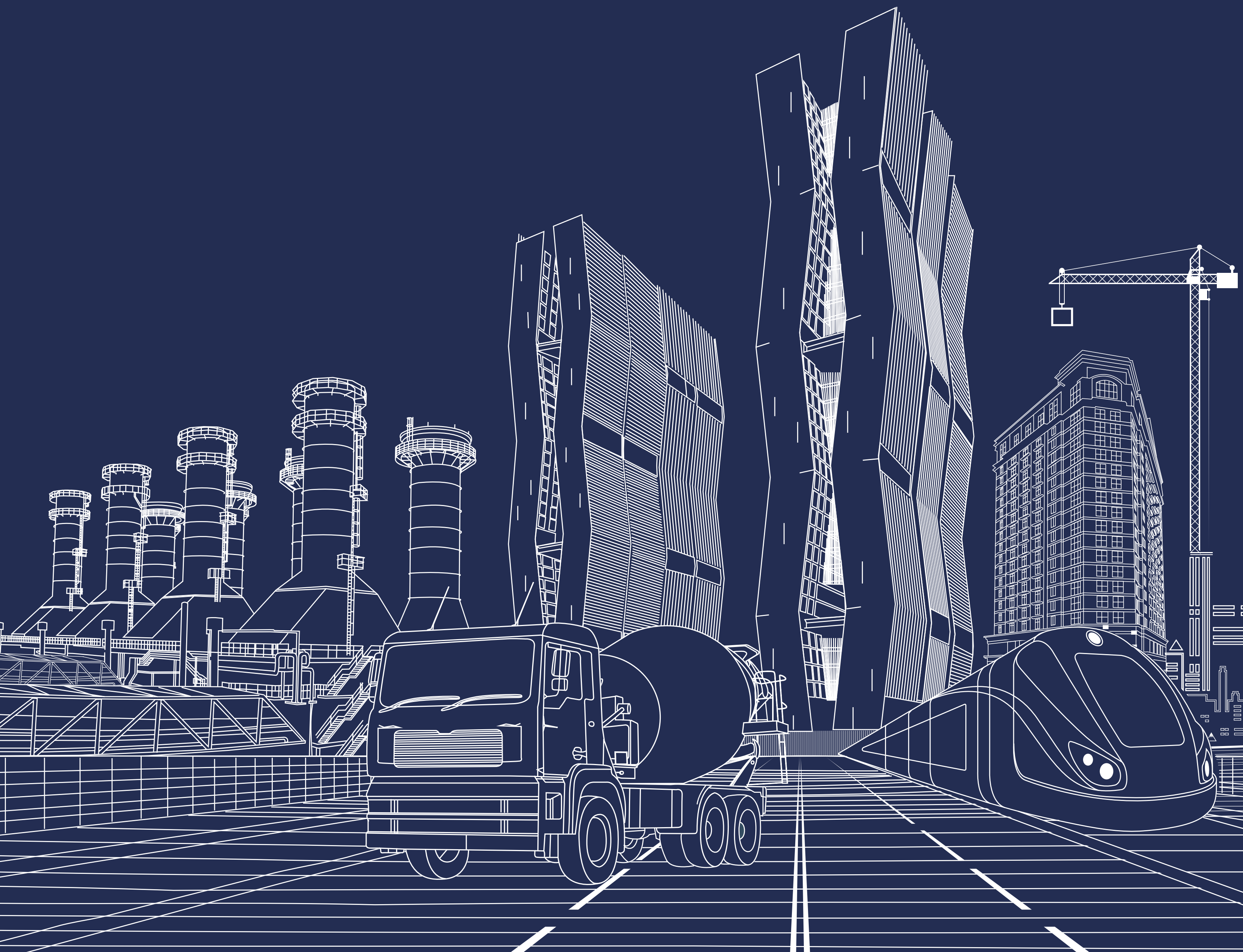
YTL Corporation Berhad

SINCE 1955

Annual Report **2018**

BUILDING THE RIGHT THING

The Journey Continues...



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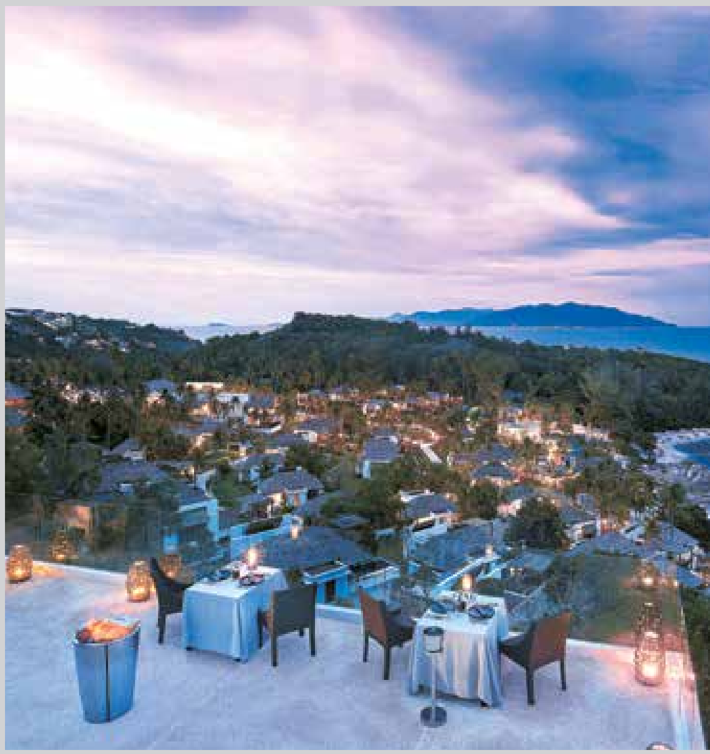

YTL Corporation Berhad

SINCE 1955

YTL CORPORATION BERHAD
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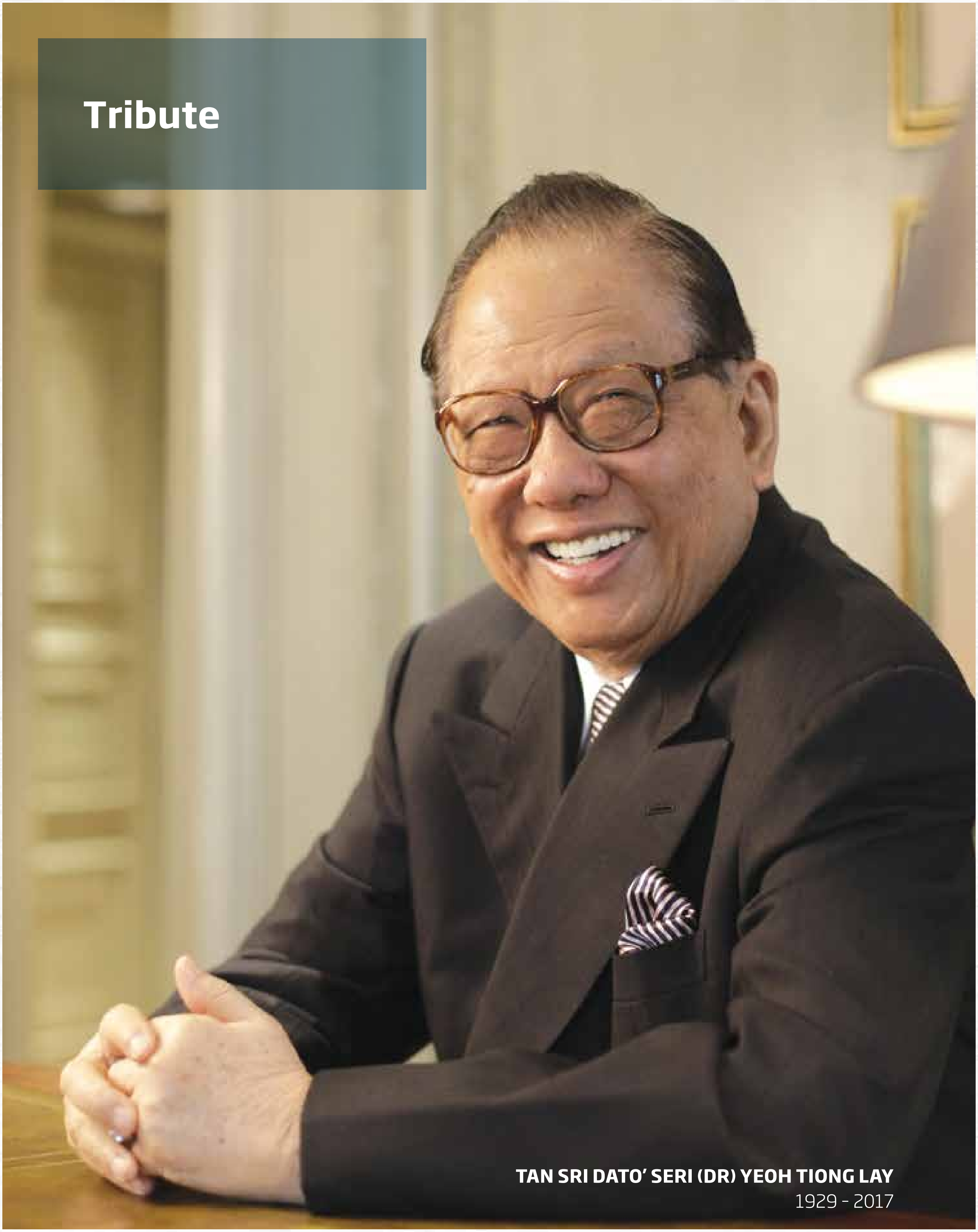
BUILDING THE RIGHT THING

The Journey Continues...

Our work stands the test of time by turning the right opportunity into the right thing and the right thing into lasting value. YTL is about building value that is not simply lasting, but is worthy of lasting.

Tribute



TAN SRI DATO' SERI (DR) YEOH TIONG LAY
1929 - 2017

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay built the YTL Group from a small construction company to its place as a global company today. A historical figure whose leadership helped to shape the path of Malaysia as a nation, he was a continual source of inspiration and motivation to the YTL Group. Under his stewardship over the more than 60 years since its humble beginnings, the YTL Group has grown into an integrated infrastructure developer with international operations across three continents, in countries including the United Kingdom, Singapore, Australia, Japan, Jordan, Indonesia, China, France and Thailand.

To Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, the YTL Group was more than just divisions and companies, it was the driving force in his life and a family that he nurtured and protected. His energy was inexhaustible and his interest in company affairs unrelenting. The growth and development of the YTL Group was always rooted in his determination to build a strong, responsible and sustainable company for the benefit of his family, employees, business partners and the wider community, and this is his legacy. His work ethic was exemplary and his humility was a testimony to the great man and leader that he was.

He believed in the importance of unity and of investing in people. While the business flourished and thrived under his industrious leadership, he placed utmost importance on those who grew together with him in the company. His employees became his extended family members and he treated them as such. Even through difficult periods, he pressed on in order to secure a bright future for this extended YTL family for generations to come.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay was a man who led by example. The YTL Group's brand values of hard work, honesty, moral responsibility, togetherness and vitality are not mere words; they are values that he personally embodied. The example he set instilled a culture of innovation to drive the business forward whilst remaining true to the values and ethics that form the foundations of the multi-generational organisation he built.

He was renowned for his deep passion for philanthropy and served as the Chairman of YTL Foundation. His dedication to creating ladders of opportunities for children through education was legendary, as was his untiring generosity with his time, compassion and resources. On a personal level he devoted much of his time to numerous philanthropic organisations. Education was especially close to his heart as his beloved wife, Puan Sri Datin Seri Tan Kai Yong, was a teacher herself. In just one example of his commitment, he served as Chairman of the Board of Governors of his alma mater, Hin Hua High School Klang, and spearheaded its transformation into one of the best independent Chinese secondary schools in the country.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay passed away peacefully on 18 October 2017 at the age of 88. He is survived by his wife, Puan Sri Datin Seri Tan Kai Yong, his seven children, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Soo Min, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah, and his 27 grandchildren and 6 great-grandchildren.

No words can fully express how deeply our beloved founder will be missed. The YTL Group remains committed to the values on which he built this organisation and will move forward to sustain the enduring legacy he left behind, and continue the remarkable journey he started. Our journey continues...

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, *CBE, FICE*
Executive Chairman, YTL Corporation Berhad

Construction

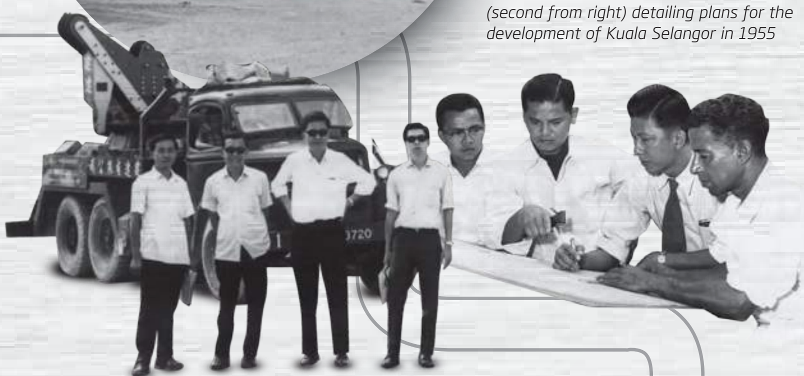
1955

Building the Nation's Infrastructure

The YTL Group has its origins in the Yeoh Tiong Lay Construction Company, established by Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay in 1955 with the modest goal of developing the Kuala Selangor region, two years before modern Malaysia achieved its long-awaited independence from British colonial rule. With independence, the country's national security and economic development were of paramount importance and YTL was responsible for many of the strategically placed army camps, hospitals, commercial high-rises and other national infrastructure projects.

