YTL Corporation Berhad

SINCE 1955

BUILDING THE RIGHT THING

The Journey Continues...

Annual Report **2020**

CONTENTS

CORPORATE REVIEW

YTL Corporation Berhad

SINCE 1955

Company No. 198201012898 (92647-H)

FINANCIAL STATEMENTS

Chairman's Statement

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
KBE, CBE, FICE
Executive Chairman

YTL Corporation Berhad ("YTL Corp") and its subsidiaries ("Group") posted a 6% increase in revenue to RM19.2 billion for the financial year ended 30 June 2020, contributed mainly by our construction and cement segments. After eliminating the losses arising from fair value changes, impairments and inventory write-downs of RM218.6 million, the Group recorded profit before tax of RM637.9 million for the current financial year.

The Malaysian economy registered lower gross domestic product (GDP) growth of 4.3% for the 2019 calendar year compared to 4.7% in 2018, impacted by weaker external demand and investment activity, as well as supply disruptions in the commodities sector. The economy contracted by 0.7% in the first quarter and 17.1% in the second quarter of 2020, resulting from the concurrent supply and demand shocks due to weak external conditions and the strict measures implemented to contain the COVID-19 pandemic *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia updates & reports).*

Meanwhile, in other major economies in which the Group operates, the United Kingdom registered GDP growth of approximately 1.5% during 2019, with the economy contracting by an estimated 2.2% and 20.4%, respectively, in the first and second quarters of the 2020 calendar year. Singapore's economy showed growth of 0.7% in 2019, followed by contractions of 0.3% and 13.2%, respectively, in the first and second quarters of the 2020 calendar year *(sources: Ministry of Finance Malaysia, Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports).*

Chairman's Statement

The outbreak of the COVID-19 pandemic has not spared any country or industry, necessitating the closure of borders, the imposition of movement control orders and restrictions on the provision of non-essential services across the globe. The last four months of the financial year, covering the period from March to June 2020, encompassed some of the most stringent measures, hampering the operations of parts of our businesses during various periods.

However, our utilities division has stood as a bulwark, continuing to operate throughout the control period as the businesses all provide essential services – water, electricity and telecommunications. Our cement and construction businesses also returned to operation relatively expeditiously, whilst our hotels have started to see recovery particularly from domestic travellers holidaying within the country.

In order to ensure that shareholders will continue to be rewarded with healthy dividend yields, whilst enabling our Group to conserve cash to provide increased flexibility and options to optimally manage our existing businesses and invest in future opportunities, YTL Corp declared a 1-for-30 share dividend with an entitlement date of 28 October 2020. This represents a dividend yield of about 3.3% based on the average share price for the year of RM0.89 per share. YTL Corp has a consistent dividend track record and has declared dividends to shareholders for 36 consecutive years since listing on the Kuala Lumpur stock exchange in 1985.

Our Group's long-term growth and development strategies, centred around geographic diversification and expansion of our revenue base, focusing on regulated utility assets providing essential services and other core businesses such as cement and construction, served us well this year, facilitating our ability to function even at restricted levels and providing the necessary protection and stability to the Group in the face of unpredictable global events.

We remain committed to the prudent financial management that has fortified our Group in times of uncertainty. Our financial structure will continue to be safeguarded by our long-standing policy of maintaining cash reserves and financing acquisitions on a ring-fenced, non-recourse basis that ensures the stand-alone viability of the business. This structure is further bolstered by our regulated assets which deliver asset values that increase over time and optimise capital expenditure, in addition to flowing up dividends from operational activities.

We will continue to improve on our track record and ensure that our ventures are sustainable over the long-term in order to deliver returns to our shareholders, protect the livelihoods of the employees who form the backbone of our Group, offer world class products and services at competitive prices to our customers and advance the communities where we operate.

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

Managing Director's Review

FINANCIAL OVERVIEW

Businesses across the globe faced unprecedented operational challenges following the outbreak of the COVID-19 pandemic in early 2020. Countries where YTL Corporation Berhad ("YTL Corp" or "Company") and its subsidiaries ("Group" or "YTL Corp Group") operate implemented various movement control orders and limited the operation of non-essential services.

However, the Group's businesses have been cushioned by its Utilities segment which provides essential services that have continued to operate throughout the control period. The construction and cement segments re-commenced in stages as permitted and operations have normalised, whilst the Group's property and hotels segments have faced slower recovery in light of the effects of pandemic restrictions on the hospitality, retail and property sectors.

The Group recorded revenue of RM19.2 billion for the financial year ended 30 June 2020 compared to RM18.0 billion for the financial year ended 30 June 2019, and profit before taxation of RM419.3 million for the financial year under review, compared to RM1,036.5 million last year.

YTL Corp declared a share dividend in respect of the financial year under review comprising a distribution of 1 treasury share for every 30 ordinary shares in the Company held as at the entitlement date of 28 October 2020.

In the Group's key **Utilities** division, higher revenue in the water and sewerage sub-segment in the United Kingdom (UK) was primarily due to differing weather conditions leading to changes in supply volumes and partially offset by a price decrease determined by the industry regulator. Lower profit before tax resulted mainly from a higher allowance for impairment of receivables due to the potential impact of the pandemic on customers, as well as the price decrease. However, once such impairments are realised, the UK regulatory regime allows for recovery of these amounts against future tariffs.

The merchant multi-utilities sub-segment in Singapore registered lower revenue due to the decrease in fuel oil prices and lower units sold, partially offset by higher sales of fuel oil, whilst the loss before tax narrowed due mainly to the absence of a one-off charge for impairment of receivables recognised last year, as well as lower finance costs and higher retail and tank leasing margins this year.

Managing Director's Review

In Malaysia, performance of the contracted power generation division remained stable due to supply from Paka Power Station under the current power purchase agreement. Meanwhile, the telecommunications business recorded lower revenue and a higher loss before tax due to lower project revenues recorded.

The Utility division's minority investments, comprising a 33.5% stake in ElectraNet Pty Ltd, which owns and operates South Australia's electricity transmission network, and an effective interest of 20% in PT Jawa Power, the owner of a 1,220 megawatt coal-fired power station in Indonesia, also continued to perform well for the year under review.

The **Cement Manufacturing & Trading** segment saw an increase in revenue resulting primarily from consolidation of Malayan Cement Berhad, which the Group acquired in mid-2019, whilst the loss before tax was mainly due to a higher allowance for impairment of receivables and higher finance costs related to the Malayan Cement acquisition.

Meanwhile, the Group's **Construction** segment achieved increases in revenue and profit before tax for the financial year under review on the back of significant progress in construction works, centred mainly on the ongoing Gemas-Johor Bahru electrified rail link.

In the **Property Investment & Development** division, revenue declined due mainly to the deconsolidation of Starhill Global REIT, as well as lower sales recorded in completed projects. The division saw a higher loss before tax due to losses on sales of completed units and qualifying certificate extension fees relating to 3 Orchard By-The-Park, as well as its share of fair value losses on investment properties under Starhill Global REIT.

The financial performance of the **Hotel Operations** segment was significantly impacted amid the challenging conditions and disruptions caused by the COVID-19 pandemic. Countries where the Group's hospitality businesses are situated instituted varying measures including closure of international borders and restrictions on the size of gatherings which heavily dampened MICE (meetings, incentives, conferences, exhibitions) activities.

In the Group's **Management Services & Others** division, revenue decreased mainly as a result of lower investment and interest income caused by declining interest rates in most jurisdictions where the Group operates. Profit before tax increased primarily due to a one-off gain on deconsolidation of Starhill Global REIT.

The **Information Technology & e-Commerce Related Business** segment saw a decrease in revenue from lower revenue in the content and digital media sub-segment impacted by the ongoing pandemic.

Managing Director's Review

NEW DEVELOPMENTS & GROWTH OPPORTUNITIES

The Group entered into an agreement in March 2020 to acquire the power plant and associated assets of Tuaspring Pte Ltd in Singapore for a total purchase consideration of SGD331.45 million. Upon completion, the plant will be integrated into the existing businesses, enabling the Group to consolidate its power generation capacity in Singapore.

In Jordan, Attarat Power Company PSC ("APCO"), in which the Group has a 45% stake, continued to progress with construction of its 554 megawatt oil shale-fired power generation project. However, travel and movement restrictions imposed by the Government of Jordan following the outbreak of the pandemic have delayed the project and APCO has invoked force majeure provisions under its power purchase agreement, which remain in effect at the present time.

The Group also continued to work towards financial close of its 80%-owned 2x660 megawatt coal-fired power project in Indonesia, which has a 30-year power purchase agreement with Indonesia's state-owned electricity utility.

In the UK, the Group broke ground on the first development of 278 homes in Brabazon, Bristol, during the year. Brabazon, a new mixed use commercial and residential neighbourhood, is the Group's first foray into the UK property sector. The Group is highly familiar with the area, having been present there since 2002 when the Group acquired Wessex Water, which is headquartered a short distance away in Bath and encompasses Bristol as part of its operating region.

The necessary planning approvals were also received this year to proceed with YTL Arena at the Brabazon Hangars, which will be a premier live entertainment venue with a 17,080 capacity, making it the third largest arena in the UK after Manchester and London.

LOOKING AHEAD

YTL Corp has taken great effort to mitigate the effects of the ongoing COVID-19 pandemic and proactively address developments in order to best manage the effects on its businesses, as well as seek out worthwhile growth opportunities. Despite the challenging outlook, the Group expects the performance of its business segments to remain resilient, as these segments' operations are substantially essential in nature, and will continue to closely monitor the related risks and impact on all business segments.

DATO' YEOH SEOK KIAN
DSSA

Management Discussion & Analysis

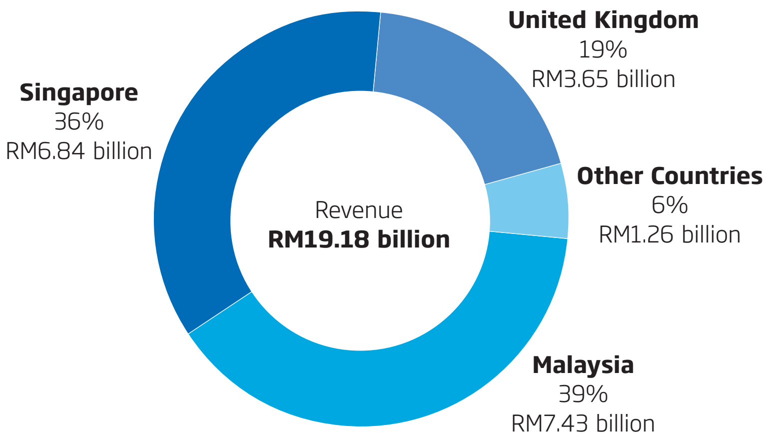
GROUP OVERVIEW

OVERVIEW

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

YTL Corp is an integrated infrastructure developer domiciled in Malaysia, with extensive international operations in the United Kingdom (UK) and Singapore, as well as businesses and projects under development in other countries including Indonesia, Australia, Japan, Jordan and China.

Revenue by Country - FY2020



YTL Corp is amongst the largest companies listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). YTL Corp has also had a secondary listing on the Tokyo Stock Exchange since 1996 and was the first non-Japanese Asian company to list on the Tokyo exchange.

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

YTL Corp is also component of the FTSE4Good Bursa Malaysia Index, which is an index designed to measure the performance of companies demonstrating good Environmental, Social and Governance (ESG) practices.

Management Discussion & Analysis
GROUP OVERVIEW

OBJECTIVES & STRATEGIES

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

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

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

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

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

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

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

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

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

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

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

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

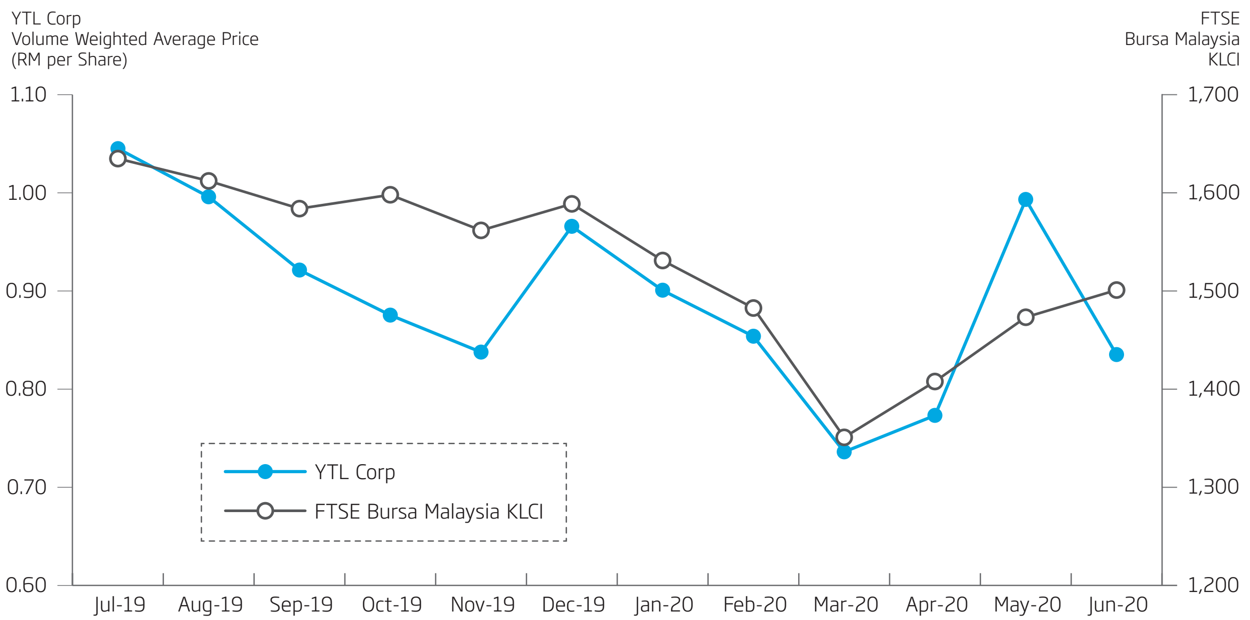
  The Group believes that its cement and power plants on average operate within the highest efficiency levels of their industries and further enhances operational efficiencies where possible through the application of new technologies, production techniques and information technology.

PERFORMANCE INDICATORS

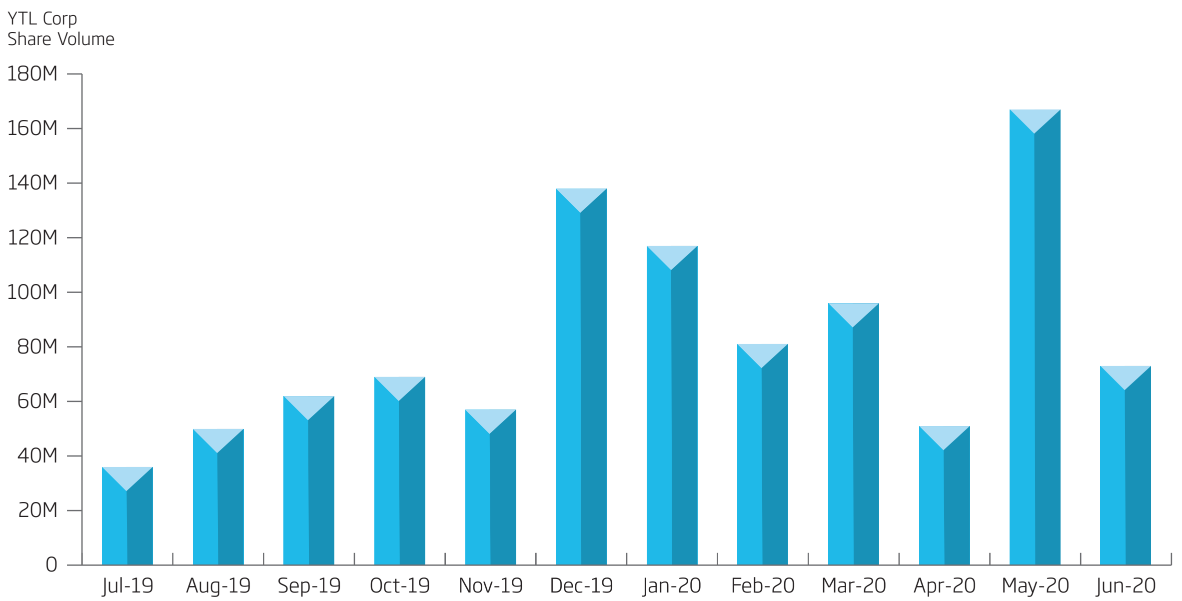
YTL Corp has been listed on Bursa Securities, the Kuala Lumpur stock exchange, since 3 April 1985. YTL Corp is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

The graph below illustrates the performance of YTL Corp's share price compared with the FTSE Bursa Malaysia KLCI during the financial year ended 30 June 2020.

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



Volume of YTL Corp Shares Traded on Bursa Securities



Source: Bloomberg

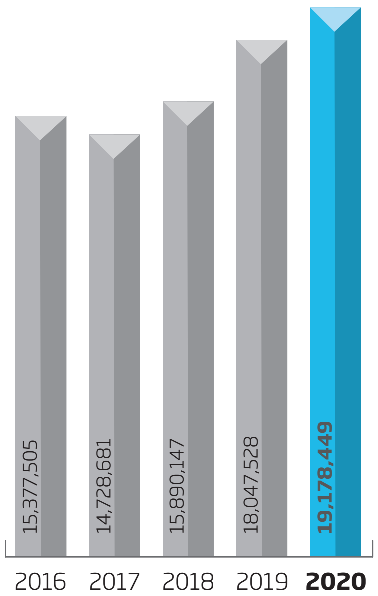
Management Discussion & Analysis

FINANCIAL REVIEW

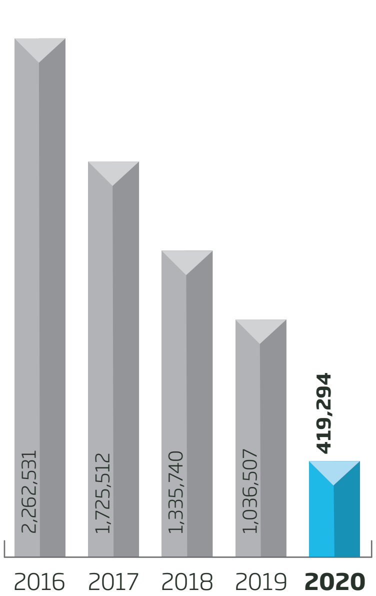
FINANCIAL HIGHLIGHTS

	2020	2019	2018	2017	2016
Revenue (RM'000)	**19,178,449**	18,047,528	15,890,147	14,728,681	15,377,505
Profit Before Taxation (RM'000)	**419,294**	1,036,507	1,335,740	1,725,512	2,262,531
Profit After Taxation (RM'000)	**4,658**	721,355	970,872	1,442,050	1,886,958
(Loss)/Profit for the Year Attributable to Owners of the Parent (RM'000)	**(189,221)**	242,589	340,999	813,308	916,431
Total Equity Attributable to Owners of the Parent (RM'000)	**12,460,336**	13,262,686	14,041,932	14,800,949	14,603,479
(Loss)/Earnings per Share (Sen)	**(1.78)**	2.30	3.24	7.74	8.80
Dividend per Share (Sen)	**-**	4.0	5.0	9.5	9.5
Total Assets (RM'000)	**69,908,435**	76,727,093	71,344,380	74,626,713	67,266,819
Net Assets per Share (RM)	**1.17**	1.25	1.32	1.40	1.40

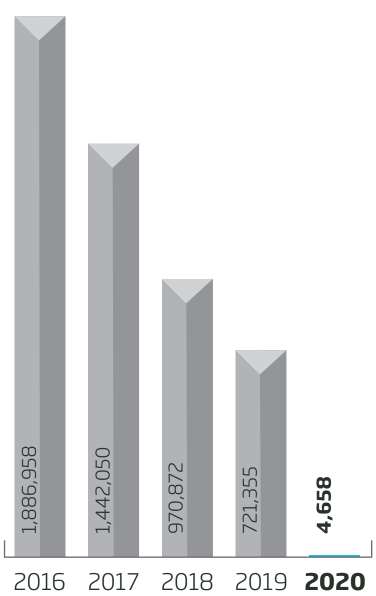
Revenue
(RM'000)



Profit Before Taxation
(RM'000)

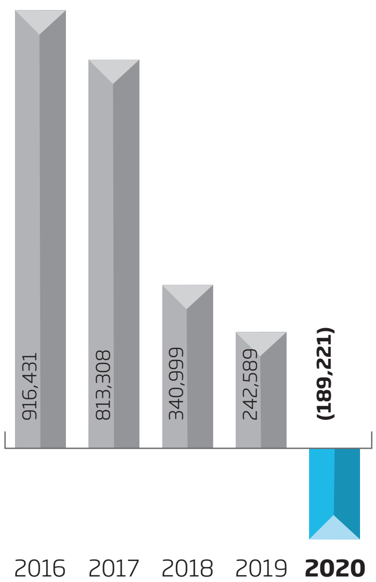


Profit After Taxation
(RM'000)

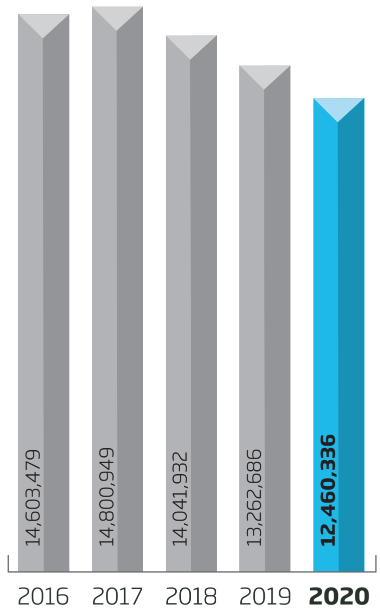


Management Discussion & Analysis
FINANCIAL REVIEW

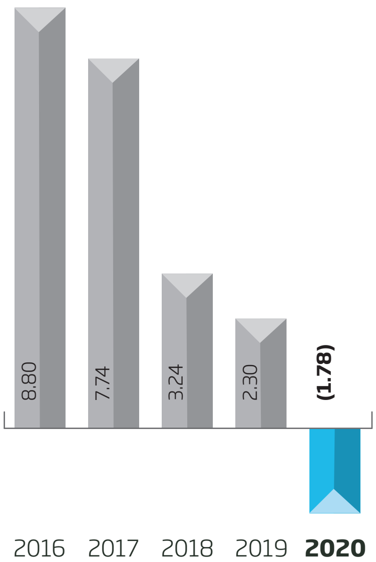
(Loss)/Profit for the Year Attributable to Owners of the Parent
(RM'000)



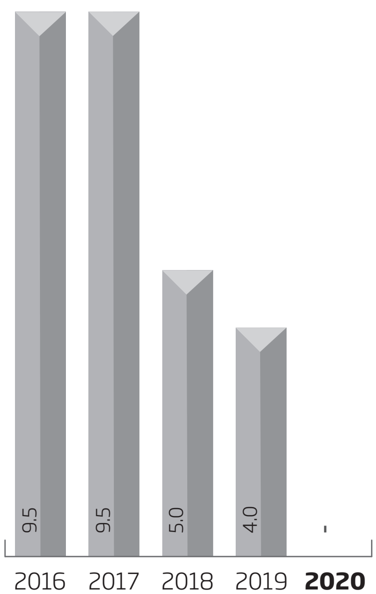
Total Equity Attributable to Owners of the Parent
(RM'000)



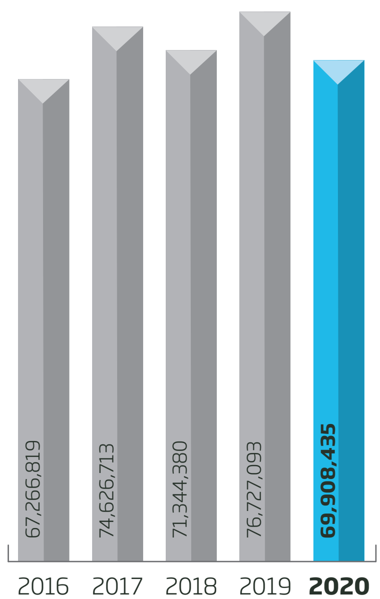
(Loss)/Earnings Per Share
(Sen)



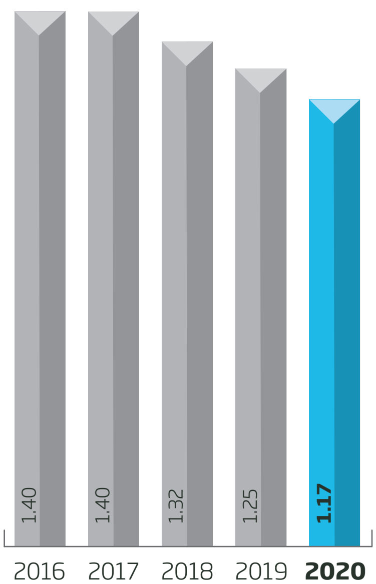
Dividend Per Share
(Sen)



Total Assets
(RM'000)



Net Assets Per Share
(RM)



Management Discussion & Analysis
FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

Group Financial Performance

The YTL Corp Group recorded revenue of RM19,178.4 million for the financial year ended 30 June 2020 compared to RM18,047.5 million for the financial year ended 30 June 2019. The increase in revenue was due mainly to the Construction and Cement Manufacturing & Trading segments.

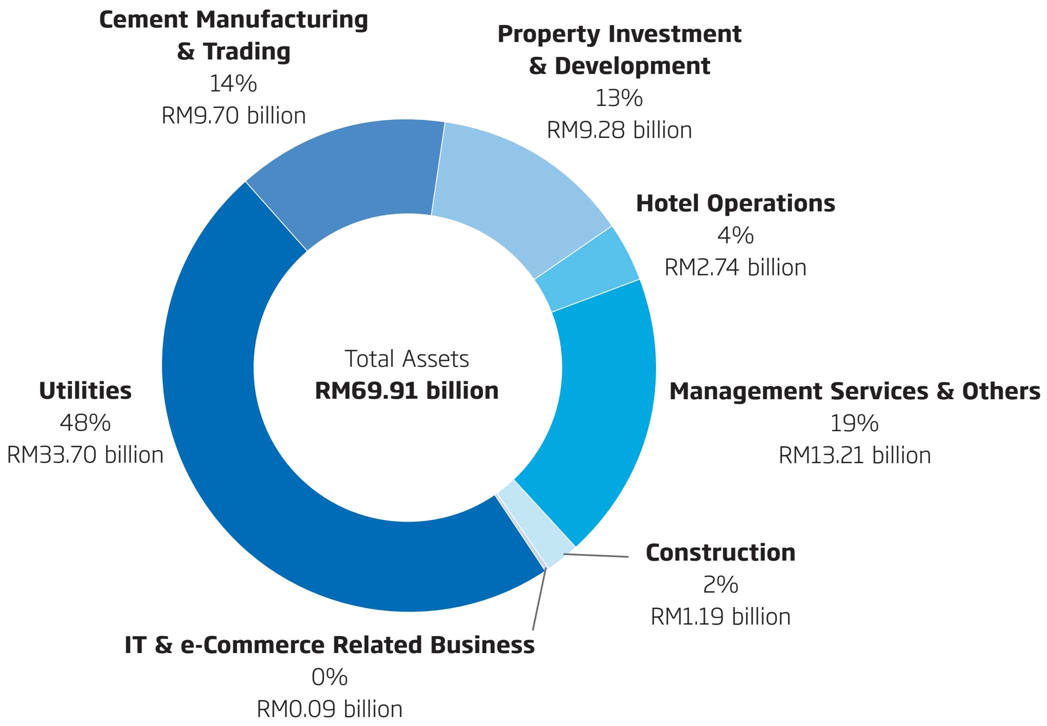
The Group recorded profit before taxation of RM419.3 million for the financial year under review, compared to RM1,036.5 million recorded for the previous financial year ended 30 June 2019.

The Group also recognised one-off deferred tax expenses of RM162.4 million due to the re-measuring of deferred tax balances as at 30 June 2020, which contributed to the lower profit after tax of RM4.7 million this year. These expenses arose from the increase in the UK corporation tax rate from 17% to 19% for 2020-21 after repeal of the previous legislation that had reduced the rate to 17%.

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 61.3% of the Group's revenue and 71.8% of non-current assets for the 2020 financial year, compared to 68.1% and 78.8%, respectively, last year.

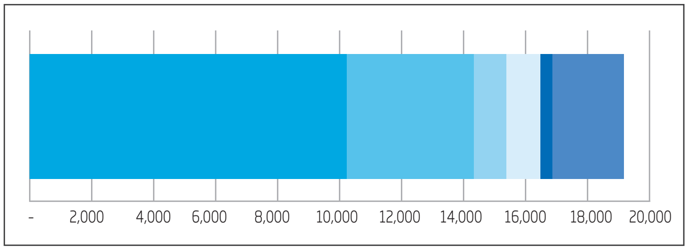
Segmental Financial Performance

Breakdown of Total Assets by Segment
(as at 30 June 2020)

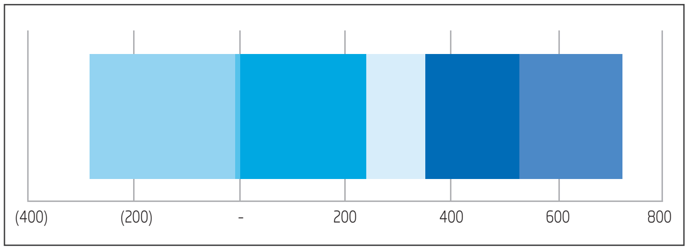


Management Discussion & Analysis
FINANCIAL REVIEW

Breakdown of Revenue by Segment - FY2020 *(RM million)*



Breakdown of Profit/(Loss) Before Tax by Segment - FY2020 *(RM million)*



Utilities | Property Investment & Development | Management Services & Others | IT & e-Commerce Related Business | Cement Manufacturing & Trading | Hotel Operations | Construction

	Segment Revenue		Segment Profit/(Loss) Before Tax	
	2020 RM million	**2019 RM million**	**2020 RM million**	**2019 RM million**
Utilities	**10,275.1**	11,367.2	**233.6**	625.3
Cement Manufacturing & Trading	**4,095.2**	2,674.3	**(2.4)**	145.4
Construction	**2,316.0**	1,219.5	**194.7**	80.5
Property Investment & Development	**995.2**	1,103.3	**(282.8)**	(8.8)
Hotel Operations	**1,121.7**	1,223.4	**96.6**	176.6
Management Services & Others	**371.7**	456.0	**179.6**	14.9
IT & e-Commerce Related Business	**3.5**	3.8	**-**	2.6
	19,178.4	18,047.5	**419.3**	1,036.5

Utilities

The Utilities segment recorded lower revenue and segment profit before taxation of RM10,275.1 million and RM233.6 million respectively for the financial year ended 30 June 2020 compared to revenue of RM11,367.2 million and profit before taxation of RM625.3 million for the financial year ended 30 June 2019.

The decrease in revenue and profit was mainly due to lower profit in the water and sewerage sub-segment and the loss recorded in the telecommunications business division, partially offset by better performance in the merchant multi-utilities business sub-segment.

The Utilities segment continues to be the Group's largest operating segment, contributing 53.6% of revenue and 55.7% of profit before taxation for the financial year ended 30 June 2020, compared to 63.0% of revenue and 60.3% of profit before tax last year.

Cement Manufacturing & Trading

The Cement Manufacturing & Trading segment recorded higher revenue of RM4,095.2 million and loss before taxation of RM2.4 million for the financial year ended 30 June 2020 compared to revenue of RM2,674.3 million and profit before taxation of RM145.4 million for the financial year ended 30 June 2019.

The increase in revenue was primarily the result of consolidation of Malayan Cement, whilst the loss before taxation was mainly due to higher allowance for impairment of receivables and higher finance costs related to the acquisition of Malayan Cement.

For the current financial year, the Cement Manufacturing & Trading segment was the Group's second largest operating segment, contributing 21.4% of revenue for the financial year ended 30 June 2020, compared to 14.8% last year.

Management Discussion & Analysis
FINANCIAL REVIEW

Construction

The Construction segment recorded higher revenue of RM2,316.0 million and profit before taxation of RM194.7 million for the financial year ended 30 June 2020 compared to revenue of RM1,219.5 million and profit before taxation of RM80.5 million for the financial year ended 30 June 2019.

The increase in revenue and profit before taxation for the financial year under review was due to the significant progress in construction works.

Property Investment & Development

The Property Investment & Development segment recorded lower revenue of RM995.2 million and loss before taxation of RM282.8 million for the financial year ended 30 June 2020 compared to revenue of RM1,103.3 million and loss before taxation of RM8.8 million for the financial year ended 30 June 2019.

The decrease in revenue was primarily due to the deconsolidation of the results of Starhill Global REIT, in which the Company and its subsidiary companies in aggregate hold an effective interest of 36.74%, as well as lower sales recorded in completed projects. The higher loss before tax was mainly the result of the recognition of losses on sale of completed units and qualifying certificate extension fees incurred in relation to the 3 Orchard By-The-Park project and share of fair value losses on investment properties recorded by Starhill Global REIT.

Hotel Operations

The Hotel Operations segment recorded lower revenue of RM1,121.7 million and profit before taxation of RM96.6 million for the financial year ended 30 June 2020 compared to revenue of RM1,223.4 million and profit before taxation of RM176.6 million for the financial year ended 30 June 2019.

The segment's revenue and profit before taxation was significantly affected by lower operating results from most of the Group's hotel businesses amid extremely challenging conditions due to the unprecedented disruption caused by the COVID-19 pandemic. Borders in most jurisdictions in which the hospitality businesses operate were closed to foreign travellers, coupled with restrictions on seminars and meetings due to physical distancing measures and adherence to the standard operating procedures issued by governments in these jurisdictions.

Management Services & Others

The Management Services & Others segment recorded lower revenue of RM371.7 million and higher profit before taxation of RM179.6 million for the financial year ended 30 June 2020 compared to revenue of RM456.0 million and profit before taxation of RM14.9 million for the financial year ended 30 June 2019.

The decrease in revenue was mainly due to lower distribution income from investments and the drop in interest income following the fall in interest rates in most jurisdictions where the Group operates. Profit before tax increased primarily due to a one-off gain on deconsolidation of Starhill Global REIT.

IT & e-Commerce Related Business

The IT & e-Commerce Related Business segment recorded a slightly lower revenue of RM3.5 million and lower profit before taxation of RM0.04 million for the financial year ended 30 June 2020 compared to revenue of RM3.8 million and profit before taxation of RM2.6 million for the financial year ended 30 June 2019.

The decrease in revenue was mainly due to lower revenue recorded by the content and digital media sub-segment, following the impact of COVID-19 pandemic.

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2019:	
- Interim dividend of 4 sen per ordinary share paid on 13 November 2019	426,770

Dividend Policy

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

Distribution of Treasury Shares

On 28 August 2020, YTL Corp announced a distribution of treasury shares on the basis of one (1) treasury share for every thirty (30) ordinary shares held. The book closure date for the distribution was 28 October 2020 and the treasury shares will be credited into the CDS account of entitled shareholders within 10 market days of the book closure date.

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. Debts undertaken by the Group's operating entities are substantially non-recourse to the Company.

The Group manages its capital structure and adjusts it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

The Group monitors capital using a debt-to-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	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Bonds	**19,875,639**	19,481,690	**2,500,000**	2,510,000
Borrowings	**23,690,239**	26,598,098	**1,750,654**	1,467,970
Bonds and borrowings	**43,565,878**	46,079,788	**4,250,654**	3,977,970
Less: Cash and cash equivalents	**(11,661,232)**	(11,806,502)	**(103,999)**	(321,308)
Net debt	**31,904,646**	34,273,286	**4,146,655**	3,656,662
Equity attributable to owners of the parent	**12,460,336**	13,262,686	**6,086,744**	6,228,889
Capital and net debt	**44,364,982**	47,535,972	**10,233,399**	9,885,551
Debt-to-equity ratio	**72%**	72%	**41%**	37%

Under Practice Note 17 of the Main Market Listing Requirements of Bursa Securities ("MMLR"), the Company is required to maintain consolidated shareholders' equity equal to or not less than the 25% of the issued capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement with total consolidated equity attributable to owners of the parent as at 30 June 2020 of RM12.5 billion.

SIGNIFICANT CORPORATE DEVELOPMENTS

PROPOSED ACQUISITION OF HOTEL IN MADRID

As reported last year, on 6 December 2018, YTL Hotels & Properties Sdn Bhd, a wholly-owned subsidiary of YTL Corp, entered into a Sale and Purchase Agreement ("SPA") with KKH Property Investors, SLU ("Seller") to acquire the entire share capital of SOL HTL Project, SLU ("SOL HTL"), a company incorporated in Madrid, Spain, and certain loans owing by SOL HTL to the Seller for an aggregate consideration of EUR220 million, as adjusted.

The parties subsequently agreed to amend the SPA to incorporate the right of either party to terminate the SPA where the conditions to the effectiveness of the SPA ("Effectiveness Conditions") had not been satisfied or waived, provided that the SPA would terminate automatically if the Effectiveness Conditions were not satisfied or waived by 31 December 2019. The parties then agreed for the SPA to lapse on 31 December 2019 due to non-fulfilment of the Effective Conditions.

SHARE EXCHANGE OFFER FOR YTL LAND & DEVELOPMENT BERHAD ("YTL L&D")

As reported previously, on 13 June 2019, YTL Corp undertook a share exchange offer to acquire all the remaining ordinary shares (excluding treasury shares) and outstanding irredeemable convertible unsecured loan stocks 2011/2021 ("ICULS") issued by YTL L&D not already owned by YTL Corp to be satisfied through the issuance of new ordinary shares in YTL Corp at an issue price of RM1.14 each.

Upon closing of the offer on 7 October 2019, YTL Corp had received valid acceptances resulting in it holding approximately 90.45% of the total YTL L&D shares in issue (excluding treasury shares) and 91.04% of the total outstanding ICULS. In accordance with Paragraph 16.02(3) of the MMLR, Bursa Securities suspended the trading of the securities of YTL L&D commencing 15 October 2019, being the expiry of 5 market days from the final closing date of 7 October 2019.

Pursuant to Paragraph 16.07(a) of the MMLR, all listed securities of YTL L&D were removed from the Official List of Bursa Securities with effect on 21 October 2019.

PROPOSED ACQUISITION OF THE POWER PLANT AND ASSOCIATED ASSETS OF TUASPRING PTE LTD ("TUASPRING")

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

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

ESTABLISHMENT OF NEW EMPLOYEES SHARE OPTION SCHEME ("ESOS")

On 29 April 2020, it was announced that the Company proposed to establish and implement a new ESOS for eligible employees and directors of the Company and/or its subsidiaries.

There is an existing ESOS in place by the Company that was implemented on 1 April 2011 with a duration of 10 years which will be expiring on 31 March 2021.

In accordance with the provisions of the MMLR, a listed issuer may implement more than one scheme provided that the aggregate number of new ordinary shares in the Company available under all schemes does not exceed 15% of the Company's total number of listed issued shares (excluding treasury shares) at any one time.

On 18 June 2020, Bursa Securities granted the Company an extension of time until 16 November 2020 to issue the circular in relation to the proposed ESOS. The Company intends to convene the extraordinary general meeting for the proposed ESOS on the same day as its forthcoming annual general meeting.

SEGMENTAL REVIEW

UTILITIES

SEGMENT OVERVIEW

The Utilities segment of the YTL Corp Group comprises the activities undertaken through its subsidiary, YTL Power, and its subsidiaries ("YTL Power Group"). As at 30 June 2020, YTL Corp held a 55.21% stake in YTL Power. The YTL Power Group has utilities businesses, investments and projects under development in Malaysia, the UK, Singapore, Indonesia, Jordan and Australia.

The YTL Power Group owns Wessex Water Limited ("Wessex Water"), a water and sewerage provider in the UK, YTL PowerSeraya, which has a total licensed generation capacity of 3,100 megawatts ("MW") and multi-utility operations in Singapore, and YTL Power Generation Sdn Bhd ("YTLPG"), an independent power producer in Malaysia. YTL Power also has a 60% stake in YTL Communications Sdn Bhd ("YTL Comms"), the operator of the Yes 4G platform providing high-speed mobile internet with voice services across Malaysia.

YTL Power's current projects under development comprise an 80% equity interest in PT Tanjung Jati Power Company ("Tanjung Jati Power"), an independent power producer undertaking the development of a 2x660 MW coal-fired power project in Indonesia, and a 45% equity interest in Attarat Power Company PSC ("APCO"), which is developing a 554 MW oil shale-fired power generation project at Attarat um Ghudran in the Hashemite Kingdom of Jordan.

OPERATIONAL REVIEW

Power Generation (Contracted)

YTLPG

YTLPG was the first IPP (independent power producer) in Malaysia in 1994, operating under a 21-year power purchase agreement, which was completed on 30 September 2015. YTLPG was subsequently awarded the project for the supply of power from Paka Power Station under a short term capacity bid called by the Malaysian Energy Commission.

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

Management Discussion & Analysis
SEGMENTAL REVIEW

Paka Power Station continued to fulfil all performance guarantees under the PPA and produced a net generation output of 2,146 gigawatt hours ("GWh") of electricity during the financial year ended 30 June 2020. For the period under review, the station's two generating blocks, GB1 and GB2, achieved reliability factors of 98.91% and 99.84% and load factors of 53.14% and 38.27%, respectively.

Tanjung Jati Power

The Group has an 80% equity interest in Tanjung Jati Power, an independent power producer which is undertaking the development of Tanjung Jati A, a 2x660 MW coal-fired power project in Java, Indonesia.

Tanjung Jati Power has a 30-year power purchase agreement (commencing from the plant's commercial operation date) with PT PLN (Persero), Indonesia's state-owned electric utility company, a second amended and restated version of which was executed in March 2018. In February 2020, Tanjung Jati Power obtained a Business Viability Guarantee Letter from Indonesia's Ministry of Finance and is working towards achieving financial close.

APCO

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

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

Construction has commenced on the project with the commercial operations for the first unit scheduled to commence in the middle of this year and the second unit in the last quarter of the year. However, the global COVID-19 pandemic has led to a delay in the project due to travel and movement restrictions imposed by the Government of Jordan. APCO has invoked the force majeure provisions under the power purchase agreement with NEPCO. As the effects of COVID-19 are still ongoing, the force majeure provisions are still in effect.

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

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

Multi Utilities Business (Merchant)

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

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

For the financial year under review, YTL PowerSeraya sold 8,028 GWh of electricity, while generation market share saw a decrease of 2.5% as compared to the last financial year. In addition to intense competition due to an oversupply in generation capacity in the wholesale electricity market, Singapore had implemented 'Circuit Breaker' preventive measures in response to the COVID-19 pandemic from 7 April till 1 June this year. This saw Singapore's electricity demand take a dip, as public premises and workplaces for non-essential services faced closure to curb the spread of the infection.

Major milestones achieved by the division included the timely completion of the major and minor maintenance inspection activities on its combined cycle and co-generation power plant units. Overall plant performance for these units has shown significant improvements with higher reliability and availability percentage improvements of 0.7% and 1.4% as compared to the previous year. Reliability improvements will continue to be the key focus to ensure the generating units operate with high reliability.

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

On the retail side, YTL PowerSeraya's retail arm, Geneco, held a market share of approximately 13.3% in the electricity retail market (calculated based on retail volume as a percentage over total system demand), comprising customers from the residential, commercial and industrial sectors, with a total sales volume of 6,581 GWh for the financial year ended 30 June 2020.

In addition to electricity retail, Geneco boasts multiple product offerings, which encompass gas and steam supply, to provide its commercial and industrial customers with a comprehensive business solution. The integrated energy retailer also continues to explore new business opportunities to complement the Group's revenue streams.

The Group's first solar project, housed in Pulau Seraya Power Station, supplied 100% locally generated solar power, further enabling Geneco to issue Renewable Energy Certificates (REC) to residential and commercial customers, helping them do their part for the environment. Together with its Verified Carbon Unit (VCU) offerings, Geneco is able to validate the use of green energy and offset greenhouse gas emissions for its customers. Since the launch of its green energy options, there has been a steady increase in the number of residential, commercial and industrial customers who chose Geneco to be their preferred sustainable energy provider.

Geneco remains committed to being more than just an electricity retailer, constantly seeking ways to equip its customers with industry trends and the latest energy solutions, and delivering excellent service and value to its consumers.

Management Discussion & Analysis
SEGMENTAL REVIEW

PetroSeraya Pte Ltd, the division's trading and fuel management arm, managed to pull in a steady performance despite prevailing challenges in the oil industry and the COVID-19 pandemic. The company handled 7.67 million metric tonnes of fuel oil and diesel. The number of berthings for bunkering and cargo vessels saw 656 vessels berthed at the terminal during the financial year, compared to 1,086 vessels last year, with an average berth utilisation rate of 33.2%.

The figures are lower mainly due to challenging economic conditions. Going forward, the Group will continue to focus on strengthening its tank leasing and fuel management activities, as well as looking into optimising its jetty and oil terminal operations to strengthen performance.

This year, YTL PowerSeraya executed a planned migration to its new platform to better support staff collaboration and digitisation, encouraging increased digital adaption and virtual collaboration within the organisation. The new platform, which went live on 31 March 2020, also motivated staff contribution towards the adoption of the digital platform, and enabled the creation of the Generation Technology Information Library (GENTIL), a centralised library of power generation data.

Going forward, the division will also look to focusing and amplifying employee adoption in the areas concerning digitisation and automation, as well as cybersecurity. Data analytics technologies to help enhance the company's value chain orchestration will also be a key focus, to be developed through the various groups, enabling employees to make more informed business decisions with higher efficiency and added precision.

Water & Sewerage

In the UK, YTL Power owns a 100% equity interest in Wessex Water, a regional water and sewerage business serving 2.8 million customers across a geographic area of approximately 10,000 square kilometres in the south west of England, including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire. Wessex Water is regulated by the Water Services Regulation Authority (known as Ofwat), the economic regulator for the UK water industry, and holds a license from the UK government under an instrument of appointment to supply clean water and treat and dispose of waste water from its operating region in the south west of England.

During the year under review, Wessex Water was again one of the top performers in the water sector for customer service, placing second of all the water and sewerage companies in Ofwat's new measure of customer experience (C-MeX) trial. The division retained its government Customer Service Excellence award, the British Standard for inclusive services provision (BS 18477), the Keep Me Posted award and the Louder than Words charter mark, as well as continuing with the Institute of Customer Service's ServiceMark with distinction.

Throughout the COVID-19 crisis, Wessex Water continued business-as-usual service to customers and helped those in need, in addition to providing rebates to more than 10,000 National Health Service (NHS) workers required to wash their uniforms more often. The company also continued to deliver initiatives within its strategy for customers in vulnerable circumstances, with a 9% increase in the number of low-income customers receiving support with their bills or debt and a 67% increase in the number registered for Priority Services.

Management Discussion & Analysis
SEGMENTAL REVIEW

Wessex Water still has the lowest number of complaints of the water and sewerage companies, delivering this year a 4% reduction in billing complaints and resolving 95% of complaints the first time. As part of its drive to ensure that customers are as satisfied with Wessex Water's service as they are with service from top household names, the division has set a target of being in the top 20 UK service providers by 2025 on the Institute of Customer Service survey.

Business customers have been able to choose their retailer for water and waste water services since 2016-17 and there are now 22 retailers active in Wessex Water's operating region. The company's wholesale services team remains focused on enhancing both the retailer and customer experience. Since market opening, Wessex Water has improved its performance each year in both operational and market performance standards and these now stand at more than 94%.

Wessex Water was rated as "leading" in the UK Environment Agency's annual environmental performance assessment (EPA), having reduced the number of pollution incidents to 76 and increased the level of self-reporting of incidents to 85%. This year, 96% of bathing waters passed strict environmental standards, with two beaches (Weston-super-Mare Uphill Slipway and Burnham Jetty) continuing to be assessed as having below standard water quality.

Wessex Water remains committed to providing the highest quality drinking water to customers and its overall compliance with drinking water standards in 2019 was 99.97%.

In 2019-20 the number of internal flooding incidents arising from issues not related to capacity was 146, compared to the division's target of 207. Despite the wettest February on record and the fifth wettest autumn in the UK, only two properties flooded internally due to a lack of hydraulic capacity. As such, Wessex Water's performance remains one of the best in the industry.

Construction work has begun on the GBP60 million Trym relief sewer, a 14km long tunnel providing additional capacity in West Bristol to tackle existing flooding issues as well as accommodating new developments. The work will be completed in 2023.

The company has invested GPB39 million in improvements in the area over the last five years including increased storage capacity in the sewerage network and advanced treatment (ultraviolet disinfection) at Cannington water recycling centre.

Management Discussion & Analysis
SEGMENTAL REVIEW

One of Wessex Water's sustainability goals is to achieve net zero operational carbon emissions by 2030. To these ends, net greenhouse gas emissions fell to 117,000 tonnes carbon dioxide equivalent in 2019-20 continuing a trend of reductions that began 10 years ago, and is the company's lowest annual operational carbon footprint since reporting began in 1997. This was achieved through a combination of energy efficiency improvements, renewable energy generation and the rapidly falling carbon dioxide intensity of UK grid electricity.

