)

(ii) The following significant transactions which have been transacted with close family members of key management personnel and entities controlled by key management personnel and close family members are as follows:-

	Group	
	2015 RM'000	2014 RM'000
Progress billings related to purchase of properties	**2,705**	11,388

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions negotiated and agreed by the related parties.

(b) Key management personnel compensation

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

(c) Significant related party balances

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Key management personnel and close family members				
– Progress billings related to sale of properties	**1,398**	1,960	–	–
– Deposit received	**1,000**	–	–	–
– Advance payment received	**(5,251)**	–	–	–
Disposal of investment				
– Cornerstone Crest Sdn. Bhd.	–	–	**384,190**	384,190

43. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

(a) Capital commitments:-

	Group	
	2015	**2014**
	RM'000	**RM'000**
Authorised but not contracted for	**384,663**	389,120
Contracted but not provided for	**2,222,927**	1,988,464

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital commitments in relation to addition investment	**34,099**	89,029	**310,000**	310,000

Details of the addition investment of amounting RM310 million are included in Note 47(i) of the Financial Statements.

(b) Operating lease arrangements:-

(i) The Group as lessee

The Group leases land, offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Except for a few long-term leases in land, the Group's leases generally range from one to five years. None of the leases included contingent rentals.

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Not later than 1 year	**116,270**	103,359
Later than 1 year and not later than 5 years	**306,556**	263,966
Later than 5 years	**311,597**	148,240
	734,423	515,565

43. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) Operating lease arrangements (continued):-

(ii) The Group as lessor

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
Not later than 1 year	**615,874**	489,473
Later than 1 year and not later than 5 years	**1,287,285**	1,129,930
Later than 5 years	**1,485,098**	1,274,983
	3,388,257	2,894,386

Except for one long term lease and master lease arrangement in certain retail properties, the Group's leases for its retail properties generally range from one to five years. The future minimum lease payments receivable relating to retail properties from non-related parties are approximately RM2.7 billion (2014: RM2.2 billion). The Group leases out its hotel properties under operating leases for the lease term of fifteen years and twenty five years. All lease arrangements are provided with a step-up rate of 5% every five years and an option to grant the respective lessees to renew the lease for a further term similar to the original lease agreements. The future minimum lease payments receivable relating to hotel properties from non-related parties are approximately RM493 million (2014: RM531 million).

In addition, the payments receivables under the power purchase agreement ("PPA") which are classified as operating lease are as follows:-

	Group	
	2015	**2014**
	RM'000	**RM'000**
Not later than 1 year	**67,175**	445,283
Later than 1 year but not later than 5 years	–	117,007
	67,175	562,290

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

44. SEGMENTAL INFORMATION

The Group has seven reportable segments as described below:-

(i) Construction
(ii) Information technology & e-commerce related business
(iii) Hotel operations
(iv) Cement manufacturing & trading
(v) Management services & others
(vi) Property investment & development
(vii) Utilities

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used to make strategic decisions.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Malaysia, United Kingdom and Singapore. The details of the geographical segments are disclosed in the below note of the financial statements.

The segment information provided to the CODM for the reportable segments is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2015								
Total revenue	296,156	87,532	769,660	2,888,444	838,850	1,100,272	11,689,395	17,670,309
Inter-segment revenue	(211,095)	(81,360)	(9,448)	(31,262)	(378,837)	(196,809)	(6,772)	(915,583)
External revenue	85,061	6,172	760,212	2,857,182	460,013	903,463	11,682,623	16,754,726
Results								
Interest income	4,043	4,553	2,852	25,822	7,174	5,866	28,131	78,441
Finance costs	(6)	(6)	(13,191)	(21,742)	(375,038)	(166,158)	(589,124)	(1,165,265)
Share of results of associated companies and joint ventures	–	–	3,109	12	(921)	6,981	288,069	297,250
Segment profit before tax	1,825	3,003	19,676	604,040	5,998	468,639	1,220,156	2,323,337
Segment assets								
Investment in associated companies and joint ventures	–	–	33,545	2,600	12,693	31,853	1,816,264	1,896,955
Other segment assets	615,753	149,191	1,208,477	5,629,809	12,470,057	14,778,133	29,951,036	64,802,456