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

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



1980s

Building National Healthcare Facilities & Nucleus Hospitals

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

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay and Dato' Wan Abdul Rahman Yaacob, Director General of Jabatan Kerja Raya Malaysia, at the Handover Ceremony for the 12 Nucleus Hospitals in 1995

1960s-70s

Construction of Educational Centres

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

SINCE 1955

Listing of YTL Corporation Berhad

On 3 April 1985, YTL Corporation Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad (then known as the Kuala Lumpur Stock Exchange) under the construction sector. YTL Corp also obtained a secondary listing on the Foreign Section of the Tokyo Stock Exchange on 29 February 1996, the first non-Japanese Asian company to list on the Tokyo Stock Exchange.

1990s-present

Contribution to the Nation's Modernisation

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

Infrastructure & Commercial Developments

The Group went on to construct a myriad of infrastructure and commercial developments from power and cement plants to transportation networks and a wide variety of buildings that make up urban and rural communities.

Residential Property Development Projects

The Group built a vast range of residential property development projects across Malaysia and Singapore and iconic landmarks including gated enclaves such as Lake Edge and Lake Fields, as well as the distinctive Capers and Fennel condominium developments in Sentul which have transformed the KL city skyline.

1997

Construction of the Express Rail Link

In 1997, the Engineering Procurement and Construction contract for the Express Rail Link project connecting KL Sentral to Kuala Lumpur International Airport was awarded to a consortium comprising YTL, Siemens AG and Siemens Electrical Engineering Sdn Bhd. YTL completed construction on schedule in 2002 and currently owns a 45% stake in Express Rail Link Sdn Bhd.

2014

ERL Extension to KLIA2

The YTL Group undertook the extension of the Express Rail Link service connecting Kuala Lumpur International Airport (KLIA) with KLIA2, the new-cost carrier terminal, which began operating in 2014.

2016

Unveiling of New KLIA Transit Trains

Express Rail Link Sdn Bhd unveiled its new KLIA Transit train at its depot in Salak Tinggi. The six new train-sets, manufactured by CRRC Changchun Railway Vehicles Company Limited, will increase total service capacity by fifty percent.

2015

Ground-breaking Ceremony for the New YTL Headquarters Tower

In late 2015, the YTL Group broke ground on its new headquarters, a 40-storey building located in the heart of Kuala Lumpur, opposite The Ritz Carlton, Kuala Lumpur.

From left to right, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah at the ground-breaking ceremony

Cement Manufacturing & Trading

Members of the Board of Directors of YTL Cement Berhad at the listing ceremony, from left to right, Dato' Yeoh Seok Kian, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Joseph Benjamin Seaton, Dato' Hj Mohd Zainal Abidin Bin Hj Abdul Kadir and Raja Dato' Wahid Bin Raja Kamaralzaman

1970s -80s

Commencement of Cement Operations

Cement operations commenced in the late 1970s as a natural adjunct of the construction contracting business, mitigating the risks of both supply and price of this essential building material. The division began with just one batching plant and 6 trucks, working from there to expand exponentially throughout the 1980s to reach the size and scale to stand alone as a self-sustaining business. Along the way, the Group made a series of strategic acquisitions to bolster its progress.

1993

Listing of YTL Cement Berhad

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

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

1998

Official Launch of Pahang Cement Plant

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

2007

Acquisition of Zhejiang Hangzhou Dama Cement Co Ltd, China

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

2014

Largest Cement Terminal in Singapore

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

2016

The Group's new integrated cement plant in Pahang came on-stream in mid-2016. The plant has a capacity of 5,000 tons of cement per day and has been built to the latest environmental standards, including technological advancements to meet European standards on lower nitrogen oxide emissions and more energy-efficient operations.

2004

Acquisition of Perak-Hanjoong Simen Sdn Bhd

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

2007

Commencement of Operations in Singapore

The Group established its first batching plants on Singapore's Sentosa island in 2007 and secured a project to supply up to 1.2 million cubic metres of concrete to one of the biggest, iconic development projects in Singapore.

Property Investment & Development

1980s

Development of Affordable Housing

The YTL Group's progression from its core construction and building materials businesses to property development was a natural one in the mid-1980s. The Group's beginnings in the property development sector were in the construction of good quality low-cost housing to meet the immediate needs of a growing population, particularly during the recession in the 1980s.

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

1990

Award-Winning Residential Developments

As the nation became more affluent, demand for more varied housing such as condominiums grew, and the YTL Group was one of the first developers in Malaysia to venture into this field on a wide scale. Pantai Hillpark, with its Mediterranean-inspired architecture, was the Group's most successful high-end development throughout the 1990s. Phase I was launched in 1991, with subsequent phases following shortly thereafter. Centrio, comprising SOHO units, was completed in 2010, and commercial and high-end residential phases are planned for the future.

1999

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

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

2002

Launch of the Sentul Masterplan

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

2004

Lake Edge, Puchong

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

2015

Shorefront, Penang

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

2005

Lake Fields, Sungei Besi

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

2011

Sandy Island & Kasara, The Lake

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

2008

Midfields, Sungei Besi

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

2014

The Capers at Sentul East

The Capers, an architectural achievement comprising two iconic 36-storey towers, sky gardens and low-rise suites, the definitive statement in urban living, was completed in 2014.

2008

Investment in Starhill Global REIT, Singapore

In December 2008, the Group acquired a 26% stake in Starhill Global REIT which is listed on the Singapore stock exchange, as well as a 50% interest in the REIT's management company. Starhill Global REIT owns 10 prime retail and office assets across Singapore, Malaysia, Australia, Japan and China. The Group currently has an effective interest of 36.46% in the REIT and 100% of the management company.

2017

3 Orchard By-The-Park, Singapore

The Group's latest development in Singapore is 3 Orchard By-The-Park. Located on Singapore's famed Orchard Boulevard, this luxury property comprises 77 exclusive residences.

The Fennel at Sentul East

Consisting of 916 units housed in four high-rise towers, The Fennel offers an array of features and unique design elements, including two suspended salt-water swimming pools and a multitude of 'tropical verandas' throughout the development.

Utilities

1993
Malaysia's First Independent Power Producer (IPP)

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

1995
Commissioning of the Power Plants

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

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

1997
Listing of YTL Power International Berhad

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

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

2000
Acquisition of 33.5% stake in ElectraNet Pty Ltd, Australia

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

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

2002
Acquisition of Wessex Water Limited, United Kingdom

In May 2002, the YTL Group acquired a 100% equity stake in Wessex Water Limited for an enterprise value of GBP1.24 billion, one of the most efficient water and sewerage providers in the United Kingdom, supplying over 2.8 million customers daily.

2010

Launch of Yes

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

2004

Investment in PT Jawa Power, Indonesia

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

2014

Yes 4G network launched in Sabah

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

From left to right, Yeoh Keong Hann, Director, YTL Power Generation Sdn Bhd; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay; HE Mr Hani Mulki, Prime Minister of Jordan; and Dato' Yeoh Seok Hong, at a site briefing in Jordan

2017

Attarat Power Company PSC Achieves Financial Close

In May 2017, Attarat Power Company PSC (APCO), a 45%-owned joint venture of the Group, achieved financial close for its 554 MW power generation project in Jordan. In September 2017, Tan Sri Dato' (Seri) Dr Yeoh Tiong Lay travelled to Jordan to brief Jordan's then-Prime Minister, His Excellency Mr Hani Mulki, on the progress of the project.

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Dr Yaacob Ibrahim, Singapore's Minister for Communications and Information, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping at the launch of the 800MW co-generation combined cycle plant in October 2010

2009

Acquisition of YTL PowerSeraya Pte Limited, Singapore

In 2009, the Group acquired YTL PowerSeraya Pte Limited from Singapore's Temasek Holdings (Private) Limited for an enterprise value of SGD3.8 billion. YTL PowerSeraya is the second largest power generation company in Singapore in terms of installed capacity, with a total licensed capacity of 3,100 megawatts, as well as oil trading and multi-utility businesses.

Hotel Operations

1986

Pangkor Laut Resort

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

1995

Vistana Hotel Kuala Lumpur

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

1999

Tanjong Jara Resort

The Group took over the mawnagement and transformed Tanjong Jara Resort into an award-winning, deluxe five-star resort destination in 1999 located along the pristine coastline of Terengganu.

1997

The Ritz-Carlton, Kuala Lumpur

YTL opened the multi-award winning The Ritz-Carlton, Kuala Lumpur in 1997, featuring the timeless elegance of The Ritz-Carlton style, blending old-world European elegance with fine Malaysian art and craftsmanship.

2010

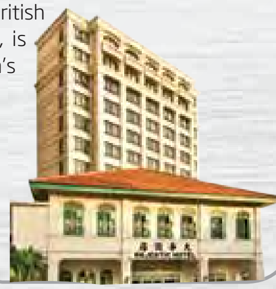
Acquisition of Niseko Village, Japan

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

2008

The Majestic Malacca

Set in the historical seaport city of Malacca, the hotel opened in January 2008. The Majestic Malacca, with influences drawn from the Portuguese, the Dutch, the British and the Peranakan Chinese, is an integral part of Malacca's history.



2005

Listing of YTL Hospitality REIT

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

2006

Cameron Highlands Resort

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

2007

Spa Village Resort Tembok, Bali,

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

2010

Muse Hôtel de Luxe, St. Tropez

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

2012

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

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

2012

Gaya Island Resort, Sabah

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

The Majestic Hotel Kuala Lumpur

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

2014

Launch of Kasara Niseko Village Townhouse

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

2015

Official Launch of The Gainsborough Bath Spa

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

2016

Hotel Stripes, Kuala Lumpur

Hotel Stripes Kuala Lumpur opened in 2016 and is a member of Autograph Collection Hotels, an evolving ensemble of strikingly independent hotels. Each destination has been selected for its quality, bold originality, rich character and uncommon details.

2017

Acquisitions of Boutique Hotels in the United Kingdom

In 2016 and 2017, the Group completed the acquisition of The Glasshouse Hotel, located in the heart of Edinburgh and part of Marriott International's Autograph Collection, Monkey Island in the village of Bray in Berkshire, and the Academy Hotel, and Threadneedles Hotel.

The Ritz-Carlton, Koh Samui

The Ritz-Carlton, Koh Samui, is the Group's newest luxury resort, located on the north-eastern shore of the island of Koh Samui. The resort offers 175 suites and pool villas with a private bay, pristine beach and a wide variety of recreational, culinary and wellness activities.

BUILDING THE RIGHT THING

The Journey Continues...

Chairman's Statement

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

OVERVIEW

YTL Corporation Berhad ("YTL Corp") and its subsidiaries ("Group") maintained a satisfactory operating performance for the financial year ended 30 June 2018.

The Group recorded higher revenue of RM15.9 billion for the financial year ended 30 June 2018 compared to RM14.7 billion last year, whilst profit before tax stood at RM1.4 billion for the financial year under review compared to RM1.7 billion last year.

YTL Corp declared an interim cash dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2018, representing a dividend yield of approximately 3.1%, based on the average share price during the financial year of RM1.27 per share.

The Malaysian economy registered robust gross domestic product (GDP) growth of 5.9% for the 2017 calendar year, compared to 4.2% in 2016 anchored by domestic demand, supported mainly by faster expansion in both private and public sector spending. The economy grew at a slower pace registering GDP growth of 5.4% in the first quarter and 4.5% in the second quarter of 2018. Despite showing stronger expansion in private sector spending and private consumption, growth was weighed down by the supply disruptions in the mining sector and lower agriculture production and further dampened by the lower public investment and net export growth on the demand side. Meanwhile, in other major economies where the Group operates, the United Kingdom (UK) registered growth of approximately 1.8% during 2017, with the first and second quarters of the 2018 calendar year showing an estimated growth of 0.1% and 0.4% respectively. Singapore's economy grew 3.6% in 2017, with growth of approximately 3.9% for the first half of the 2018 calendar year *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia, Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports).*

UTILITIES

Although the ongoing excess in generation capacity in Singapore's wholesale electricity market has yet to abate, the Group's merchant multi-utilities business in Singapore continued to navigate the environment well. Despite tough operating conditions, the division experienced only a marginal decrease in its overall market share to 17.0% for the year under review compared to 17.7% last year, as it continued to benefit from its well-developed operation and maintenance regime, innovative customer service engagement efforts and high quality service offerings.

The Group's water and sewerage business in the UK maintained its stellar performance which has seen the division deliver solid earnings every year since its acquisition by the Group in 2002. The final parts of the division's major integrated water supply grid, which has been under construction for the past several years, have now been completed and the whole system is in full operation.

The scale of the additional resilience created by the new grid was fully evident in March 2018 when the UK faced the most extreme weather seen in years from the "Beast from the East" weather system which brought heavy snowfall and freezing temperatures. Wessex Water was able to continue to provide water to all properties in its operating region even after the rapid thaw event which saw many supplies interrupted elsewhere in the country.

In the Group's contracted power generation division in Malaysia, supply from Paka Power Station under the new power purchase agreement commenced on 1 September 2017 and will continue for 3 years 10 months to 30 June 2021.

Meanwhile, the Group's mobile broadband network division continued to make good progress in growing its subscriber base, rolling out a new mobile self-care app, MyYes4G, for Android and iOS, as well as promoting its range of prepaid and postpaid data bundles which continue to offer amongst the best deals in the market.

Following the project achieving financial close last year, construction commenced on the 554 megawatt oil shale fired power generation project in Jordan being undertaken by Attarat Power Company PSC ("APCO"), the Group's 45%-owned joint venture. APCO has a 30-year power purchase agreement for the plant's entire generation capacity with National Electric Power Company (NEPCO), Jordan's state-owned power utility, with an option for the utility to extend the operating period to 40 years, and the first unit of the plant is scheduled to commence commercial operations in 2020.