Telecommunications Business

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

Since the launch of YES in late 2010, YTL Comms has carried the mantle of innovation leader in the Malaysian telecommunications industry, which started with building the right foundation as the first and only pure-IP pure-4G network in Malaysia. With the best 4G accessibility and best affordability for all, the YES network has levelled the playing field, enabling all Malaysians to join a new era of digital economy.

The Malaysian government's announcement of the National Digital Network (JENDELA), a national infrastructure plan to elevate the country's communications standards, has validated YTL Comms' vision and unique role as Malaysia's industry catalyst. A key directive under JENDELA is the sunset of the country's 3G networks by the end of 2021. While others will be busy sunsetting their legacy 3G networks, as the only pure-4G telecommunications operator in the nation, YTL Comms' future-ready YES network stands poised to serve the country's hunger for better connectivity and its need for digitisation today.

The onset of COVID-19 has disrupted lives globally. With the implementation of the Movement Control Order ("MCO") to stop the spread of infection, YTL Comms stepped up immediately to work with YTL Foundation to launch an unprecedented CSR programme to help Malaysians across the nation stay at home and learn from home. Based on feedback from the ground that many low-income families do not even have a device for their children, the division quickly followed on with a new phase in the programme to provide free smartphones complete with free data and telephony service to help the neediest of its fellow countrymen.

The "Learn from Home" CSR programme has garnered tremendous traction and uplifted the lives of a whole future generation of young users. To date, YTL Comms has committed over 100,000 free 4G smartphones to empower them with a first-class digital learning experience using the YES network.

By positioning YTL Comms as the market leader in pricing affordability for the seventh year in a row, the division saw continuous net gains in its subscription base for 18 consecutive months, measuring in double digits.

The power of YTL Comms' pure-IP and pure-4G network has even more significance in its enterprise business. As the pace towards digitisation accelerates, YTL Comms enjoys a unique position as an end-to-end service provider with complete solution delivery capability to democratise next-generation Internet of Things (IoT) solutions nationally. A highly scalable and secure private cloud is essential for mission-critical IoT solutions, along with in-house device engineering and system development and integration capabilities. The division will focus on establishing itself as Malaysia's champion to help local businesses win in the age of Industrial Revolution 4.0.

As a brand that has always advocated the core belief that 'Amazing Things Happen When You Say Yes', YTL Comms will continue to play a crucial role in bridging the digital divide between rural and urban communities and a leading role in Malaysia's transformation into a full-fledged digital economy.

CEMENT MANUFACTURING & TRADING

SEGMENT OVERVIEW

The YTL Corp Group's Cement Manufacturing & Trading activities are undertaken through the YTL Cement Berhad Group of companies operating in Malaysia, Singapore, Vietnam, China and Myanmar.

OPERATIONAL REVIEW

Operations in Malaysia

The YTL Cement Group expanded its Malaysian operations with the acquisition of the majority stake in Malayan Cement (formerly, Lafarge Malaysia Berhad). The YTL Cement Group is now the leading building materials group in Malaysia, offering customers end-to-end building solutions. It has the most comprehensive network of operations consisting of five integrated cement plants, 100 ready-mix concrete batching plants, 16 quarry sites, two drymix plants, grinding stations and cement terminals throughout Peninsular Malaysia. These facilities are connected by road, rail and sea, enabling the Group to serve its customers.

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

Operations in Singapore

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

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

Operations in Vietnam

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

Operations in China

The Group's plant in China is one of the major suppliers in the Hangzhou market. It is one of the most environmentally friendly and sustainable plants in the region.

Operations in Myanmar

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

CONSTRUCTION

SEGMENT OVERVIEW

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

OPERATIONAL REVIEW

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

The completion date for the project has been extended by one year, to October 2022, due to work stoppages resulting from the MCO implemented on 18 March 2020 to curb the spread of COVID-19. However, the project has not incurred any cost overruns.

All parties involved in the Gemas-Johor Bahru rail link project, including 11 of the SIPP-YTL joint venture's sub-contractors and consultants participated to raise funds for the B40 group affected by the outbreak of the pandemic and assisted in distributing funds, groceries and thousands of face masks to those in need, partnering with Johor assemblymen and members of parliament in their respective constituencies.

Meals to about 10,000 people among the underprivileged and frontliners were provided, in addition to essential items and groceries being provided to 200 members of the Johor police community comprising widows and retirees, with refreshments and *iftar* meals provided to police officers on duty at roadblocks and near the project site. SPYTL worked also with YTL Foundation to donate three ventilators to Yayasan Sultan Ibrahim Johor for use in hospitals in Johor.

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

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

Construction is also underway on a 30-storey office block which includes shops and a food court situated along Jalan Tun Sambanthan in Brickfields, Kuala Lumpur, due for completion in 2022.

PROPERTY INVESTMENT & DEVELOPMENT

SEGMENT OVERVIEW

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

As at 30 June 2020, YTL Corp held a 96.60% stake in YTL L&D, whilst YTL Developments is a wholly-owned subsidiary of YTL Power. YTL Corp also has an effective interest of 36.74% in Starhill Global REIT, which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange.

OPERATIONAL REVIEW

Property Development

Sentul

The urban regeneration of Sentul is undertaken by Sentul Raya Sdn Bhd, a wholly-owned subsidiary of YTL L&D, under the Sentul Masterplan covering a 294-acre freehold development area in Sentul, Kuala Lumpur.

The Group has worked to preserve the best of Sentul's rich past, its natural resources and existing infrastructure while maximising opportunities that come with each new development. Working with heritage assets presents the Group with invaluable opportunities to create innovative concepts and enriching experiences in constructive conservation which requires a unique set of skills and specialist knowledge, as well as good architectural and construction solutions.

As the domestic property market remained soft during the year under review, further exacerbated by the outbreak of the COVID-19 pandemic, the Group continued to focus on further enhancing the attractiveness and vibrancy of Sentul with exciting commercial components centred on conservation of its unique heritage assets.

The Group progressed well with Sentul Works in a park during the year under review. Sentul Works involves the restoration and redevelopment of a majestic colonial building which was formerly a British railway headquarters. Sentul Works is planned to create an entirely new work experience for urbanites with a design that juxtaposes the new and old, surrounded by lush greenery of a park.

Management Discussion & Analysis
SEGMENTAL REVIEW

The building, which comprises four floors with a total floor space of approximately 40,000 sq ft, is being re-purposed into a natural heritage boutique office suitable for corporate and regional offices, start-up entrepreneurs as well as co-working space operators. The raw and rustic authenticity of Sentul Works is a perfect setting for the young workforce, especially millennials seeking inspiration from originality and a uniquely curated office environment.

The project will also benefit from Sentul's excellent rail connectivity network, being adjacent to the Sentul KTM Komuter station and within walking distance of the Sentul and Sentul Timur LRT stations, as well as the upcoming Sentul West station under MRT Line 2 which will further enhance Sentul's livability and connectivity.

Projects in the pipeline include the d5, d2 and d8 commercial developments in Sentul East.

Camellia

Camellia is undertaken by PYP Sendirian Berhad, a wholly-owned subsidiary of YTL L&D. Camellia is a sanctuary of modern 2-storey homes nestled within a leafy neighbourhood in Pakatan Jaya, Ipoh. The development caters perfectly to the needs of young and growing families. Its spacious and thoughtfully designed homes capture the essence of modern living with quality living spaces throughout.

The development, comprising 108 units of terrace homes on a standard lot size of 20ft x 75ft with an extra 5-ft area at the back, was completed at the end of the 2019 calendar year.

3 Orchard By-The-Park

The Group's 3 Orchard By-The-Park project is undertaken by YTL Westwood Properties Pte Ltd, a wholly-owned subsidiary of YTL L&D.

The Group continued its marketing efforts to unlock sales of units in this boutique freehold luxury condominium on the prestigious Orchard Boulevard during the year under review.

Situated in the prestigious District 10 area and adjacent to the world-renowned Orchard Road shopping district, 3 Orchard By-The-Park is an exquisite collection of 77 exclusive freehold residences. The development is located next to the upcoming Orchard Boulevard MRT station and walking distance from the Singapore Botanic Gardens. It is also within the vicinity of international hotels such as the St Regis, Four Seasons and the Regent Singapore, and medical centres including Camden Medical Centre and Gleneagles Hospital.

The development won six awards at The EdgeProp Singapore Excellence Awards 2019, the annual awards recognising the best Singapore property players and the industry benchmarks they set for developments in the city state. YTL L&D was one of the biggest winners of the evening receiving top accolades in the a number of categories – *Design Excellence Award (Developer & Architect), People's Choice Award, Top Development Award, Top Luxury Development Award* and *Top Boutique Development Award.*

Brabazon

The Brabazon development, located in Bristol in the UK, is being undertaken by YTL Developments, a wholly-owned subsidiary of YTL Power.

Situated on the former Filton Airfield, the development spans a 354-acre brownfield site and will, upon completion, include residential homes, employment space, a mixed-use town centre, new schools, doctors' and dentists' surgeries, recreational spaces, sport and leisure facilities, a community centre and student housing.

Construction commenced in September 2019 on the first phase of 278 new residential properties of the Brabazon development. Designed by globally renowned local architects Feilden Clegg Bradley, the range of one- and two-bedroom apartments, and two, three- and four-bedroom homes feature generous rooms, over-sized windows and soaring double-height spaces in selected properties.

The project was shortlisted for the 2020 Housing Design Awards, which is the amongst the most prestigious awards for residential developments in the UK, and is supported by all major institutions for property professionals like The Royal Institute of Chartered Surveyors (RICS), The Royal Institute of British Architects (RIBA), Royal Town Planning Institute (RTPI), The Landscape Institute and The Chartered Institute of Architectural Technologists.

In March 2020, the Group also received the necessary approvals to proceed with the 17,080-capacity YTL Arena to be situated in the Brabazon Hangars on Filton Airfield. Upon completion, targeted in 2023, YTL Arena is expected to be the third largest arena in the UK, putting Bristol on the world stage for live music and entertainment.

The site is located within a 10-minute drive from the M4 and M5 highways and Bristol Temple Meads train station, which connects passengers to London in an hour and 10 minutes. Brabazon will also be connected to Bristol by major new transport infrastructure, including a new rail station at Brabazon connecting to Bristol Temple Meads, a MetroBus route linking to both Cribbs Causeway and the city centre, and a range of new walkways and cycle paths.

Property Investment

The Group has an effective interest of 36.74% in Starhill Global REIT which owns retail and office assets in Singapore, Malaysia, Australia, Japan and China. YTL Starhill Global REIT Management Limited, the manager of Starhill Global REIT, is a wholly-owned subsidiary of the Group. Starhill Global REIT's property portfolio comprises stakes in Ngee Ann City and Wisma Atria in Singapore, the David Jones building, Plaza Arcade and Myer Centre in Australia, Starhill Gallery and parcels in Lot 10 Shopping Centre in Malaysia, boutique retail properties in Tokyo and a retail property in China.

Starhill Global REIT's property portfolio was valued at SGD2.94 billion as at 30 June 2020 compared to SGD3.06 billion as at 30 June 2019, with the decrease being largely due to lower passing and market rents in view of the softer retail outlook which was impacted by the COVID-19 pandemic. The trust's distribution per unit was SGD0.0296 for the financial year under review, compared to SGD0.0448 last year.

Management Discussion & Analysis
SEGMENTAL REVIEW

HOTEL OPERATIONS

SEGMENT OVERVIEW

The YTL Corp Group's hotel management and development activities are undertaken primarily through its listed entity, YTL REIT, and through its wholly-owned subsidiary, YTL Hotels & Properties Sdn Bhd ("YTL Hotels"), and its subsidiaries ("YTL Hotels Group"). As at 30 June 2020, YTL Corp held a 56.95% stake in YTL REIT.

OPERATIONAL REVIEW

Hospitality and tourism sectors across the globe faced unprecedented challenges following the outbreak of the global COVID-19 pandemic this year, which has seen the imposition of restrictions on travel, closure of international borders and measures such as physical distancing that have severely impacted the MICE (meetings, incentives, conferences and exhibitions) space.

Through strategic planning, the YTL Hotels Group has undertaken mitigating measures to reduce the commercial impact of the pandemic. Cost control procedures were implemented across the Group's operations, including a delay in non-essential capital expenditure. Overheads were streamlined, including redeploying staff members from closed assets to the resorts and other operating hotels. Various government support measures provided some relief.

The Ritz-Carlton, Kuala Lumpur, remained open throughout the MCO, ensuring that guests continued to be provided with the service for which the hotel is renowned. Most of the Group's other hotels in Malaysia have reopened following the Recovery MCO, operating in an extremely challenging environment due to ever-changing regulations and the new procedures to protect against COVID-19. As international borders remain closed, various promotional offers and packages were marketed to attract domestic travellers. Pangkor Laut Resort, Tanjong Jara Resort and Cameron Highlands Resort have recorded sound occupancy rates since June, operating near to capacity within the restrictions imposed by the government. Gaya Island Resort remains closed whilst the situation in Sabah is being closely monitored.

The Ritz-Carlton, Kuala Lumpur, Hotel Stripes Kuala Lumpur, The Majestic Hotel Kuala Lumpur and AC Hotel Kuala Lumpur are recording good booking levels for weekend staycations. Food and beverage operations are beginning to bounce back within the limits

Management Discussion & Analysis
SEGMENTAL REVIEW

imposed by the new rules. The corporate market will recover more slowly as it is still impacted by the restrictions on air travel worldwide. Business at the AC Hotel Kuantan is close to normal while AC Hotel Penang is benefiting from weekend staycations. The JW Marriott Kuala Lumpur will reopen in conjunction with the launch of the new Starhill Dining in December this year. Moving forward, there will be further challenges but the Group will continue to maintain flexibility and remain cautiously optimistic.

In the UK, The Gainsborough Bath Spa, The Glasshouse Hotel Edinburgh, Monkey Island Estate, Threadneedles and The Academy in London, all saw consistently good occupancy rates and revenue prior to the lockdown. The UK has been one of the countries hardest hit by the pandemic and, except for The Gainsborough Bath Spa, the hotels remain closed due to the ongoing unstable situation. The Gainsborough Bath Spa and Thermae Bath Spa have reopened for business and are doing well, close to the capacity allowed under the current restrictions on operations imposed by the authorities.

The Hague Marriott Hotel in The Netherlands was severely affected by the Dutch government's imposition of restrictive measures in March. The hotel remained open and as travel restrictions were lifted from neighbouring countries in July, the hotel benefitted greatly from its coastal location, with strong growth in domestic staycation business and tourists from Germany.

In Niseko Village Japan, Higashiyama Niseko Village, the first Ritz-Carlton Reserve in Japan, will make its highly-anticipated debut in December 2020. The 50-room resort resides at the base of Mount Niseko Annupuri in Niseko Village with panoramic views of Mount Yotei and the surrounding mountain ranges. This will be YTL Hotels' fifth property in Niseko Village. Luxury amenities include two distinctive restaurants and one lounge, a spa and onsen and a fitness centre.

The Australian properties' performances were impacted by the COVID-19 pandemic, as a result of travel restrictions being implemented internationally and domestically, cancellations of major events as well as domestic business travel bans in order to contain the spread of the virus. The Sydney Harbour Marriott, Brisbane Marriott, Melbourne Marriott and The Westin Perth were affected in March due to the shut-down of non-essential businesses imposed by Federal and State governments. However, the situation was mitigated by the hotels' participation in the government's mandated quarantine programme which created occupancy and revenue. The hotels' payrolls were also subsidised by the Australian Federal Government's Jobkeeper scheme.

MANAGEMENT SERVICES & OTHERS

SEGMENT OVERVIEW

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

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

OPERATIONAL REVIEW

ERL

ERL owns and operates the KLIA Ekspres high-speed rail link connecting Kuala Lumpur International Airport (KLIA) and KLIA2 with KL Sentral Station.

ERL welcomed its 100 millionth passenger in July 2019, although ridership was impacted from March 2020 with the implementation of the MCO and related restrictions. As at 31 August 2020, the service had carried 106.8 million passengers.

The division rolled out a '*3Cs Awareness*' campaign in April 2020 to remind and encourage the public to practice safe distancing, good personal hygiene and to use cashless alternatives. Compulsory face masks and temperature screenings for all passengers and staff have also been enforced across the services, as well as running informative safety videos to educate and raise awareness on all trains.

ERL continued to take the lead in driving cashless initiatives on public transport by providing more payment options in the last two years. Besides online ticketing, the use of contactless cards at the gate, self-ticketing at kiosks and e-wallets at counters is encouraged. GrabPay, Boost and many other e-wallets are accepted at counters, whilst Touch 'n Go, Visa, Mastercard, Amex, UnionPay and JCB contactless cards are also accepted at the gates.

Management Discussion & Analysis
SEGMENTAL REVIEW

As at June 2020, the usage of cashless transactions on all services had reached about 56% and the division is targeting to increase this to 60% by December 2020.

ERL continues to partner with airlines, online travel agents ("OTAs"), e-wallet providers, e-commerce and B2B/wholesaler platforms to expand KLIA Ekspres sales channels globally and reach a wider audience through its platforms and communication channels. Currently, 35 partners are on board (5 airlines, 24 OTAs, 3 e-commerce platforms, 2 e-wallet providers and 1 aggregator).

During the year, ERL collaborated with Tourism Malaysia to promote the Visit Malaysia 2020 Campaign and supported the Government's goal of achieving 30 million tourist arrivals, until the campaign was cancelled by the Government following the implementation of the MCO in March 2020.

As the country entered the recovery phase in June 2020, ERL shifted its focus to domestic tourism to help boost recovery of its ridership levels. Awareness activities are currently done on digital and social media platforms, in addition to ongoing collaboration with Tourism Malaysia and the Ministry of Tourism, Arts and Culture to promote local destinations and attractions with an emphasis on rail transport.

ERL continues to win awards for its service, receiving the *Partnership of the Year Award* for its efforts in expanding its B2B sales channels at the Global AirRail Awards in November 2019 in Vienna, Austria.

YTLPS

YTLPS is the O&M provider for the Group's power stations, owned by YTLPG. YTLPG's 21-year power purchase agreement for the power stations was completed in September 2015 and YTLPG was subsequently awarded the project for the supply of power from Paka Power Station under a short term capacity bid called by the Malaysian Energy Commission. In May 2017, YTLPG and Tenaga Nasional Berhad entered into a new power purchase agreement for the supply of 585 MW of capacity from Paka Power Station for a term of 3 years 10 months and supply commenced on 1 September 2017.

Management Discussion & Analysis
SEGMENTAL REVIEW

ElectraNet

ElectraNet owns and operates the high voltage electricity transmission system throughout South Australia under a 200-year concession, transmitting power from regional generators and interstate sources over long distances to metropolitan and regional areas including large, direct-connect industrial customers. The transmission network is one of the most extensive regional transmission systems in Australia and consists of 97 high-voltage substations and approximately 5,650 circuit kilometres of transmission lines covering a total area of 200,000 square kilometres.

ElectraNet is in the third year of its 2018-2023 regulatory period. On 30 April 2018, it received approval from the Australian Energy Regulator (AER) to recover AUD1.6 billion of revenue on its regulated electricity transmission network over the current 5-year regulatory period.

System security and reliability are critically important as Australia's energy supply transitions to a lower carbon emissions future and South Australia is at the forefront of this energy transformation with world-leading levels of intermittent renewable energy compared to energy demand. ElectraNet has been exploring options to support this energy transformation, while helping to lower electricity prices and improve system security. Current projects (some of which are still subject to regulatory approval) include:

- Constructing a new, high capacity interconnector between South Australia and New South Wales. The proposed 920-kilometre 330kV transmission line will deliver economic benefits to customers by better sharing of energy resources in the National Electricity Market (NEM). The AUD2.4 billion project, Project EnergyConnect, would be jointly delivered with TransGrid, the owner and operator of the New South Wales electricity transmission network.

- Installing four large synchronous condensers to raise the existing cap on non-synchronous generation and ensure ongoing system security with adequate levels of system strength, system inertia and voltage control for South Australia's electricity transmission system. The synchronous condensers will be installed during 2020 and 2021 and fully commissioned by late 2021.

- Building a new transmission line to improve reliability for customers on the Eyre Peninsula in South Australia's west coast. Construction work is expected to start in 2021.

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

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

Jawa Power

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

Jawa Power achieved average availability of 84.5% for its financial year ended 31 December 2019 and 88.8% availability for the six months ended 30 June 2020. The station generated 8,029 GWh of electricity for its financial year compared to 8,748 GWh for its previous financial year, for its sole offtaker, PLN.

IT & E-COMMERCE RELATED BUSINESS

SEGMENT OVERVIEW

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

OPERATIONAL REVIEW

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

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

Management Discussion & Analysis

RISK MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

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

OPERATING RISK MANAGEMENT

Concessions and key contracts

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

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

Business risk

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

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

Dependence on key management

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

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

Political, economic, environmental and regulatory considerations

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

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

Management Discussion & Analysis

OUTLOOK

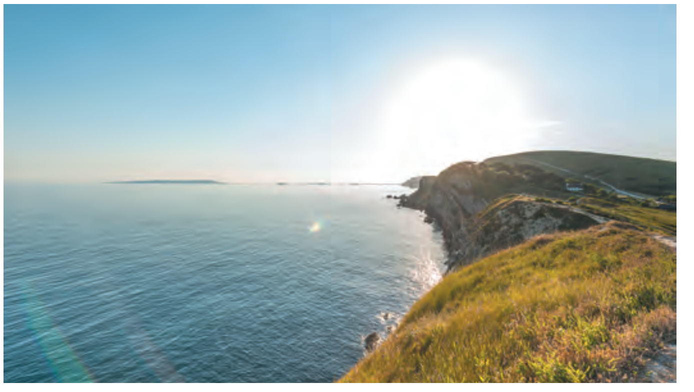
Global growth is expected to weaken in 2020, in light of the ongoing COVID-19 pandemic which has significantly dampened global growth prospects, with the outlook highly dependent on how successful countries across the world are in containing the pandemic. The Malaysian economy is projected to register between -2.0% and 0.5% growth for the full 2020 calendar year, impacted by the output loss, the effects of the MCO and commodities supply disruptions as a result of the pandemic *(source: Bank Negara Malaysia updates).*

In the Utilities division, whilst electricity demand in Singapore has yet to recover to post-pandemic levels, fiscal stimulus packages launched by the Singapore government bode well for the recovery process. Despite the challenges presented by the persistent generation oversupply situation in Singapore's wholesale electricity market, the Group has embarked on the proposed acquisition of Tuaspring's power plant and associated assets which, once completed, will be integrated into its existing businesses and expected to contribute positively to future earnings, in addition to alleviating some capacity issues.

In the UK, the Group will continue to work towards investment commitments set for the 2020-2025 regulatory period which commenced on 1 April 2020. Whilst this next period will see a shift from current performance levels, the Group remains committed to delivering high quality, reliable and resilient services that are affordable to all customers, and is confident it will continue to deliver outperformance of its regulatory targets.

The outlook for the Group's main operations in Malaysia remains stable. The supply of capacity from Paka Power Station is regulated under its PPA until June 2021 and the division is expected to perform well, whilst in the telecommunications sub-segment, with the existing network in place, the Group is well-positioned to grow its subscriber base with innovative, competitive and affordable products and services.

Work will also continue towards financial close for Tanjung Jati Power, whilst APCO's oil shale power generation project in Jordan will progress once the current COVID-19 restrictions have been resolved.



In the Cement Manufacturing & Trading segment, whilst the short-term outlook hinges on the impact of the pandemic on public and private plans for new investments, the solid dynamics of the Group's main markets remain intact. The Group is confident that the key growth drivers, including infrastructure requirements and demand for housing from urbanisation, will continue to underpin demand growth. The division will also increase export volumes from its dedicated Langkawi production facility.

In the Construction segment, operations have recommenced following the MCO. The industry has adopted the necessary strict standard operating procedures, which have disrupted operational efficiency, resulting in sub-optimal utilisation of assets and the dislocation of resources. Nevertheless, the Group has proactively managed these new operating conditions to mitigate delays and improve cost and operational efficiencies, and will continue to step up these efforts.

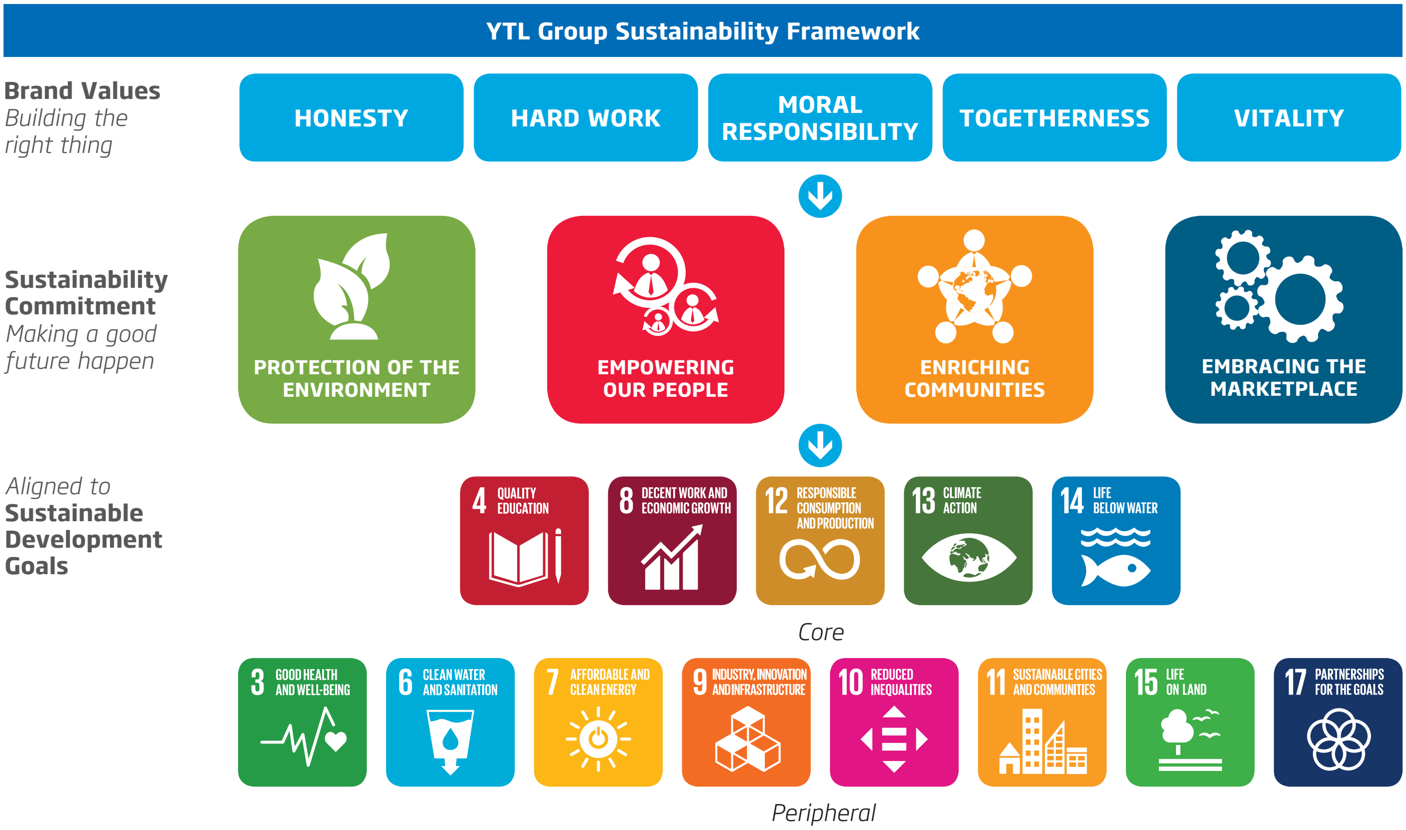
The outlook for the property sector and consumer demand for property products remains uncertain due to the ongoing situation. However, the Group will continue to embark on marketing efforts and initiatives to unlock sales as well as undertake project launches where viable.

Meanwhile, in the hospitality industry, demand from international business and leisure travellers is expected to remain subdued until containment of the pandemic, after which pent-up demand is expected to fuel recovery. In the near term, the substitution of overseas travel with local travel due to international border restrictions has begun to drive demand and the Group is well-positioned to capitalise on this changing landscape.

Managing Sustainability

Integrating sustainability into business continuity planning is one of the fundamental principles in creating long-term value for stakeholders through sustainable and responsible business practices. We recognise the importance of conducting business responsibly with due consideration given not only to our Group's financial performance but also the economic, environmental and social (EES) aspects of business sustainability, optimising value to shareholders and other stakeholders.

Our sustainability strategy remains focused on the four pillars as outlined in our sustainability framework. There was a change to the selection of our core 17 United Nations Sustainable Development Goals (SDGs) and the addition of peripheral SDGs. This year, we made adjustments to align with our Group-wide initiatives to the SDGs, to eliminate any overlap.



Managing Sustainability

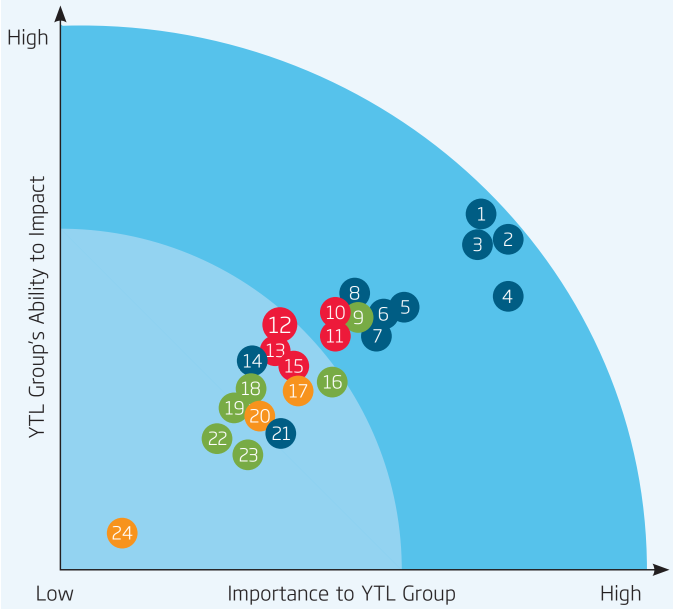
MATERIALITY

In identifying our material issues, we are able to prioritise which issues to improve on and optimise our sustainability management. Through various engagement channels, we seek to understand the views of the stakeholders, to communicate effectively with them and to respond to their concerns. Stakeholders are groups, individuals, organisations and resources that may be significantly impacted by the Group's businesses and those with a vested interest in our operations. As a publicly listed entity, YTL Corporation Berhad's ("YTL Corp") key stakeholders are our employees, customers, suppliers, shareholders, and other investors, regulators, the environment and the communities where we operate.

To ensure the continued relevance of our material issues, we conduct a formal materiality assessment biennially. Following our last review in 2017, we conducted a new materiality review this year. The sustainability team works with the relevant business units to identify and review material issues that are most relevant and significant to our stakeholders. Priorities are ranked based on the actual and potential impacts of issues affecting business continuity and development. The final list of material issues was reviewed and approved by the Board. Based on the assessment, the materiality matrix generated a total of 24 material sustainability matters, of which eleven were ranked as highly material.

We are proud that in 2020 YTL Corp was named as one of the constituents of the FTSE4Good Bursa Malaysia Index for the fourth consecutive year. Information on YTL Group's governance structure, sustainability related material issues, initiatives, performance and achievements during the financial year ending 30 June 2020 can be found in our 14th standalone ***YTL Group Sustainability Report 2020*** which is available for download at www.ytl.com/sustainability. The report focuses on YTL Group's key businesses in Malaysia and globally.

YTL Group Materiality Matrix



Highly Material

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

Material

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

Corporate Events

13 OCTOBER 2019

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Conferred Knight Commander of The Most Excellent Order of the British Empire by HM Queen Elizabeth II

YTL Corporation Berhad's Executive Chairman, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, was conferred an honorary Knight Commander of The Most Excellent Order of the British Empire (KBE) by Her Majesty Queen Elizabeth II for contributions to enhancing bilateral relations between Malaysia and the United Kingdom.

The YTL Group's substantial investments in the United Kingdom include Wessex Water Limited, consistently ranked amongst the country's top water and sewerage companies, and a portfolio of award-winning luxury hotels. The Group's newest ventures are YTL Arena and the Brabazon mixed residential and commercial project, being developed in Bristol.

The award was presented to Tan Sri Dato' (Dr) Francis Yeoh Sock Ping by His Royal Highness Prince Charles at his official residence at Clarence House on 13 October 2019.

18 OCTOBER 2019

3 Orchard By-The-Park Receives Six Awards at EdgeProp Singapore Excellence Awards 2019

3 Orchard By-the-Park, a luxury development by YTL Land & Development Berhad, a subsidiary of YTL Corporation Berhad, won six awards at The EdgeProp Singapore Excellence Awards 2019, including *Design Excellence (Developer & Architect), People's Choice, Top Development, Top Luxury Development* and *Top Boutique Development.*

From left to right: Ms Cheang Mei Ling of DP Architects, and, representing YTL Land & Development Berhad, Ms Jasmine Gwee, Mr Joseph Yeoh Keong Shyann, Ms Yeoh Pei Teeng, Ms Magdeline Loke, Mr Lee Wui Nghun and Mr Richard Leen

4 NOVEMBER 2019

Express Rail Link wins Partnership of the Year Award

Express Rail Link Sdn Bhd, a 45% associate of YTL Corporation Berhad, was awarded the Partnership of the Year Award at the annual Global Air Rail Awards held in Vienna, in recognition of its efforts in expanding its sales platform and customer base worldwide.

Puan Noormah Mohd Noor, Chief Executive Officer of Express Rail Link Sdn Bhd, and Mr Thomas Baake, Chief Executive Officer of ERL Maintenance Support Sdn Bhd

Corporate Events

19 NOVEMBER 2019

Attarat Power Company Receives Power Project of the Year Award 2019

Attarat Power Company PSC (APCO), which is 45%-owned by YTL Power International Berhad, a listed subsidiary of YTL Corporation Berhad, won the Power Project of the Year Award 2019 from the Petroleum Economist at its annual awards dinner event organised by Petroleum Economist Magazine in London.

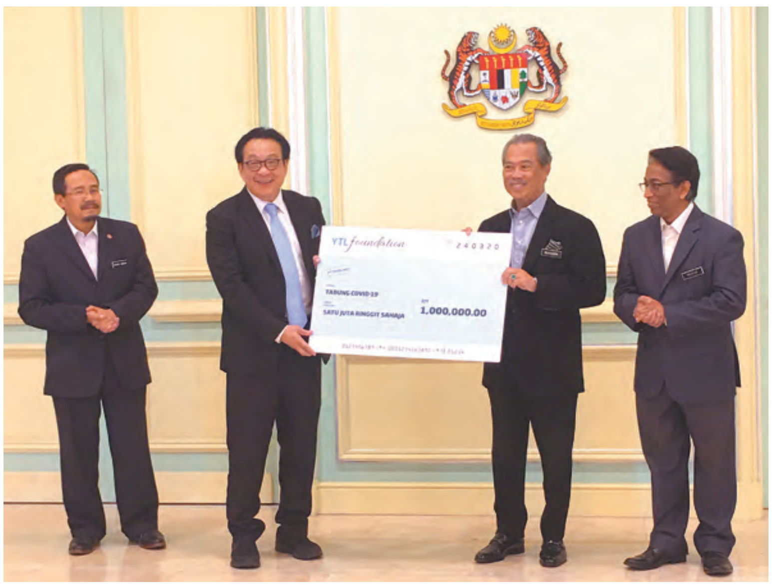
Mr Jason Pok (second from left), Chief Executive Officer and Director of APCO, and Mr Mohammad Maaitah (third from left), Director of APCO, alongside the presenters of the awards

4 DECEMBER 2019

YTL Communications Sdn Bhd Wins Connectivity – Telecommunications Award

YTL Communications Sdn Bhd, a subsidiary of YTL Corporation Berhad, won the Connectivity – Telecommunications award at the Malaysia Technology Excellence Awards for its Terragraph deployment in George Town, a gigabit wireless mesh network powering free public Wi-Fi hotspots and delivering wireless broadband service to 120 businesses and government offices in less than 3 months.

From left to right:- Representing YTL Communications Sdn Bhd, Mr Tang Mun Keong, Head of Core Network & Transport Engineering Department; Mr Jacob Yeoh Keong Yeow, Deputy Chief Executive Officer; Mr Wing K Lee, Chief Executive Officer; Mr Rahul Shrivastav, Lead Solution Architect; and Mr Avinash Pathak, Project Manager



24 MARCH 2020

YTL Foundation Donates RM1 Million to Tabung COVID-19

YTL Foundation, represented by Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Executive Chairman of YTL Corporation Berhad and member of the Board of Trustees of YTL Foundation, presented a donation of RM1 million to Malaysia's Prime Minister, YAB Tan Sri Dato' Haji Muhyiddin Bin Haji Mohd Yassin, at Perdana Putra. The COVID-19 fund was launched by the Government on 11 March 2020 to help those affected by the pandemic.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh Annual General Meeting of YTL Corporation Berhad ("the Company") will be held on Tuesday, the 1st day of December, 2020 at 1.30 p.m. and will be conducted as a fully virtual meeting through live streaming from the broadcast venue at the Town Hall, 8th Floor, Menara YTL, 205 Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia 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 2020 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire pursuant to Article 86 of the Company's Constitution:-

   (i) Dato' Yeoh Seok Kian **Resolution 1**

   (ii) Dato' Yeoh Soo Min **Resolution 2**

   (iii) Dato' Yeoh Seok Hong **Resolution 3**

   (iv) Dato' Cheong Keap Tai **Resolution 4**

3. To approve the payment of fees to the Non-Executive Directors amounting to RM821,751 for the financial year ended 30 June 2020. **Resolution 5**

4. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2021 to December 2021. **Resolution 6**

5. To re-appoint HLB Ler Lum PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS:-

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

   "THAT subject to the passing of the Ordinary Resolution 4, approval be and is hereby given to Dato' Cheong Keap Tai, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve years, to continue to serve as an Independent Non-Executive Director of the Company." **Resolution 8**

7. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 9**

Notice of Annual General Meeting

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

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company's Constitution and 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 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 number of issued shares of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 12 December 2019, 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 number of issued shares of the Company for the time being quoted on Bursa Securities;

(ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own shares; and

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

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

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

  (c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled; and/or

  (d) transfer the shares, or any of the shares for the purposes of or under an employees' shares scheme; and/or

  (e) transfer the shares, or any of the shares as purchase consideration; and/or

  (f) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 2016, the provisions of the Company's Constitution and the Main LR and all other relevant governmental/regulatory authorities." **Resolution 10**

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
30 October 2020

Notes:-

REMOTE PARTICIPATION AND VOTING

1. *The Annual General Meeting ("AGM") will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities provided by the appointed share registrar and poll administrator for the AGM, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online website at https://tiih.online. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at http://ytl.com/meetings to register, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities.*

BROADCAST VENUE

2. *The Broadcast Venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Members/proxies/representatives are not allowed to be physically present at the Broadcast Venue on the day of the AGM.*

PROXY

3. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*
4. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
5. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*
7. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than* ***29 November 2020 at 1:30 p.m.:***

   (i) *In hardcopy form* ***[applicable for all members]***

   The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

   or alternatively,

   at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) *By Tricor Online System (TIIH Online)* ***[applicable only for members who are individuals]***

   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide.

8. *For the purpose of determining a member who shall be entitled to attend the AGM via the RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 23 November 2020. Only a depositor whose name appears on the General Meeting Record of Depositors as at 23 November 2020 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.*

REPRESENTATIVE FROM CORPORATE MEMBER

9. *For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,*

   or alternatively,

   at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

   not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the appointment proposes to vote.

Notice of Annual General Meeting

Explanatory Notes to Ordinary Business

Note A

This Agenda item is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

Payment of Directors' Benefits

In accordance with the requirements of Section 230(1) of the Companies Act, 2016, approval of the members is sought for the payment of meeting attendance allowance (a benefit) to the Non-Executive Directors of the Company. If Resolution 6 is passed, the meeting attendance allowance will be payable for such period at the quantum specified.

Explanatory Notes to Special Business

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

In line with Practice 4.2 of the Malaysian Code on Corporate Governance, Resolution 8 is to enable Dato' Cheong Keap Tai to continue serving as Independent Director 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 resolution for his continuing in office as Independent Director is set out under the Nominating Committee Statement in the Company's Annual Report 2020. The shareholders' approval for Resolution 8 will be sought on a single-tier voting process.

Resolution pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 9 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the Thirty-Sixth Annual General Meeting held on 12 December 2019 ("Previous Mandate"). As at the date of this Notice, the Company has issued 5,988,377 new shares ("New Shares") pursuant to the Previous Mandate. The New Shares were issued pursuant to the share exchange offer to acquire all the remaining securities in YTL Land & Development Berhad not already held by the Company. There were no proceeds raised from the issuance of the New Shares.

Resolution 9, if passed, will give the Directors authority to allot and issue ordinary shares at any time up to a maximum of 20% of the total number of issued share of the Company ("20% General Mandate") for such purposes as the Directors consider expedient and in the best interest of the Company. This authority will expire at the next AGM of the Company unless revoked or varied by the Company at a general meeting.

The 20% limit is the increased limit (from the 10% limit prescribed in the Listing Requirements) accorded to listed issuers by Bursa Malaysia Securities Berhad vide its letter dated 16 April 2020 as part of its interim relief measures to help listed issuers raise funds quickly and efficiently during this challenging time as a result of the pandemic.

The Board of Directors of the Company is of the view that the 20% General Mandate will provide the Company the flexibility to raise capital in a fast and timely manner for funding future investment project(s), working capital and/or acquisitions or strategic opportunities involving equity deals such as but not limited to placement of shares. The cost and delay involved in convening a general meeting to approve such issuance of shares will be eliminated. As such, the Board of Directors considers the 20% General Mandate proposal to be in the best interest of the Company and its shareholders.

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

For Resolution 10, further information on the Share Buy-Back is set out in the Statement to Shareholders dated 30 October 2020 which is dispatched together with the Company's Annual Report 2020.

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-Seventh Annual General Meeting of the Company.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Notes to Special Business of the Notice of Thirty-Seventh Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

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

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

Directors
Dato' Cheong Keap Tai

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

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

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

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

Faiz Bin Ishak
Fellow of the Association of Chartered Certified
Accountants

Raja Noorma Binti Raja Othman
BBA (Deans List)

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

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

REGISTRAR

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

AUDIT COMMITTEE

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

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

Faiz Bin Ishak
(Independent Non-Executive Director)

NOMINATING COMMITTEE

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

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

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

REMUNERATION COMMITTEE

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

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

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

AUDITORS

HLB Ler Lum PLT
(LLP0021174-LCA & AF 0276)
Chartered Accountants
(A member of HLB International)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (3.4.1985)

Tokyo Stock Exchange
Foreign Section (29.2.1996)

Profile of the Board of Directors

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 66, was appointed to the Board on 6 April 1984 as an Executive Director and has been the Managing Director of the Company since April 1988 till 29 June 2018 when he was redesignated as Executive Chairman. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws from University of Nottingham. He became the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global Real Estate Investment Trust.

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

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council, and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He is the first non-Italian board member of the historic Rome Opera House and helped fund its restoration to keep it from closing. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri Francis was made a board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

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

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri Francis received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy.

Profile of the Board of Directors

DATO' YEOH SEOK KIAN

Malaysian, male, aged 63, was appointed to the Board on 24 June 1984 as an Executive Director. He has been the Deputy Managing Director of the Company till 29 June 2018 when he was redesignated as Managing Director of the Company. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He served as Deputy Managing Director of YTL Power International Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. Dato' Yeoh Seok Kian also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

DATO' CHEONG KEAP TAI

Malaysian, male, aged 72, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee, a member of the Nominating Committee and Remuneration Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a member of the Malaysian Institute of Certified Public Accountants, member of Malaysian Institute of Taxation and member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong is also a Licensed Tax Agent and a Licensed Goods & Service Tax Agent. Dato' Cheong was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director, Partner and Chairman of the Governance Board of PricewaterhouseCoopers until his retirement in December 2003. He is currently also a director of Gromutual Berhad, Tanah Makmur Berhad and several private limited companies.

DATO' YEOH SOO MIN

Malaysian, female, aged 64, has been appointed to the Board on 24 June 1984 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting. She did her Articleship at Leigh Carr and Partners, London and gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a member of The Court Of Emeritus Fellows of the Malaysian Institute of Management and Life Member of the Women's Institute of Management, Malaysia. Dato' Yeoh Soo Min is a member of the Advisory Council for Action Learning, Asia School of Business, and also sits on the board of trustees of Asia School of Business Trust Fund. She is currently an Honorary Fellow of the Governors of International Students House, London, and Sir Thomas Pope, Trinity College, University of Oxford, UK, and member of the Vice-Chancellor's Circle of University of Oxford, UK. She is also a Trustee of Yayasan Tuanku Fauziah, IJN Foundation and Women's Leadership Centre, University Kebangsaan Malaysia. She also holds directorships in YTL Power International Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad. She also sits on the board of trustees of YTL Foundation.

Profile of the Board of Directors

DATO' YEOH SEOK HONG

Malaysian, male, aged 61, was appointed to the Board on 19 June 1985 as an Executive Director. He serves as Managing Director of YTL Power International Berhad and Executive Director of Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and the building of the fourth generation (4G) network by YTL Communications Sdn Bhd, where he serves as the Managing Director. Dato' Yeoh Seok Hong sits on the boards of other public companies such as YTL Cement Berhad, YTL Land & Development Berhad and YTL Industries Berhad, and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 60, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as Managing Director of Malayan Cement Berhad and Executive Director of YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also sits on the boards of other public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad, Kedah Cement Holdings Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO KENG

Malaysian, female, aged 57, was appointed to the Board on 16 May 1996 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She started her career as the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. She heads the sales and marketing of the mobile internet of YTL Communications Sdn Bhd. She is also the purchasing director responsible for bulk purchases of building materials and related items for the construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad and Perak-Hanjoong Simen Sdn Bhd. She was the Chairman of Cement and Concrete Association from year 2013 to 2015. She is also a director of YTL Power International Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad, YTL Cement Berhad and Kedah Cement Holdings Berhad. She is actively engaged in community work and is currently President of the Federal Territory Kuala Lumpur Branch of the Girl Guides Association Malaysia, and member of the board of the World Scout Foundation and YTL Foundation.

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 55, was appointed to the Board on 22 June 1995 as an Executive Director. He graduated from King's College, University of London, with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. He was awarded Fellowship of King's College London in July 2014.

Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves as an Executive Director of YTL Power International Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an Executive Director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is also a board member of YTL Land & Development Berhad, YTL Cement Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore.

DATO' AHMAD FUAAD BIN MOHD DAHALAN

Malaysian, male, aged 70, was appointed to the Board on 26 November 2015 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Ahmad Fuaad holds a Bachelor of Arts (Hons) degree from the University of Malaya. He was attached with Wisma Putra, Ministry of Foreign Affairs as Malaysian Civil Service ("MCS") Officer in April 1973 before joining Malaysia Airlines in July 1973. While in Malaysia Airlines, Dato' Ahmad Fuaad served various posts and his last position was as the Managing Director. He was formerly a director of Lembaga Penggalakan Pelanchongan Malaysia, Malaysia Industry-Government Group for High Technology and Malaysia Airports Holdings Berhad, Tokio Marine Insurances (Malaysia) Berhad, Hong Leong Capital Berhad and YTL e-Solutions Berhad. Currently, Dato' Ahmad Fuaad is a director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He also sits on the board of trustees of YTL Foundation.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 66, was appointed to the Board on 20 October 1999 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad (now known as MIDF Amanah Capital Berhad), a company which has interests in, inter alia, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the boards of YTL Power International Berhad which is listed on the Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad.

FAIZ BIN ISHAK

Malaysian, male, aged 62, was appointed to the Board on 1 December 2011 as an Independent Non-Executive Director. He is the Chairman of the Nominating Committee and Remuneration Committee. He is also a member of the Audit Committee. He graduated from the Association of Chartered Certified Accountants (ACCA) in the United Kingdom in 1982. He was admitted as associateship and fellowship of the association in 1993 and 1998 respectively.

He served in various posts in The New Straits Times Press (M) Berhad since 1982 and was appointed as the Managing Director in 1999 till 2003. He joined Commerce Assurance Berhad (a licensed general insurance underwriter, now part of Allianz General Insurance Berhad) as Executive Director in 2003 and assumed the role of Chief Executive Officer from 2006 to 2007. Encik Faiz is presently a business entreprenuer in retail food and beverage. He also serves on the boards of YTL Power International Berhad and Transocean Holdings Bhd, both listed on the Main Market of Bursa Malaysia Securities Berhad.

Profile of the Board of Directors

RAJA NOORMA BINTI RAJA OTHMAN

Malaysian, female, aged 61, was appointed to the Board on 5 September 2019 as an Independent Non-Executive Director. She is also a member of the Nominating Committee and Remuneration Committee. She holds a Bachelor of Business Administration degree from Ohio University, United States of America under a twinning program with MARA Institute of Technology and was the best student in her cohort. She attended the Global Leadership Development Program at Harvard Business School in 2008 organised by International Centre for Leadership in Finance (ICLIF) Malaysia. She is a member of the Malaysian Institute of Accountants.