44. SEGMENTAL INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments is as follows (continued):-

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2015 (continued)								
Segment liabilities								
Bonds and Borrowings	**85**	**62**	**620,466**	**1,133,918**	**10,395,110**	**6,271,038**	**19,061,857**	**37,482,536**
Other segment liabilities	**179,803**	**3,251**	**177,744**	**790,582**	**296,700**	**422,632**	**6,549,541**	**8,420,253**
Other segment information								
Capital expenditure	**20,611**	**451**	**137,665**	**454,120**	**10,136**	**951,420**	**1,727,062**	**3,301,465**
Impairment losses	**–**	**27**	**(12,798)**	**3,726**	**1,048**	**117**	**69,393**	**61,513**
Depreciation and amortisation	**10,625**	**622**	**87,278**	**198,586**	**12,032**	**28,777**	**1,451,071**	**1,788,991**
2014								
Total revenue	436,178	86,834	716,451	2,695,960	815,050	1,239,016	14,312,822	20,302,311
Inter-segment revenue	(333,111)	(81,542)	(15,169)	(48,340)	(349,440)	(198,813)	(6,659)	(1,033,074)
External revenue	103,067	5,292	701,282	2,647,620	465,610	1,040,203	14,306,163	19,269,237
Results								
Interest income	1,673	4,153	859	17,750	5,631	7,005	24,574	61,645
Finance costs	(9)	(12)	(12,764)	(19,478)	(351,955)	(153,495)	(586,036)	(1,123,749)
Share of results of associated companies and joint ventures	–	–	(765)	(49)	16	(10)	250,479	249,671
Segment profit before tax	(20,708)	2,204	4,312	664,012	(141,343)	888,782	1,414,340	2,811,599
Segment assets								
Investment in associated companies and joint ventures	–	–	30,944	901	11,220	24,864	1,607,820	1,675,749
Other segment assets	720,479	143,672	1,014,639	4,838,483	11,378,296	13,388,668	27,882,424	59,366,661

44. SEGMENTAL INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments is as follows (continued):-

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2014 (continued)								
Segment liabilities								
Bonds and Borrowings	16,794	190	573,657	603,377	9,297,919	5,127,666	17,965,505	33,585,108
Other segment liabilities	267,466	3,859	196,777	785,071	314,376	451,463	5,658,607	7,677,619
Other segment information								
Capital expenditure	17,785	80	116,143	685,973	28,656	506,678	1,865,012	3,220,327
Impairment losses	–	110	44,648	27,686	1,254	5,021	211,550	290,269
Depreciation and amortisation	8,979	610	78,945	168,420	10,442	35,205	1,312,228	1,614,829

(b) Geographical information

The Group's seven business segments operate in four main geographical areas:-

(i) Malaysia
- – Construction
- – Information technology & e-commerce related business
- – Hotel operations
- – Cement manufacturing & trading
- – Management services & others
- – Property investment & development
- – Utilities

(ii) United Kingdom
- – Utilities

(iii) Singapore
- – Utilities
- – Cement trading
- – Property investment & development

	Revenue 2015 RM'000	Revenue 2014 RM'000	Non-current assets 2015 RM'000	Non-current assets 2014 RM'000
Malaysia	**5,237,021**	5,414,954	**7,964,762**	8,243,849
United Kingdom	**3,130,021**	2,919,758	**16,356,959**	14,352,500
Singapore	**7,558,579**	10,108,952	**16,425,478**	13,980,979
Other countries	**829,105**	825,573	**2,224,662**	2,279,382
	16,754,726	19,269,237	**42,971,861**	38,856,710

44. SEGMENTAL INFORMATION (CONTINUED):

(b) Geographical information (continued)

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

	Non-current assets	
	2015	2014
	RM'000	RM'000
Property, plant and equipment	**27,569,745**	25,314,106
Investment properties	**9,014,876**	7,586,285
Development expenditure	**825,026**	940,529
Intangible assets	**5,560,416**	5,013,992
Biological assets	**1,798**	1,798
	42,971,861	38,856,710

(c) Major customers

The following is the major customer with revenue equal or more than 10 per cent of the Group's revenue:-

	Revenue		Segment
	2015	2014	
	RM'000	RM'000	
Energy Market Company	**3,409,331**	4,351,541	Utilities

45. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(a) Estimated impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value in use of the property, plant and equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

The Group management follows its accounting policy set out in Note 2(d) in determining when property, plant and equipment are considered impaired.

Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amount of these assets exceeds the recoverable amounts. In determining the recoverable amount of these assets, certain estimates regarding the cash flows of these assets are made.

45. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Estimated residual value and useful life of property, plant and equipment

The residual value and the useful lives of the property, plant and equipment are reviewed at each financial year end. The review is based on factors such as business plans and strategies, expected level of usage and future regulatory changes. The estimation of the residual value and useful life involve significant judgement.