The Group also continued to work towards financial close of its 80%-owned Tanjung Jati A project, a 1,320 megawatt coal-fired power project in Java, Indonesia, which has a 30-year power purchase agreement with PT PLN (Persero), the Indonesian state-owned electricity utility.

CEMENT MANUFACTURING & TRADING

The cement division achieved higher sales volume across all operating divisions, but continued to weather the effects of the softer construction industry, coupled with increased selling and distribution costs and competitive pricing in the domestic market.

CONSTRUCTION

The Group's construction division saw its rail credentials rise to the forefront. Together with its joint venture partner, the Group was 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, which will form another vital component of the country's blueprint to develop world-class rail infrastructure.

In April 2018, the Group's joint venture was selected as the project delivery partner for the Malaysian civil infrastructure portion of the Kuala Lumpur-Singapore high speed rail project, responsible for developing the detailed design and delivering the infrastructure works for the southern portion of the alignment of project. However, in September 2018, the governments of Malaysia and Singapore subsequently announced an agreement to suspend the construction of the project until May 2020. Nevertheless, being selected to deliver a transformative project of this scale is an affirmation of the Group's credentials, and the Group will continue to monitor developments on the project.

PROPERTY INVESTMENT & DEVELOPMENT

The Group completed its current raft of residential developments during the year, namely The Fennel at Sentul East, Dahlia in Ipoh and Shorefront in Penang. The Group's 3 Orchard By-The-Park project, the highly anticipated luxury development in Orchard Boulevard, was also unveiled for private preview during the year.

In the Group's property investment sub-segment, profit was impacted by a net fair value loss on the revaluation of its investment properties recorded by Starhill Global REIT, which is listed in Singapore. Nevertheless, the trust has continued to be supported by the resilient performance of its major assets in Singapore, comprising stakes in Ngee Ann City and Wisma Atria in Orchard Road, and Malaysia, comprising Starhill Gallery and parcels in Lot 10 Shopping Centre in the heart of Bukit Bintang.

HOTEL OPERATIONS

The Group opened its newest luxury resort, The Ritz-Carlton, Koh Samui, in Thailand, during the year under review. Situated on the north-eastern shore of Koh Samui, the 175-room resort features a private bay, pristine beach and a wide variety of recreational, culinary and wellness activities.

Meanwhile, the Group's hotel, The Green Leaf Niseko Village, will be acquired by YTL Hospitality REIT, well in line with the strategy of assembling mature assets within its real estate investment trusts to streamline the Group's asset portfolios.

SUSTAINABILITY

YTL Corp has been a component of the *FTSE4Good Bursa Malaysia Index* since 2017, and this year, its listed subsidiary, YTL Power International Berhad, was also added to the index. The FTSE4Good Bursa Malaysia Index is designed to measure the performance of companies demonstrating good Environmental, Social and Governance (ESG) practices. Earning a place in the index requires a sustained commitment to responsible business practices and the Group remains committed to its ongoing efforts to continuously assess and improve its operating structures.

PROSPECTS

The Group expects to successfully weather the volatility that continues to plague many of its operating markets, backed by the concession-based nature of a significant part of its utility businesses, the Group's long-standing financial prudence and ongoing operational efficiency and technical capabilities.

YTL Corp will remain focused on further reinforcing its financial and operational strength in order to protect its businesses and enhance stakeholder value.

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

Management
Discussion & Analysis

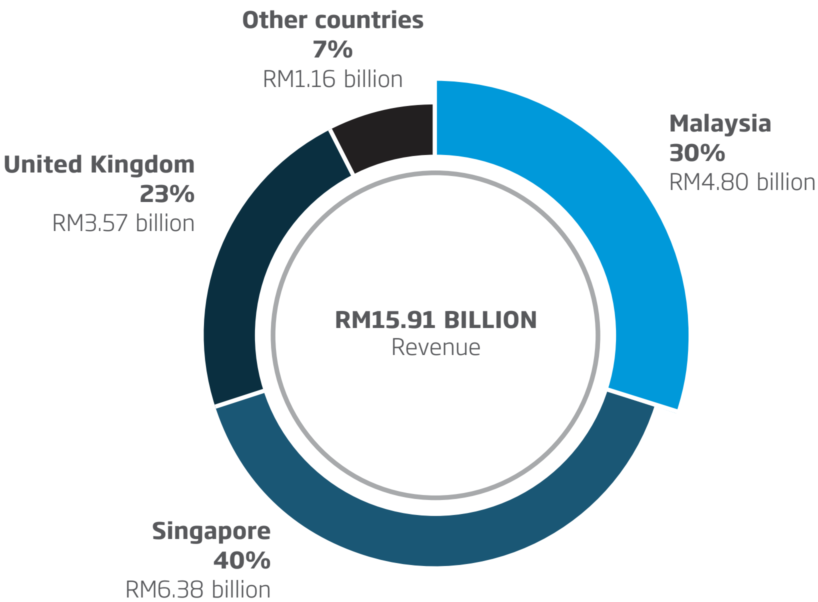
GROUP
OVERVIEW

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 and Trading, Construction, Property Investment and Development, Hotel Operations, Management Services and Others, and Information Technology and 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 - 2018



YTL Corp is amongst the largest companies listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and is a component of the FTSE Bursa Malaysia Mid 70 index. 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 Land & Development Berhad ("YTL L&D") and YTL Hospitality REIT ("YTL REIT"), and 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 a 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. In June 2018, YTL Power was also included in the FTSE4Good Bursa Malaysia Index.

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 derives the bulk of its revenue from operating various regulated utility assets under long-term concessions globally, 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 overseas, particularly in the area of regulated utilities.** The YTL Corp Group intends to continue to pursue its strategy of acquiring regulated assets operating under long-term concessions and other businesses correlated to its core competencies. 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 in Malaysia.** The Group intends to continue to grow its businesses by leveraging on 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.

- **Ongoing optimisation of the Group's capital structure.** The YTL Corp Group intends to maintain 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.

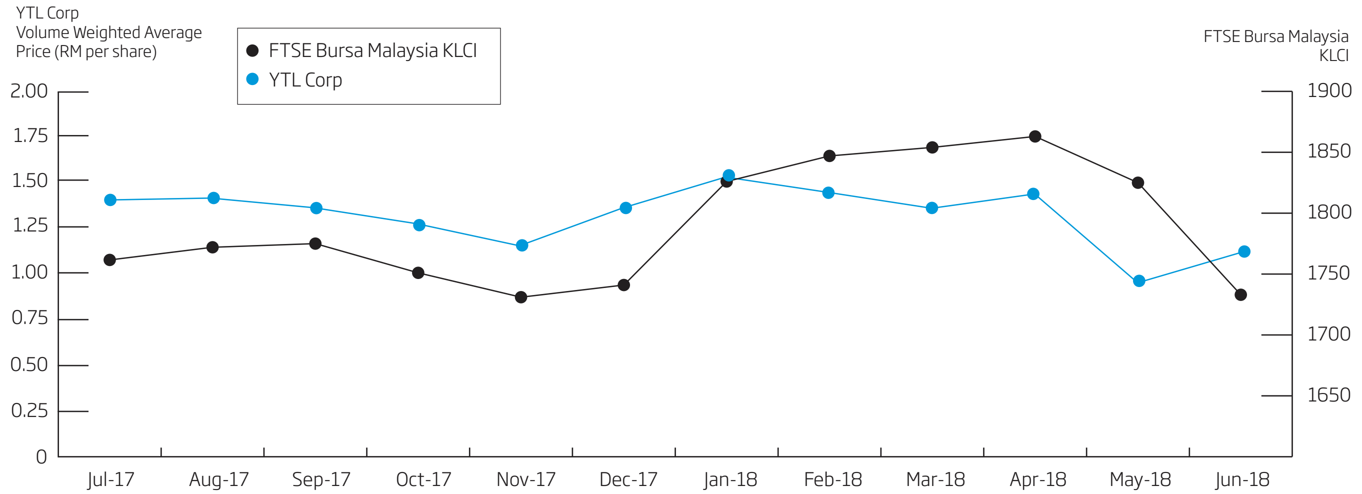
- **Enhancement of operational efficiencies to maximise returns from the Group's businesses and expand its customer base.** The Group believes that its cement and power plants on average operate within the highest efficiency levels of their industries and intends to further enhance operational efficiencies where possible through the application of new technologies, production techniques and information technology.

PERFORMANCE INDICATORS

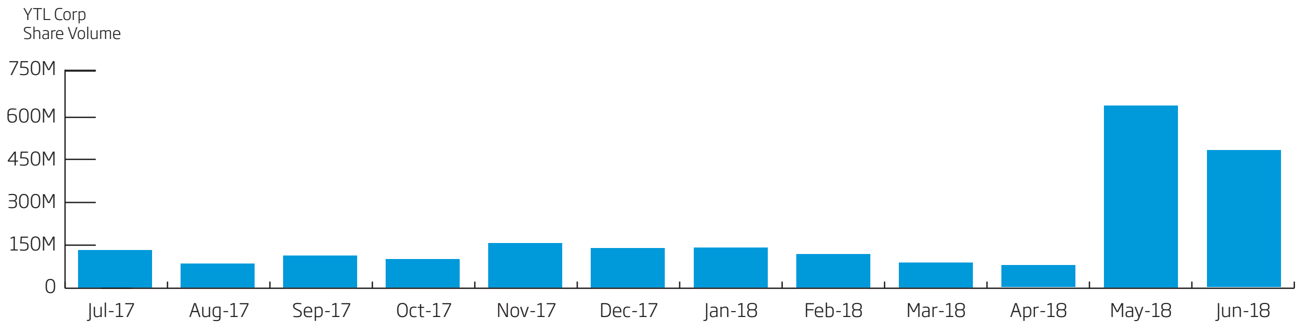
YTL Corp has been listed on Bursa Securities, the Kuala Lumpur stock exchange, since 3 April 1985. YTL Corp is listed on the Main Market of the exchange under the Utilities sector, with a sub-sector of Gas, Water & Multi-Utilities.

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 2018.

PERFORMANCE OF YTL CORP'S SHARE PRICE VS FTSE BURSA MALAYSIA KLCI



AVERAGE VOLUME OF YTL CORP SHARES TRADED ON BURSA SECURITIES



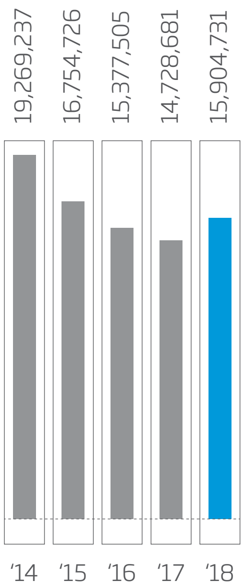
Source: Bloomberg

FINANCIAL REVIEW

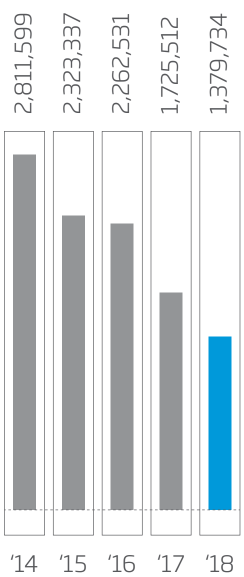
FINANCIAL HIGHLIGHTS

	2018	2017	2016	2015 *(Restated)*	2014 *(Restated)*
Revenue (RM '000)	**15,904,731**	14,728,681	15,377,505	16,754,726	19,269,237
Profit Before Taxation (RM '000)	**1,379,734**	1,725,512	2,262,531	2,323,337	2,811,599
Profit After Taxation (RM '000)	**1,003,141**	1,442,050	1,886,958	1,721,032	2,604,930
Profit for the Year Attributable to Owners of the Parent (RM '000)	**362,217**	813,308	916,431	1,017,645	1,554,980
Total Equity Attributable to Owners of the Parent (RM '000)	**14,135,907**	14,873,910	14,603,479	14,620,578	14,377,029
Earnings per Share (Sen)	**3.44**	7.74	8.80	9.80	15.00
Dividend per Share (Sen)	**5.0**	9.5	9.5	9.5	2.5
Total Assets (RM '000)	**71,430,117**	74,682,570	67,266,819	66,708,656	61,051,655
Net Assets per Share (RM)	**1.32**	1.41	1.40	1.40	1.39

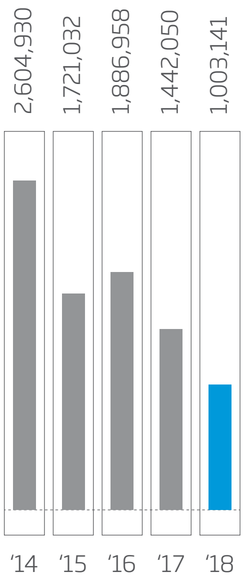
Revenue (RM '000)



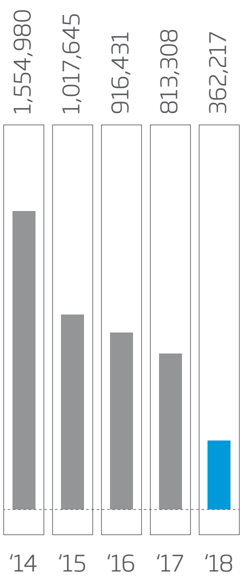
Profit Before Taxation (RM '000)