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

Prior to joining CIMB Group, she was the Vice-President of Investment Banking at JP Morgan, a position she held for over 5 years. She was attached to JP Morgan's offices in Hong Kong, Singapore and Malaysia as both industry and client coverage banker. At JP Morgan, she originated and executed several transactions involving corporate advisory, equity and debt capital markets, private equity, cross border mergers and acquisitions as well as initial public offerings. She also served in other financial institutions and corporations including Telekom Malaysia Berhad, where she was a board member of several of their overseas ventures. The last position she held at Telekom Malaysia Berhad was as Head of Corporate Finance. Puan Raja Noorma Othman also holds directorships in Hong Leong Financial Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and Hong Leong Investment Bank Berhad. Effective from February 2020, she is appointed as an Independent Investment Committee Member of Mapletree Australia Commercial Private Trust (MASCOT), a private equity real estate fund which holds a portfolio of commercial office properties in Australia.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Dato' Yeoh Seok Kian	5
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	5
Dato' Yeoh Seok Hong	4
Dato' Sri Michael Yeoh Sock Siong	5
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	4
Dato' Ahmad Fuaad Bin Mohd Dahalan	5
Syed Abdullah Bin Syed Abd. Kadir	5
Faiz Bin Ishak	5
Raja Noorma Binti Raja Othman *(Appointed on 5 September 2019)*	4

Notes:

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

   Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah are siblings. Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong who is a deemed major shareholder of the Company, is the mother of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. **Conflict of Interest**

   None of the Directors has any conflict of interest with the Company.

3. **Conviction of Offences (other than traffic offences)**

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

4. **Public Sanction or Penalty imposed**

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

Profile of Key Senior Management

COLIN FRANK SKELLETT

British, male, aged 75, was appointed to the board of directors of Wessex Water Services Limited on 1 September 1988.

Colin is a chartered chemist and engineer by training. He has been working in the water industry for more than 45 years, holding a number of positions in the management and control of both water supply and sewage treatment.

He joined Wessex Water in 1974 and was appointed its Chief Executive in 1988. Colin oversaw the move from the public to the private sector and the transformation of Wessex Water into a highly rated UK public limited company.

Colin is currently Group Chief Executive of Wessex Water, Chairman of The Gainsborough Bath Spa Hotel and Thermae Bath Spa, non-executive Chairman of European Connoisseurs Travel and Chair of Merchants' Academy secondary school. He recently chaired the Bath Abbey Appeal Board and is also the chair of the new YTL Land and Property UK business.

Colin was awarded an OBE for services to business and WaterAid in the 2012 Queen's Birthday Honours and has an Honorary Doctorate in Engineering from the University of the West of England, awarded in 2015. He was also awarded an Honorary Doctorate in Engineering from Bristol University in February 2019.

JOHN NG PENG WAH

Singaporean, male, aged 61, was appointed to the board of Director and the Chief Executive Officer of YTL PowerSeraya Pte Limited ("YTL PowerSeraya") on 15 January 2019. He holds a Bachelor of Mechanical Engineering degree from Nanyang Technological Institute in Singapore, a Master of Science in Systems Engineering from National University of Singapore and a Master of Science in Material Science from Carnegie Mellon University, USA.

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

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

LEE WING KUI

American, male, aged 53, was appointed the Chief Executive Officer of YTL Communications Sdn Bhd ("YTL Communications") on 1 November 2009 and subsequently appointed as a member of the board of directors of YTL Communications on 3 March 2011.

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

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

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

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

Notes:

None of the Key Senior Management has:–

- any directorship in public companies and/or listed issuers;
- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest with the Company;
- been convicted of any offences (other than traffic offences) within the past five (5) years; and
- been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 2016 ("the Act") and the 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 financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2020, 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 Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Audit Committee Report

COMPOSITION

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

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

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

TERMS OF REFERENCE

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Dato' Cheong Keap Tai	5
Dato' Ahmad Fuaad Bin Mohd Dahalan	5
Faiz Bin Ishak	4

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2020 in the discharge of its functions and duties:-

1. Overseeing Financial Reporting

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

- Quarterly financial results for the fourth quarter of financial year ended 30 June 2019, and the annual audited financial statements for the financial year ended 30 June 2019 at the Audit Committee meetings held on 29 August 2019 and 26 September 2019, respectively;
- First, second and third quarters of the quarterly results for the financial year ended 30 June 2020 at the Audit Committee meetings held on 25 November 2019, 19 February 2020 and 15 June 2020, respectively.

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

- Appropriate accounting policies had been adopted and applied consistently, and other statutory and regulatory requirements had been complied with;
- The Company has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern;

- Significant judgements made by management in respect of matters such as impairment assessment of goodwill, carrying value of investment, and post-employment benefit obligations and the underlying assumptions and/or estimates used were reasonable and appropriate in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS");
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

2. External Audit

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

- their final report on the audit of the financial statements for financial year ended 30 June 2019 setting out their comments and conclusions on the significant audit and accounting matters highlighted, including management's judgements, estimates and/or assessments made, and adequacy of disclosures in the financial statements;
- the audit plan for the financial year ended 30 June 2020 outlining, amongst others, their scope of work, and areas of audit emphasis and multi-location audit, and development in laws and regulations affecting financial reporting and the roles and responsibilities of directors/audit committee members and auditors;

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

(c) Had discussions with HLB twice during the financial year, on 26 September 2019 and 15 June 2020, without the presence of management, to discuss matters concerning the audit and financial statements. The Audit Committee also enquired about the assistance and co-operation given by management to HLB.

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

(e) Assessed the performance of HLB for the financial year ended 30 June 2019 and recommended to the Board of Directors for re-appointment at the annual general meeting held on 12 December 2019.

3. Internal Audit

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

(b) Reviewed and adopted the internal audit risk analysis reports for 2020. Internal audit would leverage on the Group's risk analysis to focus on the business processes and relevant areas that address the key risks identified;

(c) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2021 to ensure sufficient scope and coverage of activities of the Company and the Group;

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

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

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

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

(c) Reviewed the 2019 circular to shareholders in relation to the renewal of shareholder mandate for RRPT and new shareholder mandate for additional RRPT, prior to its recommendation to the Board of Directors for approval.

5. Annual Report

(a) Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2019 Annual Report.

INTERNAL AUDIT FUNCTION

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

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

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with relevant laws, regulations and contractual obligations.

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

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

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

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

4. Presented significant audit findings and areas for improvements raised by the IA to the Audit Committee for consideration on the recommended corrective measures together with the management's response.

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

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

Costs amounting to RM3,485,375 were incurred in relation to the internal audit function for the financial year ended 30 June 2020.

Nominating Committee Statement

for the financial year ended 30 June 2020

NOMINATING COMMITTEE ("NC")

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

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

Members of the NC are as follows:-

- Faiz Bin Ishak *(Chairman)*
- Dato' Cheong Keap Tai
- Raja Noorma Binti Raja Othman *(appointed on 5 September 2019)*

The NC met twice during financial year ended 30 June 2020, attended by all members.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

(a) Board nomination and election process and criteria used

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

i. Review of Directors proposed for appointment or redesignation

In September 2019, the NC evaluated and recommended to the Board, the following candidates who were nominated to fill the vacant positions arising from the resignation of the late Mr Eu Peng Meng @ Leslie Eu on 12 June 2019:-

	Name	Nominated for
(1)	Puan Raja Noorma Binti Raja Othman ("Puan Raja Noorma")	Appointment to the Board and NC
(2)	Dato' Cheong Keap Tai ("Dato' Cheong")	Redesignation as chairman of the Audit Committee ("AC")
(3)	Encik Faiz Bin Ishak ("Encik Faiz")	Appointment as member of the AC

The NC evaluated, amongst others, the candidates' background, knowledge, experience, skills, external appointments and associated time commitments expected of the roles. As Dato' Cheong and Encik Faiz were also members of the Board and Board Committees, the NC already had insights into their character, integrity, attributes and whether they would be a right fit to complement the roles required. As to Puan Raja Noorma's candidacy, the NC concurred that she fulfilled the criteria necessary for the position of independent director.

The NC also recommended to the Board for Puan Raja Noorma to stand for re-election pursuant to Article 90 of the Company's Constitution at the Thirty-Sixth Annual General Meeting, if appointed.

ii. Review of Directors proposed for re-election

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

In June 2020, based on the results of the assessment undertaken for the financial year, the NC resolved to recommend to the Board that Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong and Dato' Cheong Keap Tai, who are due to retire pursuant to Article 86 at the Thirty-Seventh Annual General Meeting of the Company ("AGM"), stand for re-election.

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

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

As part of the annual assessment of Director, an assessment of independence was conducted on the INED. In addition to the criteria for independence prescribed in the Main LR and Practice Note 13, the INED was assessed on his ability and commitment to continue to bring independent and objective judgment to board deliberations.

The Board is of the view that there are significant advantages to be gained from the INED who has served on the Board for more than 12 years as he possesses greater insights and knowledge of the businesses, operations and growth strategies of the YTL Corp Group. Furthermore, the ability of a director to serve effectively as an independent director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity and objectivity in discharging his responsibilities in good faith in the best interest of the company and his duty to vigilantly safeguard the interests of the shareholders of the company.

Dato' Cheong Keap Tai abstained from deliberation at the NC meeting on his continuing in office as INED.

The Board, save for Dato' Cheong Keap Tai who had abstained from deliberations on the matter, is satisfied with the skills, contributions and independent judgment that Dato' Cheong Keap Tai, who has served for 12 years or more, bring to the Board. For these reasons, the Board, save for Dato' Cheong Keap Tai, recommends and supports the resolutions for his continuing in office as INED of the Company which will be tabled for shareholders' approval to be sought via the single-tier voting process at the forthcoming AGM.

(b) Annual assessment

In May 2020, the annual assessment of the effectiveness of the Board as a whole, the Board Committees and individual Directors was carried out with the objectives of assessing whether the Board and the Board Committees, as well as the Directors have effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs; and to recommend areas for improvement. The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

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

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

Results of the assessment were summarised and discussed at the NC meeting held in June 2020 and reported to the Board by the NC. No evident weakness or shortcoming was identified which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2020 were satisfactory. These results form the basis of the NC's recommendations to the Board for the re-election of Directors at the AGM.

Nominating Committee Statement
for the financial year ended 30 June 2020

(c) Review of the NC Statement for financial year ended 30 June 2019

The NC Statement was reviewed by the NC prior to its recommendation to the Board for approval for inclusion in 2019 Annual Report.

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

The NC reviewed the evaluation criteria in the assessment forms and concurred that the assessment forms be maintained as the evaluation criteria remained relevant and consistent with the Malaysian Code on Corporate Governance and the Main LR.

POLICY ON BOARD COMPOSITION

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

INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

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

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

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

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

During the financial year ended 30 June 2020, the following two in-house training programmes were organised for the Directors:-

- YTL Leadership Conference 2019;
- Integrated Reporting for Directors of Public Listed Companies.

All the Directors have undergone training programmes during the financial year ended 30 June 2020. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
▸ **Corporate Governance/Risk Management and Internal Controls/Anti-Corruption/Financial/Taxation**	
Bursa Malaysia's Sustainability Advocacy Programme: Recommendation of the Task Force on Climate-Related Financial Disclosure (9 July 2019)	Faiz Bin Ishak
National Tax Conference 2019 – Economic Prosperity & Taxation (5 & 6 August 2019)	Dato' Cheong Keap Tai
Malaysian Institute of Accountants – MFRS 15 Revenue from Contracts with Customers, Plus Tax Considerations (17 September 2019)	Dato' Cheong Keap Tai

Seminars/Conferences/Training	Attended by
▸ **Corporate Governance/Risk Management and Internal Controls/Anti-Corruption/Financial/Taxation (Cont'd.)**	
Capital Market Director Programme ("CMDP") – Module 1: Directors as Gatekeepers of Market Participants & Module 2A: Business Challenges and Regulatory Expectations (Equities & Future Broking) (14 October 2019)	Raja Noorma Binti Raja Othman
CMDP – Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors (15 October 2019)	Raja Noorma Binti Raja Othman
National Tax Seminar 2019 (15 October 2019)	Dato' Cheong Keap Tai
CMDP – Module 4: Current and Emerging Regulatory Issues in the Capital Market (16 October 2019)	Raja Noorma Binti Raja Othman
Bursa Malaysia – "Integrated Reporting: Communicating Value Creation" Programme (16 October 2019)	Syed Abdullah Bin Syed Abd Kadir
MIA International Accountants Conference 2019 (22 & 23 October 2019)	Dato' Cheong Keap Tai
Bursa Malaysia – Session on Corporate Governance & Anti-Corruption (31 October 2019)	Dato' Yeoh Soo Min
Bursa Malaysia's Workshop on Corporate Liability Provision (Section 17A) of the MACC Act 2009 (5 November 2019)	Syed Abdullah Bin Syed Abd Kadir
The Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees (22 November 2019)	Faiz Bin Ishak
Malaysian Institute of Corporate Governance - Board Evaluation & Effectiveness Assessment (3 December 2019)	Faiz Bin Ishak
CT Risk Solutions Limited Hong Kong – Workshop on the Internal Capital Adequacy Assessment Process (15 January 2020)	Raja Noorma Binti Raja Othman
Asset-Liability and Risk Management – Regulatory Principles and Market Best Practice (27 February 2020)	Raja Noorma Binti Raja Othman
Integrated Reporting for Directors of Public Listed Companies (12 March 2020)	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Dato' Cheong Keap Tai Dato' Yeoh Soo Min Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Faiz Bin Ishak Raja Noorma Binti Raja Othman

Nominating Committee Statement

for the financial year ended 30 June 2020

Seminars/Conferences/Training	Attended by
▸ **Corporate Governance/Risk Management and Internal Controls/Anti-Corruption/Financial/Taxation (Cont'd.)**	
Board & Executive Pay During and Post Covid-19 (18 June 2020)	Raja Noorma Binti Raja Othman
YTL Anti-Bribery & Corruption Online Training (June 2020)	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
▸ **Trade/Economic Development/Investment/Technology**	
Beyond Paradigm Summit 2019 (17 & 18 July 2019)	Syed Abdullah Bin Syed Abd Kadir
Financing the Sustainable Development Goals: Malaysian Private Sector Role in Bridging the Gap from Goals to Actions (11 September 2019)	Faiz Bin Ishak
Malaysian Dutch Business Council – Sustainability by Design: Practical Steps for Malaysian Businesses (17 September 2019)	Syed Abdullah Bin Syed Abd Kadir
Malaysia REIT Forum 2019 – Opportunities in the New Malaysia (31 October 2019)	Dato' Ahmad Fuaad Bin Mohd Dahalan
Organisation for Economic Co-operation and Development – Asian Public Governance Forum on Gender Quality and Mainstreaming (12 & 13 December 2019)	Dato' Yeoh Soo Min
Cybersecurity & Work-From-Home Security Challenges Amidst Covid-19 Pandemic (4 June 2020)	Raja Noorma Binti Raja Othman
YTL Foundation Online Dialogue: Education in an age of uncertainty (12 June 2020)	Dato' Yeoh Soo Min Dato' Yeoh Soo Keng
▸ **Leadership and Business Management/Corporate Responsibility/Sustainability**	
ZafigoX 2019 Forum (21 & 22 September 2019)	Dato' Yeoh Soo Min
YTL Leadership Conference 2019 (15 November 2019)	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman

Corporate Governance Overview Statement

for the financial year ended 30 June 2020

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 stakeholder value, which has been integral to the YTL Corp Group's achievements and strong financial profile to date.

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

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

An overview of the Board's implementation of the practices set out in the Code during the financial year ended 30 June 2020 is detailed in this statement, together with targeted timeframes for measures expected to be implemented in the near future, where applicable, and the Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2020 is available at the Company's website at www.ytl.com and has been released via the website of Bursa Securities at www.bursamalaysia.com in conjunction with the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Responsibilities of the Board

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

Key elements of the Board's stewardship responsibilities include:

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

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

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

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

The Managing Director is responsible for, amongst others, overseeing the day-to-day running of the business, implementation of Board policies and strategies, and making of operational decisions, serving as the conduit between the Board and the Management in ensuring

Corporate Governance Overview Statement

for the financial year ended 30 June 2020

the success of the Company's governance and management functions, ensuring effective communication with shareholders and relevant stakeholders, providing strong leadership, i.e., effectively communicating the vision, management philosophy and business strategy to employees, and keeping the Board informed of salient aspects and issues concerning the Group's operations.

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

The roles of Executive and Non-Executive Directors are differentiated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the YTL Corp Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL Corp Group conducts its business.

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

The Board believes sustainability is integral to the long-term success of the YTL Corp Group. Further information on the YTL Corp Group's sustainability activities can be found in YTL Corp's *Sustainability Report 2020*, a separate report published in conjunction with this Annual Report.

Board Meetings and Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Corp Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2020.

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

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

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

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

Company Secretary

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

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

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary also carried out an ongoing review of existing practices in comparison with the new measures introduced in the Code.

Board Charter

The Board's functions are governed and regulated by its Charter, the Constitution 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. The Board Charter clearly sets out the role and responsibilities of the Board, Board committees, Directors and Management and the issues and decisions reserved for the Board. The Board Charter is reviewed and updated periodically when necessary.

Business Conduct and Ethics

The Directors observe and adhere to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, which encompasses the formulation of corporate accountability standards in order to establish an ethical corporate environment. YTL Corp has an established track record for good governance and ethical conduct. The Code of Conduct and Business Ethics which also sets out the whistleblowing policy and procedures, was formalised by the YTL Group of Companies during the last financial year 30 June 2019 and further updated during the current year under review, following the adoption and implementation of the YTL Group's Anti-Bribery and Corruption Policy, as detailed in the following section. A copy of the Code of Conduct and Business Ethics can be found on the Company's website at www.ytl.com.

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

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

The ABC Policy was deliberated and approved by the Board on 20 February 2020. It outlines the YTL Group's strategies in identifying, preventing and managing bribery and corruption issues. The policies and procedures put in place are guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of MACC Act. The ABC Policy applies to all Directors, managers and employees of the Company in dealing with external parties in the commercial context. The policy will be reviewed at least once every three years to ensure that it continues to remain relevant, appropriate and effective to enforce the principles highlighted therein and to ensure continued compliance with the prevailing law. A copy of the ABC Policy can be found on the Company's website at www.ytl.com.

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

Corporate Governance Overview Statement

for the financial year ended 30 June 2020

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

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

Composition of the Board

During the financial year under review, there was one resignation from the Board, namely, the late Mr Eu Peng Meng @ Leslie Eu. Subsequently, on 5 September 2019, Puan Raja Noorma Binti Raja Othman was appointed to the Board. The Board currently has 12 Directors, comprising 8 executive members and 4 independent non-executive members. The Independent Directors currently comprise 33.3% of the Board, in compliance with the Listing Requirements, which require one-third of the Board to be independent.

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

YTL Corp is 50.02%-owned by Yeoh Tiong Lay & Sons Holdings Sdn Bhd (as at 30 June 2020). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company. The interests of the major shareholder are fully aligned with those of all shareholders of the Company.

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

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

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

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

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

In accordance with the Company's Constitution, at least one-third of the Directors are required to retire from office at each AGM and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments.

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

Board and Senior Management Appointments

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

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

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

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

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

Evaluation of the Board

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

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

Remuneration

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

During the financial year under review, a Remuneration Committee was established to implement the policies and procedures on remuneration of Directors and to make recommendations to the Board on matters relating to the remuneration of Directors. The Remuneration Committee will begin reporting on its activities in the next financial year ending 30 June 2021.

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

Corporate Governance Overview Statement

for the financial year ended 30 June 2020

Board Commitment

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Integrity in Financial Reporting

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Listing Requirements, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The *Statement of Directors' Responsibilities* made pursuant to Section 248-249 of the Companies Act 2016 is set out in this Annual Report.

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

Audit Committee

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

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

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

The Audit Committee met 5 times during the financial year ended 30 June 2020. Full details of the composition and a summary of the work carried out by the Audit Committee during the financial year can be found in the *Audit Committee Report* set out in this Annual Report. This information and the terms of reference of the Audit Committee are available under the "*Governance*" section on the Company's website at www.ytl.com.

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

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

Details of the audit and non-audit fees paid/payable to HLB for the financial year ended 30 June 2020 are as follows:-

	Company RM'000	Group RM'000
Statutory audit fees paid/payable to HLB	**244**	**2,349**
Non-audit fees paid/payable to:-		
- HLB	**16**	**34**
- Affiliates of HLB	**12**	**299**
	28	**333**

Risk Management & Internal Control

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

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

Internal Audit

YTL Corp's internal audit function is undertaken by its Internal Audit department ("YTLIA"), which reports directly to the Audit Committee. The Head of YTLIA, Mr Choong Hon Chow, is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experiences covering many areas of diversified commercial businesses and activities. He has a total of 37 years of internal and external audit experience.

YTLIA comprises 9 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

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

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

- Developing the annual internal audit plan and proposing this plan to the Board;
- Conducting scheduled internal audit engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary;
- Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in audit reports; and
- Presenting audit findings to the Board for consideration.

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

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

Communication with Shareholders

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

Accordingly, the Board ensures that shareholders are kept well-informed of any major development of the YTL Corp Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites. Corporate information, annual financial results, governance information, business reviews and future plans are disseminated through the Annual Report, whilst current corporate developments are

Corporate Governance Overview Statement

for the financial year ended 30 June 2020

communicated via the Company's corporate website at www.ytl.com and the YTL Corp Group's community website at www.ytlcommunity.com, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Executive Chairman, Managing Director and 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.

Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL Corp Group, the resolutions being proposed and the business of the YTL Corp Group in general at every general meeting of the Company.

The Notice of the AGM and a circular to shareholders in relation to the renewal of the Company's share buy-back and recurrent related party transactions mandates, if applicable, are sent to shareholders at least 28 days prior to the AGM in accordance with the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM. This provides shareholders with sufficient time to review the YTL Corp Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

The Executive Chairman, Managing Director and Executive Directors take the opportunity to present a comprehensive review of the progress and performance of the YTL Corp Group and provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL Corp Group's business operations, strategy and goals. The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings.

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

Where applicable, each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of the issues involved. All resolutions are put to vote by electronic poll voting and an independent scrutineer is appointed to verify poll results. The results of the electronic poll voting are announced in a timely manner, usually within half an hour of the voting process to enable sufficient time for the results to be tabulated and verified by the independent scrutineer.

In view of the ongoing COVID-19 pandemic, the forthcoming 37th AGM will be held on a fully virtual basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

The rights of shareholders, including the right to demand a poll, are found in the Constitution of the Company. At the 36th AGM of the Company, held on 12 December 2019, the resolutions put forth for shareholders' approval were voted on by way of a poll.

This statement and the CG Report were approved by the Board of Directors on 30 September 2020.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2020

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

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 Chairman/Managing Directors/Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

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

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

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2020

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

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

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

- **Internal Audit Function:** The YTL Corp Group's internal audit function is carried out by its Internal Audit department ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by Management, and reports directly to the Audit Committee. YTLIA also carries out work for YTL Corp's listed subsidiaries, namely YTL Power International Berhad and Malayan Cement Berhad, and their respective groups of companies, and reports directly to the audit committees of those listed subsidiaries on matters pertaining to them.

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

YTLIA operates independently of the work it audits and provides periodic reports to the Audit Committee, reporting on the outcome of the audits conducted which highlight the 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.

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

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

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

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

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

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

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

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2020

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

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

REVIEW BY EXTERNAL AUDITORS

The external auditors, HLB Ler Lum PLT, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2020, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

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

This statement was approved by the Board of Directors on 30 September 2020.

Analysis of Shareholdings

as at 21 September 2020

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%
Less than 100	3,385	9.31	117,698	0.00
100 - 1,000	4,761	13.09	2,479,666	0.02
1,001 - 10,000	17,002	46.75	69,242,263	0.65
10,001 - 100,000	9,510	26.15	279,257,860	2.62
100,001 to less than 5% of issued shares	1,704	4.69	4,974,887,861	46.72
5% and above of issued shares	2	0.01	5,323,870,374	49.99
Total	**36,364**	**100.00**	**10,649,855,722**	**100.00**

Excluding 372,906,618 shares bought back and retained by the Company as treasury shares.

THIRTY LARGEST SHAREHOLDERS

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

	Name	No. of Shares	%
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	4,704,491,387	44.17
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	619,378,987	5.82
3	HSBC Nominees (Asing) Sdn Bhd - Credit Suisse (Hong Kong) Limited	491,954,721	4.62
4	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd	460,000,000	4.32
5	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	284,237,844	2.67
6	Jamaican Gold Limited	261,798,317	2.46
7	Tien Shia International Limited	217,078,398	2.04
8	Orchestral Harmony Limited	196,796,355	1.85
9	Steeloak International Limited	183,087,748	1.72
10	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	137,552,943	1.29
11	Bara Aktif Sdn Bhd	115,217,861	1.08
12	Kerajaan Negeri Pahang	99,716,370	0.94
13	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	99,427,095	0.93
14	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	93,460,901	0.88
15	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	69,851,897	0.66
16	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	61,498,210	0.58

Analysis of Shareholdings

as at 21 September 2020

	Name	No. of Shares	%
17	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (West CLT OD67)	57,474,150	0.54
18	Dato' Yeoh Seok Kian	56,621,344	0.53
19	Dato' Yeoh Soo Keng	55,213,386	0.52
20	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Hasil Mayang Sdn Bhd	54,725,584	0.51
21	Dato' Yeoh Soo Min	52,833,890	0.50
22	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	50,047,400	0.47
23	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	49,670,371	0.47
24	Cartaban Nominees (Tempatan) Sdn Bhd – Pamb for Prulink Equity Fund	48,228,200	0.45
25	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	48,157,811	0.45
26	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	45,584,144	0.43
27	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	38,239,917	0.36
28	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	35,783,232	0.34
29	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (AFFIN-HWG)	31,419,776	0.30
30	Perbadanan Kemajuan Pertanian Negeri Pahang	30,937,625	0.29
	Total	**8,750,485,864**	**82.19**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,326,835,800	50.02	–	–
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	5,326,835,800 (1)	50.02
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	5,326,835,800 (2)	50.02
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	137,552,943	1.29	5,326,835,800 (3)	50.02
Employees Provident Fund Board	656,735,283	6.17	–	–

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

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

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

Statement of Directors' Interests

in the Company and Related Corporations as at 21 September 2020

THE COMPANY

YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	145,011,239	1.36	500,000 (1)	*
Dato' Yeoh Seok Kian	56,621,344	0.53	13,447,566 (1)	0.13
Dato' Yeoh Soo Min	53,421,290	0.50	2,414,960 (1)(2)	0.02
Dato' Yeoh Seok Hong	52,425,780	0.49	24,020,752 (1)	0.23
Dato' Sri Michael Yeoh Sock Siong	-	-	75,092,727 (1)(3)	0.71
Dato' Yeoh Soo Keng	56,213,386	0.53	773,378 (1)	0.01
Dato' Mark Yeoh Seok Kah	21,932,775	0.21	4,085,708 (1)	0.04
Syed Abdullah Bin Syed Abd Kadir	9,592,215	0.09	20,034 (1)	*

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	17,000,000	12,000,000 (1)
Dato' Yeoh Seok Kian	15,000,000	6,000,000 (1)
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	-
Dato' Yeoh Soo Min	15,000,000	2,000,000 (1)
Dato' Yeoh Seok Hong	15,000,000	12,000,000 (1)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-
Dato' Yeoh Soo Keng	15,000,000	-
Dato' Mark Yeoh Seok Kah	15,000,000	-
Syed Abdullah Bin Syed Abd Kadir	2,000,000	-

SUBSIDIARY COMPANIES

YTL Power International Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	20,113,596	0.26	290,780 (1)	*
Dato' Yeoh Seok Kian	10,612,987	0.14	12,909,578 (1)	0.17
Dato' Yeoh Soo Min	17,944,778	0.23	4,687,077 (1)(2)	0.06
Dato' Yeoh Seok Hong	126,028,219	1.64	5,115,520 (1)	0.07
Dato' Sri Michael Yeoh Sock Siong	-	-	17,047,448 (1)(3)	0.22
Dato' Yeoh Soo Keng	16,039,576	0.21	185,818 (1)	*
Dato' Mark Yeoh Seok Kah	11,415,718	0.15	1,443,626 (1)	0.02
Syed Abdullah Bin Syed Abd Kadir	2,429,245	0.03	561 (1)	*

Statement of Directors' Interests

in the Company and Related Corporations as at 21 September 2020

Name	No. of Share Options Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	17,000,000	–
Dato' Yeoh Seok Kian	15,000,000	–
Dato' Yeoh Soo Min	13,000,000	–
Dato' Yeoh Seok Hong	10,000,000	4,500,000 (1)
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Yeoh Soo Keng	13,000,000	–
Dato' Mark Yeoh Seok Kah	15,000,000	–
Syed Abdullah Bin Syed Abd Kadir	4,000,000	–

Malayan Cement Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	–	–	500,000 (1)	0.06
Dato' Sri Michael Yeoh Sock Siong	–	–	2,100 (1)	*

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Statement of Directors' Interests

in the Company and Related Corporations as at 21 September 2020

Related Corporations
Syarikat Pelancongan Seri Andalan (M) Sdn Bhd §
(In Members Voluntary Winding-Up)

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

* *Negligible*

§ *Commenced winding-up on 22.11.2019*

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

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

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

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

List of Properties
as at 30 June 2020

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 2020 (RM'000)	Date of Acquisition
Lot 1 in Deposited Plan 804285 in the Local Government Area of Sydney, Parish of St James, County of Cumberland^	Freehold	3,084 sq.m.	33-storey hotel building with central atrium comprising 595 rooms including 3 levels of basement with car parking bays	47,276	31	-	1,305,129	29.11.2012
3 Orchard Boulevard, 3 Orchard By-the-Park, Singapore, 248653	Freehold	1.427 acres	45 units of residences at 3 Orchard By-The-Park	10,208	-	-	1,143,395	22.11.2007
Filton Airfield, Filton, Bristol	Freehold	1,416,400 sq.m.	Disused Airfield & Hangars	-	-	-	559,644	1.12.2015
Grant No. 28678/M1/B5/1, within Parcel No. 1, Storey No. B5 of Building No. M1 and 8 accessory parcels for Lot No. 1267 Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur@	Freehold	12,338 sq.m.	A 5-star hotel with 578 rooms located on part of an 8-level podium block and the entire 24-level tower block of a shopping centre together with car park bays located partially at basement 1 and 4 and the entire basement 2, 3 and 5	45,834	23	-	523,000	16.12.2005
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Water Recycling Centre	-	-	-	418,128	21.5.2002
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	-	-	Year 2087	400,411	30.7.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	-	-	Year 2087		30.7.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	-	-	Year 2095		17.4.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	-	-	Year 2096		29.12.1997
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	-	-	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	-	-	Year 2095		17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	-	-	Year 2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	-	-	Year 2095		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	-	-	Year 2026		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	-	-	Year 2026		17.4.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	-	-	Year 2095		29.5.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	-	-	Year 2095		27.6.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	-	-	Year 2026		17.4.1996

List of Properties
as at 30 June 2020

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 2020 (RM'000)	Date of Acquisition
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	-	-	Year 2097		15.9.1998
HS (D) 4171 PT 1420#	Leasehold	3.54 acres	Cement plant	-	-	Year 2097		15.9.1998
HS (D) 8804 PT 1421#	Leasehold	13.38 acres	Cement plant	-	-	Year 2102		1.10.2003
PN 00108181, Lot 2764#	Leasehold	49.57 acres	Cement plant	-	-	Year 2886		1.11.1996
Geran 23849 Lot 74 Section 59, City and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur@	Registered lease	13,219 sq.m.	A 5-star hotel comprising Majestic Wing (original historic hotel building) comprising 2-storey, 4-storey and 5-storey buildings with 47 rooms and 15-storey Tower Wing with 253 rooms and 3 levels of basement car park	57,722	Majestic Wing: 88 (refurbished in Year 2012) Tower Wing: 7	11.5.2091	390,000	3.11.2017
Lot 534 (Grant No. 30470) & Lot 535 (Grant No. 27127) Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	0.75 acre	42-storey office building known as Menara YTL	-	-	-	373,000	25.1.2008
Grant No. 26579 for Lot No. 225, Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur@	Freehold	1,596.206 sq.m.	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car parks	31,613.31	23	-	360,000	15.11.2011
Lot No. 919-15, 919-18, 919-19, 920-4, 920-5 and 920-7, Aza-Soga, Niseko-cho, Abuta-gun; and Lot No. 214-6, 252-2 and 264-4 Aza-Kabayama, Kutchan-cho, Abuta-gun, Hokkaido, Japan^	Freehold	19,015 sq.m.	16-storey hotel building with 1-storey of basement comprising 506 rooms	35,481.33	26	-	288,035	22.12.2011

^ Based on valuation on 30 April 2020

@ Based on valuation on 31 May 2020

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

FINANCIAL STATEMENTS

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	4,658	169,593
Attributable to:		
Owners of the parent	(189,221)	169,593
Non-controlling interests	193,879	-
	4,658	169,593

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 2019:	
Interim dividend of 4 sen per ordinary share paid on 13 November 2019	426,770

On 28 August 2020, a Share Dividend of one (1) treasury share for every thirty (30) existing ordinary shares held was declared and the book closure date for the Share Dividend is 28 October 2020.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2020.

RESERVES AND PROVISIONS

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

Directors' Report

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital by way of:

- issuance of 100,546,311 and 11,656,600 ordinary shares in exchange for YTL Land & Development Berhad's ("YTL L&D") ordinary shares and ICULS at an issue price of RM1.14 and RM1.10 per share, pursuant to the unconditional share exchange offer to acquire all the remaining securities in YTL L&D not already held by the Company.

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

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 12 December 2019. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

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

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") for employees and Executive Directors of the Company and its subsidiaries who meet the criteria of eligibility for participation is governed by the by-laws approved by the shareholder at an Extraordinary General Meeting ("EGM") held on 30 November 2010. The scheme was implemented on 1 April 2011. The salient features and terms of the ESOS are set out in Note 27(b) to the financial statements.

The aggregate maximum allocation of the share options granted to key management personnel must not be 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 30.6.2020**
Key management personnel	13.06%*	-

* *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.

EMPLOYEES’ SHARE OPTION SCHEME (CONT’D.)

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

	Number of share options over ordinary shares			
The Company	**Balance at 1.7.2019**	**Granted**	**Exercised**	**Balance at 30.6.2020**
Name of Director				
Dato’ Chong Keap Thai @ Cheong Keap Tai	1,000,000	-	-	1,000,000

DIRECTORS

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

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

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

Directors' Report

DIRECTORS' INTERESTS

The following Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 59 of the Companies Act 2016, interests in the shares of the Company and related companies as follows:

	Number of ordinary shares			
The Company	**Balance at 1.7.2019**	**Acquired**	**Disposed**	**Balance at 30.6.2020**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	142,661,239	2,350,000	-	145,011,239
Dato' Yeoh Seok Kian	56,591,526	29,818	-	56,621,344
Dato' Yeoh Soo Min	52,833,890	587,400	-	53,421,290
Dato' Yeoh Seok Hong	52,425,780	-	-	52,425,780
Dato' Yeoh Soo Keng	56,194,966	48,420	-	56,243,386
Dato' Mark Yeoh Seok Kah	20,482,215	1,450,000	-	21,932,215
Syed Abdullah Bin Syed Abd. Kadir	9,592,215	-	-	9,592,215
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	-	500,000	-	500,000 (1)
Dato' Yeoh Seok Kian	13,447,566 (1)	-	-	13,447,566 (1)
Dato' Yeoh Soo Min	1,914,408 (1)(2)	500,552	-	2,414,960 (1)(2)
Dato' Yeoh Seok Hong	24,020,752 (1)	-	-	24,020,752 (1)
Dato' Sri Michael Yeoh Sock Siong	75,092,727 (1)(3)	-	-	75,092,727 (1)(3)
Dato' Yeoh Soo Keng	773,378 (1)	-	-	773,378 (1)
Dato' Mark Yeoh Seok Kah	4,085,708 (1)	-	-	4,085,708 (1)
Syed Abdullah Bin Syed Abd. Kadir	20,034 (1)	-	-	20,034 (1)

	Number of share options over ordinary shares			
The Company	**Balance at 1.7.2019**	**Granted**	**Exercised**	**Balance at 30.6.2020**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	17,000,000	-	-	17,000,000
Dato' Yeoh Seok Kian	15,000,000	-	-	15,000,000
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	-	-	1,000,000
Dato' Yeoh Soo Min	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Hong	15,000,000	-	-	15,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Keng	15,000,000	-	-	15,000,000
Dato' Mark Yeoh Seok Kah	15,000,000	-	-	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	2,000,000	-	-	2,000,000

DIRECTORS' INTERESTS (CONT'D.)

	Number of share options over ordinary shares			
The Company	**Balance at 1.7.2019**	**Granted**	**Exercised**	**Balance at 30.6.2020**
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	12,000,000 [(1)]	–	–	12,000,000 [(1)]
Dato' Yeoh Seok Kian	6,000,000 [(1)]	–	–	6,000,000 [(1)]
Dato' Yeoh Soo Min	2,000,000 [(1)]	–	–	2,000,000 [(1)]
Dato' Yeoh Seok Hong	12,000,000 [(1)]	–	–	12,000,000 [(1)]

	Number of ordinary shares			
Subsidiary – Malayan Cement Berhad	**Balance at 1.7.2019**	**Acquired**	**Disposed**	**Balance at 30.6.2020**
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	–	500,000	–	500,000 [(1)]
Dato' Sri Michael Yeoh Sock Siong	2,100 [(1)]	–	–	2,100 [(1)]

	Number of ordinary shares			
Subsidiary – YTL Power International Berhad	**Balance at 1.7.2019**	**Acquired**	**Disposed**	**Balance at 30.6.2020**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	20,013,596	100,000	–	20,113,596
Dato' Yeoh Seok Kian	10,612,987	–	–	10,612,987
Dato' Yeoh Soo Min	17,199,678	745,100	–	17,944,778
Dato' Yeoh Seok Hong	102,945,219	23,083,000	–	126,028,219
Dato' Yeoh Soo Keng	15,939,576	100,000	–	16,039,576
Dato' Mark Yeoh Seok Kah	9,575,718	1,740,000	–	11,315,718
Syed Abdullah Bin Syed Abd. Kadir	2,429,245	–	–	2,429,245

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

Subsidiary - YTL Power International Berhad	Number of ordinary shares			
	Balance at 1.7.2019	Acquired	Disposed	Balance at 30.6.2020
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	90,780 (1)	200,000	-	290,780 (1)
Dato' Yeoh Seok Kian	9,409,578 (1)	3,500,000	-	12,909,578 (1)
Dato' Yeoh Soo Min	3,829,577 (1)(2)	857,500	-	4,687,077 (1)(2)
Dato' Yeoh Seok Hong	5,115,520 (1)	-	-	5,115,520 (1)
Dato' Sri Michael Yeoh Sock Siong	17,047,448 (1)(3)	-	-	17,047,448 (1)(3)
Dato' Yeoh Soo Keng	185,818 (1)	-	-	185,818 (1)
Dato' Mark Yeoh Seok Kah	1,443,626 (1)	-	-	1,443,626 (1)
Syed Abdullah Bin Syed Abd. Kadir	561 (1)	-	-	561 (1)

Subsidiary - YTL Power International Berhad	Number of share options over ordinary shares			
	Balance at 1.7.2019	Granted	Exercised	Balance at 30.6.2020
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	17,000,000	-	-	17,000,000
Dato' Yeoh Seok Kian	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Min	13,000,000	-	-	13,000,000
Dato' Yeoh Seok Hong	10,000,000	-	-	10,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Keng	13,000,000	-	-	13,000,000
Dato' Mark Yeoh Seok Kah	15,000,000	-	-	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	4,000,000	-	-	4,000,000
Deemed interests				
Dato' Yeoh Seok Hong	4,500,000 (1)	-	-	4,500,000 (1)

DIRECTORS' INTERESTS (CONT'D.)

Subsidiary - YTL Land & Development Berhad[Ω]	Number of ordinary shares Balance at 1.7.2019	Acquired	Disposed	Balance at 30.6.2020
Direct interests				
Dato' Yeoh Seok Kian	61,538	-	(61,538)	-
Dato' Yeoh Soo Keng	100,000	-	(100,000)	-
Deemed interests				
Dato' Yeoh Soo Min	625,582 [(2)]	-	(625,582)	-

	Number of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 Balance at 1.7.2019	Acquired	Converted/ Disposed	Balance at 30.6.2020
Direct interests				
Dato' Yeoh Seok Kian	37,000	-	(37,000)	-
Dato' Yeoh Soo Keng	60,000	-	(60,000)	-

Ω Securities removed from the Official List of Bursa Malaysia Securities Berhad on 21.10.2019.

Subsidiary - YTL Corporation (UK) PLC*	Number of ordinary shares of £0.25 each Balance at 1.7.2019	Acquired	Disposed	Balance at 30.6.2020
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	1	-	-	1

* Incorporated in England & Wales

Subsidiary - YTL Construction (Thailand) Limited+	Number of ordinary shares of THB100 each Balance at 1.7.2019	Acquired	Disposed	Balance at 30.6.2020
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	1	-	-	1
Dato' Yeoh Seok Kian	1	-	-	1
Dato' Yeoh Seok Hong	1	-	-	1
Dato' Sri Michael Yeoh Sock Siong	1	-	-	1
Dato' Mark Yeoh Seok Kah	1	-	-	1

\+ Incorporated in Thailand

DIRECTORS' INTERESTS (CONT'D.)

Subsidiary - Samui Hotel 2 Co., Ltd+	Number of ordinary shares of THB10 each Balance at 1.7.2019	Acquired	Disposed	Balance at 30.6.2020
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

\+ Incorporated in Thailand

Related company - Syarikat Pelanchongan Seri Andalan (M) Sdn. Bhd. (In Members Voluntary Winding-up)@	Number of ordinary shares Balance at 1.7.2019	Acquired	Disposed	Balance at 30.6.2020
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	1	–	–	1

@ Commenced winding-up on 22.11.2019

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

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

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a Directors' and officers' liability insurance in respect of any legal action taken against the Directors and officers in the discharge of their duties while holding office for the Group and of the Company. The total amount of insurance premium effected for any Director and officer of the Company as at the financial year ended was RM351,000 (2019: RM344,000). The Directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

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.

DIRECTORS' BENEFITS (CONT'D.)

Since the end of the previous financial year, no directors has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in Note 7 to the financial statements of the Group and of the Company) by reason of contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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.

Directors' Report

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:

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

In their opinion,

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 45 to the financial statements; and

(b) except as disclosed in Note 45 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

ULTIMATE HOLDING COMPANY

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

SUBSIDIARIES

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

AUDITORS

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

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

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

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

Dato' Yeoh Seok Kian

30 September 2020
Kuala Lumpur

Statement by Directors

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

We, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE and Dato' Yeoh Seok Kian, being two of the Directors of YTL Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 September 2020.

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

Dato' Yeoh Seok Kian

Statutory Declaration

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

I, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE, being the Director primarily responsible for the financial management of YTL Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

Subscribed and solemnly declared by the abovenamed
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE
at Kuala Lumpur on 30 September 2020.

Before me,

Tan Seok Kett
Commissioner for Oaths

Independent Auditors' Report

to the Members of YTL Corporation Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of YTL Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2020 of the Group and of the Company, and the Income Statements, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 100 to 302.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Impairment assessment of goodwill

The risk

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

As at 30 June 2020, goodwill arising on consolidation amounted to RM8,118 million which represents 11.6% of the Group's total assets. The goodwill is primarily allocated to the multi utilities business in Singapore, water and sewerage business in the United Kingdom and cement manufacturing business in Malaysia. The goodwill for these businesses comprises 92.7% of total goodwill.

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

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

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

Key Audit Matters (cont'd.)

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

Our response:

Ours and component auditors audit procedures included the following:

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

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

The risk

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

The property, plant and equipment of the mobile broadband network business accounts for 8.8% (RM2,688.5 million) of the Group's property, plant and equipment as at 30 June 2020.

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

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

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

Independent Auditors' Report

to the Members of YTL Corporation Berhad

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

Key Audit Matters (cont'd.)

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

Our response:

Our audit procedures include the following:

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

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

The risk

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

The water and sewerage business's net book value of infrastructure assets comprise 25.9% (RM7,889 million) of the Group's total property, plant and equipment. The infrastructure assets comprise capital expenditure incurred to meet the development and regulatory requirement of the business, employee and overhead costs that are directly attributable to the construction of the asset.

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

Our response:

Ours and component auditors' audit procedures include the following:

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

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

Key Audit Matters (cont'd.)

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

The risk

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

As at 30 June 2020, the water and sewerage business's post-employment benefit obligations comprise 94.9% (RM869 million) of the Group's total post-employment benefit obligations.

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

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

Our response:

Ours and component auditors' audit procedures include the following:

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

Independent Auditors' Report

to the Members of YTL Corporation Berhad

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

Key Audit Matters (cont'd.)

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

The risk

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

The trade receivables of the water and sewerage segment accounts for 29.0% (RM448.6 million is net of expected credit losses of RM244.8 million) of the Group's trade receivables as at 30 June 2020.

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

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

Our response:

Ours and component auditors' audit procedures include the following:

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

6. Revenue recognition from construction contracts

The risk

Revenue and cost of sales recognised from construction contracts during the financial year as disclosed in Note 3, 4 and 5 to the financial statements is RM2,316 million and RM2,061 million respectively.

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

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

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

Key Audit Matters (cont'd.)