(c) Estimated assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash generating units have been determined based on either value-in-use or fair value less costs to sell calculations. These calculations require the use of estimates as set out in Note 18 to the Financial Statements.

(d) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(e) Construction contracts

The Group uses the percentage-of-completion method in accounting for its contract revenue where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making the judgement, the Group has relied on past experience and the work of specialists.

(f) Impairment of receivables

The Group and the Company assesses at each reporting date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment. The carrying amount of the Group's receivables at the reporting date is disclosed in Note 20 to Financial Statements.

(g) Estimation of pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

45. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(g) Estimation of pension benefits (continued)

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 36 to the Financial Statements.

(h) Consolidation of entities in which the group holds less than 50%

Management considers that the Group has de facto control of Starhill Global REIT even though it has less than 50% of the voting rights. The Group is the majority shareholder of Starhill Global REIT with a 37.09% (2014: 36.27%) equity interest, while all other shareholders individually own less than 5% of its equity shares except a shareholder holds 8.39% (2014: 9.05%.) There is no history of other shareholders forming a group to exercise their votes collectively.

(i) Recognition of financial asset

A subsidiary of the Group has recognised other receivables from early termination of three electricity retail contracts by two customers, based on the enforceable rights stipulated in the respective contracts and commenced legal proceedings to recover the monies owned from them. Additional information is disclosed in Note 48 to the financial statements. The amount recognised is based on legal advice and the judgement of management. The ultimate amounts which could be recovered will depend on the outcome of the judgement, and could be different from what was recognised.

46. THE NEW OR REVISED FINANCIAL REPORTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following new or revised FRSs, amendments to FRSs and IC Interpretation have been issued but are not yet effective and have not been adopted by the Group and the Company:-

Description	Effective for financial periods beginning on or after
Annual improvements to FRSs 2012 – 2014 cycle	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS: 11 Accounting for acquisition of interest in Joint Operation	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendment to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendment to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendment to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
FRS 9: Financial Instruments	1 January 2018

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

The Group and the Company have started a preliminary assessment on the effects of the above standards, amendments to published standards and IC Interpretations and the impact is still being assessed.

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Amendments to FRS 11 Joint Arrangements: Accounting for Acquisition of Interest in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

FRS 9: Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Transitioning Entities are allowed to defer adoption of the MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018. Early application of MFRS is permitted.

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

Malaysian Financial Reporting Standards ("MFRS Framework") (continued)

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 June 2019.

The Group and the Company are in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework.

47. CORPORATE PROPOSALS

On 14 June 2013, Pintar Projek Sdn Bhd., a 70% subsidiary of the Company and the Manager for Starhill Real Estate Investment Trust, now known as YTL Hospitality REIT proposed to undertake the following proposals:-

(a) Placement of new units in YTL Hospitality REIT ("Placement Units"), at a price to be determined later, to raise gross proceeds of up to RM800 million to partially repay YTL Hospitality REIT's borrowings and reduce its gearing level ("Placement");

(b) Increase in the existing approved fund size of YTL Hospitality REIT from 1,324,388,889 units up to a maximum of 2,125,000,000 units to facilitate the issuance of the Placement Units pursuant to the Placement ("Increase in Fund Size"); and

(c) Increase in borrowing limit to 60% of total assets value of YTL Hospitality REIT and its subsidiaries, to provide YTL Hospitality REIT with the flexibility of funding larger acquisition opportunities through borrowings in the future. This flexibility will be essential in situations where potential acquisitions are made through bidding or tender process as raising finance through borrowings may be more expedient as compared to an equity fund raising via issuance of new units.

On 28 June 2013, the Company accepted the YTL Hospitality REIT's conditional invitation to subscribe for the Placement Units of up to RM310 million in value ("Subscription").

Unitholders of YTL Hospitality REIT approved the Placement and Subscription at the meeting of unitholders held on 11 February 2014.

On 14 May 2014 and 28 May 2014, an application was submitted by the Manager of YTL Hospitality REIT to the Securities Commission Malaysia ("SC") and Bursa Malaysia Securities Berhad ("Bursa Securities") respectively, to seek an extension of time of six (6) months from 30 June 2014 until 29 December 2014 to complete the Placement and Increase in Fund Size ("Extension of Time"). SC and Bursa Securities had vide their letter dated 23 May 2014 and 12 June 2014 approved the Extension of Time.