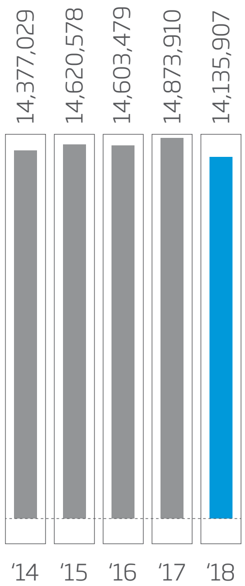
Profit After Taxation (RM '000)



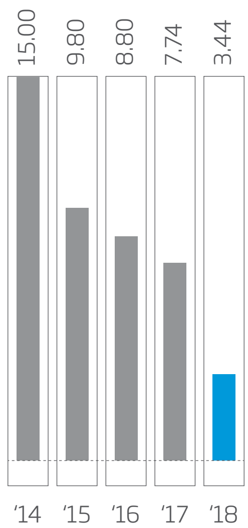
Profit for the Year Attributable to Owners of the Parent (RM '000)



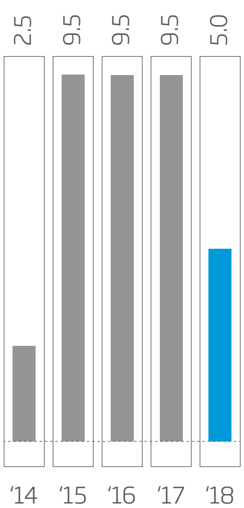
Total Equity Attributable to Owners of the Parent (RM '000)



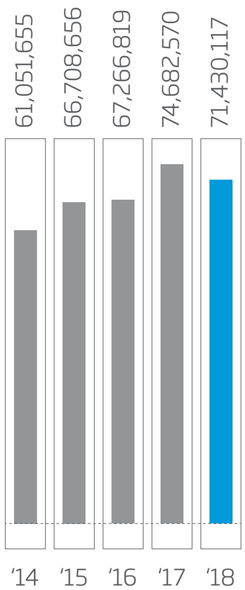
Earnings per Share (Sen)



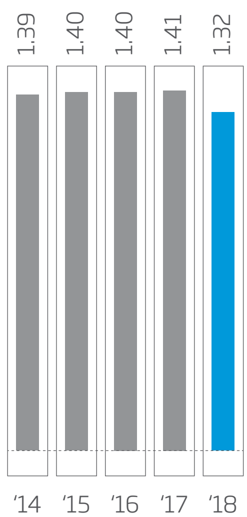
Dividend per Share (Sen)



Total Assets (RM '000)



Net Assets per Share (RM)



Financial Review

REVIEW OF FINANCIAL PERFORMANCE

GROUP FINANCIAL PERFORMANCE

The YTL Corp Group recorded revenue of RM15,904.7 million for the financial year ended 30 June 2018 compared to RM14,728.7 million for the financial year ended 30 June 2017. The increase in revenue was due mainly to the Utilities, Construction, Cement Manufacturing and Trading and Hotel Operations segments, partially offset by lower revenue in the Property Investment and Development division.

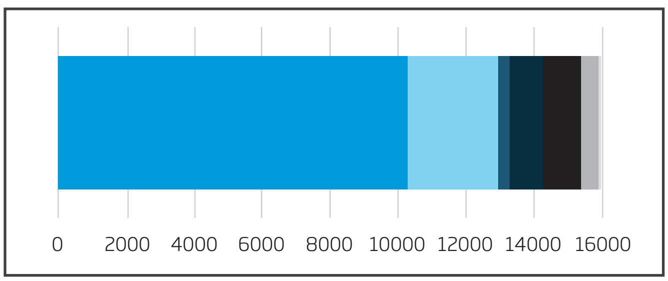
The Group recorded a profit before taxation of RM1,379.7 million for the financial year under review, representing a decrease of 20.0% compared to RM1,725.5 million recorded for the previous financial year ended 30 June 2017.

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 69.8% of the Group's revenue and 76.9% of non-current assets for the 2018 financial year, compared to 72.6% and 82.3%, respectively, last year.

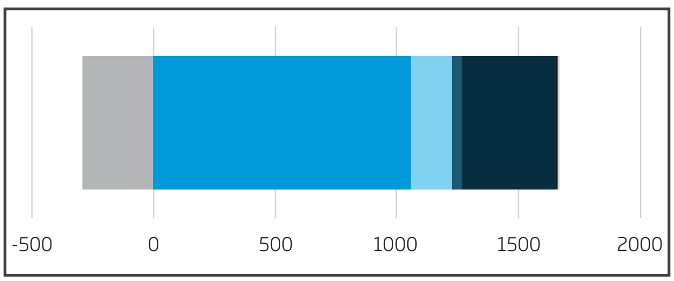
SEGMENTAL FINANCIAL PERFORMANCE

	Segment Revenue		Segment Profit/ (Loss) Before Tax	
	2018 RM million	**2017 RM million**	**2018 RM million**	**2017 RM million**
Utilities	**10,302.7**	9,551.7	**1,055.0**	913.5
Cement Manufacturing & Trading	**2,618.7**	2,425.5	**174.1**	220.9
Construction	**386.5**	144.6	**40.3**	57.2
Property Investment & Development	**993.5**	1,228.2	**385.0**	385.2
Hotel Operations	**1,097.3**	967.5	**7.2**	100.5
Management Services & Others	**501.6**	408.0	**(284.2)**	47.3
IT & e-Commerce Related Business	**4.4**	3.2	**2.3**	0.9
	15,904.7	14,728.7	**1,379.7**	1,725.5

Breakdown of Revenue by Segment - 2018
(RM million)

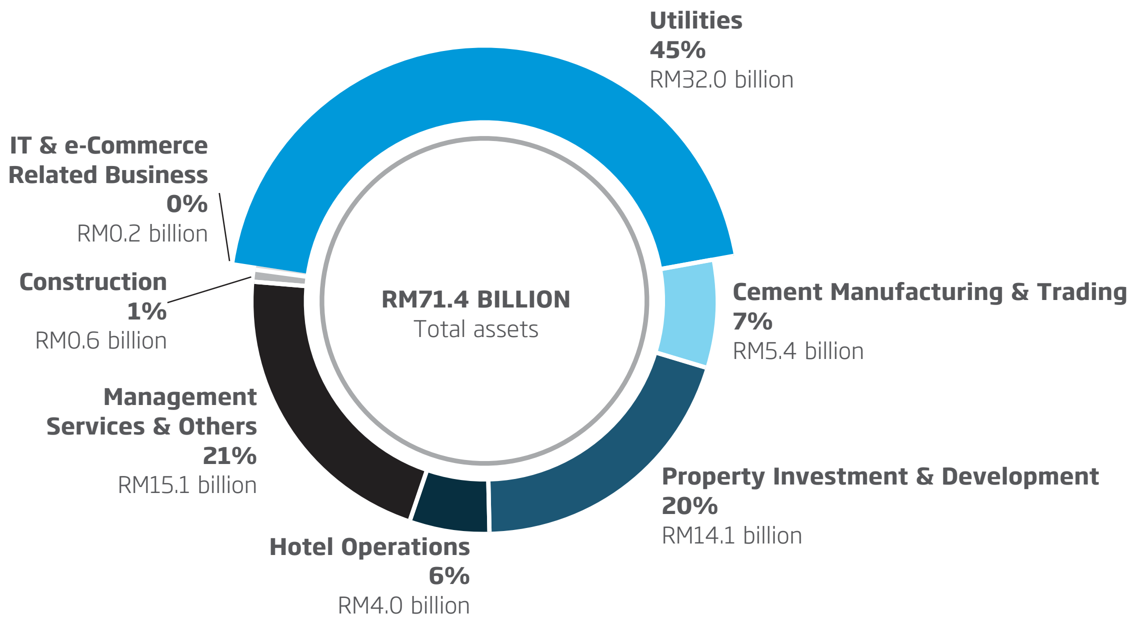


Breakdown of Profit/(Loss) Before Tax by Segment - 2018
(RM million)



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

Breakdown of Total Assets by Segment - 2018



Utilities

The Utilities segment recorded higher revenue of RM10,302.7 million and a segment profit before tax of RM1,055.0 million for the financial year ended 30 June 2018 compared to revenue of RM9,551.7 million and profit before taxation of RM913.5 million for the financial year ended 30 June 2017.

The increase in revenue and profit before taxation for the current financial year was mainly contributed by the contracted power generation sub-segment, upon the commencement its short-term capacity generation on 1 September 2017, and a reduction in operating costs registered by the water and sewerage sub-segment.

The Utilities segment continues to be the Group's largest operating segment, contributing 64.8% of revenue and 76.5% of profit before taxation for the financial year ended 30 June 2018, compared to 64.9% of revenue and 52.9% of profit before tax last year.

Cement Manufacturing & Trading

The Cement Manufacturing and Trading segment recorded higher revenue of RM2,618.7 million and lower profit before taxation of RM174.1 million for the financial year ended 30 June 2018 compared to revenue of RM2,425.5 million and profit before taxation of RM220.9 million for the financial year ended 30 June 2017.

The increase in revenue was mainly the result of higher sales volume from all divisions, higher selling and distribution costs, higher finance costs and competitive pricing in the domestic market resulted in the lower profit before taxation for the financial year ended 30 June 2018.

For the current financial year, the Cement Manufacturing and Trading segment was the Group's second largest operating segment in terms of revenue and third largest operating segment in terms of profit before tax, contributing 16.5% of revenue and 12.6% of profit before taxation for the financial year ended 30 June 2018, compared to 16.5% of revenue and 12.8% of profit before tax last year.

Construction

The Construction segment recorded higher revenue of RM386.5 million and lower profit before taxation of RM40.3 million for the financial year ended 30 June 2018 compared to revenue of RM144.6 million and profit before taxation of RM57.2 million for the financial year ended 30 June 2017.

The increase in revenue for the financial year under review was mainly due to a significant increase in construction work, whilst the decrease in profit before tax was the result of the absence of a one-off gain from an arbitration award recorded in the previous financial year.

Financial Review

Property Investment & Development

The Property Investment and Development segment recorded lower revenue of RM993.5 million and marginally lower profit before taxation of RM385.0 million for the financial year ended 30 June 2018 compared to revenue of RM1,228.2 million and profit before taxation of RM385.2 million for the financial year ended 30 June 2017.

The increase in revenue was primarily due to the completion of Midfields 2 project undertaken by Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd and lower progress billings from The Fennel, Dahlia and U-Thant projects undertaken by Sentul Raya Sdn Bhd, PYP Sendirian Berhad and Budaya Bersatu Sdn Bhd, respectively, as these projects are at completion.

Hotel Operations

The Hotel Operations segment recorded higher revenue of RM1,097.3 million and lower profit before taxation of RM7.2 million for the financial year ended 30 June 2018 compared to revenue of RM967.5 million and profit before taxation of RM100.5 million for the financial year ended 30 June 2017.

The increase in revenue was mainly due to The Hotel Stripes, Kuala Lumpur, Niseko Village KK, the Sydney Harbour Marriott and 3 newly acquired hotels in UK, namely, The Academy, The Threadneedles and The Glasshouse. However, the decrease in profit before taxation was mainly the result of higher unrealised foreign exchange losses on inter-company balances and pre-opening and training expenses incurred by The Ritz-Carlton, Koh Samui, Thailand.

Management Services & Others

The Management Services and Others segment recorded higher revenue of RM501.6 million and a loss before taxation of RM284.2 million for the financial year ended 30 June 2018 compared to revenue of RM408.0 million and profit before taxation of RM47.3 million for the financial year ended 30 June 2017.

The increase in revenue was mainly due to higher interest income whilst the loss before taxation was primarily due to the absence of the one-off adjustments arising from the accounting treatment relating to a loan restructuring exercise undertaken by an associated company recorded last year and higher finance costs coupled with fair value changes in investments and derivatives incurred by YTL Power.

Information Technology ("IT") & e-Commerce Related Business

The IT and e-Commerce Related Business segment recorded higher revenue of RM4.4 million and profit before taxation of RM2.3 million for the financial year ended 30 June 2018 compared to revenue of RM3.2 million and profit before taxation of RM0.9 million for the financial year ended 30 June 2017. The increases in revenue and profit before taxation were mainly due to higher digital media advertising recorded in the content and digital media sub-segment and higher interest income earned on cash deposits.

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 2017: - Interim single tier dividend of 5 sen per ordinary share paid on 10 November 2017	**526,761**

On 29 August 2018, the Board of Directors declared an interim single tier dividend of 4 sen per ordinary share for the financial year ended 30 June 2018, with book closure and payment dates of 29 October 2018 and 13 November 2018, respectively. Therefore, the Board of Directors did not recommend the payment of a final dividend for the financial year ended 30 June 2018.

This is the 34th consecutive year that YTL Corp has declared dividends to shareholders since its listing on the Main Market of Bursa Securities in 1985.

DISTRIBUTION OF TREASURY SHARES

During the financial year, a total of 210.7 million treasury shares amounting RM334.9 million were distributed as share dividend on 9 November 2017 to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held as at 26 October 2017.

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.

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	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Bonds	**20,221,647**	19,966,528	**2,500,000**	2,500,000
Borrowings	**21,564,865**	23,163,101	**1,467,833**	1,469,034
Bonds and borrowings	**41,786,512**	43,129,629	**3,967,833**	3,969,034
Less: Cash and cash equivalents	**(11,634,654)**	(13,320,248)	**(515,118)**	(855,421)
Net debt	**30,151,858**	29,809,381	**3,452,715**	3,113,613
Equity attributable to owners of the parent	**14,135,907**	14,873,910	**6,807,396**	7,116,361
Capital and net debt	**44,287,765**	44,683,291	**10,260,111**	10,229,974
Debt-to-equity ratio	**68%**	67%	**34%**	30%

Under the requirement of Bursa Malaysia Securities Berhad Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

SIGNIFICANT CORPORATE DEVELOPMENTS

ACQUISITION OF THE MAJESTIC HOTEL KUALA LUMPUR BY YTL REIT

As reported last year, on 26 May 2017, Pintar Projek Sdn Bhd ("PPSB"), the Manager for YTL REIT announced that Maybank Trustees Berhad, as the trustee for YTL REIT ("Trustee") entered into a conditional sale and purchase agreement ("SPA") with YTL Majestic Hotel Sdn Bhd ("Vendor"), an indirect wholly-owned subsidiary of YTL Corp, for the acquisition of The Majestic Hotel Kuala Lumpur for a cash consideration of RM380 million.