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

Our response:

Our audit procedures include the following:

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

Independent Auditors' Report

to the Members of YTL Corporation Berhad

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM PLT
201906002362 & AF 0276
Chartered Accountants

WONG CHEE HONG
03160/09/2022 J
Chartered Accountant

Dated: 30 September 2020
Kuala Lumpur

Income Statements

for the financial year ended 30 June 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	4	**19,178,449**	18,047,528	**415,331**	548,616
Cost of sales	5	**(15,594,783)**	(13,940,465)	**-**	-
Gross profit		**3,583,666**	4,107,063	**415,331**	548,616
Other operating income		**623,644**	403,255	**6,255**	6,210
Selling and distribution costs		**(470,836)**	(405,168)	**-**	-
Administration expenses		**(1,428,981)**	(1,333,690)	**(73,645)**	(63,626)
Other operating expenses		**(284,651)**	(398,549)	**-**	-
Finance costs	6	**(1,860,747)**	(1,747,499)	**(171,886)**	(175,950)
Share of results of associated companies and joint ventures, net of tax		**257,199**	411,095	**-**	-
Profit before tax	7	**419,294**	1,036,507	**176,055**	315,250
Income tax expense	8	**(414,636)**	(315,152)	**(6,462)**	(16,802)
Profit for the year		**4,658**	721,355	**169,593**	298,448
Attributable to:					
Owners of the parent		**(189,221)**	242,589	**169,593**	298,448
Non-controlling interests		**193,879**	478,766	**-**	-
		4,658	721,355	**169,593**	298,448
(Loss)/earnings per share (sen)					
Basic/diluted EPS (sen)	9	**(1.78)**	2.30		
Dividend per ordinary shares (sen)	10	**4.00**	4.00		

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

Statements of Comprehensive Income

for the financial year ended 30 June 2020

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Profit for the year	**4,658**	721,355	**169,593**	298,448
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to income statement:				
- re-measurement of post-employment benefit obligations	**(183,829)**	(50,743)	**-**	-
- changes in the fair value of equity investments at fair value through other comprehensive income	**(35,344)**	(20,987)	**123**	277
- foreign currency translation	**(5,302)**	184,661	**-**	-
Items that will be reclassified subsequently to income statement:				
- cash flow hedges	**(149,487)**	(353,606)	**-**	-
- foreign currency translation, net of investment hedges of foreign operations				
- foreign currency translation	**(17,419)**	128,360	**-**	-
- gain reclassified to profit or loss on derecognition of foreign subsidiary	**(256,748)**	-	**-**	-
Other comprehensive (loss)/income for the year, net of tax	**(648,129)**	(112,315)	**123**	277
Total comprehensive (loss)/income for the year	**(643,471)**	609,040	**169,716**	298,725
Total comprehensive (loss)/income attributable to:				
Owners of the parent	**(657,305)**	132,512	**169,716**	298,725
Non-controlling interests	**13,834**	476,528	**-**	-
	(643,471)	609,040	**169,716**	298,725

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

Statements of Financial Position
as at 30 June 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**30,499,583**	30,759,493	**3,852**	4,474
Right-of-use assets	12	**1,636,035**	–	**9,069**	–
Investment properties	13	**1,811,126**	10,217,573	**–**	–
Development expenditures	14	**1,128,221**	1,127,238	**–**	–
Investment in subsidiaries	15	**–**	–	**7,764,014**	7,807,515
Investment in associates	16	**4,216,843**	2,581,165	**376,235**	205,241
Investment in joint ventures	17	**165,174**	264,184	**–**	–
Investments	18	**404,911**	409,971	**44,825**	44,445
Intangible assets	19	**8,631,094**	8,023,200	**–**	–
Trade and other receivables	20	**1,419,705**	1,159,120	**–**	–
Contract assets	24	**1,705**	5,616	**–**	–
Derivative financial instruments	21	**10,585**	18,722	**–**	–
		49,924,982	54,566,282	**8,197,995**	8,061,675
Current assets					
Inventories	22	**2,184,363**	2,783,723	**–**	–
Property development costs	23	**140,857**	561,937	**–**	–
Trade and other receivables	20	**3,204,981**	4,198,733	**6,110**	13,345
Contract assets	24	**227,619**	239,524	**–**	–
Derivative financial instruments	21	**74,259**	65,022	**–**	–
Income tax assets		**134,459**	121,292	**2,930**	22,271
Amounts due from related parties	25	**53,694**	31,131	**1,303,468**	1,014,435
Investments	18	**2,301,989**	2,352,947	**755,199**	797,277
Fixed deposits	26	**10,396,221**	10,635,496	**102,070**	198,360
Cash and bank balances	26	**1,265,011**	1,171,006	**1,929**	122,948
		19,983,453	22,160,811	**2,171,706**	2,168,636
TOTAL ASSETS		**69,908,435**	76,727,093	**10,369,701**	10,230,311

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

Statements of Financial Position

as at 30 June 2020

	Note	Group		Company	
		2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	27	**3,467,555**	3,340,111	**3,467,555**	3,340,111
Other reserves	28(a)	**512,535**	907,066	**82,781**	66,676
Retained earnings		**8,982,083**	9,488,302	**3,038,245**	3,294,895
Treasury shares, at cost	27(a)	**(501,837)**	(472,793)	**(501,837)**	(472,793)
		12,460,336	13,262,686	**6,086,744**	6,228,889
Non-controlling interests		**3,149,593**	7,631,855	**-**	-
Total Equity		**15,609,929**	20,894,541	**6,086,744**	6,228,889
Non-current liabilities					
Long-term payables	29	**1,257,300**	1,231,419	**-**	-
Contract liabilities	24	**31,326**	26,264	**-**	-
Bonds	30	**19,655,639**	18,961,666	**2,500,000**	2,500,000
Borrowings	31	**12,592,683**	11,760,855	**-**	550
Lease liabilities	32	**1,447,352**	-	**2,479**	-
Grants and contributions	33	**596,669**	560,828	**-**	-
Deferred tax liabilities	34	**2,164,004**	2,073,144	**113**	113
Post-employment benefit obligations	35	**910,898**	759,646	**-**	-
Derivative financial instruments	21	**15,401**	54,116	**-**	-
		38,671,272	35,427,938	**2,502,592**	2,500,663
Current liabilities					
Trade and other payables	37	**3,044,929**	3,685,052	**17,462**	17,488
Contract liabilities	24	**633,343**	996,420	**-**	-
Derivative financial instruments	21	**174,944**	63,491	**-**	-
Amounts due to related parties	25	**39,212**	16,006	**4,708**	5,546
Bonds	30	**220,000**	520,024	**-**	10,000
Borrowings	31	**11,097,556**	14,837,243	**1,750,654**	1,467,420
Lease liabilities	32	**176,495**	-	**7,254**	-
Provision for liabilities and charges	36	**136,601**	147,613	**-**	-
Post-employment benefit obligations	35	**5,281**	4,874	**287**	305
Income tax liabilities		**98,873**	133,891	**-**	-
		15,627,234	20,404,614	**1,780,365**	1,500,759
TOTAL LIABILITIES		**54,298,506**	55,832,552	**4,282,957**	4,001,422
TOTAL EQUITY AND LIABILITIES		**69,908,435**	76,727,093	**10,369,701**	10,230,311

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 2020

	<------------------------- Attributable to Owners of the Parent			------------------------>			
	<------ Non-distributable ------->		<--------- Distributable --------->				
	Share capital (Note 27) RM'000	Other reserves (Note 28(a)) RM'000	Retained earnings RM'000	Treasury shares (Note 27(a)) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group - 2020							
At 1 July 2019, as previously reported	**3,340,111**	**907,066**	**9,488,302**	**(472,793)**	**13,262,686**	**7,631,855**	**20,894,541**
Effects of adopting MFRS 16	-	-	**(21,567)**	-	**(21,567)**	**(34,581)**	**(56,148)**
At 1 July 2019, as restated	**3,340,111**	**907,066**	**9,466,735**	**(472,793)**	**13,241,119**	**7,597,274**	**20,838,393**
(Loss)/profit for the year	-	-	**(189,221)**	-	**(189,221)**	**193,879**	**4,658**
Other comprehensive loss for the year	-	**(366,176)**	**(101,908)**	-	**(468,084)**	**(180,045)**	**(648,129)**
Total comprehensive (loss)/income for the year	-	**(366,176)**	**(291,129)**	-	**(657,305)**	**13,834**	**(643,471)**
Transactions with owners							
Changes in composition of the Group	-	-	**311,615**	-	**311,615**	**(3,820,251)**	**(3,508,636)**
Conversion of ICULS	-	**(46,825)**	**(79,524)**	-	**(126,349)**	-	**(126,349)**
Dividends paid	-	-	**(426,770)**	-	**(426,770)**	**(641,264)**	**(1,068,034)**
Issue of share capital	**127,444**	-	-	-	**127,444**	-	**127,444**
Share option expenses	-	**19,343**	-	-	**19,343**	-	**19,343**
Share option lapsed	-	**(527)**	**527**	-	-	-	-
Subsidiary's share option lapsed	-	**(346)**	**629**	-	**283**	-	**283**
Treasury shares	-	-	-	**(29,044)**	**(29,044)**	-	**(29,044)**
At 30 June 2020	**3,467,555**	**512,535**	**8,982,083**	**(501,837)**	**12,460,336**	**3,149,593**	**15,609,929**
Group - 2019							
At 1 July 2018	3,340,111	971,877	9,803,376	(337,142)	13,778,222	7,516,285	21,294,507
Profit for the year	-	-	242,589	-	242,589	478,766	721,355
Other comprehensive loss for the year	-	(82,065)	(28,012)	-	(110,077)	(2,238)	(112,315)
Total comprehensive (loss)/income for the year	-	(82,065)	214,577	-	132,512	476,528	609,040
Transactions with owners							
Changes in composition of the Group	-	-	(109,797)	-	(109,797)	133,640	23,843
Dividends paid	-	-	(422,748)	-	(422,748)	(494,598)	(917,346)
Share option expenses	-	19,635	-	-	19,635	-	19,635
Share option lapsed	-	(1,748)	1,748	-	-	-	-
Subsidiary's share option lapsed	-	(633)	1,146	-	513	-	513
Treasury shares	-	-	-	(135,651)	(135,651)	-	(135,651)
At 30 June 2019	3,340,111	907,066	9,488,302	(472,793)	13,262,686	7,631,855	20,894,541

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 2020

	<------- Attributable to Owners of the Parent				------->
	<--- Non-distributable --->		<--- Distributable --->		
	Share capital (Note 27) RM'000	Other reserves (Note 28(a)) RM'000	Retained earnings RM'000	Treasury shares (Note 27(a)) RM'000	Total RM'000
Company - 2020					
At 1 July 2019	**3,340,111**	**66,676**	**3,294,895**	**(472,793)**	**6,228,889**
Profit for the year	**-**	**-**	**169,593**	**-**	**169,593**
Other comprehensive income	**-**	**123**	**-**	**-**	**123**
Total comprehensive income	**-**	**123**	**169,593**	**-**	**169,716**
Transactions with owners					
Dividends paid	**-**	**-**	**(426,770)**	**-**	**(426,770)**
Issue of share capital	**127,444**	**-**	**-**	**-**	**127,444**
Share option expenses	**-**	**16,509**	**-**	**-**	**16,509**
Share option lapsed	**-**	**(527)**	**527**	**-**	**-**
Treasury shares	**-**	**-**	**-**	**(29,044)**	**(29,044)**
At 30 June 2020	**3,467,555**	**82,781**	**3,038,245**	**(501,837)**	**6,086,744**
Company - 2019					
At 1 July 2018	3,340,111	51,468	3,417,447	(337,142)	6,471,884
Profit for the year	-	-	298,448	-	298,448
Other comprehensive income	-	277	-	-	277
Total comprehensive income	-	277	298,448	-	298,725
Transactions with owners					
Dividends paid	-	-	(422,748)	-	(422,748)
Share option expenses	-	16,679	-	-	16,679
Share option lapsed	-	(1,748)	1,748	-	-
Treasury shares	-	-	-	(135,651)	(135,651)
At 30 June 2019	3,340,111	66,676	3,294,895	(472,793)	6,228,889

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 2020

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**419,294**	1,036,507	**176,055**	315,250
Adjustments for:				
Adjustment on fair value of investment properties	**12,808**	(13,172)	**-**	-
Amortisation of contract costs	**7,842**	11,569	**-**	-
Amortisation of deferred income	**(5,209)**	(4,579)	**-**	-
Amortisation of grants and contributions	**(15,166)**	(15,973)	**-**	-
Amortisation of intangible assets	**69,606**	10,806	**-**	-
Bad debts recovered	**(2,949)**	(4,187)	**-**	-
Bad debts written off	**10,901**	5,552	**-**	-
Depreciation of property, plant and equipment	**1,554,423**	1,497,585	**809**	889
Depreciation of right-of-use assets	**193,895**	-	**4,535**	-
Dividend income	**(10,083)**	(29,411)	**(371,871)**	(487,269)
Fair value changes of derivatives	**16,765**	19,981	**-**	-
Fair value changes of investments	**(25,976)**	(62,507)	**(823)**	(1,288)
Gain on disposal of investments	**(1,172)**	-	**-**	-
Gain on disposal of investment properties	**-**	(3,709)	**-**	-
(Gain)/loss on disposal of property, plant and equipment	**(18,739)**	(4,820)	**-**	72
Gain on derecognition of subsidiary	**(258,506)**	-	**-**	-
Impairment losses - net	**183,203**	159,514	**-**	-
Interest expense	**1,860,747**	1,747,499	**171,886**	175,950
Interest income	**(279,072)**	(311,520)	**(43,200)**	(61,056)
Inventories written down - net	**44,656**	77,662	**-**	-
Investment properties written off	**7,675**	-	**-**	-
Property, plant and equipment written off	**51,896**	26,793	**-**	-
Prospective expenditure written off	**8,175**	3,392	**-**	-
Provision for post-employment benefits	**43,790**	64,699	**-**	-
(Write back of)/provision for liabilities and charges	**(4,437)**	7,520	**-**	-
Share option expenses	**21,637**	22,020	**6,654**	6,667
Share of results of associated companies and joint ventures	**(257,199)**	(411,095)	**-**	-
Unrealised gain on foreign exchange - net	**(96,052)**	(109,570)	**-**	-
Operating profit/(loss) before changes in working capital	**3,532,753**	3,720,556	**(55,955)**	(50,785)

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 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)				
Changes in working capital:				
Inventories	**638,001**	389,591	**-**	-
Property development costs	**481**	(57,401)	**-**	-
Receivables	**690,251**	(675,753)	**7,234**	(3,049)
Contract assets	**(39,277)**	(79,135)	**-**	-
Contract liabilities	**(405,019)**	354,963	**-**	-
Payables	**93,104**	451,648	**(40)**	(3,394)
Related parties balances	**(12,666)**	(12,024)	**(237,265)**	84,010
Cash flow generated from/(used in) operations	**4,497,628**	4,092,445	**(286,026)**	26,782
Dividends received	**399,216**	438,742	**347,132**	487,269
Interest paid	**(1,723,489)**	(1,659,978)	**(171,591)**	(175,950)
Interest received	**311,049**	316,368	**43,200**	61,056
Payment to post-employment benefit obligations	**(129,759)**	(111,214)	**-**	-
Income tax paid	**(376,563)**	(350,349)	**(11,092)**	-
Income tax refunded	**64,621**	43,794	**23,971**	-
Net cash flow from/(used in) operating activities	**3,042,703**	2,769,808	**(54,406)**	399,157
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares in existing subsidiaries	**(20,677)**	(35)	**(47)**	(35)
Acquisition of new subsidiaries (net of cash acquired)	**18,977**	(2,596,753)	**-**	-
Additional investment in associated companies and joint venture	**(19,253)**	(367,340)	**-**	-
Development expenditure incurred	**(92,311)**	(132,229)	**-**	-
Grants received in respect of infrastructure assets	**49,342**	29,432	**-**	-
Maturities of income funds	**176,000**	1,285,382	**-**	-
Proceeds from disposal of investment properties	**-**	13,837	**-**	-
Proceeds from disposal of property, plant and equipment	**42,521**	20,039	**-**	58
Proceeds from disposal of investments	**238,148**	11,806	**3**	11,806
Net derecognition of subsidiary (net of cash and cash equivalents)	**(245,871)**	-	**-**	-
Proceeds from finance lease receivables	**4,129**	-	**-**	-
Purchase of intangible assets	**(175,368)**	(4,215)	**-**	-
Purchase of investment properties	**(559,216)**	(43,496)	**-**	-
Purchase of property, plant and equipment	**(1,579,690)**	(2,412,100)	**(187)**	(292)
Purchase of investments	**(785,059)**	(192,641)	**42,639**	(55,047)
Shareholder loans	**(94,651)**	(60,305)	**-**	-
Net cash flow (used in)/from investing activities	**(3,042,979)**	(4,448,618)	**42,408**	(43,510)

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 2020

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(426,770)**	(422,748)	**(426,770)**	(422,748)
Dividends paid to non-controlling interests by subsidiaries	**(641,264)**	(494,598)	**-**	-
Repurchase of own shares by the company (at net)	**(29,044)**	(135,651)	**(29,044)**	(135,651)
Repurchase of subsidiaries' shares by subsidiaries	**(2)**	(198,625)	**-**	-
Proceeds from bonds	**1,312,199**	510,000	**-**	510,000
Proceeds from borrowings	**5,514,829**	6,657,542	**465,784**	-
Repayment of bonds	**(10,000)**	(500,000)	**(10,000)**	(500,000)
Repayment of borrowings	**(6,097,544)**	(3,763,118)	**(200,565)**	(1,058)
Repayment of lease liabilities	**(429,879)**	-	**(4,716)**	-
Upfront fees and discounts on borrowings	**-**	(1,950)	**-**	-
Net cash flow (used in)/from financing activities	**(807,475)**	1,650,852	**(205,311)**	(549,457)
Net decrease in cash and cash equivalents	**(807,751)**	(27,958)	**(217,309)**	(193,810)
Effects of exchange rate changes	**143,990**	190,142	**-**	-
Cash and cash equivalents at beginning of year	**11,763,827**	11,601,643	**321,308**	515,118
Cash and cash equivalents at end of year (Note 26)	**11,100,066**	11,763,827	**103,999**	321,308

NOTE TO THE STATEMENTS OF CASH FLOWS

Analysis of acquisition of property, plant and equipment:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash	**1,579,690**	2,412,100	**187**	292
Finance lease arrangement	**-**	2,210	**-**	1,195
Interest expense paid/payable	**18,554**	8,348	**-**	-
Transfer of assets from customers	**91,836**	56,766	**-**	-
Transfer from prepayments	**58,733**	-	**-**	-
Payables	**16,182**	5,135	**-**	-
	1,764,995	2,484,559	**187**	1,487

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

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

Reconciliation of liabilities arising from financing activities:-

1. Bonds and borrowings

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
At 1 July	**46,079,788**	41,786,512	**3,977,970**	3,967,833
Changes from financing cash flows				
Interest paid	**(1,723,489)**	(1,659,978)	**(171,591)**	(175,950)
Proceeds from bonds	**1,312,199**	510,000	**-**	510,000
Proceeds from borrowings	**5,514,829**	6,657,542	**465,784**	-
Upfront fees on borrowings	**-**	(1,950)	**-**	-
Repayment of bonds	**(10,000)**	(500,000)	**(10,000)**	(500,000)
Repayment of borrowings	**(6,097,544)**	(3,763,118)	**(200,565)**	(1,058)
Transactions costs paid	**(6,405)**	-	**-**	-
Other changes in bonds and borrowings				
Acquisition of subsidiaries	**-**	1,001,103	**-**	-
Amortisation of issuance cost/unwinding of premium	**138,134**	117,621	**-**	-
Bank overdrafts	**24,607**	(12,295)	**-**	-
Capitalisation of issuance cost	**-**	(44,430)	**-**	-
Conversion of ICULS into ordinary shares	**(2,736)**	-	**-**	-
Derecognition of subsidiary	**(3,493,431)**	-	**-**	-
Finance leases	**-**	1,195	**-**	1,195
Finance costs capitalised in property development costs	**4,906**	12,463	**-**	-
Interest expenses	**1,808,555**	1,747,499	**171,591**	175,950
Foreign exchange movement	**16,465**	227,624	**17,465**	-
At 30 June	**43,565,878**	46,079,788	**4,250,654**	3,977,970

2. Lease liabilities

	Group 2020 RM'000	**Company 2020 RM'000**
At 1 July 2019, as previously reported	**-**	**-**
Effect of adopting of MFRS 16	**953,623**	**-**
At 1 July 2019, as restated	**953,623**	**-**
Changes from financing cash flows		
Repayment of lease liabilities	**(429,879)**	**(4,716)**
Other changes in lease liabilities		
Additions	**1,053,070**	**14,154**
Interest expenses	**47,286**	**295**
Termination	**(420)**	**-**
Foreign exchange movement	**167**	**-**
At 30 June	**1,623,847**	**9,733**

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

Notes to the Financial Statements

– 30 June 2020

1. CORPORATE INFORMATION

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

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

The address of the registered office and principal place of business of the Company is as follow:-

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The preparation of financial statements in conformity with the MFRS and the Companies Act 2016 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Group's accounting policies. Although these estimates and judgements are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

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

(b) Changes in accounting policies

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

On 1 July 2019, the Group and the Company have adopted the following MFRSs, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 July 2019.

Description	Effective for annual periods beginning on or after
MFRS 16 'Leases'	1 January 2019
Amendment to MFRS 3 'Business Combination: Previously Held Interest in a Joint Operation'	1 January 2019
Amendment to MFRS 9 'Financial Instruments: Prepayment Features with Negative Compensation'	1 January 2019
Amendment to MFRS 11 'Joint Arrangements: Previously Held Interest in a Joint Operation'	1 January 2019

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

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

Description	Effective for annual periods beginning on or after
Amendment to MFRS 112 'Income Taxes: Income Tax Consequences of Payments on Financial Instruments Classified as Equity'	1 January 2019
Amendment to MFRS 119 'Plan Amendment, Curtailment or Settlement'	1 January 2019
Amendment to MFRS 123 'Borrowing Costs: Borrowing Costs Eligible for Capitalisation'	1 January 2019
Amendment to MFRS 128 'Long-term Interests in Associates and Joint Ventures'	1 January 2019
IC Interpretation 23 'Uncertainty over Income Tax Treatments'	1 January 2019

The adoption of the above new standards, IC interpretations and amendments to published standards have not given rise to any material impact on the financial statements of the Group and the Company, except for changes arising from the adoption of MFRS 16 as disclosed in Note 44.

(c) Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in MFRSs Standards:	
- Amendment to MFRS 2 Share-Based Payment	1 January 2020
- Amendment to MFRS 9 'Financial Instruments: Prepayment Features with Negative Compensation	1 January 2020
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
- Amendment to MFRS 101 Presentation of Financial Statements	1 January 2020
- Amendment to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
- Amendment to MFRS 134 Interim Financial Reporting	1 January 2020
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
- Amendment to MFRS 138 Intangible Assets	1 January 2020
- Amendment to IC Interpretation 12 Service Concession Arrangements	1 January 2020
- Amendment to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
- Amendment to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
- Amendment to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
- Amendment to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
Definition of a Business (Amendments to MFRS 3 Business Combinations)	1 January 2020
Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2020
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures on Interest Rate Benchmark Reform	1 January 2020

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

(d) Revenue recognition

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

(i) Revenue from contracts with customers

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

a) *Sale of electricity*

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

Revenue from sale of electricity is recognised over time upon delivery of the electricity to the customers at a single point within the electricity grid.

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

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

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

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

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

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

(d) Revenue recognition (cont'd.)

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

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

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

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

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

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

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

No element of financing is deemed present for developer services as the timing difference does not arise as a result of the provision of finance, but rather comes as a consequence of the nature of the regulatory environment.

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

c) Sale of cement and related products

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

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

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

(d) Revenue recognition (cont'd.)

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

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

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

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

d) *Hotel operations*

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

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

e) *Construction contracts*

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

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

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

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

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

(d) Revenue recognition (cont'd.)

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

e) Construction contracts (cont'd.)

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

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

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

f) Broadband and telecommunications

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

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

i) Telecommunication services

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

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

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

(d) Revenue recognition (cont'd.)

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

f) Broadband and telecommunications (cont'd.)

i) Telecommunication services (cont'd.)

Postpaid services are provided in postpaid packages which consist of various services (i.e. call minutes, internet data, sms and etc.). These postpaid packages have been assessed to meet the definition of a series of distinct services that are substantially the same and have the same pattern of transfer and as such the Group treats these packages as a single performance obligation.

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

ii) Devices

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

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

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

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

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

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

(d) Revenue recognition (cont'd.)

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

g) *Property development projects*

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

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

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

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

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

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

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

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

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

(d) Revenue recognition (cont'd.)

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

h) *Sale of steam*

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

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

i) *Others*

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

i) Sale of fuel oil

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

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

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

ii) Sale of natural gas

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

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

(d) Revenue recognition (cont'd.)

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

i) Others (cont'd.)

iii) Operation and maintenance fees

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

iv) Tank leasing fees

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

(ii) Revenue from other sources

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

a) Interest income

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

b) Dividend income

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

c) Rental income

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

(e) Employee benefits

(i) Short-term employee benefits

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

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

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

(e) Employee benefits (cont'd.)

(ii) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the industries in which it operates.

These benefit plans are either defined contribution or defined benefit plans.

a) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

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

b) Defined benefit plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

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

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

(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 when the options are exercised.

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

(f) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in 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.

(g) 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.

(h) Property, plant and equipment, and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the 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 MFRS 116 'Property, Plant and Equipment', the valuation of these properties, plant and equipment have not been updated and they continue to be stated at their previously revalued amounts less depreciation and impairment losses.

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

(h) Property, plant and equipment, and depreciation (cont'd.)

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

Freehold land and freehold oil palm plantation are not amortised.

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

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

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

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

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

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

(i) Investment properties

Investment properties include those portions of buildings that are held for long-term rental yields and/or for capital appreciation and freehold land and/or land under 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.

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

(i) Investment properties (cont'd.)

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.

(j) Development expenditure

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost and net realisable value.

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

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

(ii) Project development expenditure

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

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

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

(k) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated to determine the amount of impairment loss.

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

An impairment loss is charged to the 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.

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

(k) Impairment of non-financial assets (cont'd.)

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.

(l) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

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

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

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

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

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

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; and
- 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(q) to the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in 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.

(m) Transactions with non-controlling interests

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

(n) Investment in subsidiaries

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

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

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

Notes to the Financial Statements

– 30 June 2020

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

(o) Investment in associated companies

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

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

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

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

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

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

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

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

(p) Joint arrangements

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

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

(p) Joint arrangements (cont'd.)

Joint venture

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

Equity accounting involves recognising in the 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.

(q) Intangible assets

(i) Contract rights

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

(ii) Goodwill

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

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

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

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

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

(q) Intangible assets (cont'd.)

(iii) Others

a) Customer lists

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

b) Quarry rights

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

c) Emission rights

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

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

(r) Financial assets

(i) Initial recognition and measurement

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

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

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

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

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

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

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

(r) Financial assets (cont'd.)

(ii) Subsequent measurement

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

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

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

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

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

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

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

b) *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

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

(r) Financial assets (cont'd.)

(ii) Subsequent measurement (cont'd.)

c) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(r) Financial assets (cont'd.)

(iii) Derecognition (cont'd.)

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(s) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

	Note
Trade and other receivables	20
Financial risk management	38

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

(t) Contract costs assets

The Group capitalises sales commissions as costs to obtain a contract with a customer when they are incremental and expected to be recovered over more than a year. The Group expects to recover these costs in the future through telecommunication services revenue earned from the customer. The Group also capitalises the expenditure on assets such as water mains/sewers or new connections relating to contracts as they are incurred to fulfil the contract and are expected to be received over more than one year.

Sales commissions are amortised on a straight-line basis over the term of the specific contract to which the cost relates to. Amortisation of contract costs are included as part of direct cost within "Cost of sales" in the Income Statements. While, the expenditure on assets are treated as cost of sales when the contract is complete.

An impairment loss is recognised to profit or loss to the extent that the carrying amount of the contract cost assets recognised exceeds the remaining amount of consideration that the Group expects to receive for the specific contract that the cost relates to less additional costs required to complete the specific contract.

(u) Contract assets and liabilities

Contract asset is the right to consideration in exchange for goods and services that the Group has transferred to a customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the ECL model.

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(v) Derivatives financial instruments and hedging activities

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

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

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

(iii) Hedges of a net investment in a foreign operation.

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

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

(v) Derivatives financial instruments and hedging activities (cont'd.)

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 21. Movements on the hedging reserve in other comprehensive income are shown in Note 28. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the 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 of the derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

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

When 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.

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

(v) Derivatives financial instruments and hedging activities (cont'd.)

(iii) Hedges of net investment in foreign operations

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the Income Statements. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the Income Statements return as part of the gain or loss on disposal.

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

(w) Inventories

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

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

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

Fuel and diesel oil held for generation of electricity are not written down below cost if the electricity generated is expected to obtain a gross margin at or above cost. Cost for this purpose includes the applicable costs required to enable the fuel and diesel oil to be used for the generation of electricity.

Inventories for oil trading are acquired with the purpose of selling in the near future and generating a profit from fluctuations in price. These are at fair value less costs to sell, with changes in fair value less costs to sell recognised in the Income Statements in the period of change.

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.

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

(x) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are recognised when incurred.

When the financial outcome of the development activity can be reliably estimated and the sale of the development unit is affected, property development revenue and expenses are recognised in profit or loss by reference to the stage of completion of development activities at the reporting date in accordance with MFRS 15: Revenue from Contracts with Customers. The stage of completion is determined by the proportion that property development costs incurred for work performed to date to the estimated total property development costs.

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Where revenue recognised in the profit or loss exceed billings to purchasers, the balance is shown as contract assets (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as contract liabilities (within current liabilities).

(y) Cash and cash equivalents

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

(z) Share capital

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

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as liability in the financial year in which the obligation to pay is established.

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

(aa) Treasury shares

Where the Company purchases its own shares, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued.

Should such shares be cancelled, the costs of the treasury shares are applied in the reduction of the profits otherwise available for distribution as dividends. Should such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

Where the treasury shares are subsequently distributed as dividends to shareholders, the costs of the treasury shares on the original purchase are applied in the reduction of the funds otherwise available for distribution as dividends.

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

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

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

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

(ac) Deferred income

The deferred income is in relation to assets transferred from customers in respect of services which are yet to be provided. Such amounts are recorded as liabilities in the Statements of Financial Position and are amortised to the Income Statements over the expected useful economic lives of the related assets.

(ad) Bonds and borrowings

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

Interest relating to a financial instrument classified as a liability is reported within finance cost in the Income Statements.

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

(ad) Bonds and borrowings (cont'd.)

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

Borrowing cost incurred to finance the construction of property, plant and equipment that meets the definition of qualifying asset are capitalised as part of the cost of the assets during the period of time that is required to get the asset ready for its intended use.

(ae) Leases

(i) Accounting as lessee

Leases are recognised as right-of-use ('ROU') assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

a) Lease term

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy 2(ae)i)d)) on reassessment of lease liabilities.

b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

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

(ae) Leases (cont'd.)

(i) Accounting as lessee (cont'd.)

b) ROU assets (cont'd.)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain measurement of the lease liabilities.

The Group and the Company presents ROU assets within which the corresponding underlying assets would be presented if they were owned, those assets are presented in the Statements of Financial Position as property, plant and equipment. ROU assets are presented as a seperate line item in the Statements of Financial Position except for above.

c) Lease liabilities

Lease liabilities are initially measured at the present value of the payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase and extension option if the Group and the Company are reasonably certain to exercise that options; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Income Statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payment that depend on sales are recognised in the statement of comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company presents lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the profit or loss.

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

(ae) Leases (cont'd.)

(i) Accounting as lessee (cont'd.)

d) *Reassessment of lease liabilities*

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Lease liabilities is also remeasured if there is a change in the Group's and the Company's assessment of whether it will exercise an extension option and there are modifications in the scope or the consideration of the lease that was not part of the original term.

e) *Short-term leases and leases of low value assets*

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line bases as an expense in Income Statements.

(ii) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

a) *Finance leases*

The Group and the Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 2(s) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

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

(ae) Leases (cont'd.)

(ii) Accounting by lessor (cont'd.)

b) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

Rental income on operating leases is recognised over the term of the lease on a straight-line basis. Rental income is shown net of rebates and discounts. Rental income includes base rent, percentage rent and other rent related income from tenants. Base rent is recognised on a straight-line basis over the lease term. Percentage rent is recognised based on sales reported by tenants. When the Group provide incentives or rebates to the tenants, the cost of incentives or rebates is capitalised as deferred lease incentive and is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Initial direct cost incurred by the Group in negotiating and arranging an operating lease is recognised as an asset (deferred lease incentive) and amortised over the lease term on the same basis as the rental income.

c) Sublease classification

Until the financial year ended 30 June 2019, when the Group was an intermediate lessor, the subleases were classified as finance or operating leases by reference to the underlying assets.

From 1 July 2019, when the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company applies the exemption described above, then it classifies the sublease as an operating lease.

d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

(af) Grants and contributions

Grants and contributions are benefits received in respect of specific qualifying expenditure, and investment tax credits and tax benefits in respect of qualifying property, plant and equipment. These are released to the profit or loss over the expected economic useful lives of the related assets.

(ag) Provisions

The Group recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate.

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

(ah) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties, bonds and borrowings and derivative financial instruments.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) *Financial liabilities at fair value through profit or loss*

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

b) *Financial liabilities at amortised cost*

This is the category most relevant to the Group and the Company. After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the of profit or loss.

(iii) Derecognition

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

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

(ai) Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statements are translated at average exchange rates; and
- all resulting exchange differences are recognised as separate components of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the 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 2011 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2011, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions. This is in accordance to the adoption of MFRS 1.

(aj) 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.

(ak) Financial guarantee

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

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

(ak) Financial guarantee (cont'd.)

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

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

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

(al) Contingent liabilities and contingent assets

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

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

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

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

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

(am) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimated assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash generating units have been determined based on either value-in-use or fair value less costs to sell calculations. These calculations require the use of estimates as set out in Note 19 to the financial statements.

Management has factored in the potential impact with respect to the Covid-19 outbreak within the impairment assessments based on the best estimate on the trajectory of recovery from the Covid-19 outbreak. Significant judgement is involved as there may be potential uncertainties on the full extent of impact as a result of Covid-19.

(b) Capitalisation policy of property, plant and equipment on infrastructure assets

The infrastructure assets of the water and sewerage segment comprised cost incurred to meet the development and regulatory requirement of the business and this includes employee and overhead costs that are directly attributable to the construction of the asset.

Estimates and judgements are involved in determining whether cost incurred, specifically employee and overhead costs, meet the relevant criteria for capitalisation of property, plant and equipment.

(c) Estimated impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value in use of the property, plant and equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

The Group management follows its accounting policy set out in Note 2(k) in determining when property, plant and equipment are considered impaired.

Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amount of these assets exceeds the recoverable amounts. In determining the recoverable amount of these assets, certain estimates regarding the cash flows of these assets are made.

(d) Assessment on allowance for impairment of trade receivables of water and sewerage

The expected credit loss on outstanding receivables is a key estimate under MFRS 9. The Group estimate of recoverability by grouping customers into similar economic profiles and applying a percentage loss rate based on forward looking judgements on the future collection rates that are likely to be achieved. In particular for the financial year ended 30 June 2020, this has included additional considerations of the possible impact of the Covid-19 pandemic on the expected collection rates of outstanding receivables.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(e) Estimated useful lives of property, plant and equipment ("PPE")

The Group reviews the useful lives of its PPE at each reporting date and any adjustments are made on a prospective basis as changes in accounting estimates. The useful lives of the telecommunications equipment are assessed periodically based on the conditions of the equipment, market conditions and other regulatory requirements. During the financial year, the Group has reviewed the operational conditions of the equipment in telecommunications business segment and revised the estimated useful lives of certain telecommunications equipment from 7-25 years to 10-30 years with effect from 1 July 2019 to better reflect the economic useful lives.

(f) Fair value estimates for investment properties

The Group carries investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these investment properties would affect income statement.

(g) Assessment of lower of cost and net realisable value

The Group recognises inventories at lower of cost and net realisable value.

Significant judgement is required in determining the net realisable value which is the estimated selling price in ordinary course of business less the estimated cost to sale.

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

The present value of the post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income are disclosed in Note 35 to the financial statements. Any changes in these assumptions will impact the carrying amount of pension obligations.

(i) Control over Starhill Global Real Investment Trust ("SGREIT")

The Group has approximately 36.74% (2019: 36.46%) gross ownership interest of units in ("SGREIT") as at 30 June 2020. ("SGREIT") is managed by YTL Starhill Global REIT Management Ltd ("YTLSGM"), a wholly-owned subsidiary of the Group. Since April 2020, the Group has provided an undertaking to the trustee of ("SGREIT") to grant the other unitholders the right to endorse or re-endorse the appointment of directors of YTLSGM at the annual general meetings of ("SGREIT"). The Group has determined that it does not have control over ("SGREIT") but continues to have significant influence over the investment.

(j) Construction contracts

The Group has significant ongoing construction contracts. For these construction contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(j) Construction contracts (cont'd.)

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of the internal experts to determine the progress of the construction and also on past experience of completed projects.

(k) Revenue recognition from accrued income

The unbilled income accrual from metered water services of the water and sewerage segment requires an estimation of the amount of unbilled charges at the period end. This is calculated using system generated information based on previous customer volume usage.

(l) Leases

The measurement of the "right-of-use" assets and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group and the Company first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4. REVENUE

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Revenue comprise the following:				
Revenue from contracts with customers	**18,504,298**	17,153,379	**260**	291
Revenue from other sources	**674,151**	894,149	**415,071**	548,325
Total revenue	**19,178,449**	18,047,528	**415,331**	548,616

4. REVENUE (CONT'D.)

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Utilities				
Sale of electricity	**5,837,626**	6,705,782	**-**	-
Sale of clean water, treatment and disposal of waste water	**3,479,290**	3,432,281	**-**	-
Sale of steam	**171,900**	211,048	**-**	-
Broadband and telecommunications revenue	**396,858**	863,289	**-**	-
Others	**389,427**	154,832	**-**	-
	10,275,101	11,367,232	**-**	-
Cement manufacturing & trading				
Sale of cement and related products	**4,077,724**	2,655,217	**-**	-
Others	**14,479**	19,035	**-**	-
	4,092,203	2,674,252	**-**	-
Construction				
Construction contracts revenue	**2,316,005**	1,219,499	**-**	-
Hotel operations				
Hotel room and food and beverages	**1,113,986**	1,198,333	**-**	-
Others	**18,529**	27,292	**-**	-
	1,132,515	1,225,625	**-**	-
Property				
Property development and sales of completed properties	**478,046**	435,872	**-**	-
Sale of land held for property development	**-**	9,050	**-**	-
Others	**17,213**	19,546	**-**	-
	495,259	464,468	**-**	-
Information technology & e-commerce related business				
Media and advertising services	**3,500**	3,669	**-**	-
Others	**41**	153	**-**	-
	3,541	3,822	**-**	-

Notes to the Financial Statements
- 30 June 2020

4. REVENUE (CONT'D.)

(a) Disaggregation of revenue from contracts with customers and other sources: (cont'd.)

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Management services & others				
Operation and maintenance services	**139,023**	144,529	**-**	-
Food and beverages operations	**14,659**	26,923	**-**	-
Others	**35,992**	27,029	**260**	291
	189,674	198,481	**260**	291
	18,504,298	17,153,379	**260**	291
Revenue from other sources				
Rental income	**481,471**	639,938	**-**	-
Interest income	**183,887**	224,804	**43,200**	61,056
Dividend income	**8,793**	29,407	**371,871**	487,269
	674,151	894,149	**415,071**	548,325
Total revenue	**19,178,449**	18,047,528	**415,331**	548,616

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
- at a point in time	**7,819,342**	8,681,719	**-**	-
- over time	**10,684,956**	8,471,660	**260**	291
	18,504,298	17,153,379	**260**	291

5. COST OF SALES

Included in cost of sales are the following:

	Group	
	2020 RM'000	**2019 RM'000**
Cost of inventories	**3,011,036**	2,043,891
Construction contracts costs	**2,061,477**	1,047,401
Cost of fuel, raw materials and consumable	**5,996,783**	6,843,189
Property development costs	**7,322**	17,423

6. FINANCE COSTS

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Interest expense					
- Bonds		**874,796**	896,991	**116,028**	115,070
- Borrowings		**946,231**	852,637	**55,563**	60,880
- Lease liabilities		**47,286**	-	**295**	-
- Post-employment benefit obligations		**15,894**	18,682	**-**	-
		1,884,207	1,768,310	**171,886**	175,950
Less: Amounts capitalised in					
- Property development costs	23	**(4,906)**	(12,463)	**-**	-
- Property, plant and equipment	11	**(18,554)**	(8,348)	**-**	-
Interest expense of financial liabilities carried at amortised cost		**1,860,747**	1,747,499	**171,886**	175,950

Notes to the Financial Statements

- 30 June 2020

7. PROFIT BEFORE TAX

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax is stated after charging (other than those disclosed in Note 5 & 6 to the Financial Statements):					
Amortisation of contract costs	24	**7,842**	11,569	**-**	-
Amortisation of intangible assets	19	**69,606**	10,806	**-**	-
Auditors' remuneration					
- statutory audit					
- current financial year		**10,029**	10,098	**244**	244
- under provision in prior financial year		**87**	54	**-**	4
- others		**1,601**	727	**16**	14
Bad debts written off					
- receivables		**10,901**	5,552	**-**	-
Cash flow hedges, reclassified from hedging reserve to cost of sales		**154,819**	(144,316)	**-**	-
Depreciation of property, plant and equipment	11	**1,554,423**	1,497,585	**809**	889
Depreciation of right-of-use assets	12	**193,895**	-	**4,535**	-
Directors' remuneration					
- emoluments		**57,993**	73,308	**6,102**	4,896
- fees		**1,821**	2,423	**822**	848
- benefits-in-kind		**1,106**	587	**-**	-
Hedge ineffectiveness recognised in profit or loss		**16,210**	-	**-**	-
Hiring of plant and machinery		**-**	15,059	**-**	-
Impairment losses on					
- amount due from related parties	38(e)	**100**	34	**-**	-
- development expenditures	14	**-**	1,080	**-**	-
- goodwill	19	**1,723**	-	**-**	-
- receivables - net of reversal	38(e)	**153,645**	155,134	**-**	-
- investment in associates		**1,135**	-	**-**	-
- investment in joint venture	17	**898**	-	**-**	-
- property, plant and equipment	11	**28,958**	4,347	**-**	-
Investment properties written off	13	**7,675**	-	**-**	-
Inventories written down		**44,656**	77,662	**-**	-
Lease expense not recognised in lease liabilities					
- short-term lease		**84,967**	-	**634**	-
- low value assets		**8,683**	-	**-**	-
Loss on foreign exchange - net					
- realised		**27,502**	23,620	**-**	-
- unrealised		**28,433**	12,360	**-**	-
Net fair value loss on derivatives		**20,122**	36,074	**-**	-
Property, plant and equipment written off	11	**51,896**	26,793	**-**	-
(Write back of)/Provision for liabilities and charges	36	**(4,437)**	7,520	**-**	-
Rental of land and buildings		**-**	188,442	**-**	931

7. PROFIT BEFORE TAX (CONT'D.)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
And crediting (other than those disclosed in Note 4 to the Financial Statements):					
Adjustment on fair value of investment properties	13	**(12,808)**	13,172	**-**	-
Amortisation of deferred income		**5,209**	4,579	**-**	-
Amortisation of grants and contributions	33	**15,166**	15,973	**-**	-
Bad debts recovered		**2,949**	4,187	**-**	-
Gain on derecognition of subsidiary		**258,506**	-	**-**	-
Gain/(loss) on disposal of					
- investments - net		**1,172**	-	**-**	-
- investment properties		**-**	3,709	**-**	-
- property, plant and equipment		**18,739**	4,820	**-**	(72)
Gain on foreign exchange - net					
- realised		**3,281**	6,868	**366**	1,983
- unrealised		**124,485**	121,930	**-**	-
Gross dividend from quoted investments, within Malaysia		**1,290**	4	**-**	-
Hiring income from plant, machinery and equipment		**26,947**	29,916	**-**	-
Interest income from financial assets measured at amortised cost					
- fixed deposits		**91,170**	82,582	**-**	-
- others		**4,015**	4,134	**-**	-
Interest income - net investment in lease		**746**	-	**-**	-
Liquidated assets damages income		**-**	29,243	**-**	-
Net fair value gain on derivatives		**3,357**	16,093	**-**	-
Net fair value gain on investments	18	**25,976**	62,507	**823**	1,288
Operating lease income		**139,548**	-	**-**	-
Rental income					
- other properties		**10,166**	11,657	**-**	-
Write back of impairment loss on					
- property, plant and equipment	11	**-**	1,024	**-**	-
- contract assets	38(e)	**278**	57	**-**	-
- development expenditures	14	**2,978**	-	**-**	-

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components are as follows:

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Group - 2020								
Executive Directors								
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	289	10,969	2,477	1,090	1,114	2	148	16,089
Dato' Yeoh Seok Kian	182	4,969	1,521	632	1,114	2	679	9,099
Dato' Yeoh Soo Min	-	3,681	1,244	547	1,114	1	36	6,623
Dato' Yeoh Seok Hong	-	3,913	1,331	585	1,114	2	37	6,982
Dato' Sri Michael Yeoh Sock Siong	-	4,100	1,333	596	1,114	2	56	7,201
Dato' Yeoh Soo Keng	-	3,232	1,212	533	1,114	1	29	6,121
Dato' Mark Yeoh Seok Kah	-	3,523	1,184	521	1,114	3	41	6,386
Syed Abdullah Bin Syed Abd. Kadir	-	648	120	31	111	1	80	991
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	328	-	-	-	-	23	-	351
Dato' Ahmad Fuaad Bin Mohd Dahalan	410	-	-	-	-	21	-	431
Faiz Bin Ishak	439	-	-	-	-	27	-	466
Raja Noorma Binti Raja Othman	173	-	-	-	-	7	-	180
	1,821	35,035	10,422	4,535	7,909	92	1,106	60,920

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration (cont'd.)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Estimated money value of benefits-in-kind RM'000	Others RM'000	Total RM'000
Company - 2020								
Executive Directors								
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	-	-	-	-	667	-	-	667
Dato' Yeoh Seok Kian	-	812	305	134	667	70	-	1,988
Dato' Yeoh Soo Min	-	-	-	-	667	-	-	667
Dato' Yeoh Seok Hong	-	-	-	-	667	-	-	667
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	667	-	-	667
Dato' Yeoh Soo Keng	-	-	-	-	667	-	-	667
Dato' Mark Yeoh Seok Kah	-	-	-	-	667	-	-	667
Syed Abdullah Bin Syed Abd. Kadir	-	-	-	-	66	-	-	66
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	220	-	-	-	-	-	14	234
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	-	-	12	222
Faiz Bin Ishak	219	-	-	-	-	-	13	232
Raja Noorma Binti Raja Othman	173	-	-	-	-	-	7	180
	822	812	305	134	4,735	70	46	6,924

Notes to the Financial Statements
– 30 June 2020

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration (cont'd.)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Others RM'000	Estimated money value of benefits-in-kind RM'000	Total RM'000
Group - 2019								
Executive Directors								
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	306	14,265	2,477	1,486	1,114	2	184	19,834
Dato' Yeoh Seok Kian	193	6,987	1,521	924	1,114	4	113	10,856
Dato' Yeoh Soo Min	-	5,341	1,244	746	1,114	1	43	8,489
Dato' Yeoh Seok Hong	-	5,685	1,331	798	1,114	1	69	8,998
Dato' Sri Michael Yeoh Sock Siong	-	5,822	1,272	792	1,114	2	54	9,056
Dato' Yeoh Soo Keng	-	4,848	1,212	727	1,114	2	31	7,934
Dato' Mark Yeoh Seok Kah	-	5,099	1,184	710	1,114	3	13	8,123
Syed Abdullah Bin Syed Abd. Kadir	-	648	120	42	111	1	80	1,002
Non-Executive Directors								
Eu Peng Meng @ Leslie Eu	647	-	-	-	-	30	-	677
Dato' Chong Keap Thai @ Cheong Keap Tai	440	-	-	-	-	29	-	469
Dato' Ahmad Fuaad Bin Mohd Dahalan	410	-	-	-	-	24	-	434
Faiz Bin Ishak	427	-	-	-	-	19	-	446
	2,423	48,695	10,361	6,225	7,909	118	587	76,318

7. PROFIT BEFORE TAX (CONT'D.)

Directors' remuneration (cont'd.)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Share-based payments RM'000	Estimated money value of benefits-in-kind RM'000	Others RM'000	Total RM'000
Company - 2019								
Executive Directors								
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, KBE, CBE, FICE	-	-	-	-	667	-	-	667
Dato' Yeoh Seok Kian	-	100	-	12	667	-	-	779
Dato' Yeoh Soo Min	-	-	-	-	667	-	-	667
Dato' Yeoh Seok Hong	-	-	-	-	667	-	-	667
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	667	-	-	667
Dato' Yeoh Soo Keng	-	-	-	-	667	-	-	667
Dato' Mark Yeoh Seok Kah	-	-	-	-	667	-	-	667
Syed Abdullah Bin Syed Abd. Kadir	-	-	-	-	66	-	-	66
Non-Executive Directors								
Eu Peng Meng @ Leslie Eu	208	-	-	-	-	-	13	221
Dato' Chong Keap Thai @ Cheong Keap Tai	220	-	-	-	-	-	15	235
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	-	-	13	223
Faiz Bin Ishak	210	-	-	-	-	-	8	218
	848	100	-	12	4,735	-	49	5,744

Notes to the Financial Statements
- 30 June 2020

7. PROFIT BEFORE TAX (CONT'D.)

Employee benefits expenses

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Employees compensation (excluding Directors' remuneration)				
Wages, salaries and bonus	**1,222,551**	1,166,520	**20,577**	18,188
Defined contribution plan	**124,950**	79,867	**2,306**	2,117
Defined benefit plan	**43,824**	64,699	**-**	-
Share option expenses	**14,557**	14,944	**1,922**	1,932
Other benefits	**34,647**	28,907	**1,406**	1,190
	1,440,529	1,354,937	**26,211**	23,427

8. INCOME TAX EXPENSE

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Current income tax					
- Malaysian income tax		**130,626**	159,742	**6,462**	16,802
- Foreign income tax		**139,452**	146,015	**-**	-
Deferred tax	34	**144,558**	9,395	**-**	-
		414,636	315,152	**6,462**	16,802
Current income tax					
- Current financial year		**319,075**	307,876	**9,851**	18,980
- Over provision in prior financial years		**(48,997)**	(2,119)	**(3,389)**	(2,178)
Deferred tax					
- Relating to origination and reversal of temporary differences		**144,558**	9,395	**-**	-
		414,636	315,152	**6,462**	16,802

8. INCOME TAX EXPENSE (CONT'D.)

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Profit before tax	**419,294**	1,036,507	**176,055**	315,250
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**100,631**	248,762	**42,253**	75,660
Non-deductible expenses	**379,548**	340,440	**57,390**	58,031
Income not subject to tax	**(128,308)**	(165,548)	**(89,792)**	(114,711)
Different tax rates in other countries including re-measuring of deferred tax*	**158,866**	(30,647)	**-**	-
Double deductible expenses	**(974)**	(3,467)	**-**	-
Over provision in prior years	**(48,997)**	(2,119)	**(3,389)**	(2,178)
Tax effect on share of profits of associated companies and joint ventures	**(61,728)**	(98,663)	**-**	-
Tax effect of over provision of deferred tax	**362**	2,036	**-**	-
Tax effect of recognised deferred tax assets	**15,236**	24,358	**-**	-
Income tax expense recognised in profit or loss	**414,636**	315,152	**6,462**	16,802

* The re-measurement of deferred tax during the financial year of RM162.4 million in respect of a subsidiary was due to an increase in the United Kingdom corporation tax rate from 17% to 19% (effective from 1 April 2020) following the March 2020 Budget in United Kingdom. This reduction will increase the subsidiary's future current tax charge accordingly. The deferred tax liability at 30 June 2020 has been calculated based on the rate of 19% substantively enacted at the financial year ended 30 June 2020.

9. (LOSS)/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	
	2020	**2019**
(Loss)/Profit for the financial year attributable to owners of the parent (RM'000)	**(189,221)**	242,589
Weighted average number of ordinary shares in issue for basic EPS ('000)	**10,648,839**	10,569,956
Basic/diluted EPS (sen)	**(1.78)**	2.30

119,495,000 (2019: 120,900,000) share options granted to employees under ESOS have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

10. DIVIDENDS

	Group/Company			
	2020		2019	
	Gross dividend per share (sen)	**Amount of dividend, net of tax RM'000**	**Gross dividend per share (sen)**	**Amount of dividend, net of tax RM'000**
Dividend paid in respect of financial year ended 30 June 2019:				
Interim dividend of 4 sen per ordinary share paid on 13 November 2019	**4.0**	**426,770**	–	–
Dividend paid in respect of financial year ended 30 June 2018:				
Interim dividend of 4 sen per ordinary share paid on 13 November 2018	**-**	**-**	4.0	422,748
Dividend recognised as distribution to ordinary equity holders of the Company	**4.0**	**426,770**	4.0	422,748

The Directors do not propose any final dividend in respect of the financial year ended 30 June 2020.