On 21 November 2014 and 26 November 2014, a further application was submitted to the SC and Bursa Securities respectively, to seek a further extension of time of six (6) months from 30 December 2014 until 29 June 2015 to complete the Placement and Increase in Fund Size ("Second Extension of Time"). SC and Bursa Securities had vide their letter dated 2 December 2014, respectively approved the Second Extension of Time.

Further applications were submitted to the SC and Bursa Securities on 14 May 2015 to seek an extension of time of six (6) months from 30 June 2015 to 29 December 2015 to complete the Placement and Increase in Fund Size ("Further Extension of Time"). SC and Bursa Securities had vide their letter dated 21 May 2015 and 27 May 2015 approved the Further Extension of Time.

48. MATERIAL LITIGATIONS

(i) A Notice of Arbitration has been issued on 31 March 2014 by a local subsidiary of the Group against a gas supplier for recovery of sums over-invoiced by the gas supplier under the Agreement for the Sale and Purchase of Dry Gas dated 15 March 1993.

Subsequent to financial year end, an award was issued in favour of the subsidiary for recovery of the amount in dispute. On 29 July 2015, the gas supplier filed an Originating Summons to set aside or to vary the award under the relevant provisions of the Arbitration Act, 2005. On 21 August 2015, the subsidiary filed a Notice of Application to the High Court to strike out or dismiss the Originating Summons as the Board has been advised that the application to set aside or vary the award has no merit. The hearing dates have yet to be fixed.

(ii) During the financial year, a foreign subsidiary of the Group has commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following their termination of the electricity retail contracts. The customers have filed their defence and counterclaim, and the matter is now awaiting trial.

Based on the legal advice sought by the board, the subsidiary has strong prospects of succeeding in their claim and the customers are highly unlikely to succeed in their counter claim. Thus, no provision has been made for potential losses that may arise from the counterclaims.

49. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

49. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using a debt-to-equity ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bonds (Note 32)	**16,904,369**	15,837,864	**1,500,000**	1,500,000
Borrowings (Note 33)	**20,578,167**	17,747,244	**1,467,538**	1,267,681
Loans and borrowings	**37,482,536**	33,585,108	**2,967,538**	2,767,681
Less: Cash and cash equivalents (Note 17)	**(14,116,606)**	(13,216,496)	**(1,226,492)**	(1,513,559)
Net debt	**23,365,930**	20,368,612	**1,741,046**	1,254,122
Equity attributable to owners of the parent	**14,632,745**	14,386,764	**7,758,536**	6,994,973
Capital and net debt	**37,998,675**	34,755,376	**9,499,582**	8,249,095
Debt-to-equity ratio (%)	**61**	59	**18**	15

Under the requirement of Bursa Malaysia Securities Berhad Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

50. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 9 October 2015.

Supplementary Information

Disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirement

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2015 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Retained earnings of the Company and its subsidiaries				
– Realised	**16,973,824**	16,791,495	**5,157,933**	4,496,392
– Unrealised	**(740,211)**	(467,772)	**(100)**	(101)
	16,233,613	16,323,723	**5,157,833**	4,496,291
Share of retained earnings from associated companies and joint ventures				
– Realised	**1,695,101**	1,323,531	–	–
– Unrealised	**(238,502)**	(145,205)	–	–
	17,690,212	17,502,049	**5,157,833**	4,496,291
Less: Consolidation adjustments	**(6,098,566)**	(5,468,830)	–	–
Total retained earnings	**11,591,646**	12,033,219	**5,157,833**	4,496,291

Notes

Form of Proxy

I/We *(full name as per NRIC/company name in block letters)* ______________________________

____

NRIC/Company No. *(New)* ______________________ *(Old)* ______________________

CDS Account No. *(for nominee companies only)* ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Corporation Berhad** hereby appoint *(full name as per NRIC in block letters)* ______________________________

____

NRIC No. *(New)* ______________________ *(Old)* ______________________

of *(full address)* ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 24 November 2015 at 4.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
3.	Re-election of Faiz Bin Ishak		
4.	Re-appointment of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay		
5.	Re-appointment of Eu Peng Meng @ Leslie Eu		
6.	Approval of the payment of Directors' fees		
7.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
8.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
9.	Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director		
10.	Authorisation for Directors to Allot and Issue Shares		
11.	Proposed Renewal of Share Buy-Back Authority		
12.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Number of shares held

Signed this ____________ day of ______________________ 2015   Signature ______________________

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Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 17 November 2015. Only a depositor whose name appears on the General Meeting Record of Depositors as at 17 November 2015 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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AFFIX
STAMP

THE COMPANY SECRETARY
YTL CORPORATION BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

First fold here

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