A sub-lease agreement was also entered into pursuant to which the Trustee, upon completion of the acquisition sub-leases The Majestic Hotel Kuala Lumpur to the Vendor for a lease period of 15 years with an option granted to the Vendor to renew for a further term of 15 years ("Lease").

The acquisition of The Majestic Hotel Kuala Lumpur was completed on 3 November 2017 and consequently, the Lease became effective on the same day.

ACQUISITION OF MARRIOTT THE HAGUE

On 16 March 2018, YTL Jawa Energy BV, an indirect wholly-owned subsidiary of YTL Power, entered into an agreement with Bel Air Hotel Holdings SÀRL ("SPA"), for the acquisition of 1,768,000 ordinary shares, representing the entire issued and outstanding shares in the share capital of Bel Air Den Haag Beheer BV ("Bel Air"), for a purchase consideration of EUR60.3 million in cash subject to such adjustments as set out in the SPA.

Bel Air is the legal and beneficial owner of the Marriott The Hague, a 306-guestroom hotel located at Johan de Wittlaan 30, 2517 JR The Hague, Netherlands. Bel Air and its wholly-owned subsidiary, BV Hotel Bel Air Den Haag, are engaged in the business of operating the hotel. The acquisition was completed on 28 June 2018.

ACQUISITION OF THE GREEN LEAF NISEKO VILLAGE BY YTL REIT

On 14 August 2018 PPSB, announced that Starhill REIT Niseko G.K. ("Starhill Niseko"), a wholly-owned subsidiary of YTL REIT of which the Company is a major unitholder, had entered into a conditional sale and purchase agreement with Niseko Village KK ("NVKK"), an indirect subsidiary of YTL Corp, for the acquisition of The Green Leaf Niseko Village ("The Green Leaf") for a cash consideration of JPY6.0 billion.

A lease agreement was also entered into pursuant to which upon completion of the acquisition, Starhill Niseko leases The Green Leaf to NVKK for a lease period of 30 years with an option granted to NVKK to renew for a further term of 30 years.

The acquisition was completed on 26 September 2018 and consequently, the lease became effective on the same day.


GREEN LEAF

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"). The YTL Power Group has utilities businesses and investments in Malaysia, the UK, Singapore, Indonesia and Australia.

As at 30 June 2018, YTL Corp held a 54.03% stake in YTL Power, which is listed on the Main Market of Bursa Securities under the Utilities sector, Gas, Water & Multi-Utilities sub-sector.

The YTL Power Group owns Wessex Water Limited ("Wessex Water"), a water and sewerage provider in the UK, YTL PowerSeraya Pte Ltd ("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 with a combined generation capacity of 1,212 MW 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 2 x 660 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 1993, operating under a 21-year power purchase agreement, which was completed on 30 September 2015. YTLPG was subsequently awarded the project for the supply of power from Paka Power Station under a short term capacity bid called by the Malaysian Energy Commission.

Supply from Paka Power Station 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 Power's parent company, YTL Corporation Berhad.

For the period from 1 September 2017 to 30 June 2018, Paka Power Station fulfilled all performance guarantees under the new PPA and produced a net generation output of 2,521 gigawatt hours ("GWh") of electricity. Performance was bolstered significantly due to implementation of technical improvements during the re-commissioning period prior to start of the new PPA. For the period under review, the station's two generating blocks, GB1 and GB2, achieved reliability factors of 99.5% and 99.9% and load factors of 82.0% and 77.0%, respectively.

Tanjung Jati Power

YTL Power has an 80% equity interest in Tanjung Jati Power, an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 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. The project is currently in the development stage and progress is underway 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).

The project achieved financial close in March 2017 and notice to proceed was issued to the engineering, procurement and construction contractor to commence construction. During the year under review, significant progress was made on the construction of the power plant, mine opening and ancillary infrastructure works, with the first unit of the power plant expected to commence operations in mid-2020.

The 554 MW oil shale fired power plant will, when it comes into operation, be the first power plant in Jordan to utilise its indigenous oil shale resource 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.

Attarat Power is indirectly owned by YTL Power (45%), Yudean 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.

The wholesale electricity market in Singapore continued to see intense competition due to the persistent over-supply in generation capacity. For the financial year under review, YTL PowerSeraya sold 8,476 GWh of electricity, and saw a slight dip in its total generation market share to 17.0% as compared to 17.7% for the previous financial year.

A key focus on maintaining plant reliability saw the completion on schedule of major inspection and maintenance activities on its co-generation combined cycle power plant units. Additionally, the generation units' total unplanned outage hours inclusive of forced outages have been reduced by 9.0% year-on-year due to a well-developed O&M regime with a focus on meeting sustainable reliability and efficiency targets.

With the division's emphasis on maintaining high standards in quality and environmental, health and safety practices, as well as cybersecurity, re-certifications were also successfully achieved in ISO9001, ISO14001, OHSAS18001 and ISO27001 management systems. These remain key as the company forges ahead to deliver affordable electricity to meet market demand.

YTL PowerSeraya's retail arm, Seraya Energy Pte Ltd ("Seraya Energy") held a market share of 16.5% in the contestable retail electricity sector for the financial year under review, a decrease from 17.8% last year. Correspondingly, sales volume was 5,671 GWh for the financial year ended 30 June 2018. This decrease was attributed mainly to intense competition in the retail electricity market which has persisted, resulting from the increase in the number of retail licensees.

In response to the introduction of the Open Electricity Market in April 2018, Seraya Energy launched its new brand, Geneco, to serve the electricity needs of households in the Jurong precinct. The establishment of the brand, which aligns with Seraya Energy's existing retail activities, seeks to offer consumers low-cost, fuss-free electricity packages.

The retail arm's customer-centric approach extends to Geneco – besides a range of price plans to suit various consumers' household and lifestyle needs, Geneco adopted a digital approach to reach out and further engage consumers. During the financial year, marketing efforts were ramped up to support the launch of Geneco, with various activities such as roadshows to further educate consumers on the benefits of switching.

With the Open Electricity Market going into full launch by the end of the 2018 calendar year, the division has also been gearing up its headcount and workforce. With increasing competition in the power sector, competition for talent has also intensified and YTL PowerSeraya continued to develop and enhance its employee value proposition for employee attraction, motivation and retention.

PetroSeraya Pte Ltd ("PetroSeraya"), YTL PowerSeraya's trading and fuel management arm, managed to pull in a steady performance despite prevailing challenges in the oil industry. The division handled 13.58 million metric tonnes of fuel oil and diesel for the financial year ended 30 June 2018, a 4.7% increase compared to last year.

The number of berthings for bunkering and cargo vessels also increased to 1,319 vessels berthed at the terminal during the financial year under review, compared to 1,209 vessels last year, with an average berth utilisation rate of more than 60%. At the same time, PetroSeraya maintained a consistent pace of performance on its tank leasing activities, with all 18 storage units leased out.

The team will continue to focus on tank leasing and fuel management activities, as well as optimising its jetty and oil terminal operations to maximise the position of the Group.

Greater emphasis was placed on strengthening the division's in-house capabilities to gear up for the advent of the Open Electricity Market during the financial year. To support the company's move towards digitalisation to enhance the customer experience, the division looked into pushing the boundaries of technological deliverables for a consumer-based market and continued to uphold the integrity and efficiency of its network operations and infrastructure platforms.

The Group also focused on integrating cybersecurity initiatives into the utility's supply chain management and plant systems to improve its resilience and reliability. Other measures include educating and reinforcing the importance of cyber vigilance to staff, as well as managing best practice measures and exercises on cyber incident response and recovery processes.

As the age of digital transformation sets in, the Group continues to explore the benefits of cloud computing and off-shore capabilities. This move aims to improve efficiencies and hardware utilisation, as well as to gain better flexibility in storage expansion and streamline costs, in tandem with business growth.

Management Discussion & Analysis

Segmental Review

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 recognised by the Water Services Regulation Authority (known as Ofwat), the economic regulator for the UK water industry, as one of the most efficient water and sewerage operators in England and Wales. Wessex Water holds an appointment 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.

Through its desire to go the extra mile and deliver excellent service, Wessex Water was one of the only companies to keep water flowing for all customers throughout the extreme "Beast from the East" winter weather which engulfed the UK in February and March 2018, bringing sub-zero temperatures, blizzards, freezing rain and flooding.

The final parts of the division's major integrated water supply grid have now been completed and the whole system is in full operation. In March 2018, the grid proved how much additional resilience it has created, enabling the company to continue to provide water to all properties in its operating region even after the rapid thaw event which saw many supplies interrupted elsewhere in the country.

Progress is well underway on the north Bristol sewer scheme, which will improve sewerage systems in both the Frome and Trym catchments, in both cases diverting sewage flows away from Bristol city centre. The Frome scheme was delivered ahead of time in August 2018 and is expected to be in use by the end of 2018. The Trym scheme is also on track and work began on design, consultation and construction last year.

Meanwhile, the new retail market enabling business customers to choose their retailer for water services celebrated its first anniversary this year. There are now 41 retailers active in the market and 26 of these are national retailers. The water industry has concentrated on ensuring stability in the first 12 months of market opening, focusing on processes, data improvements and the standards on which retailers and wholesalers are measured.

The division continued to meet or outperform its operating targets. Its commitment to providing the highest quality drinking water to all customers resulted in overall compliance with drinking water standards of 99.96% in 2017, which was an improvement from 2016. Wessex Water is a leading performer according to the UK Environment Agency's Annual Environmental Performance Assessment, achieving 100% compliance with abstraction licences, 100% compliance with discharge consents (sanitary standards) and 99% compliance with all numeric standards.

This year 96% of Wessex Water's bathing waters passed strict environmental standards., although two (Uphill Slipway and Burnham Jetty) were assessed as having below standard water quality, below the division's 100% target. Wessex Water also completed National Environmental Programme schemes in the year, achieving 100% performance against target to deliver the agreed schemes.

On the customer service front, Wessex Water came a very close second among all water and sewerage companies in the satisfaction survey element of Ofwat's key service incentive mechanism (SIM), and hopes to retain its top spot on the SIM overall once Ofwat reports on the 2018 results, due to its excellent record of performance on complaints.

The division's own feedback surveys show that customers continue to score Wessex Water highly on satisfaction, first-time resolution, staff conduct, and knowledge and effort. The company uses this feedback, alongside ideas from staff, to enhance its continuous improvement programme and deliver change for customers at a faster pace.

Compared with sectors outside water, Wessex Water's net promoter score compares favourably with many of the top UK household names, with its UK customer satisfaction index score showing that Wessex Water is towards the top of the utility sector and not far away from the top 50 companies across all sectors.

In September 2017, the Consumer Council for Water confirmed that Wessex Water continues to have the lowest number of complaints in the water industry, with no investigations.

The Wessex Water Partnership, the division's challenge group, oversees all its engagement and how it is used. The full partnership has met 11 times since its inception and is independently chaired by Dan Rogerson, formerly water minister in the coalition government.

Wessex Water's innovative and multi-channel engagement strategy – Your Say, Your Future – continues and this year conducted major pieces of research to obtain customers' views on the balance between service and price, bill profiles and their opinions on the future proofing of services, leakage and offerings for customers in vulnerable circumstances, as well as the acceptability of Wessex Water's draft Business Plan for 2020-2025.

The division actively supports customers to take part in water saving, undertaking more than 10,000 Home Check visits during its regulatory year to fit water saving devices and offer bespoke behavioural advice. Savings average more than 40 litres per household per day and the scheme is proving very popular with customers.

Net greenhouse gas emissions fell to 122 kilotonnes carbon dioxide equivalent for Wessex Water's 2017-2018 regulatory year, the lowest since 1999-2000 and fulfilling its performance commitment for the year. This was achieved through a combination of energy efficiency improvements, renewable energy generation and the falling carbon dioxide intensity of UK grid electricity.

During the year under review, Wessex Water's recycling and renewable energy arm, GENeco Limited, continued to export biomethane to the local gas grid from its Bristol sewage treatment works, and struck an agreement with Bristol Energy, in addition to the sale of green gas certificates to Unilever.

MOBILE BROADBAND NETWORK

YTL Power owns a 60% stake in YTL Comms, which owns and operates the YES nationwide 4G LTE wireless broadband platform, pursuant to an approval from the Malaysian Communications and Multimedia Commission (MCMC) to operate a 2.3 gigahertz wireless broadband network in Malaysia.

YES is a converged nationwide 4G LTE network offering high-speed mobile internet with voice services. The network was launched and commenced commercial operations in November 2010. YTL Comms currently has over 4,300 base stations creating an all-4G LTE footprint reaching 85% population coverage across Peninsula Malaysia and Sabah and, in 2016, launched its nationwide 4G LTE network, offering Malaysia's first VoLTE (Voice-over-LTE) service.

Since the launch of the YES network in late 2010, YTL Comms has championed the transformative power of the Internet to close the digital divide between rural and urban communities and to improve lives with innovative Internet-enabled technologies.