<u>Distribution of treasury shares ("Share Dividend")</u>

On 28 August 2020, a Share Dividend of one (1) treasury share for every thirty (30) existing ordinary shares held was declared and the book closure date for the Share Dividend is 28 October 2020.

11. PROPERTY, PLANT AND EQUIPMENT

	Note	Land & building* RM'000	Infra-structure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munication equipment RM'000	Assets under construction RM'000	Total RM'000
Group - 2020									
Cost/Valuation									
At 1.7.2019, as previously reported		11,673,973	8,467,160	23,970,206	2,080,562	789,288	3,117,440	2,085,460	52,184,089
Effect of adopting MFRS 16		(824,201)	-	-	-	-	(86,696)	-	(910,897)
At 1.7.2019, restated		10,849,772	8,467,160	23,970,206	2,080,562	789,288	3,030,744	2,085,460	51,273,192
Acquisition of subsidiaries		249,495	-	319,615	7,627	13,112	-	22,962	612,811
Additions		64,172	419	77,878	43,412	26,170	2,349	1,550,595	1,764,995
Derecognition of subsidiary		(440,020)	-	(47,200)	(2,707)	-	-	-	(489,927)
Disposal		(13,254)	-	(17,701)	(32,807)	(42,969)	(741)	-	(107,472)
Written off		(21,081)	(740)	(256,021)	(123,793)	(821)	(1,202)	(606)	(404,264)
Impairment loss	7	(26,005)	-	-	-	-	-	-	(26,005)
Transfer on commissioning		345,402	444,389	1,558,573	58,494	30,161	104,401	(2,541,420)	-
Transfer from development expenditures	14	542	-	-	-	-	-	89,960	90,502
Transfer from investment properties	13	270	6,133	-	-	-	-	-	6,403
Transfer from property development costs	23	316,709	-	56,281	-	-	-	8,375	381,365
Transfer to intangible assets^		254,611	880	(753,005)	16,804	243,725	(56,635)	(92,584)	(386,204)
Currency translation differences		77,468	26,336	45,803	15,162	1,601	-	20,100	186,470
At 30.6.2020		11,658,081	8,944,577	24,954,429	2,062,754	1,060,267	3,078,916	1,142,842	52,901,866
Accumulated depreciation and impairment									
At 1.7.2019, as previously reported		3,541,042	686,166	14,614,240	1,001,960	563,088	1,018,100	-	21,424,596
Effect of adopting MFRS 16		(251,924)	-	-	-	-	(16,349)	-	(268,273)
At 1.7.2019, restated		3,289,118	686,166	14,614,240	1,001,960	563,088	1,001,751	-	21,156,323
Acquisition of subsidiaries		107,076	-	156,008	5,482	9,816	-	-	278,382
Charge for the financial year		241,157	77,802	910,524	134,131	67,914	132,185	-	1,563,713
Derecognition of subsidiary		(27,559)	-	(31,860)	(2,626)	-	-	-	(62,045)
Disposal		(1,776)	-	(13,931)	(29,845)	(37,921)	(217)	-	(83,690)
Written off		(14,067)	(130)	(243,747)	(92,926)	(785)	(713)	-	(352,368)
Impairment loss	7	-	-	2,953	-	-	-	-	2,953
Transfer to intangible assets^		181,984	487	(440,267)	10,847	132,704	(48,885)	-	(163,130)
Currency translation differences		39,031	16,737	(1,563)	6,886	1,054	-	-	62,145
At 30.6.2020		3,814,964	781,062	14,952,357	1,033,909	735,870	1,084,121	-	22,402,283
Net book value									
At 30.6.2020		7,843,117	8,163,515	10,002,072	1,028,845	324,397	1,994,795	1,142,842	30,499,583

^ During the financial year, the Group decided to refine its analysis of assets and identify elements of its asset stock that could be classified as intangible assets. Following this exercise, those assets that met the definition were transferred from property, plant and equipment to intangible assets.

Notes to the Financial Statements
– 30 June 2020

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Note	Land & building* RM'000	Infra-structure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Telecom-munication equipment RM'000	Assets under construction RM'000	Total RM'000
Group - 2019									
Cost/Valuation									
At 1.7.2018		10,232,886	8,228,973	19,072,492	1,932,357	620,060	2,789,896	2,072,452	44,949,116
Acquisition of subsidiaries		604,297	-	4,231,549	74,687	19,862	-	118,415	5,048,810
Additions		495,187	316,914	677,605	428,625	104,504	14,588	447,136	2,484,559
Disposal		(714)	-	(25,220)	(23,094)	(41,367)	-	-	(90,395)
Written off		(60,747)	(426)	(100,138)	(22,381)	(660)	(10,044)	(14,409)	(208,805)
Reversal of impairment loss	7	1,024	-	-	-	-	-	-	1,024
Transfer on commissioning		405,689	-	17,848	(309,660)	83,680	323,000	(520,557)	-
Transfer from development expenditures	14	6,900	-	-	-	-	-	-	6,900
Currency translation differences		(10,549)	(78,301)	96,070	28	3,209	-	(17,577)	(7,120)
At 30.6.2019		11,673,973	8,467,160	23,970,206	2,080,562	789,288	3,117,440	2,085,460	52,184,089
Accumulated depreciation and impairment									
At 1.7.2018		3,018,136	616,042	11,052,098	879,412	437,798	834,397	-	16,837,883
Acquisition of subsidiaries		359,028	-	2,864,896	62,355	17,135	-	-	3,303,414
Charge for the financial year		222,614	75,960	829,456	107,594	76,517	193,034	-	1,505,175
Disposal		(125)	-	(21,725)	(18,480)	(34,846)	-	-	(75,176)
Written off		(54,630)	(426)	(98,117)	(19,455)	(53)	(9,331)	-	(182,012)
Impairment loss	7	-	-	4,347	-	-	-	-	4,347
Transfer on commissioning		4,235	-	(63,541)	(4,947)	64,253	-	-	-
Currency translation differences		(8,216)	(5,410)	46,826	(4,519)	2,284	-	-	30,965
At 30.6.2019		3,541,042	686,166	14,614,240	1,001,960	563,088	1,018,100	-	21,424,596
Net book value									
At 30.6.2019		8,132,931	7,780,994	9,355,966	1,078,602	226,200	2,099,340	2,085,460	30,759,493

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Land & buildings of the Group are as follows:

	Freehold land RM'000	Long-term leasehold land RM'000	Short-term leasehold land RM'000	Building on freehold land RM'000	Building on long-term leasehold land RM'000	Buildings on short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2020								
Cost/Valuation								
At 1.7.2019, as previously reported								
At cost	1,054,959	601,385	317,870	7,334,743	1,409,972	943,648	2,635	11,665,212
At valuation	6,083	200	-	2,478	-	-	-	8,761
Effect of adopting MFRS 16	-	(506,645)	(317,556)	-	-	-	-	(824,201)
At 1.7.2019, restated	1,061,042	94,940	314	7,337,221	1,409,972	943,648	2,635	10,849,772
Acquisition of subsidiaries	-	-	-	-	249,495	-	-	249,495
Additions	199	-	-	18,670	11,213	34,090	-	64,172
Derecognition of subsidiary	(207,177)	(94,940)	-	(111,748)	(26,155)	-	-	(440,020)
Disposal	(3,006)	-	-	(9,034)	(622)	(592)	-	(13,254)
Written off	-	-	-	(11,220)	(6,060)	(3,656)	(145)	(21,081)
Impairment loss	-	-	-	(26,005)	-	-	-	(26,005)
Transfers	74,037	-	(314)	593,183	292,622	(58,952)	16,958	917,534
Currency translation differences	10,355	-	-	47,084	11,451	8,578	-	77,468
At 30.6.2020	935,450	-	-	7,838,151	1,941,916	923,116	19,448	11,658,081
Representing:-								
At cost	929,367	-	-	7,835,642	1,941,916	923,116	19,448	11,649,489
At valuation	6,083	-	-	2,509	-	-	-	8,592
At 30.6.2020	935,450	-	-	7,838,151	1,941,916	923,116	19,448	11,658,081
Accumulated depreciation and impairment								
At 1.7.2019, as previously reported								
At cost	40	77,824	179,218	2,496,654	408,428	375,955	2,143	3,540,262
At valuation	-	32	-	748	-	-	-	780
Effect of adopting MFRS 16	-	(68,393)	(179,218)	-	-	(4,313)	-	(251,924)
At 1.7.2019, restated	40	9,463	-	2,497,402	408,428	371,642	2,143	3,289,118
Acquisition of subsidiaries	-	-	-	-	107,076	-	-	107,076
Charge for the financial year	-	-	-	165,930	46,867	27,640	720	241,157
Derecognition of subsidiary	-	(9,463)	-	(15,008)	(3,088)	-	-	(27,559)
Disposal	-	-	-	(591)	(593)	(592)	-	(1,776)
Written off	-	-	-	(6,364)	(5,639)	(1,924)	(140)	(14,067)
Transfers	-	-	-	3,255	209,204	(35,183)	4,708	181,984
Currency translation differences	-	-	-	33,263	4,445	1,323	-	39,031
At 30.6.2020	40	-	-	2,677,887	766,700	362,906	7,431	3,814,964
Net book value								
At cost	929,327	-	-	5,158,552	1,175,216	560,210	12,017	7,835,322
At valuation	6,083	-	-	1,712	-	-	-	7,795
At 30.6.2020	935,410	-	-	5,160,264	1,175,216	560,210	12,017	7,843,117

Notes to the Financial Statements

– 30 June 2020

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Land & buildings of the Group are as follows:

	Freehold land RM'000	Long-term leasehold land RM'000	Short-term leasehold land RM'000	Building on freehold land RM'000	Building on long-term leasehold land RM'000	Buildings on short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2019								
Cost/Valuation								
At 1.7.2018								
At cost	1,033,325	472,694	166,383	6,953,618	1,087,824	507,458	2,635	10,223,937
At valuation	6,271	200	-	2,478	-	-	-	8,949
	1,039,596	472,894	166,383	6,956,096	1,087,824	507,458	2,635	10,232,886
Acquisition of subsidiaries	31,862	48,963	126,743	-	-	396,729	-	604,297
Additions	667	73,568	-	162,883	247,340	10,729	-	495,187
Disposal	(188)	-	(464)	-	-	(62)	-	(714)
Written off	-	-	-	(60,747)	-	-	-	(60,747)
Reversal of impairment	-	-	-	1,024	-	-	-	1,024
Transfers	(23,262)	8,022	19,314	316,020	80,095	12,400	-	412,589
Currency translation differences	12,367	(1,862)	5,894	(38,055)	(5,287)	16,394	-	(10,549)
At 30.6.2019	1,061,042	601,585	317,870	7,337,221	1,409,972	943,648	2,635	11,673,973
Representing:-								
At cost	1,054,959	601,385	317,870	7,334,743	1,409,972	943,648	2,635	11,665,212
At valuation	6,083	200	-	2,478	-	-	-	8,761
At 30.6.2019	1,061,042	601,585	317,870	7,337,221	1,409,972	943,648	2,635	11,673,973
Accumulated depreciation and impairment								
At 1.7.2018								
At cost	-	55,553	72,830	2,407,449	374,083	105,385	2,106	3,017,406
At valuation	-	30	-	700	-	-	-	730
	-	55,583	72,830	2,408,149	374,083	105,385	2,106	3,018,136
Acquisition of subsidiaries	40	15,776	92,880	-	-	250,332	-	359,028
Charge for the financial year	-	6,219	11,056	162,604	26,380	16,318	37	222,614
Disposal	-	-	(94)	-	-	(31)	-	(125)
Written off	-	-	-	(54,630)	-	-	-	(54,630)
Transfer on commissioning	-	146	-	(4,757)	8,336	510	-	4,235
Currency translation differences	-	132	2,546	(13,964)	(371)	3,441	-	(8,216)
At 30.6.2020	40	77,856	179,218	2,497,402	408,428	375,955	2,143	3,541,042
Net book value:								
At cost	1,054,919	523,561	138,652	4,838,089	1,001,544	567,693	492	8,124,950
At valuation	6,083	168	-	1,730	-	-	-	7,981
At 30.6.2019	1,061,002	523,729	138,652	4,839,819	1,001,544	567,693	492	8,132,931

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Note	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Company - 2020				
Cost				
At 1.7.2019		**7,208**	**9,292**	**16,500**
Additions		**187**	**-**	**187**
At 30.6.2020		**7,395**	**9,292**	**16,687**
Accumulated depreciation				
At 1.7.2019		**6,701**	**5,325**	**12,026**
Charge for the financial year	7	**415**	**394**	**809**
At 30.6.2020		**7,116**	**5,719**	**12,835**
Net book value				
At 30.6.2020		**279**	**3,573**	**3,852**
Company - 2019				
Cost				
At 1.7.2018		7,055	8,417	15,472
Additions		153	1,334	1,487
Disposal		-	(459)	(459)
At 30.6.2019		7,208	9,292	16,500
Accumulated depreciation				
At 1.7.2018		6,305	5,161	11,466
Charge for the financial year	7	396	493	889
Disposal		-	(329)	(329)
At 30.6.2019		6,701	5,325	12,026
Net book value				
At 30.6.2019		507	3,967	4,474

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit or loss	7	**1,554,423**	1,497,585	**809**	889
Construction contract costs	24(c)	**9,290**	7,590	**-**	-
		1,563,713	1,505,175	**809**	889

(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 2019 RM'000	Company 2019 RM'000
Plant and machinery	94,987	-
Vehicles	4,302	2,528
	99,289	2,528

(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	
	2020 RM'000	2019 RM'000
Land	**168,961**	164,166
Buildings	**892,218**	1,381,634
	1,061,179	1,545,800

(d) Borrowing cost

Borrowing costs of RM18,554,000 (2019: RM8,348,000) arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

The Group has revised the useful lives of certain property, plant and equipment during the financial year. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year ended 30 June 2020 has decreased approximately by RM97.1 million (2019: RM83.4 million).

Impairment assessment for property, plant and equipment ("PPE") of a subsidiary

The recoverable amount of the PPE assessed as part of a cash generating unit ("CGU") are determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of PPE of a subsidiary in the telecommunications business division:

	2020	2019
Discount rate	**7.7%**	8.2%
Average revenue growth rate	**20.7%**	21.4%

The discount rate applied to the cash flow projections are derived from the cost of capital at the date of the assessment.

The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts covering a 5 year period, adjusted to reflect market's participants assumptions. Cash flows beyond the 5 year period were extrapolated a further 15 years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2019: 2.5%).

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

The carrying amount of the CGU is RM2.7 billion (2019: RM2.2 billion). No impairment charge was recognised as the recoverable amount of the CGU was in excess of its carrying amount.

The subsidiary was awarded contract during the financial year and is expected to be continued in the coming years. If the contract value decrease by 24.7%, the recoverable amount of the CGU will be equal to the corresponding carrying amount in 2020.

If the discount rate increase by 1%, the carrying value will be reduced by approximate RM90 million. And, if the average revenue growth rate decrease by 0.5%, the carrying value will be reduced by approximately RM100 million.

Notes to the Financial Statements
– 30 June 2020

12. RIGHT-OF-USE ASSETS

	Note	Land RM'000	Telecom-munications network site and equipment RM'000	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Leasehold land RM'000	Others RM'000	Total RM'000
Group - 2020									
Net Book Value:									
At 1 July 2019, as previously reported		-	-	-	-	-	-	-	-
Effects of adoption of MFRS 16		122,117	666,781	94,207	4,674	12,378	572,621	-	1,472,778
At 1 July 2019, as restated		122,117	666,781	94,207	4,674	12,378	572,621	-	1,472,778
Additions		6,446	11,885	314,447	260	-	10,199	2,096	345,333
Acquisition subsidiary		-	-	-	-	-	6,482	-	6,482
Charge for the financial year	7	(24,900)	(114,136)	(17,957)	(2,461)	(7,135)	(25,575)	(1,731)	(193,895)
Currency translation differences		426	-	612	7	50	4,892	2	5,989
Expiry/Termination		-	(395)	(257)	-	-	-	-	(652)
At 30 June 2020		104,089	564,135	391,052	2,480	5,293	568,619	367	1,636,035
At 30 June 2020									
Cost		130,728	1,327,862	411,161	4,942	12,403	848,623	2,114	2,737,833
Accumulated depreciation		(26,639)	(763,727)	(20,109)	(2,462)	(7,110)	(280,004)	(1,747)	(1,101,798)
Net book value		104,089	564,135	391,052	2,480	5,293	568,619	367	1,636,035

12. RIGHT-OF-USE ASSETS (CONT'D.)

	Note	Building RM'000
Company - 2020		
Net Book Value:		
At 1 July 2019		-
Additions		13,604
Charge for the financial year	7	(4,535)
At 30 June 2020		9,069
At 30 June 2020		
Cost		13,604
Accumulated depreciation		(4,535)
Net book value		9,069

The Group and the Company have lease contracts for various items of land, buildings, telecommunications network site and equipment, buildings, motor vehicle, plant and machinery, leasehold land and other used in their operations. Leases of those assets generally have lease term between 1 to 30 years.

The Group and the Company also have certain leases with lease terms of 12 months or less and leases that have been determined to be low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

The right-of-use assets relating to commercial properties presented under investment properties (Note 13) is stated fair value and has a carrying amount at reporting date of RM547,452,000.

Total cash outflow for all the leases in 2020 was RM523,529,000.

Notes to the Financial Statements
– 30 June 2020

13. INVESTMENT PROPERTIES

	Note	Freehold land & buildings RM'000	Long-term leasehold land & buildings RM'000	Total RM'000
Group - 2020				
At beginning of the financial year		**2,960,906**	**7,256,667**	**10,217,573**
Additions		**343,257**	**215,959**	**559,216**
Change in fair value recognised in profit or loss	7	**(1,633)**	**(11,175)**	**(12,808)**
Currency translation differences		**(12,741)**	**(42,968)**	**(55,709)**
Derecognition of subsidiary		**(1,979,583)**	**(6,851,698)**	**(8,831,281)**
Transfer to property development costs	23	**(51,787)**	**-**	**(51,787)**
Transfer to property, plant and equipment	11	**(6,403)**	**-**	**(6,403)**
Written off	7	**(7,650)**	**(25)**	**(7,675)**
At end of the financial year		**1,244,366**	**566,760**	**1,811,126**
Group - 2019				
At beginning of the financial year		2,902,048	7,101,841	10,003,889
Acquisition of subsidiary		2,304	2,163	4,467
Additions		40,574	2,922	43,496
Change in fair value recognised in profit or loss	7	79,932	(66,760)	13,172
Currency translation differences		(34,799)	216,501	181,702
Disposal		(10,128)	-	(10,128)
Transfer from inventory		19,382	-	19,382
Transfer to property development costs	23	(23,225)	-	(23,225)
Transfer to property, plant and equipment		(15,182)	-	(15,182)
At end of the financial year		2,960,906	7,256,667	10,217,573

Investment properties with carrying amount of RM481 million (2019: RM2,455 million) are charged as security for a borrowing granted to the Group as disclosed in Note 30 and Note 31 to the financial statements.

13. INVESTMENT PROPERTIES (CONT'D.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2020				
Recurring fair value measurements:				
Investment properties				
- Commercial properties	**-**	**-**	**547,452**	**547,452**
- Hotel properties	**-**	**-**	**672,000**	**672,000**
- Other properties	**-**	**34,610**	**557,064**	**591,674**
Total	**-**	**34,610**	**1,776,516**	**1,811,126**
Group - 2019				
Recurring fair value measurements:				
Investment properties				
- Commercial properties	-	-	8,947,689	8,947,689
- Hotel properties	-	-	667,000	667,000
- Other properties	-	34,592	568,292	602,884
Total	-	34,592	10,182,981	10,217,573

Rental income from investment properties of the Group during the financial year amounted to RM526,819,000 (2019: RM594,936,000).

Direct operating expenses from investment properties in respect of income and non-income generating properties of the Group during the financial year amounted to RM6,548,000 (2019: RM118,826,000) and RM11,251,000 (2019: RM201,473,000), respectively.

13. INVESTMENT PROPERTIES (CONT'D.)

(a) Fair value information

The Group's investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 and Level 3 respectively of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 39(b) to the financial statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

(b) Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square meter.

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

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

(i) Commercial properties

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
2020		
Discounted cash flow approach which involves the estimation and projection of income stream over a period and discounting the future income stream to arrive at the present value.	Discount rate from 6.5% to 7.50%	The higher the discount rate, the lower the fair value.
	Estimate rental value per square feet per month	The higher the estimate rental per square feet, the higher the valuation.
2019		
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 from 3.50% to 8.50%	The higher the discount rate, the lower the fair value.
	Capitalisation rate from 3.70% to 6.88%	The higher the capitalisation rate, the lower the fair value.

13. INVESTMENT PROPERTIES (CONT'D.)

(c) Fair value measurements using significant unobservable inputs (Level 3) (cont'd.)

(ii) Hotel properties

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach which capitalise the estimate rental income stream, net projected operating costs, using a discount rate derived from market yield	Discount rate of 6.00% to 7.50% (2019: 6.00% to 7.50%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 6.00% to 7.50% (2019: 6.00% to 7.50%)	The higher the capitalisation rate, the lower the fair value.

(iii) Other properties - UK

	Valuation technique	Significant observable inputs	Range 2020	Range 2019
Hangars	Capitalised income	Estimated rental value per sq-ft per annum	**£1.50 - £3.00**	£1.75 - £2.25
		Net yield percentage	**9.1%**	11.0%
		Void periods	**12-24 months**	12 months
Airfield	Transaction prices	Unit density per acre	**18 - 28**	18 - 28

Key unobservable inputs correspond to:

- Capitalisation rates derived from specialised publications from the related markets and comparable transactions.
- Discount rate, which are largely based on the risk-free rate of government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in the asset class.

Some of the independent valuation reports have highlighted that with the heightened uncertainty of the COVID-19 pandemic, a higher degree of caution should be exercised when relying upon their valuation. The valuations are based on the information available as at the date of valuation. Values may change more rapidly and significantly than during normal market conditions.

The investment properties are valued using the income capitalisation method, where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate based on current market-derived yield rates which reflect the expected return on investments commensurate with the risk exposure associated to the asset.

The significant unobservable input is the adjustment for factors specific to the properties. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Notes to the Financial Statements

- 30 June 2020

14. DEVELOPMENT EXPENDITURES

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

Group - 2020	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development cost					
Cost					
At beginning of the financial year		412,956	232,403	242,096	887,455
Additions		-	4,948	18,827	23,775
Transfer from property development costs	23	7,322	-	-	7,322
Transfer to inventory		-	(10,898)	(332)	(11,230)
At end of the financial year		420,278	226,453	260,591	907,322
Accumulated impairment losses					
At beginning of the financial year		(530)	(27,767)	(480)	(28,777)
Reversal of impairment	7	-	2,978	-	2,978
At end of the financial year		(530)	(24,789)	(480)	(25,799)
Total land held for property development		419,748	201,664	260,111	881,523
(b) Project development expenditure					
At beginning of the financial year		-	177,057	91,503	268,560
Additions		-	3,867	64,669	68,536
Charge to profit or loss		-	-	(8,175)	(8,175)
Currency translation difference		-	5,966	2,313	8,279
Transfer to property, plant and equipment	11	-	-	(90,502)	(90,502)
At end for the financial year		-	186,890	59,808	246,698
Total development expenditure		419,748	388,554	319,919	1,128,221

14. DEVELOPMENT EXPENDITURES (CONT'D.)

The movement in development expenditures of the Group during the financial year is as follows:- (cont'd.)

Group - 2019	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development cost					
At beginning of the financial year		411,576	235,425	233,789	880,790
Additions		-	-	12,244	12,244
Reclassification		1,380	62	(1,442)	-
Disposal		-	(11)	(1,123)	(1,134)
Written off		-	-	(457)	(457)
Transfer to property development costs	23	-	(3,073)	(915)	(3,988)
At end of the financial year		412,956	232,403	242,096	887,455
Accumulated impairment losses					
At beginning of the financial year		-	(27,315)	(382)	(27,697)
Impairment losses	7	(530)	(452)	(98)	(1,080)
At end of the financial year		(530)	(27,767)	(480)	(28,777)
Total land held for property development		412,426	204,636	241,616	858,678
(b) Project development expenditure					
At beginning of the financial year		-	159,144	115,154	274,298
Additions		-	13,772	106,670	120,442
Charge to profit or loss		-	-	(3,392)	(3,392)
Currency translation difference		-	4,141	3,180	7,321
Transfer from inventory		-	-	(40,078)	(40,078)
Transfer to property development costs	23	-	-	(83,131)	(83,131)
Transfer to property, plant and equipment	11	-	-	(6,900)	(6,900)
At end of the financial year		-	177,057	91,503	268,560
Total development expenditure		412,426	381,693	333,119	1,127,238

In the previous financial year, the impairment review has led to the recognition of impairment loss amounting to RM1,080,000 due to decline in estimate recoverable amount of development cost.

14. DEVELOPMENT EXPENDITURES (CONT'D.)

Land held for property development with carrying amount of RM327,064,000 (2019: RM182,590,000) are charged as security for borrowing granted to the Group as disclosed in Note 31 to the financial statements.

Included in project development expenditure, land acquisition costs relating to the construction of the power plant by P.T. Tanjung Jati Power Company under a 30-year power purchase agreement with PT PLN (Persero), Indonesia's state-owned electric utility company, a second amended and restated version of which was executed in March 2018. In February 2020, P.T. Tanjung Jati Power Company obtained the Business Viability Guarantee Letter from the Ministry of Finance of the Republic of Indonesia and is working towards achieving financial close.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM'000	**2019 RM'000**
Quoted shares, at cost	**3,470,029**	3,972,483
Unquoted shares, at cost	**4,300,374**	3,449,919
Quoted ICULS, at cost*	**–**	391,502
Less: Accumulated impairment losses	**(6,389)**	(6,389)
	7,764,014	7,807,515
Market value		
– Quoted shares	**3,491,567**	4,701,802
– Quoted ICULS	**–**	238,816
	3,491,567	4,940,618

* 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 were quoted on Bursa Securities and have been delisted effective from 21 October 2019.

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held by the Company:				
Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Business & Budget Hotels Sdn. Bhd.	Malaysia	Management & investment holding	**100.00**	100.00
Cane Creations Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Cornerstone Crest Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Divine View Sdn. Bhd.	Malaysia	Commercial trading, property dealing & investment holding	**100.00**	100.00
Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Starhill Global Real Estate Investment Trust ("SGREIT")*§	Singapore	Investment in prime real estate	**-**	36.46
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	Malaysia	Civil engineering works, construction, property development & real estate investment, investment holding & related services	**100.00**	100.00
Titiwangsa Development Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
YTL Cayman Limited‡	Cayman Islands	Investment holding, ownership & chartering of yachts & vessels	**100.00**	100.00
YTL Cement Berhad	Malaysia	Investment holding, management company & hiring of vehicles	**98.03**	98.03
YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships & vehicles	**100.00**	100.00
YTL Corporation (UK) Plc*	England & Wales	Inactive	**100.00**	100.00
YTL Corp Finance (Cayman) Limited‡	Cayman Islands	Inactive	**100.00**	100.00
YTL Corp Finance (Labuan) Limited‡	Malaysia	Special purpose vehicle for issuance of securities & investment holding	**100.00**	100.00

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held by the Company: (cont'd.)				
YTL e-Solutions Berhad	Malaysia	Investment holding, provision and maintenance of information technology hardware and software systems, network and internet connectivity infrastructure, web hosting services, content development, provision of e-commerce systems, hardware sales and other related services	**100.00**	100.00
YTL Energy Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
YTL (Guernsey) Limited‡	Guernsey	Investment & property holding	**100.00**	100.00
YTL Hospitality REIT ("YTLREIT")	Malaysia	Management of real estate investment trusts	**56.95**	56.95
YTL Hotel Management Saint Tropez SARL‡	France	Hotel operator & management services	**100.00**	100.00
YTL Hotels & Properties Sdn. Bhd.	Malaysia	Investment holding & management services	**100.00**	100.00
YTL Industries Berhad	Malaysia	Investment holding, property development and property investment	**100.00**	100.00
YTL Land Sdn. Bhd.	Malaysia	Property investment, property and project management	**100.00**	100.00
YTL Land & Development Berhad*	Malaysia	Investment holding & provision of management, financial, treasury & secretarial services	**96.60**	65.26
YTL Power International Berhad ("YTL Power")*	Malaysia	Investment holding & provision of administrative & technical support services	**55.21**	55.21
YTL Singapore Pte. Ltd.*	Singapore	Investment holding & management company	**100.00**	100.00
YTL-SV Carbon Sdn. Bhd.	Malaysia	Providing consultancy services	**90.00**	90.00

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through Business & Budget Hotels Sdn. Bhd.:				
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel operator	**51.00**	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd.	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 and provision of online retail services	**100.00**	100.00
Niche Retailing Sdn. Bhd.	Malaysia	Retailing of fashion apparels and related accessories	**100.00**	100.00
Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture and accessories	**100.00**	100.00
Star Hill Living.Com Sdn. Bhd.	Malaysia	Project management services, trading of paintings, furniture, accessories & related services	**100.00**	100.00
Trendy Retailing Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Held through Divine View Sdn. Bhd.:				
SCI YTL Hotels Saint Tropez‡	France	Acquisition, management, renting & administration and/or resale of real estate	**100.00**	100.00
Held through Starhill Global Real Estate Investment Trust ("SGREIT"):				
Ara Bintang Berhad*§	Malaysia	Property investment	**-**	36.46
Chengdu Xin Hong Management Co. Ltd.*§	The People's Republic of China	Property investment	**-**	36.46
SG REIT (M) Pte. Ltd.*§	Singapore	Investment holding	**-**	36.46
SG REIT (WA) Pte. Ltd.*§	Singapore	Investment holding	**-**	36.46

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through Starhill Global Real Estate Investment Trust ("SGREIT"): (cont'd.)				
SG REIT (WA) Trust*§	Australia	Property investment	-	36.46
SG REIT (WA) Sub-Trust1*§	Australia	Property investment	-	36.46
SG REIT (SA) Sub-Trust2*§	Australia	Property investment	-	36.46
Starhill Global REIT Japan SPC One Pte. Ltd.*§	Singapore	Investment holding	-	36.46
Starhill Global REIT Japan SPC Two Pte. Ltd.*§	Singapore	Investment holding	-	36.46
Starhill Global REIT MTN Pte. Ltd.*§	Singapore	Issuer of notes under the Medium Term Note Programme	-	36.46
Starhill Global REIT One TMK*§	Japan	Property investment	-	36.46
Starhill Global ML K.K.‡§	Japan	Master lessee of Japan properties	-	36.46
Top Sure Investment Ltd.*§	Hong Kong	Investment holding	-	36.46
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.:				
Austasia Metal Sdn. Bhd.*	Malaysia	Inactive	**100.00**	100.00
Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase & credit	**100.00**	100.00
Dayang Bay Development Sdn.Bhd.	Malaysia	Property investment and development	**100.00**	100.00
Dayang Bunting Resorts Sdn. Bhd.	Malaysia	Property investment and development	**100.00**	100.00
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00
Hotel 25 Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
First Commercial Development Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	**100.00**	100.00
Northwestern Development Sdn. Bhd.	Malaysia	Property investment and development	**100.00**	100.00

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

			Effective Equity Interest	
Name of Company	Place of Incorporation	Principal Activities	2020 %	2019 %
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.: (cont'd.)				
Permai Property Management Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing & other related services	**100.00**	100.00
Transportable Camps Sdn. Bhd.	Malaysia	Trading & rental of transportable cabins & wood based products	**100.00**	100.00
Yap Yew Hup Brickworks (Perak) Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
Yeoh Tiong Lay Realty Sdn. Bhd.	Malaysia	Realty, investment & management services	**100.00**	100.00
YTL Construction International (Cayman) Limited‡	Cayman Islands	Investment holding in construction related activities	**100.00**	100.00
YTL Construction (S) Pte. Ltd.*	Singapore	Construction related activities & real estate developer	**100.00**	100.00
YTL Civil Engineering Sdn. Bhd.	Malaysia	Civil engineering works & construction	**90.00**	90.00
YTL Development Sdn. Bhd.	Malaysia	Inactive	**70.00**	70.00
YTL Project Management Services Sdn. Bhd.	Malaysia	Provision of management services for construction projects	**100.00**	100.00
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	**99.21**	99.21
YTL THP JV Sdn. Bhd.	Malaysia	Inactive	**70.00**	70.00
Held through YTL Cayman Limited:				
Just Heritage Sdn. Bhd.*	Malaysia	Investment holding	**100.00**	100.00
Starhill Global REIT Investments Limited‡	Cayman Islands	Investment holding	**100.00**	100.00
Starhill Global REIT Management Limited‡	Cayman Islands	Investment holding	**100.00**	100.00
YTL Construction (Thailand) Limited*	Thailand	Construction activities	**74.89**	74.89
YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power station	**100.00**	100.00
YTL Property Investments Limited‡	Cayman Islands	Investment holding	**100.00**	100.00

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cayman Limited: (cont'd.)				
YTL Starhill Global Property Management Pte. Ltd.*	Singapore	Property management services	**100.00**	100.00
YTL Starhill Global REIT Management Holdings Pte. Ltd.*	Singapore	Investment holding	**100.00**	100.00
YTL Starhill Global REIT Management Limited*	Singapore	Investment advisor, property fund management services and to act as the Manager of SGREIT	**100.00**	100.00
Held through YTL Cement Berhad:				
Associated Pan Malaysia Cement Sdn. Bhd.*@	Malaysia	Manufacture and sale of clinker and cement	**75.46**	75.46
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**98.03**	98.03
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
Beijing Dama Sinosource Trading Co., Ltd*	The People's Republic of China	Trading of mechanical, electrical equipment and parts, and technology transfer, development and consultancy	**98.03**	98.03
Bentara Gemilang Industries Sdn. Bhd.	Malaysia	Quarry business & related services	**49.02**	49.02
Binh Duong Fico Cement Single Member Limited Liability Company*	Vietnam	Manufacturing cement, line & plaster	**68.62**	-
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacturing & sale of ready-mixed concrete	**98.03**	98.03
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.03**	98.03
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacturing & sale of ready-mixed concrete	**98.03**	98.03
Buildcon Concrete (KL) Sdn. Bhd.	Malaysia	Inactive	**98.03**	98.03
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacturing & sale of ready-mixed concrete	**98.03**	98.03
CMCM Perniagaan Sdn. Bhd.*@	Malaysia	Trading of cement and other building materials	**75.46**	75.46
Competent Teamwork Sdn. Bhd.	Malaysia	Investment holding	**98.03**	98.03
Concrete Industries Pte. Ltd.*	Singapore	Dormant	**98.03**	98.03
Concrete Star Limited‡	Cayman Islands	Investment holding	**98.03**	98.03

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cement Berhad: (cont'd.)				
Equity Corporation Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
Fico Tay Ninh Cement Joint Stock Company*#	Vietnam	Manufacture & sale of ordinary portland cement & blended cement	**68.62**	-
Fico-YTL Cement Sales and Marketing Company Limited*#	Vietnam	Sale & marketing of cementitious products	**68.62**	-
Gemilang Pintar Sdn. Bhd.	Malaysia	Marketing & trading of quarry products	**68.62**	68.62
Geocycle Environmental Services Sdn. Bhd.*@	Malaysia	Waste management in cement manufacturing activities	**75.46**	75.46
Geocycle Malaysia Sdn. Bhd.*@	Malaysia	Trading of any type of cementitious materials for cement or concrete use	**75.46**	75.46
Green Enable Technologies Sdn. Bhd.	Malaysia	Consultancy services in relation to the promotion of the gasification of municipal solid waste for disposal in cement kilns	**98.03**	98.03
Holcim (Malaysia) Sdn. Bhd.*@	Malaysia	Manufacturing and sale of cement	**75.46**	75.46
Hopefield Enterprises Limited*	Hong Kong	Investment holding	**98.03**	98.03
Industrial Procurement Limited‡	Cayman Islands	Investment holding	**98.03**	98.03
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
Jumewah Shipping Sdn. Bhd.*@	Malaysia	Shipping of bulk cement and chartering of vessels	**75.46**	75.46
Jurong Cement Limited (formerly known as Holcim (Singapore) Limited)*@	Singapore	Investment holding, importers, dealers of ready-mix concrete, dry-mix mortar products, business of owners of storage terminal facilities & sales of cement	**98.03**	88.99
Kedah Cement Holdings Berhad*@	Malaysia	Investment holding	**75.46**	75.46
Kedah Cement Sdn. Bhd. (formerly known as Lafarge Cement Sdn. Bhd.)*@	Malaysia	Manufacture and sale of clinker and cement	**75.46**	75.46
Kedah Cement Jetty Sdn. Bhd.*@	Malaysia	Management and operation of a jetty	**75.46**	75.46
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**98.03**	98.03

Notes to the Financial Statements
- 30 June 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cement Berhad: (cont'd.)				
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**98.03**	98.03
Lafarge Aggregates (Kota Tinggi) Sdn. Bhd.*@	Malaysia	Quarrying and trading of granite and quarry products	**75.46**	75.46
Lafarge Aggregates (Pantai Remis) Sdn. Bhd.*@	Malaysia	Producer and supplier of aggregates and related products	**75.46**	75.46
Lafarge Aggregates Sdn. Bhd.*@	Malaysia	Investment holding, trading and quarrying of aggregates and related products	**75.46**	75.46
Lafarge Concrete (East Malaysia) Sdn. Bhd. (In members' voluntary liquidation)*@	Malaysia	Dormant	**70.38**	70.38
Lafarge Concrete (Malaysia) Sdn. Bhd. *@	Malaysia	Manufacture and sale of ready-mix concrete	**70.38**	70.38
Lafarge Concrete Industries Sdn. Bhd. *@	Malaysia	Manufacture and sale of ready-mix concrete	**70.38**	70.38
Lafarge Drymix Sdn. Bhd.*@	Malaysia	Manufacture and sale of cement and drymix products	**75.46**	75.46
Lafarge Marketing Pte. Ltd.*@	Singapore	Investment holding	**75.46**	75.46
LCS Pte. Ltd. (formerly known as Lafarge Cement Singapore Pte. Ltd.) *@	Singapore	Bulk import and sale of cement and trading of other building materials	**75.46**	75.46
LCS Shipping Pte. Ltd.*@	Singapore	Shipping of bulk cement and chartering of vessels	**75.46**	75.46
LMCB Holdings Pte. Ltd.*@	Singapore	Investment holding	**75.46**	75.46
Madah Seloka Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
Malayan Cement Berhad*@	Malaysia	Investment holding	**75.46**	75.46
M-Cement Sdn. Bhd.*@	Malaysia	Investment holding	**75.46**	75.46
Mini-Mix Sdn. Bhd.	Malaysia	Manufacturing & sale of ready-mix concrete & hiring of vehicles	**98.03**	98.03
Mobijack Sea Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cement Berhad: (cont'd.)				
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
Nanyang Cement Pte. Ltd.*	Singapore	Cement terminal operation, bulk breaking activities and trading in cement	**98.03**	98.03
Nhu Anh Investment Joint Stock Company*#	Vietnam	Investment holding	**98.03**	-
Oasis Vision Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**35.00**	35.00
Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**98.03**	98.03
Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**98.03**	98.03
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**98.03**	98.03
Permodalan Hitec Sdn. Bhd.	Malaysia	Quarry business & related services	**98.03**	98.03
PHS Trading Sdn. Bhd.	Malaysia	Management of plant	**98.03**	98.03
PMCWS Enterprises Pte. Ltd.*@	Singapore	Investment holding	**75.46**	75.46
Probuilders Centre Sdn. Bhd. (In members' voluntary liquidation)*@	Malaysia	Trading of cement and other building materials	**75.46**	75.46
P.T. YTL Semen Indonesia*	Indonesia	Manufacture & sale of ordinary portland cement & ready-mixed concrete	**98.03**	98.03
RC Aggrerates Sdn. Bhd.	Malaysia	Handling of construction waste materials and sales of the recycled concrete aggregates	**98.03**	98.03
Simen Utama Marketing Sdn. Bhd.*@	Malaysia	Dormant	**75.46**	75.46
Sino Mobile and Heavy Equipment Sdn. Bhd.	Malaysia	Trading & maintenance of trucks & parts & heavy equipment	**98.03**	98.03
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	**98.03**	98.03
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	**98.03**	98.03
SMC Mix Sdn. Bhd.	Malaysia	Inactive	**98.03**	98.03

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cement Berhad: (cont'd.)				
Solaris Concept Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**50.00**	50.00
Straits Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker and related products	**98.03**	98.03
Supermix Concrete Pte. Ltd.*@	Singapore	Investment holding	**75.46**	75.46
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**98.03**	98.03
YTL Cement (Cambodia) Holdings Pte. Ltd.*	Singapore	Dormant	**98.03**	98.03
YTL Cement Enterprise Sdn. Bhd.	Malaysia	Investment holding	**98.03**	98.03
YTL Cement (Hong Kong) Limited*	Hong Kong	Investment holding	**98.03**	98.03
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale & marketing of cementitious products	**98.03**	98.03
YTL Cement Marketing Singapore Pte. Ltd.*	Singapore	Sale & marketing of cement, cementitious products & other related construction products	**98.03**	98.03
YTL Cement Myanmar Company Limited*	Myanmar	Manufacture & sale of ordinary portland cement & related products	**98.03**	98.03
YTL Cement (Myanmar) Holdings Pte. Ltd.*	Singapore	Investment holding	**98.03**	98.03
YTL Cement (Philippines) Holdings Pte. Ltd.*	Singapore	Dormant	**98.03**	98.03
YTL Cement (Sabah) Sdn. Bhd.	Malaysia	Investment holding	**98.03**	98.03
YTL Cement Shared Services Sdn. Bhd. (formerly known as Lafarge Shared Services Sdn. Bhd.)*@	Malaysia	Accounting shared services, and management consulting services	**75.46**	75.46
YTL Cement Singapore Pte. Ltd.*	Singapore	Investment holding, general importers & exporters of construction materials	**98.03**	98.03
YTL Cement Terminal Services Pte. Ltd.*	Singapore	Operation of port terminal & handling of cementitious products	**98.03**	98.03
YTL Cement (Vietnam) Pte. Ltd.*	Singapore	Investment holding	**98.03**	98.03

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cement Berhad: (cont'd.)				
YTL Concrete (S) Pte. Ltd.*	Singapore	Manufacture of ready-mixed concrete, wholesale of structural clay & concrete products & mixed construction activities	**98.03**	98.03
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**98.03**	98.03
Zhejiang Hangzhou Dama Cement Co., Ltd.*	The People's Republic of China	Manufacture & sale of ordinary portland cement, clinker and related products	**98.03**	98.03
Zhejiang YTL Cement Marketing Co., Ltd.*	The People's Republic of China	Sale & marketing of cementitious products	**98.03**	98.03
Held through YTL Charters Sdn. Bhd.				
Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	80.00
Nusantara Sakti Sdn. Bhd.	Malaysia	Carriage of passengers & air carriers	**80.00**	80.00
Held through YTL e-Solutions Berhad				
Airzed Services Sdn. Bhd.	Malaysia	Inactive	**56.00**	56.00
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wired line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**70.00**	70.00
Bizsurf MSC Sdn. Bhd.	Malaysia	Inactive	**60.00**	60.00
Infoscreen Networks Ltd.*	England & Wales	Investment holding	**100.00**	100.00
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media & up to date information via electronic media	**100.00**	100.00
YMax Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**60.00**	60.00
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00

Notes to the Financial Statements

- 30 June 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
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	**56.95**	56.95
Starhill Hospitality REIT (Australia) Trust*	Australia	Real estate investment	**56.95**	56.95
Starhill Hospitality REIT (Brisbane) Trust*	Australia	Real estate investment	**56.95**	56.95
Starhill Hospitality REIT (Melbourne) Trust*	Australia	Real estate investment	**56.95**	56.95
Starhill Hospitality REIT (Sydney) Trust*	Australia	Real estate investment	**56.95**	56.95
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.95**	56.95
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.95**	56.95
Starhill Hotel (Brisbane) Pty. Ltd.*	Australia	Hotel operator	**56.95**	56.95
Starhill Hotel (Melbourne) Pty. Ltd.*	Australia	Hotel operator	**56.95**	56.95
Starhill Hotel (Sydney) Pty. Ltd.*	Australia	Hotel operator	**56.95**	56.95
Starhill REIT (Australia) Pty. Ltd.*	Australia	Trustee company	**56.95**	56.95
Starhill REIT Niseko G.K.*	Japan	Purchase, possession, disposal, lease and management of real properties	**56.95**	56.95
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	**56.95**	56.95
Held through YTL Hotels & Properties Sdn. Bhd.:				
Autodome Sdn. Bhd.	Malaysia	Operator of food & beverage outlets & sub-letting of premises	**100.00**	100.00
Bath Hotel & SPA B.V.*	Netherlands	Investment holding	**100.00**	100.00
Bath Hotel and SPA Ltd.*	England & Wales	Hotel developer and operator	**100.00**	100.00
Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	**90.00**	90.00

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Hotels & Properties Sdn. Bhd.: (cont'd.)				
Borneo Island Villas Sdn. Bhd.	Malaysia	Dormant	**80.00**	80.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	**100.00**	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**100.00**	51.00
Elite Dinning Sdn. Bhd.[†]	Malaysia	Operator of food & beverage outlet	**100.00**	-
Gainsborough Hotel (Bath) Limited*	England & Wales	Hotel operations	**100.00**	100.00
Glasshouse Hotel (Cayman) Limited*	Cayman Islands	Investment holding	**100.00**	100.00
Glasshouse Hotel Limited*	England & Wales	Investment holding	**100.00**	100.00
Happy Steamboat Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Magna Boundary Sdn. Bhd.	Malaysia	Hotel & resort operator	**90.00**	90.00
Marble Valley Sdn. Bhd.	Malaysia	Management & investment holding	**80.00**	80.00
Marble Valley Two Sdn. Bhd.	Malaysia	Hotel operator	**64.00**	64.00
M Hotel Management Pte. Ltd.*	Singapore	Hotel management services	**51.00**	51.00
Monkey Island Properties Limited*	England & Wales	Investment & property holding	**100.00**	100.00
New Architecture (Bray) Limited*	England & Wales	Hotel operator	**100.00**	100.00
Niseko Village K.K.[‡]	Japan	Owning, managing, maintaining and developing the Niseko Village Resort	**100.00**	100.00
Niseko Village (S) Pte. Ltd.*	Singapore	Investment holding	**100.00**	100.00
N.V. Land G.K.[‡]	Japan	Construction, development, sale & purchase of real properties	**100.00**	100.00
P.T. Jepun Bali[‡]	Indonesia	Managing & operating a hotel	**100.00**	100.00
Restoran Kisap Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
RW Gower Street Limited*	England & Wales	Hotel operations	**100.00**	100.00
RW Greenside Place Limited*	England & Wales	Hotel operations	**100.00**	100.00
RW Threadneedle Street Limited*	England & Wales	Hotel operations	**100.00**	100.00
Samui Hotel 2 Co., Ltd.*	Thailand	Hotel operator	**100.00**	100.00
Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers & distributors of koi fish	**100.00**	100.00
Starhill Hotel (Perth) Pty. Ltd[‡]	Australia	Trustee company	**100.00**	100.00
Starhill Hotel (Perth) Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00

Notes to the Financial Statements
- 30 June 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Hotels & Properties Sdn. Bhd.: (cont'd.)				
Starhill Hotel (Perth) Trust*	Australia	Real estate investment	**100.00**	100.00
Starhill Hotel Operator (Perth) Pty. Ltd.*	Australia	Hotel operator	**100.00**	100.00
Starhill Office (Perth) Pty. Ltd. ǂ	Australia	Trustee company	**100.00**	100.00
Starhill Office (Perth) Trust ǂ	Australia	Real estate investment	**-**	100.00
Starhill Retail (Perth) Pty. Ltd. ǂ	Australia	Trustee company	**100.00**	100.00
Starhill Retail (Perth) Trust ǂ	Australia	Real estate investment	**-**	100.00
Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Thermae Development Company Limited*	England & Wales	Licence to operate the Thermae Bath Spa complex	**100.00**	100.00
Threadneedles Hotel Limited*	England & Wales	Investment holding	**100.00**	100.00
YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotels B.V. ǂ	Netherlands	Investment holding	**100.00**	100.00
YTL Hotels (Cayman) Limited ǂ	Cayman Islands	Hotel operator & hotel management services	**100.00**	100.00
YTL Hotels Central Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL ICHM Sdn. Bhd.	Malaysia	Providing professional & commercial education & training in hospitality	**70.00**	70.00
YTL Hotels (Singapore) Pte. Ltd.*	Singapore	Travel and hospitality related business	**100.00**	100.00
YTL Majestic Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Held through YTL Industries Berhad:				
Yeoh Tiong Lay Brickworks Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Yeoh Tiong Lay Management Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Held through YTL Land Sdn. Bhd.:				
Katagreen Development Sdn. Bhd.	Malaysia	Property leasing and management	**100.00**	100.00
Pintar Projek Sdn. Bhd.	Malaysia	Management of real estate investment trust funds, licensing of trademarks & brand management	**70.00**	70.00