Following the nationwide launch of its 4G LTE network, featuring Malaysia's first VoLTE (Voice-over-LTE) service in 2016, YTL Comms' unique all-4G network caught the attention of OpenSignal, a global industry standard for analysis of on-device mobile experience from real-world smartphone users. According to OpenSignal's 'State of Mobile Networks: Malaysia' report in October 2017, the YES network was named as the provider with the fastest overall download speed and the best LTE signal availability in the country. Despite being one of the youngest telco networks in Malaysia, YES not only topped the overall download speed ahead of all other local and global providers, but was also the clear winner in providing the best 4G LTE signal availability.

In OpenSignal's 'State of Mobile Networks: Malaysia' report in April 2018, YES was once again recognised as the telco provider with the best 4G LTE signal availability in the country, with YES customers being able to connect to a 4G LTE signal 92.5% of the time, topping the rest of the local telco providers by 10%. These wins from OpenSignal not only affirm YTL Comms' 4G leadership and excellence, but also highlight its commitment as a brand that cares to provide the best 4G LTE experience possible for its customers.

Backed by its award-winning network, YTL Comms continued deliver on its aspiration to provide world-class services at affordable prices by offering exceptional value-for-money YES 4G LTE Internet plans. Throughout the year, the brand introduced a wide range of promotions including bundle plans with some of the top-tier smartphones such as the Samsung Note8, Samsung Galaxy S9/S9+, Huawei P10 and Xiaomi Redmi Note 4, mobile broadband plans with the YES Huddle XS 4G LTE, as well as home broadband plans with the YES Zoom 4G LTE. On the prepaid front, its 4G LTE Prepaid SIM Pack and 'Buy-1 Free-1 Reload' promotion offer customers 20GB for just RM30 – the lowest prepaid data price in the market.

In a move to help YES customers to manage their accounts in real-time, YES rolled out its mobile self-care app, MyYes4G, for Android devices in July 2017, and for iOS devices in April 2018. Customers can easily check their data usage and balance summary, pay monthly bills and purchase data add-ons or prepaid reloads all within the MyYes4G app. The MyYes4G app has consistently been the top-rated Malaysian telco app on both the Android and iOS platforms.

Together with it local brand ambassadors Jack Lim and Neelofa, YES continued to reach out and engage with its customers as well as the general public through various marketing campaigns. YES also maintains its long-term support for community events such as the annual Starwalk walkathons in Ipoh and Penang, as well as the cultural celebrations in Sabah, part of the Group's dedication to driving positive change at a national level.

In its drive to champion the use of Internet technology to empower Malaysian students and equip them with a culture of lifelong learning and technology know-how to succeed in the global knowledge economy, YTL Comms continued to work with various partners to digitally transform the national education landscape across Malaysia. The Group made good progress in its implementation of the 1BestariNet project, a key feature of which is the development of content provided through the Frog VLE (Virtual Learning Environment). The Frog VLE is a digital learning platform made available to more than 10,000 state schools across Malaysia by the Ministry of Education under the 1BestariNet project, and enables schools to simplify and enhance teaching and learning, communication and administration.

CEMENT MANUFACTURING & TRADING

SEGMENT OVERVIEW

The YTL Corp Group's Cement Manufacturing and Trading activities are undertaken through its subsidiary, YTL Cement Berhad ("YTL Cement") and its subsidiaries ("YTL Cement Group"), which are in the business of the manufacture, supply and sale of ordinary portland cement, ready-mixed concrete, slag cement and other blended cement, aggregates and other industrial products. As at 30 June 2018, YTL Corp held an effective interest of 97.99% in YTL Cement.

YTL Cement manufactures and supplies the full range of blended cement products. In Malaysia, the YTL Cement Group owns 100% stakes Perak-Hanjoong Simen Sdn Bhd and Pahang Cement Sdn Bhd, which own and operate integrated cement plants, as well as slag grinding plants and ready-mixed concrete batching plants in strategic locations across the Peninsula. The YTL Cement Group also owns Batu Tiga Quarry Sdn Bhd and its group of companies, one of the largest quarry operators in the country. Internationally, the Group's operations extend to Singapore and China.

OPERATIONAL REVIEW

The Group's Cement Manufacturing and Trading division turned in a solid performance for the financial year under review despite intense ongoing competition in the Malaysian cement market which, coupled with a weaker local construction industry, impacted sales volumes and margins.

The division maintained its market share and positioning as the second largest cement company in the country for the financial year under review, bolstered by its operational efficiency and effective management of production costs.

The Group supplied a range of commercial and residential developments, as well as large-scale infrastructure and other niche projects, including many of the ongoing rail and double tracking projects currently under development, as well as various commercial and residential developments and high-rise buildings across the country.

In Singapore, the Group's cement terminal facility located at Jurong Port continued to perform well. The terminal, which is the largest in Singapore, is equipped with fully automated cement storage, discharge and truck delivery systems, with a 1200 metric tonnes (MT) per hour capacity bucket elevator system to transfer cement products from ships to cement silos.

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

COMMERCIAL & RESIDENTIAL PROPERTY DEVELOPMENT PROJECTS

During the financial year under review, work was completed on Shorefront in Penang, the Group's most recent residential development. The low-rise, low-density development is made up of 115 units housed in three 5-storey blocks. Construction commenced in 2015 and was completed on schedule in late 2017.

The Fennel at Sentul East was also completed during the year. Comprising 916 units built over four 38-storey towers, The Fennel is the latest phase of the Group's expansive Sentul urban renewal project and features exceptional design and architectural elements, including suspended swimming pools and tropical verandas, all of which have transformed the Kuala Lumpur skyline.

Meanwhile, U-Thant Place, which features 18 units of luxury condominiums (including 2 double-storey units) located along Kuala Lumpur's Embassy Row, was completed on schedule in late 2017.

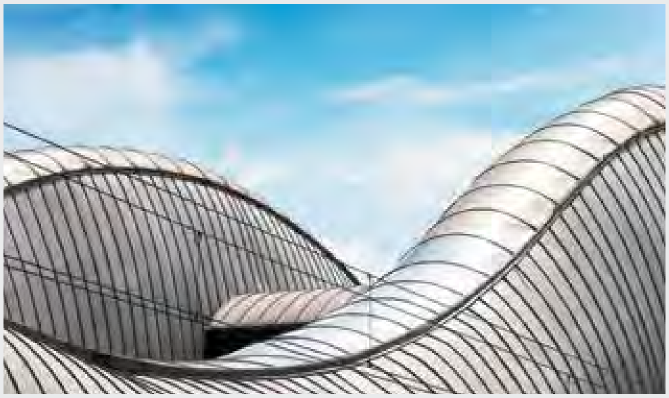
In late 2017, construction works were also completed on the Group's Dahlia residential development project, which comprises 216 units of 2-storey terrace houses in Pakatan Jaya, Ipoh.

Work is progressing well on the construction of the office tower block that will form the Group's new headquarters in the heart of the Golden Triangle. Located opposite The Ritz-Carlton, Kuala Lumpur in Bukit Bintang, the 42-storey building is being built to the most modern specifications, with construction works expected to be completed in early 2019.

INFRASTRUCTURE PROJECTS

On the infrastructure front, SPYTL, together with its joint venture partner, 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 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. Construction commenced in early 2018, with work expected to be completed by 2022.

Meanwhile, YTL THP JV Sdn Bhd (formerly known as YTL High Speed Rail Sdn Bhd), a joint venture between SPTYL and TH Properties Sdn Bhd, a wholly-owned subsidiary of Lembaga Tabung Haji, was selected by MyHSR Corporation Sdn Bhd as the project delivery partner for the Malaysian civil infrastructure portion of the Kuala Lumpur-Singapore high speed rail project, responsible for developing the detailed design and delivering the infrastructure works for the southern portion of the alignment of project. However, in September 2018, the governments of Malaysia and Singapore announced an agreement to suspend the construction of the project until May 2020, and the Group will continue to monitor developments on the project.

QUALITY ASSURANCE INITIATIVES

The division made good progress during the year under review on its various initiatives under its longstanding commitment to the creation of better built environments adhering to the highest standards in quality and service, successfully obtaining certifications under the ISO 14001 and OHSAS 18001 standards in 2017.

The Group's Midfields 2 in Sungai Besi, Shorefront in Penang and Reed (part of the Group's Lake Fields development in Sungai Besi) have all been certified to Singapore's Construction Quality Assessment System ("CONQUAS") and the division remains committed to achieving this standard for its ongoing residential projects, where possible.

CONQUAS is assessed by BCA Singapore and is a quantitative measure of the overall quality of a building's workmanship during the various stages of construction. It is widely recognised and accepted internationally as a benchmarking tool for quality. As part of the assessment, measures undertaken during the various stages of construction include regular reviews to identify work performance anomalies and variances, together with the adoption of appropriate corrective or preventive actions, as well as a rigorous, regular inspection and testing regime to ensure work complies with relevant building standards and specifications.

PROPERTY INVESTMENT & DEVELOPMENT

SEGMENT OVERVIEW

The Property Investment and Development segment of the YTL Corp Group comprises the activities undertaken by its subsidiary, YTL L&D and its subsidiaries ("YTL L&D Group"), its wholly-owned subsidiary, SPYTL, and Starhill Global Real REIT.

As at 30 June 2018, YTL Corp held a 65.26% stake in YTL L&D, which is listed on the Main Market of Bursa Securities under the Property sector, and an effective interest of 36.46% in Starhill Global REIT, which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange.

The Group's key ongoing and centrepiece property development projects in Malaysia include Sentul, Shorefront, Pantai Hillpark, Lake Edge, Lake Fields and Midfields. In Singapore, the YTL Land Group developed the Sandy Island Collection and Kasara, The Lake, in Sentosa Cove, and 3 Orchard By-The-Park, comprising exclusive luxury condominiums on Orchard Boulevard.

OPERATIONAL REVIEW

PROPERTY DEVELOPMENT

The Fennel at Sentul East

The Fennel at Sentul East is undertaken by Sentul Raya Sdn Bhd, a wholly-owned subsidiary of the Group, under the Sentul Masterplan covering a 294-acre freehold development area in Sentul in Kuala Lumpur.

The Fennel comprises 916 condominium units ranging from 1,081 sq ft to 1,690 sq ft which are spread across its four 38-storey residential towers. Construction of The Fennel was completed on schedule in late 2017 and units are have been handed over to owners.

In April 2018, The Fennel won 2 prestigious awards at the *PropertyGuru Asia Property Awards (Malaysia) 2018*. The newly completed development won the award for *Best Condo Development (Klang Valley)*, followed by a second win in the *Best Condo Development (Malaysia)* category which is a special award to honour the best condominium development under the "Best of Malaysia Awards".

Celebrating its 13th year, the Asia Property Awards is the leading industry awards programme rewarding the region's finest real estate. It has an unparalleled reputation for being credible, fair and transparent with an independent judging body comprising luminaries from all real estate sectors.

The recognition of The Fennel as the best condominium not only in the Klang Valley but also in Malaysia by the panel of eminent judges pays tribute to YTL L&D's commitment to create living environments which are unique, sustainable and inviting for its growing urban population in Sentul East. Its striking zigzag form meandering gracefully through the urban context of Sentul East is a departure from conventional high rise residential projects in Kuala Lumpur. Most unprecedented is the one acre of lush and natural landscaping created by some 1,200 trees that have been laboriously planted and nurtured within the development.

The Fennel offers an array of features and unique design elements, including two suspended salt water swimming pools which connect each set of two towers and a multitude of 'tropical verandas', reinterpreted into a series of pocket gardens throughout the development. The Fennel's new dual-key concept, available only in Block C, features innovatively designed units with 2 bedrooms and a connecting studio with separate entrances.

Sentul East, favoured for its diversity in local culture and vibrant city life, enjoys excellent rail links to all parts of the Klang Valley via the KTM Komuter and LRT Lines from all three train stations in the area. The entire Sentul development has benefitted from enhanced connectivity with the completion of the extensions of the Sri Petaling Line and Ampang Line in July 2016, as well as the MRT Line 1, which became fully operational in July 2017.

Dahlia

Dahlia is undertaken by PYP Sendirian Berhad, a wholly-owned subsidiary of YTL L&D. Dahlia is a collection of contemporary double-storey link homes in Pakatan Jaya Ipoh. Designed along clean, well-conceptualised lines with spacious layouts, these structured, well-built terrace homes are designed with room to grow, ideal for young couples and growing families.

The development comprises 216 units of terrace homes, complemented with a park which features green spaces and outdoor areas for family recreation. Construction works were completed ahead of schedule in late-2017, with the new homes handed over in early-2018.

Camelia

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 high quality living spaces throughout.

The development comprises 108 units of terrace homes. Each home features 4+1 bedrooms with 2 rooms on the ground floor. The standard lot size is 20ft x 75ft with an extra 5-ft land at the back. Construction work is in progress.

U-Thant Place

U-Thant Place is undertaken by Budaya Bersatu Sdn Bhd, a wholly-owned subsidiary of YTL L&D. U-Thant Place is a low-density, upscale development set along Kuala Lumpur's Embassy Row. The development comprises 18 units built over 10 floors and was completed as targeted, in late 2017.

Shorefront

Shorefront is undertaken by Shorefront Development Sdn Bhd, a joint venture company which is 50% owned by YTL L&D.

The Group's Shorefront development was completed in late 2017. The project is located within George Town's heritage zone, and is one of its last remaining freehold seafront sites. The property is a niche, upmarket, low-rise, low-density development which comprises three blocks with a total of just 115 units on the freehold site neighboured by the historic E&O hotel. Selected units feature sky terraces and private gardens, and a private lift lobby which creates a sense of added exclusivity and privacy.

3 Orchard By-The-Park

The Group's 3 Orchard By-The-Park project, the highly anticipated luxury development in Orchard Boulevard, was unveiled for private preview during the financial year under review.

With just 77 exclusive units housed in the 25-storey building, the freehold project in prime District 10, located opposite the Orchard Boulevard MRT Station, is within reach of the prestigious shopping street Orchard Road, as well as the lush environs of the Singapore Botanic Gardens, a UNESCO World Heritage Site. The development is also within the vicinity of iconic premium shopping malls, renowned international hotels such as St Regis, Four Seasons and the Regent Singapore, and medical centres including Camden Medical Centre and Gleneagles Hospital.

The foliage from the natural landscape of the location and the tree-lined road to 3 Orchard By-The-Park creates a haven of tranquility for a modern living reality in the heart of the city. Residents can therefore enjoy the best of both worlds. Orchard Boulevard, a much sought-after address amongst Singaporeans and foreigners, is sited close to prime residential districts of Good Class Bungalows and prestigious condominiums, as well as embassies.

Also setting this exclusive development apart are the brand names associated with its architecture and design. The award-winning architect and designer Antonio Citterio from Italy is the also man behind Bulgari's hotels and resorts in Milan, Bali, London, Dubai, Beijing and Shanghai. Meanwhile, the interiors of the 4-bedroom show suite are fitted with furniture by the renowned brand Armani Casa, which dresses some of the world's finest hotels and private residences, including the Armani Hotels in Milan and Dubai.

In addition, there is also a 2-bedroom unit show suite complete with bespoke furniture that blends seamlessly with the unique layout of the unit.

For the private preview, Wood Tower has been released for sale since July 2018. It comprises 15 units of 4-bedroom, 14 units of 2-bedroom and 1 unit of Penthouse on the top floor with paranomic views of the city and Singapore's Botanic Gardens. Sizes range from 1,066 to 2,260 square feet for the 2 and 4-bedroom apartments.

Brabazon

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

Brabazon, Bristol, will be a new urban development with a garden suburb feel. Situated on the former Filton Airfield, the development spans a 354-acre brownfield site and will, upon completion, include 2,675 homes, 62 acres of employment space, a mixed-use town centre, new schools, doctors' and dentists' surgeries, recreational spaces, sport and leisure facilities, affordable housing to buy and rent, a community centre and student housing, as well as a new railway station and a MetroBus route.

In February 2018, YTL Developments signed two legal agreements and secured outline planning approval for a neighbourhood of 2,675 homes and commenced construction of the new Blenheim Roundabout site access in April 2018. Construction of the first phase of approximately 270 homes, a new public park, key infrastructure and the restoration of the Grade II Listed Spitfire Hangar is scheduled to commence in 2019.

PROPERTY INVESTMENT

The Group has an effective interest of 36.46% 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 SGD3.12 billion as at 30 June 2018, stable from the previous valuation as at 30 June 2017. The performance of Starhill Global REIT's portfolio remained stable, supported by the high quality assets that it owns and income stability from master leases and long-term leases. Asset refurbishments of the trust's assets in Australia, Malaysia and China were successfully completed during the financial year.

In Perth, Australia, redevelopment work at Plaza Arcade was completed and a new anchor tenant, UNIQLO, opened its first store in the city centre. The shopping scene of downtown Perth is being gradually transformed with the influx of international retailers and upgrades to various malls in the city. Following the completion of asset redevelopment work at Plaza Arcade, the tenant mix for the rest of the asset will also be reviewed.

In Malaysia, the RM20 million renovation works on the Lot 10 property to uplift the shopper experience and the external façade have been completed, increasing its appeal to Generation Y and millennial shoppers in Kuala Lumpur. The mall will also benefit from improved accessibility and higher foot traffic from the new Bukit Bintang MRT Station located directly outside, as well as the opening of the second phase of the new Sungai Buloh-Kajang MRT Line.

In Japan, Starhill Global REIT divested Nakameguro Place for JPY525 million during the year under review, part of the trust's ongoing strategy to refine the portfolio.

Meanwhile, at Starhill Global REIT's shopping centre in China, one of the country's largest furniture retailers, Markor International Home Furnishings Co., Ltd, is the new sole tenant. The long-term fixed lease tenancy with periodic rent step-ups provides income stability for the asset.

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 2018, YTL Corp held a 56.92% stake in YTL REIT, which is listed on the Main Market of Bursa Securities under the Real Estate Investment Trust (REIT) sector.

OPERATIONAL REVIEW

YTL HOTELS GROUP

The Glasshouse Hotel, Edinburgh

Refurbishment works at The Glasshouse have been completed and the hotel now features a welcoming and bright reception area with new carpets, furniture and lighting to revive the existing cosy-contemporary décor. Historical features of the hotel have been carefully preserved, with nods to the building's 230-year history tastefully maintained throughout the hotel. New wallpaper and carpets throughout the common areas and flooring in all guest bedrooms have also fully transformed the overall look and feel of the hotel. The refreshed Snug area offers guests a cosy space to relax and unwind in the heart of the hotel.

Threadneedles, London

This elegant Autograph Collection boutique hotel in the City of London has had guestrooms refreshed this year with new carpets, bedding and linen. The location of Threadneedles in the heart of the Square Mile means it is within walking distance of St Paul's Cathedral, The Barbican, Museum of London, Tower of London, Tate Modern, Shakespeare's Globe, Old Spitalfields Market and Shoreditch. Bank and Monument tube stations are on the doorstep.

The Academy, London

YTL Hotels' second London property, The Academy, comprising five elegant 18th century Georgian houses with 50 rooms, has opened after renovation by renowned New York-based designer Alexandra Champalimaud. An attractive redesign of public spaces sees The Alchemy Bar on the ground floor, leading through to The Courtyard and garden. There is also The Refectory, the breakfast room, as well as function space. The Library is a cosy space at the centre of the hotel in acknowledgement of the intellectual and literary heritage of the hotel in the heart of Bloomsbury in London's West End. The Academy is a member of Small Luxury Hotels of The World.

Monkey Island Estate

YTL Hotels' newest UK property Monkey Island Estate will soon open in the historic village of Bray-on-Thames, Berkshire. The picturesque Monkey Island in the River Thames has an intriguing history dating back 800 years, and has been the haunt of monarchs, aristocrats, writers and artists. Following YTL Hotels and Champalimaud Design's exceptional renovation, visitors from London and beyond will yet again have their very own private countryside escape to enjoy.

Set across seven acres, the restored Monkey Island Estate will consist of 27 guest rooms and three deluxe suites The striking white-bricked heritage Pavilion and Temple buildings will now make up the main hotel areas of Monkey Island Estate, surrounded by picturesque views of the River Thames and beautifully manicured gardens. The property is a member of Small Luxury Hotels of the World.

The Gainsborough Bath Spa

The Gainsborough Bath Spa has been awarded three prestigious placings in the 21st Condé Nast Traveller Readers' Travel Awards. The five-star Bath hotel, YTL Hotels' first to open in the UK, placed second in Top UK Hotel Spas, placed ninth in Top UK Holiday Hotels and is included in The World's Top 100. These awards are one of the most prestigious recognitions of excellence in the travel industry. The hotel's restaurant, Dan Moon at The Gainsborough has been listed in the 2018 Tatler Restaurant Guide: Top 100 UK Restaurants. TripAdvisor's 2018 Traveller's Choice Awards listed the hotel in the Top 25 Hotels in the United Kingdom as well as in the top 25 for Luxury.

MUSE Hôtel St. Tropez, France

MUSE Saint Tropez continues to assert itself as an elegant bespoke resort of choice on the French Riviera. Over the past year, the property has attracted outstanding media and visitor reviews from Tatler to Condé Nast. MUSE has launched La Tente by Spa Village, a unique open-air luxury safari tent offering a full range of indulgent treatments, taking inspiration from the enchanting environment of Provence. The luxury safari tent is set in the gardens amidst lush cypress and olive trees and further enhances the guest experience, setting the property apart from other hotels in the area.

The Hague Marriott Hotel, The Netherlands

The Group acquired The Hague Marriott Hotel in the first quarter of 2018. The modern 306-room hotel is centrally located between The Hague city centre and Scheveningen. The property was fully renovated and rebranded as a Marriott Hotel in 2016 and was Marriott's second core-brand hotel in The Netherlands. The facilities are complemented by the perfect location, close to the city's most famous attractions including the Peace Palace, the beach and Madurodam and international organisations such as Europol, the International Criminal Court, NATO and the World Forum Convention Centre.

Hotel Stripes Kuala Lumpur

Hotel Stripes is successfully establishing itself as a contemporary hotel with unique vibes in the historic Jalan Kamunting neighbourhood of the city. The Snug is now a unique and inspiring multifunctional space for one-of-a-kind events.

The JW Marriott Kuala Lumpur

YTL Hotels and Marriott International have signed agreements for new hotels across Asia, strengthening both companies' presence in the world's fastest growing region. Two new luxury hotels will be developed in Malaysia under the JW Marriott and EDITION brands.

The JW Marriott Kuala Lumpur was relaunched after renovation at the end of 2017 and is consolidating its position as the leading hotel and preferred meeting venue in Kuala Lumpur. The refreshed new look of the hotel has been very well received, with the new Bayu Ballroom at the poolside adding to the function space available. A new bar, JW Firehouse, is being added on the Lower Lobby level. TripAdvisor's Travellers' Choice Awards 2018 listed JW Marriott Kuala Lumpur in the Top 25 Hotels in Malaysia as well in the Top 25 Hotels for Luxury and Service.

The Ritz-Carlton, Kuala Lumpur

The Ritz-Carlton, Kuala Lumpur continues to differentiate itself from its competitors through the highly personalised service it provides its guests. Spa Village Kuala Lumpur received The Malaysia Women's Weekly Best Spa Award 2017 for Best Asian-Inspired Body & Facial Combo and Best Aromatherapy Body Massage. Leading Malay women's magazine Jelita named it Best Hotel Spa in the Anugerah Belai Diri Jelita 2017. DestinAsian Readers' Choice Awards 2018 included the hotel in the Top 10 List of Best Hotels in Malaysia. Harper's Bazaar Spa Awards 2018 selected the hotel as winner for Traditional Royal Malay Treatment as well as Nusantara Treatment. TripAdvisor's Travellers' Choice Awards 2018 listed The Ritz-Carlton, Kuala Lumpur in the Top 25 Hotels in Malaysia as well in the Top 25 Hotels for Luxury.

YTL Luxury Resorts

Pangkor Laut Resort, Tanjong Jara Resort and Gaya Island Resort maintain their position as leading destinations in their respective regions. At The International SeaKeepers Society Asia Dinner Awards 2018, YTL Hotels was recognised for its commitment to integrate responsible environmental strategies into core business decisions which protect and improve the natural environment for future generations to come.

YTL Hotels also received the Platinum Award for CSR Leadership at the Global CSR Summit and Awards 2018 for Gaya Island Resort's Senior Resident Naturalist, Justin Juhun's wildlife care and conservation work at the resort.

In the Harper's Bazaar Spa Awards 2018 Best Top to Toe Spa Treatments, Tanjong Jara Resort won Best Traditional Spa Experience for Dandan Puteri Tujoh while Gaya Island Resort won Best Island Escape for Borneo Vanilla Orchid and Honey Cocoon. TripAdvisor's Travellers' Choice Awards 2018 listed Pangkor Laut Resort and Tanjong Jara Resort in the Top 25 Hotels in Malaysia, as well as Top 25 for Service. Pangkor Laut Resort was named in the list of Top 25 for Luxury while Top 25 Hotels for Romance included Pangkor Laut Resort, Tanjong Jara Resort, Cameron Highlands Resort and Gaya Island Resort.

YTL Classic Hotels

The Majestic Hotel Kuala Lumpur, Cameron Highlands Resort and The Majestic Malacca retain their premier market positions. The Majestic Hotel Kuala Lumpur was featured by CNN Travel in their Ultimate Guide to Asia's Heritage Hotels. The Majestic Spa was named Urban Spa of the Year in the AsiaSpa Awards 2017 as well as Country Winner Luxury Urban Escape in the World Luxury Spa Awards 2017.

The hotel received a Gold Award from Hotels.com. TripAdvisor's Travellers' Choice Awards 2018 listed The Majestic Hotel Kuala Lumpur and The Majestic Malacca in the Top 25 Hotels in Malaysia and were also named in the Top 25 Hotels for Luxury. Cameron Highlands Resort was named in the Top 25 for Service and Romance.

Vistana Group of Hotels

YTL Hotels has evolved this successful brand to suit the needs and trends of travellers. Brisk and efficient service, seamless communications and strategic location are the hallmarks of each Vistana hotel, in Kuala Lumpur, Penang and Kuantan.

The Ritz-Carlton, Koh Samui, Thailand

The Ritz-Carlton, Koh Samui held a gala event for its official launch in June 2018. The resort seamlessly combines the brand's legendary service with the traditional spirit of Thai hospitality and colourful Samui island life. The much anticipated opening has garnered rave reviews from guests. The resort has enhanced its dining experiences with the introduction of The Ranch at Shook! serving steak and seafood. The View Dining at The Peak is stunning venue offering a bespoke dining experience with a panoramic view of the resort and the Gulf of Thailand.

The Surin Phuket, Thailand

The Surin continues to perform well, meeting budgets for occupancy and revenue, with an improvement over the previous year. The hotel was named the winning Luxury Romantic Hotel South East Asia in the World Luxury Hotel Awards 2017. It was Gold winner of Phuket's Best Hotel Restaurant from Exotiq Thailand Best of the Best awards 2017. For seven consecutive years The Surin Phuket has received the certificate of excellence from TripAdvisor.

Eastern & Oriental Express

The Eastern & Oriental Express celebrates 25 years of iconic rail journeys this year. Art & Fashion in Motion 2018 was launched, a collaboration with local artists to bring guests closer to contemporary Asian culture, with two of the train's carriages receiving an artist's makeover. Stylish new uniforms were introduced.