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Land Sdn. Bhd.: (cont'd.)				
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Heritage Journey Sdn. Bhd.	Malaysia	Operator of food and beverage	**100.00**	100.00
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Held through YTL Land & Development Berhad:				
Amanresorts Sdn. Bhd.	Malaysia	Dormant	**96.60**	65.26
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	**67.62**	45.68
Lakefront Pte. Ltd.*	Singapore	Real estate development	**96.60**	65.26
Lot Ten Security Sdn. Bhd.*	Malaysia	Inactive	**96.60**	65.26
Mayang Sari Sdn. Bhd.*	Malaysia	Inactive	**96.60**	65.26
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**96.60**	65.26
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
Pinnacle Trend Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
PYP Sendirian Berhad	Malaysia	Property development	**96.60**	65.26
Sandy Island Pte. Ltd.*	Singapore	Real estate development	**96.60**	65.26
Satria Sewira Sdn. Bhd.	Malaysia	Dormant	**96.60**	65.26
Sentul Raya Sdn. Bhd.*	Malaysia	Property development and property investment	**96.60**	65.26
Sentul Raya Golf Club Berhad*	Malaysia	Inactive	**96.60**	65.26
Sentul Raya City Sdn. Bhd.*	Malaysia	Property development	**96.60**	65.26
Sentul Park Management Sdn. Bhd.*	Malaysia	Park management	**96.60**	65.26
SR Property Management Sdn. Bhd.*	Malaysia	Provision of property management services	**96.60**	65.26
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
Trend Acres Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**96.60**	65.26
YTL Land & Development (MM2H) Sdn. Bhd.*	Malaysia	Dormant	**96.60**	65.26

Notes to the Financial Statements
- 30 June 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Land & Development Berhad: (cont'd.)				
YTL Land & Development Management Pte. Ltd.*	Singapore	Provision of financial and management consultancy services	**96.60**	65.26
YTL Westwood Properties Pte. Ltd.*	Singapore	Real estate development	**96.60**	65.26
Held through YTL Power International Berhad ("YTL Power"):				
Albion Water Limited*	England & Wales	Water supply and waste water services	**28.16**	28.16
Bel Air Den Haag Beheer B.V.*	Netherlands	Investment holding	**45.75**	55.21
Brabazon Estates Limited†	England & Wales	Dormant	**55.21**	-
B.V. Hotel Bel Air Den Haag*	Netherlands	Hotel business	**45.75**	55.21
Cellular Structures Sdn. Bhd.*	Malaysia	Inactive	**33.13**	33.13
Enterprise Laundry Services Limited*	England & Wales	Laundry services	**55.21**	55.21
Equinox Solar Farm Sdn. Bhd.	Malaysia	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services	**55.21**	-
Extiva Communications Sdn. Bhd.	Malaysia	Inactive	**33.13**	33.13
Flipper Limited*	England & Wales	Utility switching services	**35.89**	35.89
FrogAsia Sdn. Bhd.	Malaysia	Licence reseller focused on providing virtual learning education platform	**55.21**	55.21
Frog Education Limited*	England & Wales	Sales into the education market and further development of the web environment product	**38.06**	38.06
Frog Education Group Limited*	England & Wales	Investment holding	**38.06**	38.06
Frog Education Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning educational platform	**38.06**	38.06
Geneco EV (S) Pte. Ltd.*	Singapore	Electric vehicle charging station	**55.21**	55.21
Geneco Limited*	England & Wales	Food waste treatment	**55.21**	55.21

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
Geneco (South West) Limited*	England & Wales	Food waste treatment	**55.21**	55.21
Global Infrastructure Assets Sdn. Bhd.	Malaysia	Investment holding	**55.21**	55.21
Granite Investments (Cayman Islands) Limited‡	Cayman Islands	Dormant	**55.21**	55.21
KJS Alunan Sdn. Bhd.*	Malaysia	Investment holding	**23.19**	23.19
Konsortium Jaringan Selangor Sdn. Bhd.*	Malaysia	Planning, implementation and maintenance of telecommunication towers and telecommunication related services	**33.13**	33.13
PetroSeraya Pte. Ltd.*	Singapore	Oil trading & oil tank leasing	**55.21**	55.21
P.T. YTL Jawa Timur*	Indonesia	Construction management, consultancy services and power station operation services	**55.21**	55.21
P.T. YTL Power Services Indonesia‡	Indonesia	Dormant	**52.45**	52.45
P.T. Tanjung Jati Power Company*	Indonesia	Design and construction of a coal-fired power generating facility	**44.17**	44.17
Seraya Energy and Investment Pte. Ltd.*	Singapore	Investment holding	**55.21**	55.21
Seraya Energy Pte. Ltd.*	Singapore	Sale of electricity	**55.21**	55.21
SC Technology Deutschland GmbH*	Germany	Waste treatment	**55.21**	55.21
SC Technology GmbH*	Switzerland	Investment holding	**55.21**	55.21
SC Technology Nederland B.V.*	Netherlands	Waste treatment	**55.21**	55.21
SIPP Power Sdn. Bhd.	Malaysia	Dormant	**38.65**	38.65
Suria Solar Farm Sdn. Bhd.	Malaysia	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering procurement, construction and commissioning services	**55.21**	-
Sword Bidco (Holdings) Limited^	England & Wales	Dormant	**-**	55.21
Sword Bidco Limited ^	England & Wales	Dormant	**-**	55.21
Sword Holdings Limited^	Cayman Islands	Dormant	**-**	55.21

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
Sword Midco Limited ^	England & Wales	Dormant	-	55.21
Taser Power Pte. Ltd.†	Singapore	Own and operate energy facilities and services (full value chain of electricity generation including trading of physical fuel and fuel related derivative instruments, and sale of by-products from the electricity generation process)	**55.21**	-
Water 2 Business Limited*	England & Wales	Non-household water retailer	**38.65**	38.65
Wessex Concierge Limited*	England & Wales	Investment holding	**55.21**	55.21
Wessex Electricity Utilities Limited^	England & Wales	Dormant	-	55.21
Wessex Engineering & Construction Services Limited*	England & Wales	Engineering services	**55.21**	55.21
Wessex Logistics Limited ^	England & Wales	Dormant	-	55.21
Wessex Promotions Ltd.^	England & Wales	Dormant	-	55.21
Wessex Property Services Limited^	England & Wales	Dormant	-	55.21
Wessex Spring Water Limited ^	England & Wales	Dormant	-	55.21
Wessex Water Commercial Limited ^	England & Wales	Dormant	-	55.21
Wessex Water Engineering Services Limited ‡	England & Wales	Dormant	**55.21**	55.21
Wessex Water Enterprises Limited*	England & Wales	Power generation and waste treatment	**55.21**	55.21
Wessex Water International Limited ‡	Cayman Islands	Dormant	**55.21**	55.21
Wessex Water Limited*	England & Wales	Investment holding	**55.21**	55.21
Wessex Water Pension Scheme Trustee Limited ‡	England & Wales	Dormant	**55.21**	55.21
Wessex Water Services Finance Plc.*	England & Wales	Issue of bonds	**55.21**	55.21
Wessex Water Services Limited*	England & Wales	Water supply and waste water services	**55.21**	55.21
Wessex Water Trustee Company Limited ‡	England & Wales	Dormant	**55.21**	55.21
Wessex Utility Solutions Limited*	England & Wales	Engineering services	**55.21**	55.21

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
Yakin Telesel Sdn. Bhd.*	Malaysia	Planning, implementation and maintenance of telecommunications infrastructure and telecommunication related services	**16.23**	16.23
YesLinc Sdn. Bhd.	Malaysia	Provision of solution and services relating to internet of Things (IoT) initiative	**33.13**	33.13
YTL Broadband Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**26.50**	26.50
YTL Communications International Limited ‡	Cayman Islands	Investment holding	**33.13**	33.13
YTL Communications Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**33.13**	33.13
YTL Communications (S) Pte. Ltd.*	Singapore	Computer systems integration activities and system integration services	**33.13**	33.13
YTL Developments (UK) Limited*	England & Wales	Housing development	**55.21**	55.21
YTL Digital Sdn. Bhd.	Malaysia	Inactive	**33.13**	33.13
YTL Education (UK) Limited ‡	England & Wales	Dormant	**55.21**	55.21
YTL Energy Holdings Sdn. Bhd.	Malaysia	Investment holding	**55.21**	55.21
YTL Engineering Limited ‡	England & Wales	Dormant	**55.21**	55.21
YTL Events Limited*	England & Wales	Concert promotion	**55.21**	55.21
YTL Finance (Cyprus) Ltd †	Cyprus	Financial Services	**55.21**	-
YTL Global Networks Limited ‡	Cayman Islands	Dormant	**33.13**	33.13
YTL Homes Ltd.*	England & Wales	Housing development	**55.21**	55.21

Notes to the Financial Statements
- 30 June 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
YTL Infrastructure Holdings Sdn. Bhd.	Malaysia	Investment holding	**55.21**	55.21
YTL Infrastructure Limited ǂ	Cayman Islands	Investment holding	**55.21**	55.21
YTL Jawa Energy B.V.	Netherlands	Investment holding and financing activities	**55.21**	55.21
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	**55.21**	55.21
YTL Jawa O & M Holdings Limited*	Cyprus	Investment holding	**55.21**	55.21
YTL Jawa Power B.V.	Netherlands	Investment holding	**31.55**	31.55
YTL Jawa Power Finance Limited ǂ	Cayman Islands	Financial services	**55.21**	55.21
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**31.55**	31.55
YTL Jawa Power Holdings Limited*	Cyprus	Investment holding & financing activities	**55.21**	55.21
YTL Jordan Power Holdings Limited*	Cyprus	Investment holding & financing activities	**55.21**	55.21
YTL Jordan Services Holdings Limited*	Cyprus	Investment holding	**55.21**	55.21
YTL Land & Property (UK) Ltd.*	England & Wales	Investment holding	**55.21**	55.21
YTL Places Limited ǂ	England & Wales	Dormant	**55.21**	55.21
YTL Power Australia Limited ǂ	Cayman Islands	Investment holding	**55.21**	55.21
YTL Power Finance (Cayman) Limited ǂ	Cayman Islands	Dormant	**55.21**	55.21
YTL Power Generation Sdn. Bhd.*	Malaysia	Developing, constructing, completing, maintaining and operating power plants	**55.21**	55.21
YTL Power Holdings Sdn. Bhd.	Malaysia	Dormant	**55.21**	55.21
YTL Power Investments Limited ǂ	Cayman Islands	Investment holding	**55.21**	55.21
YTL Power International Holdings Limited ǂ	Cayman Islands	Investment holding	**55.21**	55.21
YTL Power Resources Sdn. Bhd.	Malaysia	Investment holding	**55.21**	55.21

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Power International Berhad ("YTL Power"): (cont'd.)				
YTL PowerSeraya Pte. Limited.*	Singapore	Own and operate energy facilities and services (full value chain of electricity generation including trading of physical fuels and fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process)	**55.21**	55.21
YTL Power (Thailand) Limited ‡	Cayman Islands	Dormant	**55.21**	55.21
YTL Power Trading (Labuan) Ltd.	Malaysia	Dormant	**55.21**	55.21
YTL Property Holdings (UK) Limited*	England & Wales	Housing development	**55.21**	55.21
YTL Seraya Limited ‡	Cayman Islands	Investment holding	**55.21**	55.21
YTL Services Limited ‡	England & Wales	Dormant	**55.21**	55.21
YTL SIPP Power Holdings Sdn. Bhd.	Malaysia	Investment holding	**38.65**	38.65
YTL Utilities Limited ‡	Cayman Islands	Investment holding	**55.21**	55.21
YTL Utilities Finance Limited ‡	Cayman Islands	Financial services	**55.21**	55.21
YTL Utilities Finance 2 Limited ‡	Cayman Islands	Investment holding	**55.21**	55.21
YTL Utilities Finance 3 Limited ‡	Cayman Islands	Financial services	**55.21**	55.21
YTL Utilities Finance 4 Limited ‡	Cayman Islands	Inactive	**55.21**	55.21
YTL Utilities Finance 5 Limited ‡	Cayman Islands	Inactive	**55.21**	55.21
YTL Utilities Finance 6 Limited ‡	Cayman Islands	Financial services	**55.21**	55.21
YTL Utilities Finance 7 Limited ‡	Cayman Islands	Inactive	**55.21**	55.21
YTL Utilities Holdings Limited ‡	Cayman Islands	Investment holding	**55.21**	55.21
YTL Utilities Holdings (S) Pte. Limited*	Singapore	Investment holding	**55.21**	55.21
YTL Utilities (S) Pte. Limited*	Singapore	Investment holding	**55.21**	55.21
YTL Utilities (UK) Limited*	England & Wales	Investment holding	**55.21**	55.21

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Power Services Sdn. Bhd.:				
YTL Power Services (Cayman) Ltd. ‡	Cayman Islands	Inactive	**100.00**	100.00
YTL Power Services (Leb) SARL*	Lebanon	Operation & maintenance of power station	**100.00**	100.00
YTL Power Services (S) Pte. Ltd.*	Singapore	Operation & maintenance of power station	**100.00**	100.00
Held through YTL Singapore Pte. Ltd.:				
Guangzhou Autodome Food & Beverage Management Co., Ltd.*	The People's Republic of China	Catering management & hotel management	**100.00**	100.00
Shanghai Autodome Food & Beverage Co., Ltd.*	The People's Republic of China	Catering, sale of beverage, wine, tableware, souvenir & artware	**100.00**	100.00
Shanghai YTL Hotels Management Co., Ltd.*^	The People's Republic of China	Hotel management services, hotel development, design advisory services & other related services	-	100.00

* Subsidiaries not audited by HLB Ler Lum PLT
^ Dissolved during the financial year
‡ Entities are either exempted or not statutorily required to be audited
@ These subsidiaries have changed their financial year end from 31 December to 30 June effective from 18 November 2019.
† First audited financial statements in 2021
# Previously was an associated company and become a subsidiary during the financial year.
§ Previously was a subsidiary and became an associated company during the financial year.

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries

Acquisition in 2020

(i) Acquisition of Fico Tay Ninh Cement Joint Stock Company

On 2 August 2019, Concrete Star Limited ("Concrete Star") and Industrial Procurement Limited ("Industrial Procurement"), both are wholly-owned subsidiaries of YTL Cement (Hong Kong) Limited which in turn is a wholly-owned subsidiary of the Company, acquired 30% and 20% of issued and paid-up share capital of Nhu Anh Investment Joint Stock Company ("Nhu Anh") comprising 69,000 and 46,000 ordinary shares of VND10,000 each for cash consideration of VND278,400,000,000 and VND185,600,000,000 respectively. As a result, Nhu Anh became an indirect subsidiary of the Company.

Following the acquisition, Fico Tay Ninh Cement Joint Stock Company ("Fico Tay Ninh Cement") and its subsidiary, Fico Binh Duong Cement Single Member Limited Liability Company became indirect subsidiaries of the Company through the shareholdings by Nhu Anh and Industrial Procurement.

Details of the consideration transferred are:

	RM'000
Purchase consideration	715,178
Less: share of net assets acquired	
Fair value of net assets acquired	655,448
Share to non-controlling interests	(141,450)
	513,998
Provisional goodwill	201,180

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

	Fair value RM'000
Property, plant and equipment	333,293
Intangible assets	3,394
Investment in associated company	872
Other investments	180,291
Deferred tax assets	282
Inventories	40,539
Receivables	24,973
Cash and cash equivalents	101,640
Other assets	36,823
Payables and accrued expenses	(66,659)
Identifiable net assets acquired	655,448

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

Acquisition in 2020 (cont'd.)

(i) Acquisition of Fico Tay Ninh Cement Joint Stock Company (cont'd.)

Details of cash flow arising from the acquisition are as follows:

	RM'000
Purchase consideration	715,178
Transfer of cost of investment in former associates now became subsidiaries	(632,515)
Additional purchase consideration	82,663
Less: cash and cash equivalents in subsidiary acquired	(101,640)
Acquisition of a subsidiary, net of cash acquired	18,977

Acquisition in 2019

(i) Acquisition of Lafarge Malaysia Berhad ("LMB")

On 2 May 2019 , YTL Cement Berhad ("YTL Cement") entered into a sale and purchase of shares agreement with Associated International Cement Limited for the acquisition of 433,344,693 ordinary shares in Lafarge Malaysia Berhad ("LMB"), representing approximately 51.0% of the issued share capital of LMB for a total cash consideration of RM1,625,042,598.75 or RM3.75 per LMB Share ("Acquisition").

The Acquisition was completed on 17 May 2019 and, accordingly, LMB became a subsidiary of YTL Cement. Following the Acquisition, YTL Cement launched an unconditional mandatory general offer ("MGO") for the remaining shares in LMB not already owned by YTL Cement at an offer price of RM3.75 per LMB share. At the closing of the MGO on 13 June 2019, acceptance of the offer have been received for 220,764,635 shares with a total cash consideration of RM827,867,381. As a result, YTL Cement owned a total of 76.98% of the issued share capital of LMB.

Details of the consideration transferred are:

	RM'000
Purchase consideration	2,452,910
Less: share of net assets acquired	
Fair value of net assets acquired	2,466,070
Share goodwill to non-controlling interests	(248,360)
	2,217,710
Provisional goodwill	235,200

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

Acquisition in 2019 (cont'd.)

(i) Acquisition of Lafarge Malaysia Berhad ("LMB") (cont'd.)

The provisionally determined carrying amount of the assets and liabilities as at the date of acquisition are as follows:

	Carrying amount RM'000
Property, plant and equipment	1,677,633
Investment properties	4,467
Intangible assets	1,404,349
Investment in joint ventures	22,332
Other investments	4,107
Deferred tax assets	72,027
Inventories	353,639
Receivables	398,351
Income tax assets	42,970
Cash and cash equivalents	48,938
Payables and accrued expenses	(571,838)
Borrowings	(929,835)
Retirement benefits	(54,816)
Derivative financial instruments	160
Non-controlling interests	(6,414)
Identifiable net assets acquired	2,466,070

Details of cash flow arising from the acquisition are as follows:

	RM'000
Purchase consideration	2,452,910
Less: cash and cash equivalents in subsidiary acquired	(48,938)
Net cash outflow on acquisition	2,403,972

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

Acquisition in 2019 (cont'd.)

(ii) Holcim (Singapore) Limited ("Holcim")

On 19 June 2019, YTL Cement Singapore Pte. Ltd. ("YTL Cement Singapore"), a wholly-owned subsidiary of YTL Cement Berhad, acquired 90.78% of the issued share capital of Holcim (Singapore) Limited ("HSL"), comprising 40,236,655 ordinary shares, at a total cash consideration of SGD65,988,114.20. As a result, HSL became a subsidiary of YTL Cement Singapore and an indirect subsidiary of the Group.

Details of the consideration transferred are:

	RM'000
Purchase consideration	201,950
Less: share of net assets acquired	
Fair value of net assets acquired	17,090
Share goodwill to non-controlling interests	(1,576)
	15,514
Provisional goodwill	186,436

The provisionally determined carrying amount of the assets and liabilities as at the date of acquisition are as follows:

	Fair value RM'000
Property, plant and equipment	68,597
Inventories	5,387
Receivables	18,008
Cash and cash equivalents	8,650
Payables and accrued expenses	(34,586)
Borrowings	(48,966)
Identifiable net assets acquired	17,090

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiaries (cont'd.)

Acquisition in 2019 (cont'd.)

(ii) Holcim (Singapore) Limited ("Holcim") (cont'd.)

Details of cash flow arising from the acquisition are as follows:

	RM'000
Purchase consideration	201,950
Less: cash and cash equivalents in subsidiary acquired	(8,650)
Net cash outflow on acquisition	193,300

The purchase price allocation of the acquisition of Lafarge Malaysia Berhad and Holcim (Singapore) Ltd in the financial year ended 30 June 2019 were provisional as the Group is still in the process of ascertaining the fair value of the identifiable net assets.

(ii) Completion of purchase price allocation for Lafarge Malaysia Berhad and Holcim (Singapore) Limited

During the year 2020, the Group has completed the purchase price allocation exercise to determine the fair values of the net assets of Lafarge Malaysia Berhad and Holcim (Singapore) Limited within the stipulated time period, ie 12 months from the acquisition date of 17 May 2019, in accordance with MFRS 3 "Business Combinations".

The information are as follows:-

	Lafarge Malaysia Berhad RM'000	Holcim (Singapore) Limited RM'000
Purchase consideration	2,452,910	201,950
Less: net assets acquired after less non-controlling interests	(2,192,135)	(794)
Final goodwill	260,775	201,156

Due to immaterial difference between final and provisional goodwill, the Group used prospective method instead of retrospective method on the adjustment of goodwill.

Notes to the Financial Statements
- 30 June 2020

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) Derecognition of SGREIT

Since April 2020, The Group has provided an undertaking to the trustee of SGREIT to grant the other unitholders the right to endorse or re-endorse the appointment of directors of YTL Starhill Global REIT Management Limited at the annual general meetings of SGREIT. The Group has determined that it does not have control over SGREIT but continues to have significant influence over the investment.

	At date of disposal RM'000
Property, plant equipment	60
Investment properties	9,244,013
Right-of-use assets	2,030
Trade and other receivables	45,571
Derivative financial instruments	2,349
Cash and cash equivalents	245,871
Trade and other payables	(219,235)
Bonds and borrowings	(3,493,431)
Lease liabilities	(2,053)
Deferred tax liabilities	(19,348)
Derivative financial instruments	(54,814)
Income tax liabilities	(9,639)
Net assets and liabilities	5,741,374
Share of net assets derecognition of	2,109,770
Foreign exchange reserve	(256,748)
Gain on derecognition to the Group	258,506
Total consideration/recognition on associate company	2,111,528

The net cash flows on derecognition is determined as follows:

Cash and cash equivalents of derecognised subsidiary	(245,871)
Cash outflow to the Group on derecognition	(245,871)

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Non-controlling interests in subsidiaries

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

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group - 2020						
NCI effective equity interest	*44.79%*	*-%*	*43.05%*	*23.02%*		
Carrying amount of NCI	1,884,214	-	696,741	208,172	360,466	3,149,593
(Loss)/Profit allocated to NCI	(41,527)	24,603	17,276	(31,150)	44,632	13,834
Summarised financial information before inter-company elimination						
As at 30 June 2020						
Non-current assets	35,685,632	-	4,499,243	3,044,454		
Current assets	11,452,503	-	194,293	585,797		
Non-current liabilities	(25,418,661)	-	(2,037,464)	(243,197)		
Current liabilities	(9,676,720)	-	(100,173)	(1,095,706)		
Net assets	12,042,754	-	2,555,899	2,291,348		
Year ended 30 June 2020						
Revenue	10,637,177	435,212	426,446	1,399,476		
Profit/(loss) for the year	127,704	174,354	9,594	(133,136)		
Total comprehensive (loss)/income	(130,651)	38,558	(66,811)	(134,534)		
Cash flow from operating activities	1,121,786	302,696	185,381	93,769		
Cash flow used in investing activities	(1,517,957)	(74,709)	(8,624)	(24,791)		
Cash flow used in financing activities	(328,076)	(201,991)	(184,305)	(49,640)		
Net changes in cash and cash equivalents	(724,247)	25,996	(7,548)	19,338		
Dividend paid to NCI	171,879	138,495	43,235	-		

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Non-controlling interests in subsidiaries (cont'd.)

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

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group - 2019						
NCI effective equity interest	*44.79%*	*63.54%*	*43.05%*	*23.02%*		
Carrying amount of NCI	2,637,806	3,741,188	716,437	246,378	290,046	7,631,855
Profit/(loss) allocated to NCI	270,738	198,445	44,125	(3,378)	(33,402)	476,528
Summarised financial information before inter-company elimination						
As at 30 June 2019						
Non-current assets	34,168,822	9,379,782	4,681,459	3,432,128		
Current assets	12,104,156	235,935	183,318	1,008,743		
Non-current liabilities	(23,275,311)	(3,208,684)	(1,017,356)	(323,255)		
Current liabilities	(10,127,005)	(500,398)	(1,110,321)	(1,573,537)		
Net assets	12,870,662	5,906,635	2,737,100	2,544,079		
Year ended 30 June 2019						
Revenue	11,732,716	623,355	490,905	162,022		
Profit/(loss) for the year	613,528	198,282	104,673	(17,294)		
Total comprehensive income/(loss)	414,374	312,310	152,743	(17,155)		
Cash flow from/(used in) operating activities	1,248,400	293,749	221,676	(9,355)		
Cash flow from/(used in) investing activities	137,412	(23,202)	(347,693)	(2,365)		
Cash flow (used in)/from financing activities	(1,267,562)	(247,234)	120,382	-		
Net changes in cash and cash equivalents	118,250	23,313	(5,635)	(11,720)		
Dividend paid to NCI	171,879	183,212	56,005	-		

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Quoted shares, at cost	**2,111,715**	-	**170,994**	-
Unquoted ordinary shares, at cost	**1,324,168**	1,743,643	**205,241**	205,241
Share of post-acquisition reserves	**849,170**	902,538	**-**	-
Accumulated impairment losses	**(68,210)**	(65,016)	**-**	-
	4,216,843	2,581,165	**376,235**	205,241

Details of the associate are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held by the Company:				
Express Rail Link Sdn. Bhd.*	Malaysia	Operation & maintenance of the Express Rail Link railway system between Kuala Lumpur International Airport and Kuala Lumpur International Airport 2 in Sepang with Kuala Lumpur Sentral Station	**45.00**	45.00
Trans-Pacific Resorts Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
Held through Business & Budget Hotels Sdn. Bhd.:				
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	Hotel operator	**50.00**	50.00
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.:				
North South Development Sdn. Bhd.	Malaysia	Realty, investment & management services	**49.00**	49.00
Held through YTL Cayman Limited:				
YTL (Thailand) Limited*	Thailand	Investment holding	**49.90**	49.90
Starhill Global Real Estate Investment Trust*§	Singapore	Investment in prime real estate	**36.74**	-
Held through YTL Cement Berhad:				
Cementitious Products Pte. Ltd.*	Singapore	General wholesale trade (including general importers and exporters)	**49.01**	49.01
Fico Tay Ninh Cement Joint Stock Company*#	Vietnam	Manufacture & sale of ordinary portland cement & blended cement	**-**	49.04

16. INVESTMENT IN ASSOCIATES (CONT'D.)

Details of the associate are as follows: (cont'd.)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	2019 %
Held through YTL Cement Berhad: (cont'd.)				
Hangzhou Linan Herun Construction Materials Co., Ltd*	The People's Republic of China	Quarry business & related services	**29.40**	29.40
Nhu Anh Investment Joint Stock Company*#	Vietnam	Investment holding	**-**	49.01
Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**49.01**	49.01
Tan Son Company Limited*	Vietnam	Quarrying of stone, sand & clay	**20.58**	-
Held through YTL e-Solutions Berhad:				
Endless Momentum Sdn. Bhd.Ω	Malaysia	Investment holding	**30.00**	30.00
Held through YTL Hotels & Properties Sdn. Bhd.:				
Eastern & Oriental Express Ltd.Ω*	Bermuda	Ownership & management of the luxury train services known as the 'Eastern & Oriental Express'	**32.00**	32.00
Surin Bay Company Ltd.Ω*	Thailand	Hotel operator	**49.00**	49.00
Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
Held through YTL Power International Berhad:				
ElectraNet Pty. Ltd.+*	Australia	Principal electricity transmission	**18.50**	18.50
Enefit Jordan B.V.ǂ	Netherlands	Investment holding	**16.56**	16.56
P.T. Jawa Power+*	Indonesia	Operating a coal-fired thermal power station	**11.04**	11.04

* Companies not audited by HLB Ler Lum PLT
Ω Companies with financial year end of 31 December
ǂ Entities are either exempted or not statutorily required to be audited
\+ The Group's direct interest in ElectraNet Pty. Ltd. and P.T. Jawa Power are 33.5% and 35.0% respectively
\# Previously was an associated company and became a subsidiary during the financial year
§ Previously was a subsidiary and became an associated company during the financial year

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 December as the case may be.

16. INVESTMENT IN ASSOCIATES (CONT'D.)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:

(a) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust		Fico Tay Ninh Cement Joint Stock Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	**4,543,425**	4,446,818	**10,879,751**	9,670,335	**9,035,122**	-	**-**	373,817
Current assets	**1,048,472**	1,074,410	**147,284**	127,112	**429,202**	-	**-**	162,045
Non-current liabilities	**(562,414)**	(815,962)	**(8,769,136)**	(7,087,636)	**(3,400,846)**	-	**-**	(900)
Current liabilities	**(282,964)**	(269,317)	**(923,519)**	(1,453,774)	**(627,963)**	-	**-**	(66,657)
Net assets	**4,746,519**	4,435,949	**1,334,380**	1,256,037	**5,435,515**	-	**-**	468,305
Profit/(loss) for the financial year	**1,159,080**	899,088	**79,229**	122,925	**(472,072)**	-	**-**	30,774
Other comprehensive loss	**-**	-	**(21,757)**	(179,855)	**(860)**	-	**-**	-
Total comprehensive income/(loss)	**1,159,080**	899,088	**57,472**	(56,930)	**(472,932)**	-	**-**	30,774
Included in the total comprehensive income is:								
Revenue	**2,296,168**	2,365,529	**1,088,992**	1,150,574	**113,671**	-	**-**	212,577
Other information:								
Dividends received from associate	**349,682**	385,772	**-**	-	**-**	-	**-**	7,974

16. INVESTMENT IN ASSOCIATES (CONT'D.)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows: (cont'd.)

(b) Reconciliation of net assets to carrying amount:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust		Fico Tay Ninh Cement Joint Stock Company		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Opening net assets, 1 July	4,435,949	4,524,039	1,256,037	1,347,235	-	-	-	210,640	5,691,986	6,081,914
Effect of a former subsidiary became an associated company	-	-	-	-	5,741,374	-	-	-	5,741,374	-
Increase in equity	-	-	-	-	5,807	-	-	251,472	5,807	251,472
Profit/(loss) for the financial year	1,159,080	899,088	79,229	122,925	(471,044)	-	-	30,774	767,265	1,052,787
Other comprehensive (loss)/income	-	-	(21,757)	(179,855)	159,501	-	-	-	137,744	(179,855)
Foreign exchange differences	150,581	115,027	20,871	(34,268)	(123)	-	-	1,795	171,329	82,554
Dividend paid	(999,091)	(1,102,205)	-	-	-	-	-	(26,376)	(999,091)	(1,128,581)
Closing net assets, 30 June	4,746,519	4,435,949	1,334,380	1,256,037	5,435,515	-	-	468,305	11,516,414	6,160,291
Interest in associates direct hold by subsidiary	35.00%	35.00%	33.50%	33.50%	36.74%	-%	-%	50.03%		
Interest in associate	1,661,282	1,552,582	447,017	420,772	1,997,377	-	-	234,293	4,105,676	2,207,647
Goodwill	-	-	-	-	-	-	-	15,154	-	15,154
Carrying amount	1,661,282	1,552,582	447,017	420,772	1,997,377	-	-	249,447	4,105,676	2,222,801

Goodwill amounting to RM23,357,000 (2019: RM38,511,000) was included in the carrying amount of investment in associated companies.

The individually immaterial associate's carrying amount is RM111,167,000 (2019: RM358,364,000) and the Group's share of total comprehensive loss is RM36,176,000 (2019: total comprehensive loss is RM6,090,000).

17. INVESTMENT IN JOINT VENTURES

	Group 2020 RM'000	Group 2019 RM'000
Unquoted ordinary shares, at cost	**276,786**	265,363
Share of post-acquisition reserves	**(107,326)**	2,209
Accumulated impairment losses	**(4,286)**	(3,388)
	165,174	264,184

Details of the joint ventures are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2020 %	Effective Equity Interest 2019 %
Held through YTL Cement Berhad:				
Alliance Concrete Singapore Pte. Ltd.	Singapore	Production and sale of ready-mix concrete	**37.73**	37.73
Held through YTL Land & Development Berhad:				
Shorefront Development Sdn. Bhd.	Malaysia	Property development	**48.30**	32.63
Held through YTL Power International Berhad:				
Attarat Mining Company B.V.	Netherlands	Mining & supply of oil shale	**24.84**	24.84
Attarat Operation and Maintenance Company B.V.	Netherlands	Operation & maintenance of Power Plant	**24.84**	24.84
Attarat Power Holding Company B.V.	Netherlands	Investment holding and financing activities	**24.84**	24.84
Bristol Wessex Billing Services Limited	England & Wales	Billing services	**27.61**	27.61
Xchanging Malaysia Sdn. Bhd.	Malaysia	Mobile internet and cloud-based technology solutions	**16.57**	16.57

Notes to the Financial Statements
- 30 June 2020

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:

(a) Summarised financial information:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Non-current assets	**8,049,694**	6,484,153	**9,290**	3,251
Current assets	**61,145**	31,528	**337,590**	354,220
Non-current liabilities	**(7,880,832)**	(5,731,014)	**-**	-
Current liabilities	**(310,466)**	(578,558)	**(132,650)**	(125,313)
Net assets	**(80,459)**	206,109	**214,230**	232,158
(Loss)/Profit for the financial year	**(35,117)**	(20,135)	**16,844**	107,234
Other comprehensive loss	**(253,294)**	(198,096)	**-**	-
Total comprehensive (loss)/income	**(288,411)**	(218,231)	**16,844**	107,234
Included in the total comprehensive income is:				
Revenue	**-**	-	**357,960**	475,499
Other information:				
Dividends received from joint venture	**-**	-	**18,930**	9,278
Cash and cash equivalents	**32,457**	26,135	**26,633**	73,868
Shareholders loan and related interest	**(2,464,519)**	(1,936,891)	**-**	-
Bank borrowings	**(4,976,577)**	(3,625,914)	**-**	-
Derivative financial instruments	**(431,520)**	(168,208)	**-**	-

17. INVESTMENT IN JOINT VENTURES (CONT'D.)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows: (cont'd.)

(b) Reconciliation of net assets to carrying amount:

	Attarat Power Holdings Company B.V.		Attarat Mining Company B.V.		Total	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Opening net assets, 1 July	**206,109**	59,245	**232,158**	141,524	**438,267**	200,769
Increase in equity*	**-**	362,924	**-**	-	**-**	362,924
(Loss)/Profit for the financial year	**(35,117)**	(20,135)	**16,844**	107,234	**(18,273)**	87,099
Other comprehensive loss	**(253,294)**	(198,096)	**-**	-	**(253,294)**	(198,096)
Dividend paid	**-**	-	**(42,067)**	(20,617)	**(42,067)**	(20,617)
Foreign exchange differences	**1,843**	2,171	**7,295**	4,017	**9,138**	6,188
Closing net assets, 30 June	**(80,459)**	206,109	**214,230**	232,158	**133,771**	438,267
Interest in joint ventures direct hold by subsidiary	**45.0%**	45.0%	**45.0%**	45.0%		
Group's interest	**(36,207)**	92,749	**96,404**	104,471	**60,197**	197,220
Unrecognised share of net assets	**36,207**	-	**-**	-	**36,207**	-
Carrying amount	**-**	92,749	**96,404**	104,471	**96,404**	197,220
Cumulative share of losses	**(36,207)**	-	**-**	-	**(36,207)**	-

* During the previous financial year, joint venture shareholders of Attarat Power Holding Company B.V. made share premium contribution on its shares in Attarat Power Holding Company B.V. for consideration of RM362.9 million; settlement by way of offsetting the loans owing to the respective joint venture shareholders.

The individually immaterial joint ventures' carrying amount is RM69.0 million (2019: RM67.0 million), Group's share of profits is RM42.3 million (2019: RM7.7 million) and the Group's share of total comprehensive loss is RM36.1 million (2019: total comprehensive loss of RM81.4 million).

18. INVESTMENTS

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets					
Financial assets at fair value through profit or loss	18(a)	**362,195**	346,510	**35,226**	34,968
Financial assets at fair value through other comprehensive income	18(b)	**42,716**	63,461	**9,599**	9,477
		404,911	409,971	**44,825**	44,445
Current assets					
Financial assets at fair value through profit or loss	18(a)	**2,301,989**	2,352,947	**755,199**	797,277

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

The investments are in relation to the following:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Income funds*				
- Within Malaysia	**476,102**	631,707	**-**	-
- Outside Malaysia	**912,940**	859,158	**-**	-
Equity funds				
- Within Malaysia	**5,909**	5,976	**5,909**	5,976
- Outside Malaysia	**341,799**	326,391	**18,437**	18,489
Quoted equity investments				
- Within Malaysia	**3,071**	4,155	**3,071**	4,155
- Outside Malaysia	**7,809**	6,348	**7,809**	6,348
Unquoted equity investments				
- Outside Malaysia	**3,607**	3,640	**-**	-
Unquoted preference shares				
- Within Malaysia	**-**	-	**-**	-
Unquoted unit trusts*				
- Within Malaysia	**912,947**	862,082	**755,199**	797,277
	2,664,184	2,699,457	**790,425**	832,245
Net fair value gain on investments	**25,976**	62,507	**823**	1,288

* Financial assets at fair value through profit or loss consist of investment in income funds and unit trusts placed with licensed financial institutions. The income funds and unit trusts are highly liquid and readily convertible to cash.

18. INVESTMENTS (CONT'D.)

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

The investments are in relation to the following:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Quoted equity investments				
- Within Malaysia	**8,097**	10,833	**4**	4
- Outside Malaysia	**14,141**	31,239	**1**	1
Unquoted equity investments				
- Within Malaysia	**20,066**	21,343	**9,594**	9,472
- Outside Malaysia	**412**	46	**-**	-
	42,716	63,461	**9,599**	9,477
Net fair value (loss)/gain on investments	**(12,325)**	(11,713)	**123**	277

19. INTANGIBLE ASSETS

The details of intangible assets are as follows:

	Note	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
Group - 2020						
At cost						
At beginning of the financial year		143,995	7,960,260	-	89,869	8,194,124
Additions		13,266	-	162,102	-	175,368
Acquisition of subsidiaries		-	243,332	-	-	243,332
Currency translation differences		3,829	36,031	(2,659)	127	37,328
Transfer from property, plant and equipment *		-	-	386,204	-	386,204
At end of the financial year		161,090	8,239,623	545,647	89,996	9,036,356
Accumulated amortisation and impairment						
At beginning of the financial year		(24,720)	(120,167)	-	(26,037)	(170,924)
Amortisation for the year	7	(8,883)	-	(55,230)	(5,493)	(69,606)
Currency translation differences		(545)	(150)	816	-	121
Impairment loss	7	-	(1,723)	-	-	(1,723)
Transfer from property, plant and equipment*		-	-	(163,130)	-	(163,130)
At end of the financial year		(34,148)	(122,040)	(217,544)	(31,530)	(405,262)
Net carrying amount						
At 30 June 2020		126,942	8,117,583	328,103	58,466	8,631,094

* During the financial year, the Group decided to refine its analysis of assets and identify elements of its asset stock that could be classified as intangible assets. Following this exercise, those assets which meet the definition were transferred from property, plant and equipment to intangible assets.

19. INTANGIBLE ASSETS (CONT'D.)

The details of intangible assets are as follows: (cont'd.)

	Note	Contract rights RM'000	Goodwill on consolidation RM'000	Others RM'000	Total RM'000
Group - 2019					
At cost					
At beginning of the financial year		137,385	5,922,469	62,314	6,122,168
Additions		4,215	-	-	4,215
Acquisition of subsidiaries		-	1,776,586	27,783	1,804,369
Currency translation differences		2,395	261,205	(228)	263,372
At end of the financial year		143,995	7,960,260	89,869	8,194,124
Accumulated amortisation and impairment					
At beginning of the financial year		(17,281)	(117,021)	(11,991)	(146,293)
Amortisation for the year	7	(7,283)	-	(3,523)	(10,806)
Acquisition of subsidiaries		-	-	(10,523)	(10,523)
Currency translation differences		(156)	(3,146)	-	(3,302)
At end of the financial year		(24,720)	(120,167)	(26,037)	(170,924)
Net carrying amount					
At 30 June 2019		119,275	7,840,093	63,832	8,023,200

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	
	2020 RM'000	**2019 RM'000**
Utilities	**5,484,637**	5,454,797
Cement manufacturing & trading	**2,143,823**	1,895,968
Management services	**299,556**	298,444
Property investment & development	**96,231**	96,231
Hotel & restaurant operations	**69,579**	69,174
Others	**23,757**	25,479
	8,117,583	7,840,093

19. INTANGIBLE ASSETS (CONT'D.)

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

(a) Key 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 RM4.6 billion (2019: RM4.5 billion) ("A") and RM820 million (2019: RM820 million) ("B"), respectively, and one of the major goodwill in cement manufacturing & trading ("C") segment amounting to RM1.6 billion (2019: 1.6 billion).

	2020			**2019**		
	A %	**B %**	**C %**	**A %**	**B %**	**C %**
Pre-tax discounts	**6.3**	**2.1**	**9.1**	6.3	4.4	11.3
Terminal growth rate	**20.0**	**(0.8)**	**2.2**	2.0	0.1	2.1
Revenue growth	**4.0**	**1.0**	**-**	4.0	2.7	-

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of the assessment of the respective CGU.

For CGU "A", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated above. The growth rate did not exceed the long-term average growth rate in which the CGU operates.

The terminal growth rate indicates the expected growth of cash flows after the forecast period of five years.

The revenue growth rate is calculated using the Compound Annual Growth Rate method and applied on the current year's sales figures over the forecast period.

For CGU "B", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a one year period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

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

The terminal growth rate indicates the expected growth of cash flows after the forecast period of five years.

19. INTANGIBLE ASSETS (CONT'D.)

(b) Sensitivity to change in key assumptions

Changing the assumptions selected by management used in the cash flow projections could significantly affect the Group's results. The Group's review includes performing sensitivity analysis of key assumptions.

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:

	2020			2019		
	A %	B %	C %	A %	B %	C %
Pre-tax discounts	**7.4**	**42.6**	**19.3**	7.7	21.0	12.1
Terminal growth rate	**0.7**	**(1.8)**	**(19.8)**	0.3	1.2	1.0
Revenue growth	**2.0**	**(6.7)**	**-**	2.0	2.0	-

20. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Trade receivables		**413**	43,669	**-**	-
Other receivables		**2,133**	11,556	**-**	-
Less: Allowance for impairment		**(2,133)**	(2,544)	**-**	-
Other receivables (net)		**-**	9,012	**-**	-
Deposits		**16,670**	591	**-**	-
Prepayments		**66,345**	13,888	**-**	-
Net investment in lease	32(a)	**11,693**	-	**-**	-
Receivables from associate company^		**220,318**	220,208	**-**	-
Receivables from a joint venture$^{\Omega}$		**1,104,266**	871,752	**-**	-
		1,419,705	1,159,120	**-**	-

20. TRADE AND OTHER RECEIVABLES (CONT'D.)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current					
Trade receivables		**2,081,689**	2,732,974	**–**	–
Shareholder amounts held by solicitors		**23,742**	67,103	**–**	–
		2,105,431	2,800,077	**–**	–
Less: Allowance for impairment		**(557,230)**	(491,117)	**–**	–
Total trade receivables (net)		**1,548,201**	2,308,960	**–**	–
Other receivables**		**481,705**	699,654	**6,705**	14,420
Less: Allowance for impairment		**(154,615)**	(158,036)	**(1,765)**	(1,765)
Total other receivables (net)		**327,090**	541,618	**4,940**	12,655
Unbilled receivables		**766,106**	962,863	**–**	–
Less: Allowance for impairment		**(7,568)**	–	**–**	–
Total unbilled receivables (net)		**758,538**	962,863	**–**	–
Prepayments		**360,608**	304,699	**98**	363
Net investment in lease	32(a)	**4,193**	–	**–**	–
Deposits		**206,351**	80,593	**1,072**	327
		3,204,981	4,198,733	**6,110**	13,345

^ Receivables from associate comprise three loan notes to an associate. The notes have been issued by an associate in accordance to a loan note facility agreement. These receivables will mature in October 2030. Contingent interests are receivable on loan notes to the extent that there is sufficient available cash. In the event that cash is insufficient, interest will be accrued. The interest rate of the loan notes averages at 13.25% per annum.

Ω Receivables from a joint venture comprise shareholder loans to Attarat Power Holding Company B.V. that wholly owns Attarat Power Company ("APCO"). APCO is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project's second unit). The shareholder loans and accrued interest are repayable on demand. The interest rate of the shareholder loans is at 15.00% per annum. The shareholder loans included a conversion option to equity and were measured at FVTPL in 2019. The conversion option was waived during the financial year which represented a significant modification of the contract term. Therefore, the shareholder loans at FVTPL has been derecognised and it is now recognised at fair value and subsequently measured at amortised costs.

** In 2015, a foreign subsidiary of the Group has recognised other receivables, arising from liquidated damages for early termination of three electricity retail contracts based on the enforceable rights stipulated in the respective contracts. The trial was heard at the end of 2017 followed by a further hearing in November 2018. An allowance for impairment of receivables of RM70.7 million (SGD23.4 million) was recognised during previous financial year ended 30 June 2019 based on the decision of the High Court on 2 January 2019.

The fair value of receivables approximate their carrying amounts.

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

21. DERIVATIVE FINANCIAL INSTRUMENTS

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 - 2020			
Cash-flow hedges			
- fuel oil swaps	**1,343,133**	**51,469**	**171,622**
- currency forwards	**1,427,691**	**24,663**	**5,148**
Fair value through profit or loss			
- fuel oil swaps	**92,613**	**8,712**	**13,388**
- currency forwards	**4,740**	**-**	**187**
		84,844	**190,345**
Current portion		**74,259**	**174,944**
Non-current portion		**10,585**	**15,401**
		84,844	**190,345**
Group - 2019			
Cash-flow hedges			
- fuel oil swaps	1,657,600	74,701	47,972
- currency forwards	1,869,378	7,433	10,320
- interest rate swaps	2,931,554	-	49,533
- cross currency swaps	112,538	665	-
Fair value through profit or loss			
- fuel oil swaps	273,138	657	4,942
- currency forwards	213,439	288	1,507
- currency options contract*	1,656,800	-	3,333
		83,744	117,607
Current portion		65,022	63,491
Non-current portion		18,722	54,116
		83,744	117,607

* The Group entered into currency options contracts to enjoy interest rate reduction in related borrowings with an acceptable risk profile. The fair value is determined using the spot rate, interest rate, basis curve and volatility of the related currencies and time to maturity of the contracts.

Notes to the Financial Statements

- 30 June 2020

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

Hedging instruments used in the Group's hedging strategy:

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount RM'000	Assets/ (Liabilities) RM'000	Financial statement line item	Hedging instrument RM'000	Hedged item RM'000	Hedge ineffectiveness recognised in profit or loss RM'000	Weighted average hedged rate	Maturity date
Group - 2020								
Cash flow hedge								
Fuel oil price risk								
- Fuel oil swap to hedge highly probable transactions ("HSFO")	**1,163,143**	**(130,493)**	**Derivative financial instruments**	**(371,407)**	**371,407**	**-**	**RM1,199.5 per metric ton**	**July 2020 - January 2023**
- Fuel oil swap to hedge highly probable transactions ("LNG")	**179,990**	**10,340**	**Derivative financial instruments**	**11,993**	**(11,993)**	**-**	**RM151.0 per bbl**	**July 2020 - June 2022**
Foreign exchange risk								
- Forward contracts to hedge highly probable transactions	**1,427,691**	**19,515**	**Derivative financial instruments**	**47,199**	**(47,199)**	**-**	**RM4.2: USD1.00**	**July 2020 - March 2023**
Group - 2019								
Cash flow hedge								
Fuel oil price risk								
- Fuel oil swap to hedge highly probable transactions ("HSFO")	1,573,146	27,329	Derivative financial instruments	(55,116)	55,116	-	RM1,425.0 per metric ton	July 2019 - November 2021
- Fuel oil swap to hedge highly probable transactions ("LNG")	84,454	(600)	Derivative financial instruments	(1,073)	1,073	-	RM281.9 per bbl	July 2019 - December 2019
Foreign exchange risk								
- Forward contracts to hedge highly probable transactions	1,830,909	(3,819)	Derivative financial instruments	(5,499)	5,499	-	RM4.1: USD1.00	July 2019 - January 2022

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

Period when the cash flows on cash flow hedges are expected to occur or affect the Income Statements:

(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 31 months (2019: 29 months) from financial year end. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently recognised in the Income Statements upon consumption of the underlying fuels.

The fair value of fuel oil swaps is determined using a benchmark fuel price index at the reporting date.

(b) Currency forwards

Currency forwards are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within 33 months (2019: 31 months) from financial year end. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Gains and losses relating to highly probable forecast fuel payments are recognised in the hedging reserve prior to the occurrence of these transactions and are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently transferred to Income Statements upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency payments of purchase of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in the income statements over their estimated useful lives as part of depreciation expense.

For those currency forwards used to hedge highly probable forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in Income Statements over the period of the contracts.

The fair values of forward currency contracts is determined using quoted forward currency rates at the reporting date.

(c) Interest rate swaps

The Group entered into interest rate swap contracts to manage its interest rate risk arising primarily from interest-bearing borrowings. Borrowings at floating rate expose the Group to fair value interest rates and the derivative financial instruments minimise the fluctuation of cash flow due to changes in the market interest rates. The derivative financial instruments are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures with a view to limit the credit risk exposure of the Group.

The derivative financial instruments are stated at fair value based on banks' quotes. The fair value changes on the effective portion of the derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in income statement.

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

(d) Cross-currency swap

The Group had entered into a cross currency swap contract to exchange interest payments and principal denominated in two different currencies to hedge against the exposure of its borrowings to interest rate risk and foreign exchange risk.

The changes in the fair value of these cross currency swap contracts that are designated as hedges are included as hedging reserve in equity and continuously released to the Income statements until the repayment of the bank borrowings or maturity of cross currency swap contracts whichever is earlier. For the cross currency swap contracts that are not designated as hedges, the changes in the fair value are recognised as other income or other expense in the Income statements.

22. INVENTORIES

	Group	
	2020 RM'000	**2019 RM'000**
Consumable stores	**72,086**	24,297
Finished goods	**174,013**	258,487
Fuel	**59,734**	207,225
Property held for sales	**1,288,681**	1,679,118
Raw materials	**228,483**	234,562
Spare parts	**341,342**	355,823
Work-in-progress	**20,024**	24,211
	2,184,363	2,783,723

During the financial year, included in the inventories of the Group with carrying value of RM1,143,395,000 (2019: RM1,595,960,000) pledged as security for a borrowing granted to the Group.

23. PROPERTY DEVELOPMENT COSTS

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group - 2020					
Cumulative property development costs:					
At beginning of the financial year		99,299	88,998	391,063	579,360
Cost incurred during the financial year		-	-	27,155	27,155
Transfer from investment properties	13	51,787	-	-	51,787
Transfer to property, plant and equipment	11	(69,122)	-	(312,243)	(381,365)
Transfer to inventories		-	(5,290)	(101,469)	(106,759)
Transfer from land held for property development	14(a)	(7,322)	-	-	(7,322)
Reversal of completed projects		-	(2,852)	(20,425)	(23,277)
Currency translation differences		(245)	-	2,991	2,746
At end of the financial year		74,397	80,856	(12,928)	142,325
Cumulative cost recognised in profit or loss:					
At beginning of the financial year					(17,423)
Recognised during the financial year	5				(7,322)
Reversal of completed projects					23,277
At end of the financial year					(1,468)
Property development costs at end of the financial year					140,857

Notes to the Financial Statements
– 30 June 2020

23. PROPERTY DEVELOPMENT COSTS (CONT'D.)

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group - 2019					
Cumulative property development costs:					
At beginning of the financial year		76,461	84,050	206,521	367,032
Cost incurred during the financial year		–	1,875	97,421	99,296
Transfer from investment properties	13	23,225	–	–	23,225
Transfer from land held for property development	14(a)	–	3,073	915	3,988
Transfer from project development expenditure	14(b)	–	–	83,131	83,131
Currency translation differences		(387)	–	3,075	2,688
At end of the financial year		99,299	88,998	391,063	579,360
Cumulative cost recognised in profit or loss:					
At beginning of the financial year					–
Recognised during the financial year	5				(17,423)
At end of the financial year					(17,423)
Property development costs at end of the financial year					561,937

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM4,906,000 (2019: RM12,463,000).

24. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2020 RM'000	**2019 RM'000**
Non-current		
Contract assets	**540**	2,486
Contract cost assets	**1,165**	3,130
Contract liabilities	**(31,326)**	(26,264)
Current		
Contract assets	**201,468**	205,932
Contract cost assets	**26,151**	33,592
Contract liabilities	**(633,343)**	(996,420)

	Group	
	2020 RM'000	**2019 RM'000**
Representing:		
Contract assets	**202,008**	208,418
Contract liabilities	**(664,669)**	(1,022,684)
	(462,661)	(814,266)
Contract cost assets	**27,316**	36,722

	Group	
	2020 RM'000	**2019 RM'000**
Representing:		
Utilities	**(187,272)**	(155,487)
Property development	**(133,202)**	(208,850)
Construction	**(109,000)**	(411,767)
Hotel	**(29,934)**	(36,765)
Cement	**(3,241)**	(1,397)
Others	**(12)**	-
	(462,661)	(814,266)

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(a) Utilities

Significant changes in contract assets and liabilities:

	Group	
	2020 RM'000	**2019 RM'000**
Contract assets		
At beginning of the financial year	**158,566**	78,171
Transfer to trade receivables	**(6,749)**	(76,495)
Addition due to revenue recognised during the year	**2,771**	157,263
Currency translation differences	**-**	15
Write back of/(Allowance for) impairment of contract assets	**278**	(388)
At end of the financial year	**154,866**	158,566

	Group	
	2020 RM'000	**2019 RM'000**
Contract liabilities		
At beginning of the financial year	**314,053**	322,096
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(313,562)**	(319,806)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**340,800**	314,635
Currency translation differences	**847**	(2,872)
At end of the financial year	**342,138**	314,053

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(a) Utilities (CONT'D.)

(i) Assets recognised from costs to obtain or fulfil a contract

The Group capitalises costs to obtain or fulfil a contract which include sales commissions when they are incremental and expected to be recovered over more than a year. The Group also capitalises expenditure on assets such as water mains/ sewers or new connections relating to contracts as they are incurred to fulfil the contract. This is presented within contract cost assets within "contract assets" in the statements of financial position.

	Group	
	2020 RM'000	**2019 RM'000**
At beginning of the financial year	**36,721**	39,353
Assets recognised from costs to obtain or fulfil a contract during the financial year	**27,975**	35,889
Amortisation recognised during the financial year	**(7,842)**	(11,569)
Charged to cost of sales during the financial year	**(29,669)**	(26,688)
Currency translation differences	**131**	(263)
At end of the financial year	**27,316**	36,722

The closing balance of contract cost assets consist of:

	Group	
	2020 RM'000	**2019 RM'000**
Contract acquisition cost	**111**	597
Contract fulfillment cost	**27,205**	36,125
At end of the financial year	**27,316**	36,722

(ii) Unsatisfied performance obligations

As at 30 June 2020, the aggregate amount of the transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM357.2 million (2019: RM382.6 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 15 years (2019: 1 to 15 years).

The Group applied the practical expedient in MFRS 15 and did not disclose information about unsatisfied performance obligation for certain contracts, where the transaction price corresponds directly with the Group's level of performance in the future.

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(b) Property development

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

	Group	
	2020 RM'000	**2019 RM'000**
At beginning of the financial year	**(208,850)**	(70,175)
Revenue recognised during the financial year	**420,087**	481,203
Progress billings during the financial year	**(345,111)**	(619,988)
Consideration payable to customer	**672**	110
At end of the financial year	**(133,202)**	(208,850)
Representing:		
Contract assets	**28,638**	39,456
Contract liabilities	**(161,840)**	(248,306)
	(133,202)	(208,850)

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

(i) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM95,758,000 (2019: RM51,579,000), of which the Group expects to be recognise as revenue within one year from the financial year end.

(c) Construction

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

	Group	
	2020 RM'000	**2019 RM'000**
At beginning of the financial year	**(411,767)**	(40,816)
Revenue recognised during the financial year	**2,316,005**	1,219,499
Cost incurred for project yet to recognised revenue	**6,432**	(43)
Progress billings during the financial year	**(2,019,670)**	(1,590,407)
At end of the financial year	**(109,000)**	(411,767)

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(c) Construction (cont'd.)

Construction contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

Included in aggregate costs incurred to date of the Group is the depreciation capitalised during the financial year amounting to RM9,290,000 (2019: RM7,590,000).

(i) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM4.57 billion (2019: RM6.75 billion), of which the Group expects to be recognised as revenue in the financial statements in the next three years.

(d) Hotel operations

The Group recognises contract liabilities when a customer pays consideration, or is contractually required to pay consideration, before the Group recognises the related revenue. The contract liabilities are expected to be recognised as revenue within a year.

	Group	
	2020 RM'000	**2019 RM'000**
Contract Liabilities	**29,934**	36,765

	Group	
	2020 RM'000	**2019 RM'000**
Significant changes to contract liabilities balances during the period are as follows:		
Contract liabilities as at the beginning of the period recognised as revenue during the year	**36,532**	20,714
Advances received during the year	**151,770**	169,248

Customer deposits represent advance payment by customers for future bookings of hotel rooms, food and beverage and transport.

24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D.)

(e) Cement manufacturing & trading

	Group	
	2020 RM'000	**2019 RM'000**
Amount received in advance of delivery of goods	**3,241**	1,397

Revenue is recognised when the control of the goods is transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

25. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
(a) Amounts due from related parties				
Amounts due from:				
– Holding company	**17**	38	**–**	–
– Subsidiaries	**–**	–	**1,299,910**	1,011,391
– Related companies	**23,389**	13,831	**3,498**	2,987
– Associated companies	**27,549**	17,238	**60**	57
– Joint ventures	**2,739**	24	**–**	–
	53,694	31,131	**1,303,468**	1,014,435
(b) Amounts due to related parties				
Amounts due to:				
– Holding company	**329**	–	**–**	–
– Subsidiaries	**–**	–	**4,655**	5,496
– Related parties	**5,946**	8,661	**53**	50
– Associated companies	**10,139**	531	**–**	–
– Joint ventures	**22,798**	6,814	**–**	–
	39,212	16,006	**4,708**	5,546

(c) The amounts due from/to related parties pertain mainly to trade receivables/payables, advances and payments on behalf. The outstanding amounts are unsecured, interest free and payable on demand except for advances given to subsidiaries amounting RM21.4 million (2019: RM18.0 million) which bear interest rate of 4.1% per annum (2019: 5.4% per annum).

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

26. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Deposit with a licensed bank		**10,396,221**	10,635,496	**102,070**	198,360
Cash and bank balances		**1,265,011**	1,171,006	**1,929**	122,948
		11,661,232	11,806,502	**103,999**	321,308
Bank overdrafts	31	**(45,147)**	(42,675)	**-**	-
Deposits with maturity 90 days and more		**(516,019)**	-	**-**	-
Cash and cash equivalents as per statements of cash flows		**11,100,066**	11,763,827	**103,999**	321,308

Cash and bank balances of the Group included amounts totalling RM4,682,000 (2019: RM8,882,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966. Those amounts were restricted from use in other operations.

The range of interest rates of deposits that were effective at the reporting date were as follows:

	Group		Company	
	2020 %	**2019 %**	**2020 %**	**2019 %**
Deposits with licensed banks	**0.03-4.25**	0.25-3.95	**0.03-3.35**	1.60-3.50

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2019: 1 day to 365 days). Bank balances are deposits held at call with banks.

Included in the deposits with licensed banks amounting to RM57,846,000 (2019: RM4,167,000) is pledged as a security for a borrowing as disclosed in Note 31.

The Group and of the Company seek to invest cash and cash equivalents safely and profitably with creditworthy local and offshore licensed banks. The credit quality of the local and offshore licensed banks are P1 as rated by RAM Rating Services Bhd. and Moody's Investors Service, Inc., respectively.

27. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2020 '000	**2019 '000**	**2020 RM'000**	**2019 RM'000**
Issued and fully paid:				
At beginning of the financial year	**10,910,560**	10,910,560	**3,340,111**	3,340,111
Share Exchange Offer	**112,202**	–	**127,444**	–
At end of the financial year	**11,022,762**	10,910,560	**3,467,555**	3,340,111

Out of a total of 11,022,762,340 (2019: 10,910,559,429) ordinary shares issued and fully paid-up ordinary shares, the Company holds 372,906,618 (2019: 341,862,418) ordinary shares as treasury shares. As at 30 June 2020, the number of ordinary shares in issue and fully paid net of treasury shares are 10,649,855,722 (2019: 10,568,697,011).

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 12 December 2019. 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 31,044,200 (2019: 109,030,600) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.94 (2019: RM1.24) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

As at 30 June 2020, the Company held as treasury shares a total of 372,906,618 (2019: 341,862,418) of its 11,022,762,340 (2019: 10,910,559,429) issued ordinary shares. Such treasury shares are held at a carrying amount of RM501,836,889 (2019: RM472,793,189).

(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").

27. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme ("ESOS") (cont'd.)

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 weighted average market price of shares, as quoted on Bursa Securities, for the five (5) market days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(vi) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion.

Notes to the Financial Statements
- 30 June 2020

27. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme ("ESOS") (cont'd.)

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

Financial year ended 30 June 2020

			Number of share options over ordinary shares			
Grant date	Expiry date	Exercise price RM/share	At beginning of the financial year '000	Granted '000	Lapsed '000	At end of the financial year '000
Scheme						
16.07.2012	31.03.2021	1.71	**120,900**	**-**	**(1,405)**	**119,495**
14.03.2018	31.03.2021	1.26	**252,294**	**-**	**(4,321)**	**247,973**
			373,194	**-**	**(5,726)**	**367,468**

Financial year ended 30 June 2019

			Number of share options over ordinary shares			
Grant date	Expiry date	Exercise price RM/share	At beginning of the financial year '000	Granted '000	Lapsed '000	At end of the financial year '000
Scheme						
16.07.2012	31.03.2021	1.71	125,895	-	(4,995)	120,900
14.03.2018	31.03.2021	1.26	259,483	-	(7,189)	252,294
			385,378	-	(12,184)	373,194

27. SHARE CAPITAL (CONT'D.)

(b) Employees' Share Option Scheme ("ESOS") (cont'd.)

The options granted to employees on 16 July 2012 vested on 16 July 2015, while the options granted to employees on 14 March 2018 will vest on 14 March 2021.

The fair value of options granted for which MFRS 2 applies, was determined using the Trinomial Valuation model. The significant inputs in the model are as follows:

	Share options granted on 16.07.2012	Share options granted on 14.03.2018
Valuation assumptions:		
Expected volatility	**23.6%**	22.1%
Expected dividend yield	**4.5%**	3.6%
Expected option life	**3 - 4 years**	3 - 4 years
Risk-free interest rate per annum (based on Malaysia securities bonds)	**3.1%**	3.4%

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

Value of employee services received for issue of share options:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Share option expenses				
by the Company	**16,509**	16,679	**16,509**	16,679
by the subsidiary	**5,133**	5,353	**-**	-
Allocation to subsidiaries	**-**	-	**(9,850)**	(10,000)
Allocation to related companies	**(5)**	(12)	**(5)**	(12)
Total share option expenses	**21,637**	22,020	**6,654**	6,667

28. NON-DISTRIBUTABLE RESERVES

(a) Other reserves

	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Statutory reserve[1] RM'000	FVOCI RM'000	Hedging reserve RM'000	Total other reserves RM'000
Group - 2020								
At beginning of the financial year	**97,317**	**73,848**	**749,375**	**92,881**	**19,042**	**(29,798)**	**(95,599)**	**907,066**
Changes in fair value	**-**	**-**	**-**	**-**	**-**	**(12,325)**	**(79,685)**	**(92,010)**
Exchange differences	**-**	**-**	**(274,166)**	**-**	**-**	**-**	**-**	**(274,166)**
Total comprehensive loss for the year	**-**	**-**	**(274,166)**	**-**	**-**	**(12,325)**	**(79,685)**	**(366,176)**
Conversion of ICULS	**-**	**(46,825)**	**-**	**-**	**-**	**-**	**-**	**(46,825)**
Share option expenses	**-**	**-**	**-**	**19,343**	**-**	**-**	**-**	**19,343**
Share option lapsed	**-**	**-**	**-**	**(527)**	**-**	**-**	**-**	**(527)**
Subsidiary's share option lapsed	**-**	**-**	**-**	**(346)**	**-**	**-**	**-**	**(346)**
Currency translation differences	**(147)**	**-**	**5,286**	**-**	**650**	**-**	**(5,789)**	**-**
At end of the financial year	**97,170**	**27,023**	**480,495**	**111,351**	**19,692**	**(42,123)**	**(181,073)**	**512,535**
Group - 2019								
At beginning of the financial year	97,427	73,848	628,989	75,627	18,554	(18,085)	95,517	971,877
Changes in fair value	-	-	-	-	-	(11,713)	(198,713)	(210,426)
Exchange differences	-	-	128,361	-	-	-	-	128,361
Total comprehensive income/(loss) for the year	-	-	128,361	-	-	(11,713)	(198,713)	(82,065)
Share option expenses	-	-	-	19,635	-	-	-	19,635
Share option lapsed	-	-	-	(1,748)	-	-	-	(1,748)
Subsidiary's share option lapsed	-	-	-	(633)	-	-	-	(633)
Currency translation differences	(110)	-	(7,975)	-	488	-	7,597	-
At end of the financial year	97,317	73,848	749,375	92,881	19,042	(29,798)	(95,599)	907,066

Note:

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

28. NON-DISTRIBUTABLE RESERVES (CONT'D.)

(a) Other reserves (cont'd.)

	Share options reserve RM'000	Fair value reserve RM'000	Total other reserves RM'000
Company - 2020			
At beginning of the financial year	**64,040**	**2,636**	**66,676**
Changes in fair value	**-**	**123**	**123**
Share option expenses	**16,509**	**-**	**16,509**
Share option lapsed	**(527)**	**-**	**(527)**
At end of the financial year	**80,022**	**2,759**	**82,781**
Company - 2019			
At beginning of the financial year	49,109	2,359	51,468
Changes in fair value	-	277	277
Share option expenses	16,679	-	16,679
Share option lapsed	(1,748)	-	(1,748)
At end of the financial year	64,040	2,636	66,676

29. LONG-TERM PAYABLES

	Group	
	2020 RM'000	**2019 RM'000**
Deferred income	**1,087,304**	958,774
Deposits	**48,662**	123,517
Payable to non-controlling interests	**120,241**	116,365
Other payables	**1,093**	32,763
	1,257,300	1,231,419

Deposits comprise amount collected from retail customers in relation to the provision of electricity and deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure and security deposits from property tenants. The deferred income is in relation to assets transferred from customers and services of the water and sewerage segment which are yet to be provided and shareholder loan interest revenue. The fair value of payables approximates their carrying values.

Notes to the Financial Statements
- 30 June 2020

30. BONDS

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current:					
Medium Term Notes	30(a)	**220,000**	510,024	**-**	-
Commercial papers		**-**	10,000	**-**	10,000
		220,000	520,024	**-**	10,000
Non-current:					
Medium Term Notes	30(a)	**9,652,636**	10,373,669	**2,500,000**	2,500,000
3.52% Retail Price Index Guaranteed Bonds	30(b)	**435,657**	422,492	**-**	-
5.75% Guaranteed Unsecured Bonds	30(c)	**1,824,667**	1,818,003	**-**	-
5.375% Guaranteed Unsecured Bonds	30(d)	**1,046,940**	1,043,000	**-**	-
1.75% Index Linked Guaranteed Bonds	30(e)	**1,171,955**	1,136,539	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	30(f)	**1,171,955**	1,136,539	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	30(g)	**1,104,074**	1,074,176	**-**	-
2.186% Index Linked Guaranteed Bonds Due 2039	30(h)	**360,010**	349,611	**-**	-
4.0% Guaranteed Unsecured Bonds	30(i)	**1,583,640**	1,582,157	**-**	-
1.5% Guaranteed Unsecured Bonds	30(j)	**1,304,105**	-	**-**	-
Japan bonds	30(k)	**-**	25,480	**-**	-
		19,655,639	18,961,666	**2,500,000**	2,500,000
Total		**19,875,639**	19,481,690	**2,500,000**	2,510,000

The bonds are repayable:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Not later than 1 year	**220,000**	520,024	**-**	10,000
Later than 1 year but not later than 5 years	**7,079,115**	6,090,388	**1,000,000**	-
Later than 5 years	**12,576,524**	12,871,278	**1,500,000**	2,500,000
Total	**19,875,639**	19,481,690	**2,500,000**	2,510,000

30. BONDS (CONT'D.)

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

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Medium Term Notes	**3.98**	2.21	**4.63**	4.47
Bonds	**4.00**	4.82	**-**	3.60

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
3.52% Retail Price Index Guaranteed Bonds	**292,651**	301,271	**-**	-
5.75% Guaranteed Unsecured Bonds	**2,763,282**	2,661,429	**-**	-
5.375% Guaranteed Unsecured Bonds	**1,364,607**	1,335,425	**-**	-
1.75% Index Linked Guaranteed Bonds	**1,735,032**	1,728,881	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,743,250**	1,737,755	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,737,765**	1,730,838	**-**	-
2.186% Index Linked Guaranteed Bonds Due 2039	**424,060**	424,696	**-**	-
4.0% Guaranteed Unsecured Bonds	**1,635,886**	1,671,827	**-**	-
1.5% Guaranteed Unsecured Bonds	**1,327,959**	-	**-**	-
Medium Term Notes	**10,460,962**	8,704,698	**2,366,078**	2,366,078
Japan bonds	**-**	25,480	**-**	-
	23,485,454	20,322,300	**2,366,078**	2,366,078

(a) Medium term notes ("MTNs")

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

a) Commercial papers ("CP's) and Medium term notes ("MTNs") Programme with a combined master limit of RM5.0 billion and a sub-limit on the CPs programme of RM500.0 million (collectively the "Bond Programmes") pursuant to a programme agreement dated 17 June 2019;

A nominal value of RM500 million of MTNs was issued on 25 June 2019 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.60% (2019: 4.60%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 23 June 2034 at nominal value.

During previous financial year, the Company issued new CPs with a nominal value of RM10 million. The coupon rate of the CPs is 3.60% per annum and was fully repaid during the financial year.

30. BONDS (CONT'D.)

(a) Medium term notes ("MTNs") (cont'd.)

(i) The MTNs of the Company were issued pursuant to: (cont'd.)

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

A nominal value of RM1,000,000,000 of MTNs was issued under the programme on 25 April 2013 at a coupon rate 4.38% (2019: 4.38%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 25 April 2023 at nominal value.

A nominal value of RM500,000,000 of MTNs was issued under the programme on 11 November 2016 at a coupon rate 5.15% (2019: 5.15%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 11 November 2036 at nominal value.

A nominal value of RM500,000,000 of MTNs was issued under the programme on 11 November 2016 at a coupon rate 4.63% (2019: 4.63%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 11 November 2026 at nominal value.

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

a) A Medium Term Notes programme of up to RM5,000,000,000 constituted by a Trust Deed and MTNs Agreement, both dated 11 August 2011. The facility bears interest rates ranging from 4.49% to 4.99% (2019: 4.35% to 4.99%) per annum.

b) The Islamic MTNs of YTLPI were issued pursuant to Islamic Medium Term Notes facility of up to RM2,500,000,000 in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) which constituted by a Trust Deed and Facility Agency Agreement, both dated 20 April 2017. The facility bears a profit rate of 5.05% (2019: 5.05%) per annum.

(iii) The MTNs of Starhill Global REIT ("SGREIT") were issued pursuant to:

a) 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 3.50% per annum payable semi-annually in arrears and have a rating of "BBB+" by Standard & Poor's Rating Services.

b) 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 3.40% per annum payable semi-annually in arrears and have a rating of "BBB+" by Standard & Poor's Rating Services.

30. BONDS (CONT'D.)

(a) Medium term notes ("MTNs") (cont'd.)

(iii) The MTNs of Starhill Global REIT ("SGREIT") were issued pursuant to: (cont'd.)

c) Singapore MTNs (Series 004 Notes)

The Group issued SGD70 million unsecured ten-year Singapore MTNs comprised in Series 004 (the "Series 004 Notes") in October 2016 (maturing in October 2026) under its SGD2 billion Multicurrency MTNs Programme. The Series 004 Notes bear a fixed rate interest of 3.14% per annum payable semi-annually in arrears and have a rating of "BBB+" by Standard & Poor's Rating Services.

d) Malaysia MTNs

SGREIT has outstanding five-year fixed-rate senior medium term notes of a nominal value of RM330 million ("Senior MTN") issued at a discounted cash consideration of approximately RM325 million. The Senior MTN bear a fixed coupon rate of 4.48% per annum and have a carrying amount of approximately RM329.8 million (SGD107.8 million) as at 30 June 2019. The notes have an expected maturity in September 2019 and legal maturity in March 2021, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

During the financial year, SGREIT and its subsidiary companies' ceased to be subsidiaries of the Group.

(iv) The MTNs of YTL REIT were issued pursuant to:

The MTNs of the Group were issued pursuant to a MTNs issuance programme of up to RM1,650 million constituted by a Trust Deed and Programme Agreement, both dated 11 May 2016. As at end of the reporting period, RM810 million (2019: RM810 million) were issued as follow:-

a) A nominal value of RM65 million of MTNs was issued on 23 May 2017 to finance the renovation costs carried out at The Ritz-Carlton, Kuala Lumpur – Suite Wing and Hotel Wing. The MTNs are redeemable on 23 May 2022 at nominal value.

b) A nominal value of RM385 million of MTNs was issued on 3 November 2017 to finance the acquisition of The Majestic Hotel Kuala Lumpur by YTL REIT. The MTNs are redeemable on 1 November 2024 at nominal value.

c) A nominal value of RM265 million of MTNs was issued on 23 November 2017 to refinance the existing borrowings of YTL REIT. The MTNs are redeemable on 23 November 2022 at nominal value.

d) A nominal value of RM10 million of MTNs was issued on 24 May 2019 to refinance YTL REIT existing RM10 million nominal value MTNs. The MTNs are redeemable on 23 May 2022 at nominal value.

e) A nominal value of RM85 million of MTNs was issued on 28 June 2019 to finance the renovation costs carried out at JW Marriott Hotel Kuala Lumpur. The MTNs are redeemable on 28 June 2023 at nominal value.

The MTNs bear coupon rates ranging from 4.21% to 5.05% (2019: 4.70% to 5.10%) per annum, payable semi-annually in arrears and is secured by certain properties.

30. BONDS (CONT'D.)

(a) Medium term notes ("MTNs") (cont'd.)

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

In 2016, Kedah Cement Sdn. Bhd. (formerly known as Lafarge Cement Sdn. Bhd.) ("KCSB"), a subsidiary of the Group, had established a Sukuk Wakalah Programme ("Sukuk Wakalah") for the issuance of up to RM500,000,000 in nominal value of Sukuk Wakalah. It provides KCSB the flexibility to raise funds from time to time which can be utilised to finance and/or to reimburse the acquisition of property, plant and equipment/investments, to fund working capital requirements and to refinance existing bank borrowings of KCSB. The Sukuk Wakalah Programme has a tenure of 7 years from the date of first issuance of the Sukuk Wakalah.

On 13 January 2017, KCSB made its first and second issuance of RM100,000,000 and RM180,000,000 in nominal value of Sukuk Wakalah, respectively based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah bore profit based at 4.40% and 4.80% per annum and has been fully settled in 2018 and 2020 respectively.

On 13 December 2017 and 10 July 2019, KCSB made its third and fourth issuance of RM100,000,000 in nominal value of Sukuk Wakalah, based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah are due on 11 December 2020 and 8 July 2022 and bear profit at 5.00% and 5.06% per annum, payable semi-annually.

On 10 July 2019, KCSB made its fifth issuance of RM120,000,000 in nominal value of Sukuk Wakalah, based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah are due on 9 July 2020 and bear profit at 4.10% per annum.

On 13 January 2020 and 9 July 2020, KCSB made its sixth and seventh issuance of RM180,000,000 in nominal value of Sukuk Wakalah, based on the Shariah principle of Wakalah and Murabahah under the Sukuk Wakalah Programme to fund working capital requirements of KCSB. The Sukuk Wakalah are due on 13 January 2023 and 7 July 2023 and bear profit at 4.60% and 4.55% per annum, payable semi-annually.

(b) 3.52% Retails price index guaranteed bonds ("RPIG Bonds")

The RPIG Bonds of Wessex Water Services Finance Plc. bear interest semi-annually on 30 January and 30 July at an interest rate of 3.52% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2020 is 5.77% (2019: 6.71%) 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.

30. BONDS (CONT'D.)

(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 5.75% Guaranteed Unsecured Bonds due 2033 ("5.75% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited, a subsidiary of the Group. The 5.75% GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of 5.75% GU Bonds issued amounted to GBP350,000,000 and as at 30 June 2020 GBP346,532,441 (2019: GBP346,358,915) remained outstanding, net of amortised fees and discount. The net proceeds of the 5.75% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest.

(d) 5.375% Guaranteed unsecured bonds

On 10 March 2005, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 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 GBP198,830,197 (2019: GBP198,708,230) remained outstanding as at 30 June 2020, net of amortised fees and discount. The net proceeds of the bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with all accrued interest.

(e) 1.75% Index linked guaranteed bonds

On 31 July 2006, Wessex Water Services Finance Plc. ("Issuer") issued two (2) tranches of GBP75,000,000 nominal value 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 1 was each constituted under a Trust Deed dated 31 July 2006 and is unsecured.

The ILG Bonds 1 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2020 is 4.00% (2019: 4.94%) per annum. The bonds will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche at their indexed value together with all accrued interest.

(f) 1.369% AND 1.374% Index linked guaranteed bonds

On 31 January 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP75,000,000 nominal value 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds 2") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 2 were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The ILG Bonds 2 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2020 is 3.62% (2019: 4.56%) per annum. The bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest.

30. BONDS (CONT'D.)

(g) 1.489%, 1.495% AND 1.499% Index linked guaranteed bonds

On 28 September 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP50,000,000 nominal value 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds 3") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 3 were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The ILG Bonds 3 bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2020 is 4.12% (2019: 3.93%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

(h) 2.186% Index linked guaranteed bonds

On 7 September 2009, Wessex Water Services Finance Plc. ("Issuer") issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds 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 2020 is 2.74% (2019: 2.54%) per annum. The ILG Bonds 4 will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(i) 4.0% Guaranteed unsecured bonds

On 24 January 2012, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ("4% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 24 January 2012. The nominal value of 4% GU Bonds issued amounted to GBP200,000,000, of which GBP199,667,155 (2019: GBP199,400,879) remained outstanding as at 30 June 2020, net of amortised fees and discount. The net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 30 August 2012, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP100,000,000 nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ("4% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 30 August 2012. The nominal value of 4% GU Bonds issued amounted to GBP100,000,000 of which GBP101,090,703 (2019: GBP102,025,593) remained outstanding as at 30 June 2020, net of amortised fees and discount. The net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 4.00% per annum, payable annually on 24 September of each year. The bonds will be redeemed in full by the Issuer on 24 September 2021 at their nominal value together with all accrued interest.

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

30. BONDS (CONT'D.)

(j) 1.5% Guaranteed Unsecured Bonds

On 17 September 2019, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP250,000,000 nominal value 1.50% Guaranteed Unsecured Bonds due 2029 (retaining GBP 50,000,000) ("1.5% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.5% GU Bonds are constituted under a Trust Deed dated 17 September 2019. The nominal value of 1.5% GU Bonds issued amounted to GBP200,000,000, of which GBP198,438,600 remained outstanding as at 30 June 2020, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 15 June 2020, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, sold the retained GBP50,000,000 nominal value 1.5% Guaranteed Unsecured Bonds due 2029. The nominal value of 1.5% GU Bonds issued amounted to GBP50,000,000, of which GBP49,231,124 remained outstanding as at 30 June 2020, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.50% per annum, payable annually on 17 September of each year. The Bonds will be redeemed in full by the Issuer on 17 September 2029 at their nominal value together with all accrued interest.

(k) Japan bonds

Starhill Global REIT One TMK ("SGREIT One TMK"), a subsidiary of the Group, has JPY678 million (SGD8.5 million) of Japan bonds outstanding as at 30 June 2019, maturing in August 2021. The interest rate for the Japan bond was hedged via interest rate cap. Whilst no security has been pledged, the bondholders of the Japan bond have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the Japan bond prior to other creditors out of the assets of the issuer (SGREIT One TMK). During the financial year, SGREIT and its subsidiary companies' ceased to be subsidiaries of the Group.

Notes to the Financial Statements
- 30 June 2020

31. BORROWINGS

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current					
Bankers' acceptances	31(a)	**28,726**	24,347	**-**	-
Bank overdrafts	31(b)	**45,147**	42,675	**-**	-
Finance lease liabilities	31(c)	**-**	30,265	**-**	565
Irredeemable convertible unsecured loan stocks	31(d)	**2,103**	15,609	**-**	-
Revolving credit	31(e)	**3,688,009**	3,354,043	**1,750,654**	1,266,855
Term loans	31(f)	**7,333,571**	11,370,304	**-**	200,000
		11,097,556	14,837,243	**1,750,654**	1,467,420
Non-current					
Finance lease liabilities	31(c)	**-**	17,489	**-**	550
Irredeemable convertible unsecured loan stocks	31(d)	**3,539**	-	**-**	-
Revolving credit	31(e)	**1,747,204**	565,935	**-**	-
Term loans	31(f)	**10,841,940**	11,177,431	**-**	-
		12,592,683	11,760,855	**-**	550
Total					
Bankers' acceptances	31(a)	**28,726**	24,347	**-**	-
Bank overdrafts	31(b)	**45,147**	42,675	**-**	-
Finance lease liabilities	31(c)	**-**	47,754	**-**	1,115
Irredeemable convertible unsecured loan stocks	31(d)	**5,642**	15,609	**-**	-
Revolving credit	31(e)	**5,435,213**	3,919,978	**1,750,654**	1,266,855
Term loans	31(f)	**18,175,511**	22,547,735	**-**	200,000
		23,690,239	26,598,098	**1,750,654**	1,467,970

31. BORROWINGS (CONT'D.)

The borrowings of the Group and the Company are repayable as follows:

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
Group				
At 30 June 2020				
Bankers' acceptances	**28,726**	**-**	**-**	**28,726**
Bank overdrafts	**45,147**	**-**	**-**	**45,147**
ICULS	**2,103**	**3,539**	**-**	**5,642**
Revolving credit	**3,688,009**	**1,747,204**	**-**	**5,435,213**
Term loans	**7,333,571**	**10,173,500**	**668,440**	**18,175,511**
	11,097,556	**11,924,243**	**668,440**	**23,690,239**
At 30 June 2019				
Bankers' acceptances	24,347	-	-	24,347
Bank overdrafts	42,675	-	-	42,675
Finance lease liabilities	30,265	17,489	-	47,754
ICULS	15,609	-	-	15,609
Revolving credit	3,354,043	425,935	140,000	3,919,978
Term loans	11,370,304	9,555,068	1,622,363	22,547,735
	14,837,243	9,998,492	1,762,363	26,598,098
Company				
At 30 June 2020				
Revolving credit	**1,750,654**	**-**	**-**	**1,750,654**
	1,750,654	**-**	**-**	**1,750,654**
At 30 June 2019				
Finance lease liabilities	565	550	-	1,115
Revolving credit	1,266,855	-	-	1,266,855
Term loans	200,000	-	-	200,000
	1,467,420	550	-	1,467,970

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

31. BORROWINGS (CONT'D.)

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

	Group		Company	
	2020	2019	**2020**	**2019**
	%	%	**%**	**%**
Term loans	**3.21**	3.11	**-**	4.34
Revolving credit	**4.16**	4.10	**2.85**	3.90
ICULS	**7.49**	7.49	**-**	-
Bankers' acceptances	**4.01**	3.05	**-**	-
Bank overdrafts	**1.10**	2.89	**-**	-
Finance lease liabilities	**-**	1.60	**-**	2.40

(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) Finance lease liabilities

Finance lease liabilities were included in borrowings until 30 June 2019 and were reclassified to lease liabilities on 1 July 2019 upon the adoption of MFRS 16. For the impact of the changes in accounting policy for leases and adjustments recognised on adoption of MFRS 16 on 1 July 2019, please refer to Note 44 to the financial statements.

The Group's finance lease bears interest rates ranging from 1.56% to 4.97% per annum and the Company's finance lease bears interest rate at 2.27% per annum.

	Group 2019 RM'000	**Company 2019 RM'000**
Payable not later than 1 year	31,721	599
Payable later than 1 year and not later than 5 years	17,702	566
Later than 5 years	53	-
Total minimum lease payments	49,476	1,165
Less: Finance charges	(1,722)	(50)
Present value of minimum lease payments	47,754	1,115

31. BORROWINGS (CONT'D.)

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

ICULS 2011/2021

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

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

(i) The ICULS 2011/2021 bear a coupon rate of 3.0% per annum from date of issue ("Issue Date") up to fourth anniversary of the Issue Date and 4.5% per annum from the date after the fourth anniversary of the Issue Date up to the seventh anniversary of the Issue Date. Thereafter, the ICULS 2011/2021 bear a coupon rate of 6.0% per annum up to the maturity date. The interest is payable semi-annually in arrears.

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

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

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

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

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

(e) Revolving credit

Save for RM288,209,000 (2019: RM180,000,000) revolving credit facility of YTL Land & Development Berhad, all the revolving credit facilities are unsecured and repayable on demand.

(f) Term loans

(i) Term loans denominated in Great British Pounds

a) The term loans of RM394,912,500 [GBP75,000,000] (2019: RM393,667,500 [GBP75,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates ranging from 1.21% to 1.27% (2019: 1.05% to 1.50%) per annum and are repayable in full on 22 July 2021.

31. BORROWINGS (CONT'D.)

(f) Term loans (cont'd.)

(i) Term loans denominated in Great British Pounds (cont'd.)

b) The term loans of RM1,053,100,000 [GBP200,000,000] (2019: RM1,049,780,000 [GBP200,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50,000,000 was drawn down on 30 January 2015 bears an interest rate of 2.16% (2019: 2.16%) per annum, the second loan of GBP50,000,000 was drawn down on 9 March 2015 bears interest rates ranging from 1.27% to 1.41% (2019: 1.15% to 1.42%) per annum, the third loan of GBP50,000,000 was drawn down on 9 April 2015 bears an interest rate of 1.99% (2019: 1.99%) per annum, and the fourth loan of GBP50,000,000 was drawn down on 25 May 2016 bears interest rates ranging from 1.65% to 1.76% (2019: 1.49% to 1.77%) per annum. All the loans are repayable in full between 30 January 2024 and 25 May 2025.

c) The term loans of RM1,053,100,000 [GBP200,000,000] (2019: RM734,846,000 [GBP140,000,000]) was drawn by Wessex Water Services Limited of which RM1,044,436,968 [GBP198,354,756] (2019: RM728,262,084 [GBP138,745,658]) remained outstanding as at 30 June 2020, net of amortised fees. The loans bear interest rates ranging from 1.81% to 2.03% (2019: 1.83% to 2.03%) per annum and are repayable with a 60% bullet repayment on 31 January 2026 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2021.

All the term loans are unsecured.

(ii) Term loans denominated in US Dollars

a) The term loan of RM828,400,000 [USD200,000,000] of previous year was drawn down by YTL Power International Berhad ("YTLPI") on 28 May 2015 and was fully repaid during the financial year. The borrowing bears interest rates ranging from 3.06% to 3.71% (2019: 3.63% to 4.04%) per annum.

b) The term loan of RM856,000,000 [USD200,000,000] (2019: RM828,400,000 [USD200,000,000]) was drawn down by YTLPI on 17 December 2015 and repayable on 17 December 2020. The borrowing bears interest rates ranging from 1.25% to 3.36% (2019: 3.36% to 3.74%) per annum.

c) The term loan of RM1,070,000,000 [USD250,000,000] (2019: RM1,035,500,000 [USD250,000,000]) was drawn down by YTLPI on 31 March 2017 of which RM1,063,537,133 [USD248,489,984] (2019: RM1,025,841,237 [USD247,668,092]) remained outstanding as at 30 June 2020, net of amortised fees. The borrowing bears interest rates ranging from 1.37% to 3.60% (2019: 3.27% to 3.72%) per annum and is repayable on 31 March 2022.

d) The term loan of RM942,305,000 [USD227,500,000] of previous year was drawn down by YTL Corp. Finance (Cayman) Limited on 16 March 2016 and are guaranteed by the Company. The loan bears interest rate of 3.26% (2019: 3.74%) per annum and was fully repaid during the financial year.

All the term loans are unsecured.

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loan of RM1,964,450,000 (2019: RM1,996,313,000) of the Group, all the term loans are unsecured.

31. BORROWINGS (CONT'D.)

(f) Term loans (cont'd.)

(iv) Term loans denominated in Singapore Dollars

Included in the term loan are:

a) The term loan of RM6,064,279,851 [SGD1,974,177,958] (2019: RM6,038,721,474 [SGD1,973,180,458]) was drawn down by YTL PowerSeraya Pte. Limited ("YTLPS") on 14 September 2017 and repayable in full on 12 September 2022. The borrowing is an unsecured loan and bears interest rates ranging from 1.55% to 3.16% (2019: 2.83% to 3.44%) per annum.

   The bank borrowings are subject to loan covenant clauses stipulated in the loan agreement. As at 30 June 2020, YTLPS did not meet the requirement of a certain loan covenants and as a result, the borrowings have been classified as a current liability in the statement of financial position of the Group. On 23 September 2020, YTLPS received a waiver from the consortium of banks on the requirement to comply with the above loan covenants as at 30 June test date. The waiver effectively extended the loan covenants compliance requirements to 30 November 2020. The extension provides YTLPS with the opportunity to meet two key requirements namely completion of the securitisation documentation and Tuaspring Pte. Ltd. ("Tuaspring") acquisition.

Save for the term loan of RM1,102,464,000 (2019: RM759,284,000) of the Group, all the term loans are unsecured.

(v) Term loans denominated in Australian Dollars

All the term loan are secured by first fixed charge over the properties.

(vi) Term loans denominated in Japanese Yen

Save for the term loan of RM236,600,000 of the Group, all the term loan are secured by first fixed charge over the properties.

32. LEASE LIABILITIES

The details of lease liabilities are as follows:

	Group 2020 RM'000	Company 2020 RM'000
Presented as:		
Current	**176,495**	**7,254**
Non-current	**1,447,352**	**2,479**
	1,623,847	**9,733**

Notes to the Financial Statements
- 30 June 2020

32. LEASE LIABILITIES (CONT'D.)

The Group's maturity profile of lease liabilities are disclosed in Note 39(a) to the financial statements.

Extension and termination options are included in a number of property and equipment leases across the Group and the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group and the Company's operations. The majority of extension and termination options held are exercisable only by the Group and the Company and not by the respective lessor.

Some property leases contain variable payment terms that are liked to sales with percentages ranging from 1% to 5% of sales. Variable lease payments that depend on sales are recognised in profit or loss in the period which the condition that triggers those payments occurs.

(a) Net investment in leases

	Group 2020 RM'000
At beginning of the financial year	-
Effect of adoption of MFRS 16	16,739
Additions	5,087
Interest income	1,128
Lease payments received	(7,068)
At end of the financial year	15,886
Presented as:	
Current	4,193
Non-current	11,693
	15,886

32. LEASE LIABILITIES (CONT'D.)

(a) Net investment in leases (cont'd.)

The Group leases concrete mixer trucks to third parties. Each of the leases contains an initial non-cancellable period of 7 years.

These leases transfer substantially all the risk and rewards incidental to ownership of the concrete mixer trucks. The Group expects the residual value of the concrete mixer trucks at the end of the lease term to be minimal. These leases do not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:

	Group 2020 RM'000
Less than 1 year	**4,766**
1 to 2 years	**4,507**
2 to 3 years	**3,524**
3 to 4 years	**2,598**
4 to 5 years	**1,345**
More than 5 years	**537**
Total undiscounted lease payments	**17,277**
Unearned interest income	**(1,391)**
Net investment in leases	**15,886**

During the financial period, the Group has recognised a gain of RM77,000 for entering into new finance sub-lease.

33. GRANTS AND CONTRIBUTIONS

		Group	
	Note	2020 RM'000	2019 RM'000
At beginning of the financial year		**560,828**	548,493
Currency translation differences		**1,665**	(1,124)
Amortisation of grants and contributions	7	**(15,166)**	(15,973)
Received during the financial year		**49,342**	29,432
At end of the financial year		**596,669**	560,828

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

Notes to the Financial Statements
- 30 June 2020

34. DEFERRED TAXATION

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
At beginning of the financial year, as reported previously	**2,073,144**	2,143,967	**113**	113
Effect of adoption of MFRS 16	**(5)**	–	**–**	–
At beginning of the financial year, as restated	**2,073,139**	2,143,967	**113**	113
Charged to Income Statements	**144,558**	9,395	**–**	–
– Property, plant and equipment	**184,067**	22,386	**–**	–
– Property development	**692**	(750)	**–**	–
– Investment properties	**2,226**	589	**–**	–
– Retirement benefits	**16,550**	4,360	**–**	–
– Provision	**707**	(1,131)	**–**	–
– Unutilised capital allowance	**(20,625)**	(5,591)	**–**	–
– Unabsorbed tax losses	**(21,677)**	(8,989)	**–**	–
– Leases	**(3,575)**	–	**–**	–
– Others	**(13,807)**	(1,479)	**–**	–
Currency translation differences	**10,234**	(3,778)	**–**	–
Acquisition of subsidiary	**4,933**	(68,497)	**–**	–
Credited to Other Comprehensive Income*	**(49,984)**	(7,943)	**–**	–
Derecognition of subsidiary	**(18,876)**	–	**–**	–
At end of the financial year	**2,164,004**	2,073,144	**113**	113

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

34. DEFERRED TAXATION (CONT'D.)

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Deferred tax assets provided are in respect of:-				
Deferred tax assets before offsetting				
Unutilised capital allowances	**(168,899)**	(115,428)	**-**	-
Retirement benefits	**(174,567)**	(133,293)	**-**	-
Unabsorbed tax losses	**(229,587)**	(231,316)	**-**	-
Provision	**(5,915)**	(16,406)	**-**	-
Leases	**(8,166)**	-	**-**	-
Others	**(113,352)**	(20,637)	**-**	-
	(700,486)	(517,080)	**-**	-
Offsetting	**700,486**	517,080	**-**	-
Deferred tax assets after offsetting	**-**	-	**-**	-
Deferred tax liabilities provided are in respect of:-				
Deferred tax liabilities before offsetting				
Property, plant and equipment				
- capital allowances in excess of depreciation	**2,800,277**	2,530,401	**113**	113
Land held for property development	**38,825**	37,892	**-**	-
Others	**25,388**	21,931	**-**	-
	2,864,490	2,590,224	**113**	113
Offsetting	**(700,486)**	(517,080)	**-**	-
Deferred tax liabilities after offsetting	**2,164,004**	2,073,144	**113**	113

34. DEFERRED TAXATION (CONT'D.)

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

	Group	
	2020 RM'000	**2019 RM'000**
Unabsorbed tax losses	**1,390,181**	1,681,878
Unutilised capital allowances	**1,300,968**	2,251,985
Deductible temporary differences	**170,634**	77,406
Taxable temporary differences – property, plant and equipment	**(620,424)**	(1,188,767)
	2,241,359	2,822,502

The unabsorbed tax losses and unutilised capital allowances are subject to agreement with the Inland Revenue Board. On the other hand, effective from year of assessment 2019 as announced in the Annual Budget 2019, the unused tax losses of the Group as at 31 December 2018 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unabsorbed losses will be disregarded.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Defined contribution plans – Current					
– Malaysia	35(a)	**5,281**	4,874	**287**	305
Defined benefit plans – Non-current					
– Malaysia	35(b)	**21,937**	55,346	**–**	–
– United Kingdom	35(c)	**869,245**	687,950	**–**	–
– Indonesia	35(d)	**19,716**	16,350	**–**	–
		910,898	759,646	**–**	–

(a) Defined contribution plans

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plans - Malaysia

The defined benefit plans typically exposes the Group to actuarial risks such as longevity risk and salary risk.

(i) Longevity risk

The present value of the defined benefit plans liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 29 August 2020 by an external actuary.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal actuarial assumptions at the end of the reporting period are as follows:-

	Group	
	2020 **%**	**2019** **%**
Discount rate	**3.9**	5.1
Future salary increase rate	**5.0**	5.0

Sensitivity analysis:-

Significant actuarial assumption for the determination of the defined benefit obligation is the discount rate. The sensitivity analysis below has been determined based on reasonably possible change of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increase/(decrease) by 0.5%, the defined benefit obligation would decrease by RM1,081,738/increase by RM1,016,616 (2019: decrease by RM2,373,490/increase by RM2,598,869).

Notes to the Financial Statements
- 30 June 2020

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plans - Malaysia (cont'd.)

Sensitivity analysis:- (cont'd.)

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

	Group	
	2020 **RM'000**	**2019** **RM'000**
At beginning of the financial year	**55,346**	-
Acquisition of subsidiaries	**-**	54,816
(Reversal)/Charge for the financial year	**(19,487)**	530
Benefits paid/payables	**(16,261)**	-
Actuarial loss recognised in other comprehensive income	**2,339**	-
At end of the financial year	**21,937**	55,346

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

	Group	
	2020 **RM'000**	**2019** **RM'000**
Present value of unfunded obligation	**21,937**	55,346

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

	Group	
	2020 **RM'000**	**2019** **RM'000**
At beginning of the financial year	**55,346**	-
Acquisition of subsidiaries	**-**	54,816
Actuarial loss	**2,339**	-
Benefits paid/payables	**(16,261)**	-
Current service cost	**(1,695)**	304
Curtailment gain	**(17,879)**	-
Interest cost	**87**	226
At end of the financial year	**21,937**	55,346

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plans - Malaysia (cont'd.)

The amounts recognised in the Income Statements are as follows:-

	Group	
	2020 RM'000	**2019 RM'000**
Current service cost	**(1,695)**	304
Interest cost	**87**	226
Curtailment gain	**(17,879)**	-
Total charge to Income Statements	**(19,487)**	530

(c) Defined benefit plans - United Kingdom

A subsidiary of the Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken by a qualified actuary as at 30 September 2019. This valuation has been adjusted to the reporting date as at 30 June 2020 taking account of experience over the period since 30 September 2019, changes in market conditions, and differences in the financial and demographic assumptions by the qualified actuary.

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 27% of the liabilities are attributable to current employees, 16% to former employees and 57% to current pensioners. The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is around 17-18 years reflecting the approximate split of the defined benefit obligation between current employees (duration of 24 years), deferred members (duration of 24 years) and current pensioners (duration of 13 years).

(ii) Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2019 showed a deficit of GBP157.0 million (RM826.7 million). The subsidiary is paying deficit contributions of:-

- GBP13.04 million (RM68.6 million) by 1 August 2020;
- GBP14.80 million (RM77.9 million) by 1 July 2021;
- GBP16.60 million (RM87.4 million) by 1 July 2022;
- GBP18.40 million (RM96.9 million) by 1 July 2023;
- GBP20.20 million (RM106.4 million) by 1 July 2024;
- GBP22.00 million (RM115.8 million) by 1 July 2025;
- GBP23.80 million (RM125.3 million) by 1 April 2026;

which, along with investment returns from return-seeking assets, is expected to make good this shortfall by 1 April 2026.

The next funding valuation is due no later than 30 September 2022 at which progress towards full-funding will be reviewed.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

(ii) Funding requirements (cont'd.)

The subsidiary also pays contributions of 21.7%, increasing to 24.6% from 1 April 2021, of pensionable salaries in respect of current accrual and non-investment related expenses, with active members paying a further 7.4% of pensionable salaries on average. A contribution of GBP13.04 million (RM68.6 million) is expected to be paid by the subsidiary during the year ending on 30 June 2021.

(iii) Risks associated with the scheme

Asset volatility – The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities including a diversified growth fund and a global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

Changes in bond yields – A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk – The majority of the scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy – The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The trustees insure certain benefits payable on death before retirement.

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

	Group	
	2020 RM'000	**2019 RM'000**
At 1 July	**687,950**	671,629
Pension cost	**76,778**	80,526
Contributions and benefits paid	**(125,949)**	(110,159)
Currency translation differences	**1,063**	(6,355)
Re-measurement loss	**229,403**	52,309
At 30 June	**869,245**	687,950

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

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

	Group	
	2020 RM'000	**2019 RM'000**
Present value of funded obligations	**4,424,366**	4,081,555
Fair value of plan assets	**(3,555,121)**	(3,393,605)
Liability in the Statements of Financial Position	**869,245**	687,950

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

	Group	
	2020 RM'000	**2019 RM'000**
At 1 July	**4,081,555**	3,922,374
Exchange differences	**9,610**	(38,238)
Interest cost	**95,364**	111,022
Current service cost	**57,175**	56,506
Contributions by scheme participants	**530**	1,068
Past service cost	**-**	2,669
Net benefits paid	**(143,046)**	(147,852)
Re-measurement (gain)/loss:-		
- Actuarial gain arising from demographic assumptions	**(73,643)**	(146,250)
- Actuarial loss arising from financial assumptions	**321,589**	327,729
- Actuarial loss/(gain) arising from experience adjustments	**75,232**	(7,473)
Present value of defined benefit obligations, at 30 June	**4,424,366**	4,081,555

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

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

	Group	
	2020 RM'000	**2019 RM'000**
At 1 July	**3,393,605**	3,250,745
Exchange differences	**8,547**	(31,883)
Interest income	**79,470**	92,340
Contributions by employer	**125,949**	110,159
Contributions by scheme participants	**530**	1,068
Net benefits paid	**(143,046)**	(147,852)
Administration expenses	**(3,709)**	(2,669)
Re-measurement gain:-		
- Return on plan assets excluding interest income	**93,775**	121,697
Fair value of plan assets, at 30 June	**3,555,121**	3,393,605

The pension cost recognised is analysed as follows:-

	Group	
	2020 RM'000	**2019 RM'000**
Current service cost	**57,175**	56,506
Interest cost	**15,894**	18,682
Past service cost	**-**	2,669
Administration expenses	**3,709**	2,669
Total charge to Income Statements	**76,778**	80,526

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

	Group	
	2020 RM'000	**2019 RM'000**
Cost of sales	**45,663**	46,383
Administration expenses	**15,221**	15,461
Interest cost	**15,894**	18,682
Total charge to Income Statements	**76,778**	80,526

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

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

	Group	
	2020 %	**2019 %**
Discount rate	**1.60**	2.30
Expected rate of increase in pension payment	**1.90-2.60**	1.90-3.00
Expected rate of salary increases	**1.80**	1.70
Price inflation - RPI	**2.70**	3.10
Price inflation - CPI	**2.20**	2.10

Mortality assumptions:-

The mortality assumptions are based upon the recent actual mortality experience of scheme members, and allow for expected future improvements in mortality rates.

	2020 Male Years	**2020 Female Years**	**2019 Male Years**	**2019 Female Years**
Life expectancy - current age 60	**25.9**	**28.3**	26.2	28.3
Life expectancy - current age 40	**47.0**	**49.5**	47.4	49.5

The mortality table adopted is based upon 105% of standard tables S3P(M/F)A adjusted to allow for individual years of birth. Future improvements are assumed to be in line with the CMI 2018 core projection, with a long-term improvement rate of 1.0% p.a. for all members.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plans - United Kingdom (cont'd.)

Sensitivity analysis:-

The key assumptions used for MFRS 119 are: discount rate, inflation and mortality. If different assumptions are used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions are set out below. For the purposes of these sensitivities, it has been assumed that the change in the discount rate and inflation has no impact on the value of scheme assets.

		Scheme liabilities		Scheme deficit	
Key assumptions	Increase by RM'000	Increase from RM'000	Increase to RM'000	Increase from RM'000	Increase to RM'000
A reduction in the discount rate of 0.1% (from 1.6% to 1.5%)	80,036	4,424,366	4,504,402	869,244	949,280
An increase in the inflation of 0.1% (from 2.2% to 2.3% for CPI and 2.7% to 2.8% for RPI)	70,558	4,424,366	4,494,924	869,244	939,802
An increase in life expectancy of 1 year	182,713	4,424,366	4,607,079	869,244	1,051,957

The plan assets comprised the following:-

	2020		2019	
	RM'000	%	RM'000	%
Equity instrument	**1,142,087**	**32.1**	1,335,845	39.4
Debt instrument	**1,948,235**	**54.8**	1,802,472	53.1
Property	**193,770**	**5.5**	191,585	5.6
Others	**271,030**	**7.6**	63,711	1.9
	3,555,122	**100.0**	3,393,613	100.0

	Group	
	2020 RM'000	2019 RM'000
Actual return on plan assets	**173,245**	214,037

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are as presented below:-

	Group	
	2020 RM'000	**2019 RM'000**
Obligation relating to post-employment benefits	**17,261**	14,021
Obligation relating to other long-term employee benefits	**2,455**	2,329
Total	**19,716**	16,350

A subsidiary of the Group has a defined contribution pension plan covering its qualified permanent national employees in Indonesia. The subsidiary's contribution is 6% of employee basic salary, while the employees' contribution ranges from 3% to 14%.

The contributions made to the defined contribution plan are acceptable for funding the post-employment benefits under the labour regulations.

The obligations for post-employment and other long-term employee benefits were recognised with reference to actuarial reports prepared by an independent actuary. The latest actuarial report was dated 30 June 2020.

(i) Post-employment benefit obligations

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

	Group	
	2020 RM'000	**2019 RM'000**
At 1 July	**14,021**	11,916
Pension cost	**1,924**	1,689
Contributions and benefits paid	**(633)**	(537)
Currency translation differences	**534**	220
Re-measurement loss	**1,415**	733
At 30 June	**17,261**	14,021

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia (cont'd.)

(i) Post-employment benefit obligations (cont'd.)

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

	Group	
	2020 RM'000	2019 RM'000
Present value of obligations	**17,261**	14,021

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

	Group	
	2020 RM'000	2019 RM'000
At 1 July	**14,021**	11,916
Currency translation differences	**534**	220
Interest cost	**1,013**	911
Current service cost	**911**	778
Net benefits paid	**(633)**	(537)
Re-measurement loss/(gain):		
– Actuarial loss from demographic assumptions	**1,698**	-
– Actuarial loss arising from financial assumptions	**-**	779
– Actuarial gain arising from experience adjustments	**(283)**	(46)
Present value of defined benefit obligations at 30 June	**17,261**	14,021

The pension cost recognised can be analysed as follows:-

	Group	
	2020 RM'000	2019 RM'000
Current service cost	**911**	778
Interest cost	**1,013**	911
Total charge to Income Statements	**1,924**	1,689

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia (cont'd.)

(ii) Other long-term employee benefit obligations

The obligations relating to other long-term employee benefits (i.e. long leave service benefits) recognised in the Statements of Financial Position are as follows:-

	Group	
	2020 RM'000	**2019 RM'000**
Present value of obligations	**2,455**	2,329

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

	Group	
	2020 RM'000	**2019 RM'000**
At 1 July	**2,329**	1,964
Pension cost	**503**	636
Actuarial gain	**(32)**	-
Contributions and benefits paid	**(424)**	(311)
Currency translation differences	**79**	40
At 30 June	**2,455**	2,329

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

	Group	
	2020 RM'000	**2019 RM'000**
At 1 July	**2,329**	1,964
Currency translation differences	**79**	40
Current service cost	**485**	636
Actuarial gain	**(32)**	-
Interest cost	**18**	-
Net benefits paid	**(424)**	(311)
At 30 June	**2,455**	2,329

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Defined benefit plans - Indonesia (cont'd.)

(ii) Other long-term employee benefit obligations

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

	Group	
	2020 RM'000	**2019 RM'000**
Current service cost	**485**	636

The charge above was included in the cost of sales.

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

	Group	
	2020 %	**2019 %**
Discount rate	**7.3**	7.3
Future salary increase rate	**9.0**	9.0

Sensitivity analysis:-

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

	2020		2019	
	RM'000 Increase	**RM'000 Decrease**	**RM'000 Increase**	**RM'000 Decrease**
Discount rate (1% movement)	**1,172**	**1,303**	923	1,029
Future salary increase rate (1% movement)	**1,701**	**1,562**	1,339	1,224

This analysis provides an approximation of the sensitivity of the assumption shown, but does not take account of the variability in the timing of distribution of benefit payments expected under the plan.

36. PROVISION FOR LIABILITIES AND CHARGES

	Note	Rectification works 36(a) RM'000	Restructuring 36(b) RM'000	Damages claims 36(c) RM'000	Total RM'000
Group - 2020					
At beginning of the financial year		**6,528**	**39,903**	**101,182**	**147,613**
Currency translation differences		**(6)**	**43**	**2,192**	**2,229**
Charged to Income Statements	7	**-**	**(4,437)**	**-**	**(4,437)**
Payments		**(1,712)**	**(7,092)**	**-**	**(8,804)**
At end of the financial year		**4,810**	**28,417**	**103,374**	**136,601**
Group - 2019					
At beginning of the financial year		8,132	35,382	102,491	146,005
Currency translation differences		134	(79)	165	220
Charged to Income Statements	7	-	8,219	(699)	7,520
Payments		(1,738)	(3,619)	(775)	(6,132)
At end of the financial year		6,528	39,903	101,182	147,613

(a) Rectification works

The provision relates to the estimated cost of rectification works for completed project.

(b) Restructuring

The provision for liabilities and charges relates to scaling down of operations, environmental liabilities and asset retirement obligation.

(c) Damages claims

The provision of damages claims relate to projects undertaken by subsidiaries and are recognised for expected damages claims based on the term of the applicable agreements.

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Trade payables	**1,331,951**	2,011,355	**–**	–
Other payables	**605,750**	633,442	**879**	720
Deferred income	**8,138**	10,491	**–**	–
Security deposits	**117,802**	112,510	**–**	–
Accrued expenses*	**981,288**	917,254	**16,583**	16,768
	3,044,929	3,685,052	**17,462**	17,488

* Accrued expenses mainly comprise interest payables, regulatory costs and capital expenditure.

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2019: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

38. FINANCIAL RISK MANAGEMENT

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

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

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below:

(a) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to risks arising from various currency exposures primarily with respect to the Great British Pounds ("GBP") and Singapore Dollars ("SGD"). The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

There is no significant exposure to foreign currency exchange risk for the Group and the Company.

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Hedge of a net investment in Australia

As the reporting date, the Group's investment in its Australia subsidiaries are hedged by AUD bank loan with a carrying amount of RM1.2 billion (AUD408.1 million) which mitigates the currency risk arising from the subsidiary's net assets. The loan is designated as a net investment hedge.

The Group determines the existence of an economic relationship between the above hedging instrument and hedged item based on the currency and amount. The Group has established a hedge ratio of 1 : 0.8 as the underlying risk of the hedging instrument is identical to the hedged risk component. The Group has assessed the effectiveness of the above hedging relationship at the reporting date by comparing changes in the carrying amount of the loan that is attributable to changes in the exchange rate with the changes in the net investment in the foreign operation due to movements in the exchange rate.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arise primarily from their floating rate bonds and borrowings, which is partially offset by the deposits and short-term investments held at variable rates. The Group and the Company manage their cash flow interest rate risk by using a mix of fixed and variable rate debts. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Fixed rate instruments				
Financial liabilities	**19,490,639**	20,188,682	**2,500,000**	2,510,000
Variable rate instruments				
Financial assets	**11,309,168**	11,497,578	**857,269**	995,637
Financial liabilities	**24,075,239**	25,891,106	**1,750,654**	1,467,970
	35,384,407	37,388,684	**2,607,923**	2,463,607

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 RM120.4 million (2019: RM129.5 million) and RM8.8 million (2019: RM7.3 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.

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Interest rate risk (cont'd.)

The excess funds of the Group and the Company are invested in bank deposits and other short-term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short-term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income of the Group and the Company for the financial year would increase/decrease by RM11.3 million (2019: RM11.5 million) and RM1.0 million (2019: RM1.0 million), respectively.

(d) Price risk

Equity price risk

The Group's and the Company's exposure to equity price risk arise primarily from their investments in quoted securities.

To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

At the reporting date, the Group's and the Company's exposure to quoted equity investments at fair value are RM1,422,160,000 (2019: RM1,543,440,000) and RM10,382,000 (2019: RM10,503,000), 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 - 2020			
Local equities	**487,270**	**+/- 10**	**48,727**
Foreign equities	**934,890**	**+/- 10**	**93,489**
Group - 2019			
Local equities	646,695	+/- 10	64,670
Foreign equities	896,745	+/- 10	89,675
Company - 2020			
Local equities	**3,071**	**+/- 10**	**307**
Foreign equities	**7,809**	**+/- 10**	**781**
Company - 2019			
Local equities	4,155	+/- 10	416
Foreign equities	6,348	+/- 10	635

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Price risk (cont'd.)

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

The Group has contracts for the sale of electricity to the Singapore electricity pool at prices that are fixed in advance every three months and to retail customers (those meeting a minimum average monthly consumption) at prices that are either fixed in amount or in pricing formula for periods up to a number of years. The fixing of the prices under the contracts is based largely on the price of fuel oil required to generate the electricity. The Group enters into fuel oil swaps to hedge against adverse price movements of fuel oil prices. The Group typically enters into a swap to pay a fixed price and receive a variable price indexed to a benchmark fuel price index.

Exposure to price fluctuations arising from the purchase of fuel oil and natural gas are substantially managed via swaps where the price is indexed to a benchmark fuel price index, for example 180 CST fuel oil and Dated Brent. The Group's exposure to the fluctuation of forward price curve is immaterial.

(e) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle their obligations to the Group and the Company.

The Group's exposure to credit risk arises primarily from trade and other receivables. Meanwhile, the Company's exposures to credit risk arise from other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivative financial instruments), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Concentration of credit risk

Due to the nature of the Group's business, customers are mainly segregated according to business segments. In the Group's power generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counterparty risk is considered to be minimal. As for the Group's power generation business in Singapore, credit reviews are performed on all customers with established credit limits and generally supported by collateral in the form of guarantees. For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. The Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

Trade receivables, unbilled receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables, unbilled receivables and contract assets. To measure the ECL, trade receivables, unbilled receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Trade receivables, unbilled receivables and contract assets (cont'd.)

The expected loss rates are determined based on 1 year to 13 years of historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Some of the factors which the Group has identified include unemployment rate, economic trends, and annual Gross Domestic Product ("GDP") growth and has adjusted the historical loss rates based on expected changes in such factors.

On that basis, the loss allowance was determined as follows for trade receivables, unbilled receivables, contract assets and related parties:-

		<-------------------- Past due	--------------------	--------->	
	Current RM'000	1 - 90 days RM'000	91 - 120 days RM'000	> 120 days RM'000	Total RM'000
Group - 2020					
Gross carrying amount					
- Trade receivables	1,045,367	169,582	45,814	844,668	2,105,431
- Unbilled receivables	766,106	-	-	-	766,106
- Contract assets	202,118	-	-	-	202,118
	2,013,591	169,582	45,814	844,668	3,073,655
Allowance for impairment					
- Trade receivables	(12,631)	(21,203)	(10,353)	(513,043)	(557,230)
- Unbilled receivables	(7,568)	-	-	-	(7,568)
- Contract assets	(110)	-	-	-	(110)
	(20,309)	(21,203)	(10,353)	(513,043)	(564,908)
Net carrying amount	1,993,282	148,379	35,461	331,625	2,508,747

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Trade receivables, unbilled receivables and contract assets (cont'd.)

		<------ Past due ------		>	
	Current RM'000	1 - 90 days RM'000	91 - 120 days RM'000	> 120 days RM'000	Total RM'000
Group - 2019					
Gross carrying amount					
- Trade receivables	1,794,997	327,834	16,322	660,924	2,800,077
- Unbilled receivables	962,863	-	-	-	962,863
- Contract assets	208,806	-	-	-	208,806
	2,966,666	327,834	16,322	660,924	3,971,746
Allowance for impairment					
- Trade receivables	(66,343)	(15,971)	(5,824)	(402,979)	(491,117)
- Contract assets	(388)	-	-	-	(388)
	(66,731)	(15,971)	(5,824)	(402,979)	(491,505)
Net carrying amount	2,899,935	311,863	10,498	257,945	3,480,241

At the reporting date, the maximum exposure to credit risk of the financial assets of the Group and the Company are represented by the carrying amounts in the Statement of Financial Position, except for the Group's trade receivables on electricity and steam sales where the Group will assess each customer individually and typically require collateral in the form of bankers' guarantees or deposits from selected customers.

Cash and bank balances

The Group and the Company place its cash and bank balances with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Derivative financial instruments

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group and the Company consider the risk of material loss on the event of non-performance by a financial counter party to be unlikely.

Other receivables

The Group and the Company use the 3-stages approach for the ECL on the other receivables and amount due from related parties. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories.

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Other receivables (cont'd.)

A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:-

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due.	Lifetime ECL
Non-performing	Debtors and repayments are more than 365 days past due.	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:-

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical date by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period.

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

Movement on the Group's and the Company's loss allowances is as follows:-

	Trade receivables RM'000	Unbilled receivables RM'000	Contract assets RM'000	Related parties RM'000	Other receivables RM'000	Total RM'000
Group - 2020						
At 1 July 2019	**491,117**	**-**	**388**	**34**	**160,580**	**652,119**
Arising from acquisition	**7,158**	**-**	**-**	**-**	**199**	**7,357**
Allowance for impairment of receivables	**160,965**	**7,615**	**-**	**100**	**1,979**	**170,659**
Derecognition of subsidiary	**(2,201)**	**-**	**-**	**-**	**-**	**(2,201)**
Write back of impairment of receivables	**(12,285)**	**-**	**(278)**	**-**	**(4,629)**	**(17,192)**
Written off during the financial year as uncollectible	**(88,238)**	**-**	**-**	**-**	**(1,699)**	**(89,937)**
Exchange differences	**714**	**(47)**	**-**	**-**	**318**	**985**
At 30 June 2020	**557,230**	**7,568**	**110**	**134**	**156,748**	**721,790**

	Trade receivables RM'000	Contract assets RM'000	Related parties RM'000	Other receivables RM'000	Total RM'000
Group - 2019					
At 1 July 2018	490,009	445	-	84,109	574,563
Arising from acquisition	6,625	-	-	-	6,625
Allowance for impairment of receivables	89,128	-	34	76,001	165,163
Write back of impairment of receivables	(9,605)	(57)	-	(390)	(10,052)
Written off during the financial year as uncollectible	(80,916)	-	-	-	(80,916)
Exchange differences	(4,124)	-	-	860	(3,264)
At 30 June 2019	491,117	388	34	160,580	652,119

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Credit risk (cont'd.)

	Related parties RM'000	Other receivables RM'000	Total RM'000
Company - 2020			
At 1 July 2019/30 June 2020	**116,859**	**1,765**	**118,624**
Company - 2019			
At 1 July 2018/30 June 2019	116,859	1,765	118,624

(f) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(f) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:-

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2020				
Non-derivative:				
Trade and other payables	3,115,572	169,997	-	3,285,569
Bonds and borrowings	12,764,591	17,744,755	27,742,528	58,251,874
Lease liabilities	270,109	830,439	1,192,724	2,293,272
Related parties	39,212	-	-	39,212
	16,189,484	18,745,191	28,935,252	63,869,927
Derivative:				
Fuel oil swaps	171,711	13,299	-	185,010
Currency forwards	3,233	2,103	-	5,336
	174,944	15,402	-	190,346
Company - 2020				
Non-derivative:				
Trade and other payables	17,462	-	-	17,462
Bonds and borrowings	1,939,236	1,375,080	2,037,850	5,352,166
Lease liabilities	7,074	2,358	-	9,432
Related parties	4,709	-	-	4,709
	1,968,481	1,377,438	2,037,850	5,383,769

38. FINANCIAL RISK MANAGEMENT (CONT'D.)

(f) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations: (cont'd.)

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2019				
Non-derivative:				
Trade and other payables	3,674,378	272,645	-	3,947,023
Bonds and borrowings	16,906,218	19,411,741	26,676,237	62,994,196
Related parties	16,006	-	-	16,006
	20,596,602	19,684,386	26,676,237	66,957,225
Derivative:				
Net - interest rate swaps	19,182	17,559	-	36,741
Fuel oil swaps	38,642	14,272	-	52,914
Currency forwards	9,633	1,885	309	11,827
Currency options contract	668	2,665	-	3,333
	68,125	36,381	309	104,815
Company - 2019				
Non-derivative:				
Trade and other payables	17,488	-	-	17,488
Bonds and borrowings	4,105,268	2,911,767	2,053,777	9,070,812
Related parties	5,546	-	-	5,546
	4,128,302	2,911,767	2,053,777	9,093,846

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	Note	Financial Assets: Amortised cost RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
Group - 2020						
Non-current						
Investments	18	-	362,195	-	42,716	404,911
Trade and other receivables	20	1,353,360	-	-	-	1,353,360
Derivative financial instruments	21	-	-	10,585	-	10,585
Current						
Investments	18	-	2,301,989	-	-	2,301,989
Derivative financial instruments	21	-	8,712	65,547	-	74,259
Trade and other receivables	20	2,844,373	-	-	-	2,844,373
Amount due from related parties	25	53,694	-	-	-	53,694
Fixed deposits	26	10,396,221	-	-	-	10,396,221
Cash and bank balances	26	1,265,011	-	-	-	1,265,011
Total		15,912,659	2,672,896	76,132	42,716	18,704,403

	Note	Financial Liabilities: Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Amortised cost RM'000	Total RM'000
Group - 2020					
Non-current					
Long-term payables	29	-	-	169,996	169,996
Bonds	30	-	-	19,655,639	19,655,639
Borrowings	31	-	-	12,592,683	12,592,683
Lease liabilities	32	-	-	1,447,352	1,447,352
Derivatives financial instruments	21	13,575	1,826	-	15,401
Current					
Trade and other payables	37	-	-	3,036,791	3,036,791
Derivatives financial instruments	21	-	174,944	-	174,944
Amount due to related parties	25	-	-	39,212	39,212
Bonds	30	-	-	220,000	220,000
Borrowings	31	-	-	11,097,556	11,097,556
Lease liabilities	32	-	-	176,495	176,495
Total		13,575	176,770	48,435,724	48,626,069

Notes to the Financial Statements

- 30 June 2020

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows: (cont'd.)

	Note	<------ Financial Assets ------> Amortised cost RM'000	Fair value through profit or loss RM'000	FVOCI RM'000	Total RM'000
Company - 2020					
Non-current					
Investments	18	-	35,226	9,599	44,825
Current					
Trade and other receivables	20	6,012	-	-	6,012
Amount due from related parties	25	1,303,468	-	-	1,303,468
Investments	18	-	755,199	-	755,199
Fixed deposits	26	102,070	-	-	102,070
Cash and bank balances	26	1,929	-	-	1,929
Total		1,413,479	790,425	9,599	2,213,503

	Note	<---- Financial Liabilities ----> Amortised cost RM'000	Total RM'000
Company - 2020			
Non-current			
Bonds	30	2,500,000	2,500,000
Lease liabilities	32	2,479	2,479
Current			
Trade and other payables	37	17,462	17,462
Amount due to related parties	25	4,708	4,708
Borrowings	31	1,750,654	1,750,654
Lease liabilities	32	7,254	7,254
Total		4,282,557	4,282,557

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

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

	Note	Financial Assets: Amortised cost RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
Group - 2019						
Non-current						
Investments	18	-	346,510	-	63,461	409,971
Trade and other receivables	20	273,480	871,752	-	-	1,145,232
Derivative financial instruments	21	-	-	18,722	-	18,722
Current						
Investments	18	-	2,352,947	-	-	2,352,947
Derivative financial instruments	21	-	945	64,077	-	65,022
Trade and other receivables	20	3,894,034	-	-	-	3,894,034
Amount due from related parties	25	31,131	-	-	-	31,131
Fixed deposits	26	10,635,496	-	-	-	10,635,496
Cash and bank balances	26	1,171,006	-	-	-	1,171,006
Total		16,005,147	3,572,154	82,799	63,461	19,723,561

	Note	Financial Liabilities: Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Amortised cost RM'000	Total RM'000
Group - 2019					
Non-current					
Long-term payables	29	-	-	272,645	272,645
Bonds	30	-	-	18,961,666	18,961,666
Borrowings	31	-	-	11,760,855	11,760,855
Derivatives financial instruments	21	9,782	44,334	-	54,116
Current					
Trade and other payables	37	-	-	3,674,561	3,674,561
Derivatives financial instruments	21	-	63,491	-	63,491
Amount due to related parties	25	-	-	16,006	16,006
Bonds	30	-	-	520,024	520,024
Borrowings	31	-	-	14,837,243	14,837,243
Total		9,782	107,825	50,043,000	50,160,607

Notes to the Financial Statements
- 30 June 2020

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

The table below provides an analysis of financial instruments categorised as follows: (cont'd.)

		<---- Financial Assets ----			
	Note	Amortised cost RM'000	Fair value through profit or loss RM'000	FVOCI RM'000	Total RM'000
Company - 2019					
Non-current					
Investments	18	-	34,968	9,477	44,445
Current					
Trade and other receivables	20	12,982	-	-	12,982
Amount due from related parties	25	1,014,435	-	-	1,014,435
Investments	18	-	797,277	-	797,277
Fixed deposits	26	198,360	-	-	198,360
Cash and bank balances	26	122,948	-	-	122,948
Total		1,348,725	832,245	9,477	2,190,447

		<---- Financial Liabilities ---->	
	Note	Amortised cost RM'000	Total RM'000
Company - 2019			
Non-current			
Bonds	30	2,500,000	2,500,000
Borrowings	31	550	550
Current			
Trade and other payables	37	17,488	17,488
Amount due to related parties	25	5,546	5,546
Bonds	30	10,000	10,000
Borrowings	31	1,467,420	1,467,420
Total		4,001,004	4,001,004

39. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurement

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

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

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

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

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2020				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	8,712	-	8,712
- Income/equity funds	-	2,326,334	323,363	2,649,697
- Equity investments	10,880	3,607	-	14,487
Derivatives used for hedging	-	76,132	-	76,132
Financial assets at fair value through other comprehensive income	22,238	412	20,066	42,716
Total	33,118	2,415,197	343,429	2,791,744
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	13,575	-	13,575
Derivative used for hedging	-	176,770	-	176,770
Total	-	190,345	-	190,345

39. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurement (cont'd.)

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position: (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2019				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	945	-	945
- Income/equity funds	-	2,377,412	307,902	2,685,314
- Equity investments	10,503	3,640	-	14,143
- Receivables from a joint venture	-	-	871,752	871,752
Derivatives used for hedging	-	82,799	-	82,799
Financial assets at fair value through other comprehensive income	42,072	46	21,343	63,461
Total	52,575	2,464,842	1,200,997	3,718,414
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Currency options contracts	3,333	-	-	3,333
- Trading derivatives	-	6,449	-	6,449
Derivative used for hedging	-	107,825	-	107,825
Total	3,333	114,274	-	117,607

39. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Fair value measurement (cont'd.)

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position: (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company - 2020				
Assets				
Financial assets at fair value through profit or loss	**10,880**	**755,199**	**24,346**	**790,425**
Financial assets at fair value through other comprehensive income	**5**	**-**	**9,594**	**9,599**
Total	**10,885**	**755,199**	**33,940**	**800,024**
Company - 2019				
Assets				
Financial assets at fair value through profit or loss	10,503	797,277	24,465	832,245
Financial assets at fair value through other comprehensive income	5	-	9,472	9,477
Total	10,508	797,277	33,937	841,722

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

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

Notes to the Financial Statements
- 30 June 2020

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(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	2020 RM'000	2019 RM'000
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Management fee, incentive fee and software maintenance cost	**767**	1,225
.		Lease rental of investment property	**6,300**	6,300
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of office and car park	**2,314**	2,735
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion expenses	**2,377**	3,025
Express Rail Link Sdn. Bhd.	Associated company	Progress billings related to civil engineering & construction works	**7,420**	26,577
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**21,626**	21,626
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Hotel accommodation & lease rental of equipment	**2,665**	3,647
		Share operating cost	**539**	445
		Rental income from outsource of hotel rooms	**17,602**	7,058
Starhill Global REIT	Associated company	Lease expense	**13,653**	-
		Progress billing	**78,510**	-
		Management fee	**10,267**	-
Oriental Place Sdn. Bhd.	Subsidiary of holding company	Rental of premises expenses	**7,440**	7,975
Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	Subsidiary of holding company	Lease rental of investment property	**8,820**	8,820
		Hotel accommodation	**1,138**	2,754
		Management fees & data processing fees & royalty income	**1,726**	2,173
		Sale of property, plant and equipment	**-**	5,529

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(a) Significant related party transactions (cont'd.)

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

			Group	
Entity	**Relationship**	**Type of transactions**	**2020 RM'000**	**2019 RM'000**
Thunder Match Technology Sdn. Bhd.	Subsidiary of associated company	Commission, incentives and/or reimbursement of bundle device sold	**1,675**	4,475
Xchanging Malaysia Sdn. Bhd.	Joint venture company	IT Consultancy & related services expenses	**36,425**	42,093

			Company	
Entity	**Relationship**	**Type of transactions**	**2020 RM'000**	**2019 RM'000**
YTL Land & Development Berhad	Subsidiary	ICULS interest income	**9,731**	21,511
Suri Travel & Tours Sdn. Bhd.	Subsidiary	Travelling expenses	**1,081**	1,290
Star Hill Hotel Sdn. Bhd.	Subsidiary	Hotel accommodation & related expenses	**606**	705

(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	
	2020 RM'000	**2019 RM'000**
Progress billings related to purchase of properties	**78,766**	43,602

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.

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key management personnel of the Group and the Company includes the Directors of the Company.

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Directors' and key management personnel's remuneration				
- Short-term employee benefits	**59,882**	76,416	**1,985**	997
- defined contribution plans	**4,616**	6,334	**134**	12
- benefits-in-kind	**1,294**	772	**-**	-
- share option expenses	**7,909**	7,909	**4,735**	4,735
	73,701	91,431	**6,854**	5,744

41. COMMITMENTS

(a) Capital commitments

	Group	
	2020 RM'000	**2019 RM'000**
Authorised but not contracted for	**782,205**	795,078
Contracted but not provided for	**1,088,500**	2,517,419

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

	Group	
	2020 RM'000	**2019 RM'000**
Capital commitments in relation to addition investment	**75,174**	72,880

41. COMMITMENTS (CONT'D.)

(b) Operating lease commitments

(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.

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

	Group 2019 RM'000
Not later than 1 year	193,993
Later than 1 year and not later than 5 years	366,051
Later than 5 years	473,658
	1,033,702

As disclosed in Note 2(b), the Group has adopted MFRS 16 on 1 July 2019. These lease payments have been recognised as ROU assets and lease liabilities on the Statements of Financial Position as at 30 June 2020, except for short-term and low value leases.

(ii) The Group as lessor

For the financial year ended 30 June 2020

The Group leases out its land and building, telecommunications equipment, plant and machinery. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group 2020 RM'000
Less than 1 year	**168,860**
Between 1 to 2 years	**121,113**
Between 2 to 3 years	**116,035**
Between 3 to 4 years	**110,862**
Between 4 to 5 years	**94,272**
Later than 5 years	**73,979**
Total undiscounted lease payments to be received	**685,121**

Those leases classified as finance leases are disclosed in Note 32(a).

41. COMMITMENTS (CONT'D.)

(b) Operating lease commitments (cont'd.)

(ii) The Group as lessor (cont'd.)

For the financial year ended 30 June 2019

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

	Group 2019 RM'000
Not later than 1 year	594,941
Later than 1 year and not later than 5 years	1,525,156
Later than 5 years	672,479
	2,792,576

Except for one long-term lease, 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 RM3.3 billion. The Group leases out its hotel properties under operating leases for the lease term of fifteen years. All lease arrangements are provided with a step-up rate of 5% every five years and an option to grant the respective lessees to renew the lease for a further term similar to the original lease agreements. The future minimum lease payments receivable relating to hotel properties from non-related parties are approximately RM334 million.

In addition, the payments receivable under the power purchase agreement ("PPA") which are classified as operating lease are as follows:

	Group	
	2020 RM'000	2019 RM'000
Not later than 1 year	**55,874**	60,779
Later than 1 year and not later than 5 years	**9,839**	65,821

42. SEGMENTAL INFORMATION

The Group has seven reportable segments as described below:

(a) Construction
(b) Information technology & e-commerce related business
(c) Hotel operations
(d) Cement manufacturing & trading
(e) Management services & others
(f) Property investment & development
(g) 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 receives separate reports for power generation (contracted), Multi utilities business (merchant), water and sewerage and mobile broadband network, they have been aggregated into one reportable segments (Utilities) as they have similar economic characteristics and those detail segments information disclosed in YTL Power International Berhad's annual report which available for public use.

Although the information technology & e-commerce related business segment does not meet the quantitative thresholds required by MFRS 8 for reportable segments, management has concluded that this segment should be reported, as it is closely monitored by CODM as important segment.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in three primary geographic areas: Malaysia, United Kingdom and Singapore. The details of the geographical segments are disclosed in the below note of the financial statements.

42. SEGMENTAL INFORMATION (CONT'D.)

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
2020								
Revenue								
Total revenue	2,345,514	8,361	1,134,146	4,117,832	612,702	1,206,981	10,341,524	19,767,060
Inter-segment revenue	(29,509)	(4,820)	(12,481)	(22,658)	(240,993)	(211,727)	(66,423)	(588,611)
External revenue	2,316,005	3,541	1,121,665	4,095,174	371,709	995,254	10,275,101	19,178,449
Results								
Interest income	17,482	3,873	2,257	30,944	17,593	10,213	12,823	95,185
Finance costs	(5,199)	(2)	(22,940)	(252,926)	(615,938)	(271,013)	(692,729)	(1,860,747)
Share of results of associated companies and joint ventures	-	-	4,041	13,417	(40,228)	(173,286)	453,255	257,199
Segment profit before tax	194,681	41	96,563	(2,468)	179,628	(282,769)	233,618	419,294
Segment assets								
Investment in associated companies and joint ventures	-	-	36,715	48,670	51,931	2,022,190	2,222,511	4,382,017
Other segment assets	1,187,730	93,128	2,701,767	9,642,046	13,166,329	7,259,250	31,476,168	65,526,418
Segment liabilities								
Bonds and borrowings	378,726	-	926,006	4,824,394	14,269,038	3,985,054	19,182,660	43,565,878
Other segment liabilities	386,390	420	329,029	1,009,239	946,939	1,197,115	6,863,496	10,732,628
Other segment information								
Capital expenditure	24,543	39	115,418	126,930	56,707	559,511	1,533,374	2,416,522
Impairment/(write back)	-	1,744	(5,461)	31,954	2,110	32,218	120,638	183,203
Depreciation and amortisation	18,772	648	81,018	407,618	16,286	148,295	1,154,577	1,827,214

42. SEGMENTAL INFORMATION (CONT'D.)

The segment information provided to the CODM for the reportable segments is as follows: (cont'd.)

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2019								
Revenue								
Total revenue	1,360,876	84,375	1,239,796	2,681,555	737,473	1,343,209	11,381,864	18,829,148
Inter-segment revenue	(141,377)	(80,553)	(16,415)	(7,303)	(281,427)	(239,913)	(14,632)	(781,620)
External revenue	1,219,499	3,822	1,223,381	2,674,252	456,046	1,103,296	11,367,232	18,047,528
Results								
Interest income	9,536	8,431	1,691	27,410	20,657	11,080	7,911	86,716
Finance costs	(16)	-	(23,943)	(78,097)	(641,134)	(291,481)	(712,828)	(1,747,499)
Share of results of associated companies and joint ventures	-	-	7,326	14,799	(12,424)	854	400,540	411,095
Segment profit before tax	80,497	2,560	176,576	145,473	14,887	(8,825)	625,339	1,036,507
Segment assets								
Investment in associated companies and joint ventures	-	-	40,777	487,495	92,052	28,047	2,196,978	2,845,349
Other segment assets	1,082,207	102,704	2,607,860	9,485,356	13,442,398	16,568,410	30,592,809	73,881,744
Segment liabilities								
Bonds and borrowings	15,259	-	799,770	4,884,144	14,943,993	7,766,445	17,670,177	46,079,788
Other segment liabilities	791,269	5,742	364,346	1,191,630	766,283	596,667	6,036,827	9,752,764
Other segment information								
Capital expenditure	33,716	163	150,087	118,949	35,682	753,064	1,569,080	2,660,741
Impairment/(write back)	-	81	(203)	6,290	1,020	2,470	149,856	159,514
Depreciation and amortisation	9,877	660	84,682	236,554	17,195	99,211	1,067,802	1,515,981

42. SEGMENTAL INFORMATION (CONT'D.)

(a) Geographical information

The Group's seven business segments operate in three main geographical areas:

(i)	Malaysia	-	Construction
		-	Information technology & e-commerce related business
		-	Hotel operations
		-	Cement manufacturing & trading
		-	Management services & others
		-	Property investment & development
		-	Utilities
(ii)	United Kingdom	-	Utilities
		-	Hotel operations
(iii)	Singapore	-	Utilities
		-	Cement manufacturing & trading
		-	Property investment & development

	Revenue		Non-current assets	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Malaysia	**7,430,763**	5,764,796	**12,329,432**	10,608,467
United Kingdom	**3,647,137**	3,648,577	**18,786,918**	17,934,854
Singapore	**6,841,129**	7,447,068	**8,243,533**	17,718,828
Other countries	**1,259,420**	1,187,087	**4,346,176**	3,865,355
	19,178,449	18,047,528	**43,706,059**	50,127,504

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

	Non-current assets	
	2020 RM'000	**2019 RM'000**
Property, plant and equipment	**30,499,583**	30,759,493
Right-of-use assets	**1,636,035**	-
Investment properties	**1,811,126**	10,217,573
Development expenditures	**1,128,221**	1,127,238
Intangible assets	**8,631,094**	8,023,200
	43,706,059	50,127,504

42. SEGMENTAL INFORMATION (CONT'D.)

(b) Major customers

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

	2020 RM'000	2019 RM'000	Segment
Energy Market Company	**2,452,877**	3,184,498	Utilities

43. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that it maintains healthy capital ratios in order to support its existing business and maximise shareholders' value.

The Group and the Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the year.

The Group and the Company monitors capital using a debt-to-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	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Bonds	30	**19,875,639**	19,481,690	**2,500,000**	2,510,000
Borrowings	31	**23,690,239**	26,598,098	**1,750,654**	1,467,970
Bonds and borrowings		**43,565,878**	46,079,788	**4,250,654**	3,977,970
Less: Cash and cash equivalents	26	**(11,661,232)**	(11,806,502)	**(103,999)**	(321,308)
Net debt		**31,904,646**	34,273,286	**4,146,655**	3,656,662
Equity attributable to owners of the parent		**12,460,336**	13,262,686	**6,086,744**	6,228,889
Capital and net debt		**44,364,982**	47,535,972	**10,233,399**	9,885,551
Debt-to-equity ratio (%)		**72**	72	**41**	37

Under the requirement of Bursa Malaysia Securities Berhad Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

44. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

The Group's and the Company's adoption of MFRS 16 from 1 July 2019 (effective from 1 January 2019) resulted in changes in accounting policies and adjustments to the Group's and the Company's financial position as at 1 July 2019. The new accounting policies under MFRS 16 have been disclosed under Note 2(ae) to the financial statements. The following describes the impact of the adoption.

(a) Adoption of MFRS 16

During the financial year, the Group and the Company changed its accounting policies on leases upon adoption of MFRS 16. The Group and the Company have elected to use the modified retrospective transition method and to apply a number of practical expedients as provided in MFRS 16.

Under the modified retrospective transition method, the comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Group and the Company is a lessee were recognised as an adjustment to the opening balance of retained earnings as at 1 July 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 Leases ("MFRS 117") and IC Int. 4 "Determining whether an Arrangement Contains a Lease" (IC Int.4).

As a lessor, the Group and the Company are not required to make any adjustment on transition, except for the reassessment of existing operating subleases at the date of initial application ("DIA").

In addition, the Group and the Company have elected not to reassess whether a contract is, or contains a lease at the DIA. Instead, for contracts entered into before the transition date the Group and the Company relied on its assessment made applying MFRS 117 and IC Int. 4.

(i) The Group and the Company as lessee

a) Leases classified as operating leases under MFRS 117

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted-average rate applied is between 1.23% to 4.50%.

ROU assets were measured on a lease-by-lease basis at the amount equal to the lease liability or retrospective calculation, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

As permitted by the exemptions under the standard, the Group and the Company have not applied the principles of MFRS 16 to short-term leases (a lease with lease term of 12 months or less from date of commencement) and leases for which the underlying asset is of low value.

44. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(a) Adoption of MFRS 16 (cont'd.)

(i) The Group and the Company as lessee (cont'd.)

a) Leases classified as operating leases under MFRS 117 (cont'd.)

In applying MFRS 16 for the first time, the Group and the Company have applied the following practical expedients permitted by the standard to leases previously classified as operating leases under MFRS 117:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the ROU asset at the DIA; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

b) Leases classified as finance leases under MFRS 117

For leases previously classified as finance leases (other than hire purchase creditors) and presented as a part of 'property, plant and equipment', the Group and the Company recognised the carrying amount of the lease asset and lease liability immediately before transition which were measured applying MFRS 117 as the carrying amount of the ROU asset and the lease liability at the DIA.

The adoption of MFRS 16 impacts the Group's performance in the current financial period as below:

(i) On the Income Statements, expenses which previously included leasing expenses within Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") were replaced by interest expense on lease liabilities and depreciation of the right-of-use assets.

(ii) On the Statements of Cash Flows, operating lease rental outflows previously recorded within "net cash flows from operating activities" were reclassified as "net cash flows used in financing activities" for repayment of the principal and interest of lease liabilities.

44. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(a) Adoption of MFRS 16 (cont'd.)

(i) The Group and the Company as lessee (cont'd.)

The reconciliation between the operating lease commitments disclosed applying MFRS 117 at 30 June 2019 to the lease liabilities recognised at 1 July 2019 is as follows:

	Group RM'000
Operating lease commitments disclosed as at 30 June 2019	1,033,702
(Less): short-term leases recognised on a straight-line basis as expense	(18,036)
(Less): low-value leases recognised on a straight-line basis as expense	(932)
(Less): contracts reassessed as service agreements	(294,484)
(Less): extension and termination options reasonably certain to be exercised	(66,119)
	654,131
Discounted using the lessee's incremental borrowing rate of at the date of initial application	489,875
Add: finance lease liabilities recognised as at 30 June 2019	47,754
Add: contracts reassessed as lease contracts	74,236
Add/(less): adjustments as a result of a different treatment of extension and termination options	341,758
Lease liability recognised as at 1 July 2019	953,623
Of which are:	
Current lease liabilities	190,844
Non-current lease liabilities	762,779
	953,623

(ii) The Group and the Company as lessor

The Group and the Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of MFRS 16.

44. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONT'D.)

(a) Adoption of MFRS 16 (cont'd.)

(iii) Adjustments

The effect arising from the adoption of MFRS 16 on the statement of financial position of the Group and the Company are as follows:

Group	30.6.2019 Previously stated RM'000	Effect of MFRS 16 RM'000	1.7.2019 Restated RM'000
As at 1 July 2019			
Non-current assets			
Property, plant and equipment	30,759,493	(642,624)	30,116,869
Right-of-use assets	-	1,472,778	1,472,778
Trade and other receivables	1,159,120	15,885	1,175,005
Current assets			
Trade and other receivables	4,198,733	3,677	4,202,410
Equity			
Retained earnings	9,488,302	(21,567)	9,466,735
Non-controlling interests	7,631,855	(34,581)	7,597,274
Non-current liabilities			
Deferred tax liabilities	2,073,144	(5)	2,073,139
Borrowings	11,760,855	(17,489)	11,743,366
Lease liabilities	-	762,779	762,779
Current liabilities			
Borrowings	14,837,243	(30,265)	14,806,978
Lease liabilities	-	190,844	190,844

45. SIGNIFICANT EVENTS DURING AND AFTER REPORTING PERIOD

The outbreak of the COVID-19 pandemic has impacted economic activities worldwide. Many countries have imposed restrictions on non-essential services and business operations, and have also implemented travel restrictions, border closures and other quarantine measures that have significantly curbed the normal movement of goods, services and people. For the financial year ended 30 June 2020, the impact of COVID-19 have been reflected in this set of financial statements.

As the situation is still evolving and will be affected by the degree to which governments are able to contain the spread of the virus in countries where the Group operates, the full impact of the COVID-19 pandemic on the Group's performance for the financial year ending 30 June 2021 could not be reasonably ascertained when this set of financial statements was authorised for issuance.

The Group and the Company are taking steps to proactively manage the businesses and take the necessary actions to ensure that the long-term business prospects of the Group and the Company remain stable.

46. AUTHORISED FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2020.

Form of Proxy

YTL Corporation Berhad
SINCE 1955

[Company No. 198201012898 (92647-H)]
(Incorporated in Malaysia)

CDS Account No.	

(only for nominee companies)

Number of share held	

I/We *(full name in block letters)* ______________________________

______________________________ Tel. No. ______________

NRIC *(new & old)*/Passport/Company No. ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Corporation Berhad** hereby appoint

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

* and/or *(delete as appropriate)*

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company which will be conducted as a **fully virtual** meeting through live streaming from the broadcast venue at the Town Hall, 8th Floor, Menara YTL, 205 Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia ("**Broadcast Venue**") on Tuesday, 1 December 2020 at 1.30 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Re-election of Dato' Yeoh Seok Kian		
2.	Re-election of Dato' Yeoh Soo Min		
3.	Re-election of Dato' Yeoh Seok Hong		
4.	Re-election of Dato' Cheong Keap Tai		
5.	Approval of the payment of fees to the Non-Executive Directors		
6.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
7.	Re-appointment of HLB Ler Lum PLT as Auditors of the Company		
8.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
9.	Proposed authorisation for Directors to allot and issue shares		
10.	Proposed renewal of share buy-back authority		

Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this ______________ day of ______________________ 2020.

____
Signature(s)/Common Seal of Member

IMPORTANT NOTICE

Pursuant to Section 327(2) of the Companies Act, 2016, the Chairman of the Meeting will be present at the Broadcast Venue, being the main venue of the meeting. Members/proxies/representatives will not be allowed to be physically present at the Broadcast Venue on the day of the meeting. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online website at https://tiih.online.

Fold this flap for sealing

Notes:-

1. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the Annual General Meeting ("AGM") via the RPV facilities.*
2. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
3. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*
5. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **29 November 2020 at 1:30 p.m**.:*

   (i) *In hardcopy form* ***[applicable for all members]***

   The original Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) *By Tricor Online System (TIIH Online)* ***[applicable only for members who are individuals]***

   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide.
6. *Only members whose names appear on the General Meeting Record of Depositors as at 23 November 2020 shall be entitled to attend the AGM via the RPV facilities or appoint proxy(ies) to attend and/or vote in his stead.*
7. *For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Tricor at either of the addresses stated in note 5(i) above, not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the appointment proposes to vote.*

Then fold here

AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for the 37th Annual General Meeting of
YTL Corporation Berhad
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1st fold here

YTL Corporation
Berhad

SINCE 1955

YTL CORPORATION BERHAD
198201012898 (92647-H)

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

Tel • 603 2038 0888
Fax • 603 2038 0388

www.ytl.com
www.ytlcommunity.com