In line with the growth of culinary tourism, The Art of Gastronomy celebrates local cooking traditions with The Grand Culinary Tour of Asia on the train, encompassing the continent's vast array of gourmet highlights, adding to the overall experience. An exclusive event by wildlife charity Save Wild Tigers will be held in London's Royal Albert Hall in association with the Eastern & Oriental Express and YTL Hotels. Eye On The Tiger is one of the largest ever photographic exhibitions with photographs on loan from over 30 internationally acclaimed photographers.

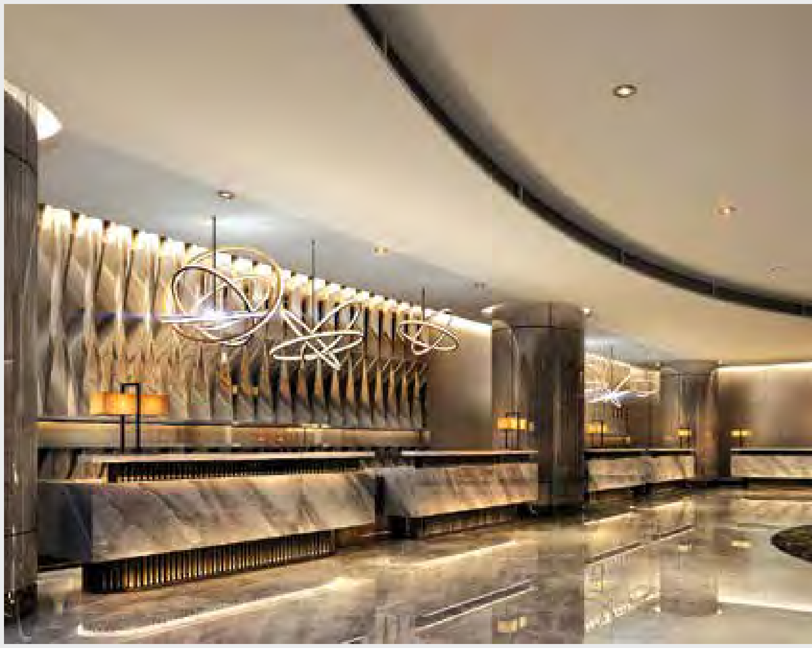
Spa Village Resort, Tembok, Bali

Spa Village Resort Tembok, Bali is maintaining its reputation as a quality spa retreat on the northeast coast of Bali. The Resort continues to host Guest Artists and Practitioners who add to the activities available daily.

Niseko Village, Hokkaido, Japan

Niseko Village, as part of Niseko United, has joined a stable of the world's most prestigious ski resorts as a full member resort of The Mountain Collective pass for the 2018/19 season. Niseko United now stands alongside names like Aspen Snowmass, Banff Sunshine, Jackson Hole, Lake Louise, Mammoth and Thredbo as the only resort in Asia in the Mountain Collective alliance of 17 iconic destinations. Niseko is also Japan's only Ikon Pass partner resort for the 2018/19 season.

Niseko has taken out the top honours in the popular magazine and website Ski & Snowboard with Kids - The 2018 World's Best Family Ski Resorts Awards, also topping the list in the Reader's Choice category and Best Freestyle Resort. YTL Hotels has signed Memorandums of Understanding with Marriott International for two further hotels in Japan; an EDITION and a W Hotel in Niseko Village. Construction has started on Hinode Hills which will be a fully ski-in ski-out development in Niseko Village with the opening scheduled for December 2019.



YTL REIT

YTL REIT's investment portfolio was valued at RM4,365.1 million as at 30 June 2018, an increase of RM454.6 million compared to the previous valuation of RM3,910.5 million as at 30 June 2017, contributed mainly by the new addition to the asset portfolio, The Majestic Hotel Kuala Lumpur, and the increase in the valuation of the Sydney Harbour Marriott in Australia, with smaller increases also contributed by JW Marriott Hotel Kuala Lumpur, The Ritz-Carlton, Kuala Lumpur (Hotel and Suite wings), Vistana Kuala Lumpur and Hilton Niseko Village.

Malaysian Portfolio

YTL REIT received steady income from its portfolio of assets in Malaysia for the financial year under review. The trust's Malaysian portfolio is made up of a diverse range of ten assets, from five-star properties and luxury resorts to business hotels in key city centres across the country. YTL REIT maintains fixed lease arrangements for the properties and benefits from the stable income produced by this revenue structure.

The trust's portfolio of luxury properties situated in the Golden Triangle commercial precinct of Kuala Lumpur comprises the JW Marriott Hotel Kuala Lumpur and The Ritz-Carlton, Kuala Lumpur (Hotel and Suite Wings), whilst its resort portfolio consists of Pangkor Laut Resort, Tanjong Jara Resort and Cameron Highlands Resort. The remaining assets that make up the trust's domestic portfolio are the Vistana hotels that operate in Kuala Lumpur, Kuantan and Penang.

The new addition to YTL REIT's portfolio is The Majestic Hotel Kuala Lumpur, a luxury five star property with 300 rooms. The hotel is established as part of the Autograph collection of iconic historic hotels where the allure of a city's distinctive past meets all of today's modern luxuries and stylish innovations.

International Portfolio – Japan

YTL REIT owns the Hilton Niseko Village situated in Hokkaido, Japan, which operates under a fixed lease arrangement, ensuring a stable level of income for the trust, and in September 2018, the trust completed the acquisition of a new property, The Green Leaf Niseko Village, providing YTL REIT with a steady and secure income stream and is expected to contribute positively to the trust's future distributable income.

International Portfolio – Australia

YTL REIT's Australia portfolio comprises the Sydney Harbour Marriott, Brisbane Marriott and Melbourne Marriott, and the trust benefits from a variable source of income from the operation of these hotel assets.

The ***Sydney Harbour Marriott*** continued to perform well during the year under review due to its well-established position and the quality of its service offerings. Occupancy at the Sydney Harbour Marriott increased to 89.31% compared to 85.65% last year. The recent asset enhancements undertaken last year have improved the guest experience with upgrades including the addition of a new executive lounge, a better concierge and arrivals process and modernised dining options. The Sydney Harbour Marriott is a 5-star, 595-room hotel set in the heart of Circular Quay, overlooking iconic landmarks including Harbour Bridge and the Sydney Opera House.

The ***Melbourne Marriott*** recorded an occupancy level of 87.09% for the financial year under review compared to 89.21% for the 2017 financial year. The hotel has continued to attain solid occupancy levels, despite the recent increase in room supply in the Victoria area of Melbourne. Plans are currently under development for additional asset enhancements including renovations and a reconfiguration to improve space optimisation. The Melbourne Marriott consists of 186 rooms, which is located close to the city's theatre precinct and is within minutes of the Bourke and Collins street shopping districts, Chinatown, the Melbourne Museum and the Royal Exhibition Building.

The ***Brisbane Marriott***, a hotel with 263 rooms and 4 suites, registered an occupancy level of 85.06% for the 2018 financial year compared to 87.90% last year. The Brisbane market continued to recover cautiously and has kept on with its strategies to attract a broader segment of guests which proven to have yield positive results. The hotel has plans to undergo major refurbishment later this year. The Brisbane Marriott is situated between Brisbane's central business district and the Fortitude Valley hub, close to shopping, riverside dining along the Brisbane River, and the city's corporate and cultural locales.

MANAGEMENT SERVICES & OTHERS

SEGMENT OVERVIEW

The Management Services and 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 Ekspress high-speed rail link connecting Kuala Lumpur International Airport (KLIA) with KL Sentral Station.

Following the unveiling of the new KLIA transit trains in October 2016, the new KLIA Ekspres train was unveiled in March 2018, The train blends new livery based on traditional Songket motifs – Pucuk Rebung, Tapak Sulaiman and Bunga Pecah Lapan – with a vibrant colour splash, producing a unique contemporary design that represents the innovative spirit of the company.

Manufactured by CRRC Changchun Railway Vehicles Company Limited ("CRRC"), the train design is similar to the existing Siemens fleet and has the same or upgraded features. Improvements include a longer seat pitch and higher ceiling, 15% more air-conditioning capacity and better CCTV surveillance in all trains, as well as increased capacity with 192 seats onboard in the KLIA Ekspres train, whilst the KLIA Transit train can accommodate up to 350 passengers (including 144 passengers seated).

Each train set has 4 cars which operates at a cruising speed of 160 kilometres per hour. The new trains have a better redundancy capacity with 2 compressors instead of one, more powerful traction which means delays will be reduced during traction related failures, additional sensors to avoid impact from errors and a 30% longer overhaul cycle.

ERL bought six new trains (2 KLIA Ekspres trains and 4 KLIA Transit trains) from CRRC in 2014 to accommodate the strong demand and improve passenger comfort. Delivery of all six trains was complete by February 2018 and, as at end of August 2018, the commissioning and testing process had been completed for one KLIA Ekspres train and three KLIA Transit trains.

Commencing in March 2018, the KLIA Transit service intervals were increased to every 15 minutes (from 20 minute previously) during morning and evening peak hours on weekdays to cope with the increasing number of travellers and commuters.

ERL started a partnership with AirAsia in September 2017 to offer exclusive KLIA Ekspres fares through

AirAsia's website, providing better convenience and value for money to their customers, as well as a partnership with Grab in October 2017 to provide passengers a complete door-to-door travel experience which can be purchased online.

ERL also collaborated with RapidKL Rail to come up with the KL TravelPass, a smart payment card that customers can use to travel on rail public transport in Kuala Lumpur. The card, which operates on the Touch n Go platform is targeted at inbound visitors, particularly tourists and MICE (meetings, incentives, conferencing, exhibitions) delegates, and joint initiatives with Tourism Malaysia and Touch n Go Sdn Bhd were undertaken to further promote the KL TravelPass. ERL has also continued to partner with Visa on a tactical campaign to promote the usage of contactless payment cards by offering a 15% discount with Visa payWave at the KLIA Ekspres gates.

ERL continues to be recognised locally and internationally for consistently providing high standards in the air-rail service industry, receiving the *Outstanding Green Air-Rail Transport Award* from Malaysia Canada Business Council at their 25th Anniversary Business Excellence Awards 2017. ERL also received the *Best Operator (Railway) Award* from Suruhanjaya Pengangkutan Awam Darat (SPAD) at the LPT Symposium 2017 in October.

YTLPS

YTLPS is the O&M provider for the Group's power stations in Paka, Terengganu, and Pasir Gudang, Johor, which have an installed generating capacity of 1,212 MW and are owned by YTLPG. YTLPG's 21-year power purchase agreement for the power stations was completed in September 2015. Subsequently, YTLPG was 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 from Paka Power Station commenced on 1 September 2017.

ELECTRANET

ElectraNet operates and manages the high voltage electricity transmission system throughout South Australia under a 200-year concession, providing the high capacity link that connects South Australian electricity generators to the distribution network operated by local utilities and to other major end users. Extending across approximately 200,000 square kilometres, ElectraNet's transmission network provides electricity to over 99% of South Australia's population, through approximately 5,600 circuit kilometres of transmission lines, together with 91 substations and switchyards.

ElectraNet is subject to a revenue cap set by the Australian Energy Regulator ("AER") which generally applies for a five-year regulatory period before adjustment and contains the maximum allowed revenue that ElectraNet may recover from customers through transmission network charges. It also includes the final total capital and operating forecasts the AER considers efficient, taking into account the long-term interests of customers. The current revenue cap, which became effective on 1 January 2013, was valid for a period of five and a half years and ended on 30 June 2018.

On 30 April 2018, the AER released its final determination on ElectraNet's revenue proposal for the five-year regulatory period from 1 July 2018 to 30 June 2023. In its final determination, the AER accepted ElectraNet's reduction in transmission charges, which delivers a bill reduction of AUD17 for a typical residential customer and AUD33 decrease for a typical small business customer in 2018-19.

The AER accepted ElectraNet's proposal to reduce capital expenditure by 39% and its operating expenditure by 9%. The AER also accepted small amendments to the operating expenditure proposed by ElectraNet in its revised revenue proposal which was submitted on 22 December 2017, made in response to new obligations to address system security challenges in South Australia.

ElectraNet implemented a detailed early engagement program to better understand the views and priorities of South Australia's electricity customers and this input was reflected in its plans and revenue proposal for the 2019–2023 regulatory control period.

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 88.7% for its financial year ended 31 December 2017 and 93.0% availability for the six months ended 30 June 2018. The station generated 7,645 GWh of electricity for its financial year compared to 7,603 GWh for its previous financial year, for its sole offtaker, PLN.

INFORMATION TECHNOLOGY & E-COMMERCE RELATED BUSINESS

SEGMENT OVERVIEW

The YTL Corp Group's information technology ("IT") and e-commerce 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

The division's performance remained stable for the financial year under review, supported mainly by its 2.3 gigahertz (GHz) WiMAX spectrum and digital media advertising sales in the content and digital media division. The spectrum is utilised by YTL Comms, a subsidiary of the Group, which operates the Yes brand name.

The division's content and digital media sub-segment continued to perform well despite the challenging advertising market. The division operates an integrated Out of Home ("OOH") digital network and provides OOH digital media solutions, and targets renowned brand names to fulfil their more advanced marketing needs.

The division provides proprietary content management solutions and content production, and delivers advertising on its digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur and the digital "cube" fronting Lot 10 shopping centre. In addition, services are also provided via digital networks in other retail and commercial areas such as Starhill Gallery and on the Kuala Lumpur Express Rail Link (KLIA Ekspres and Transit) trains, including the service operating between Kuala Lumpur International Airport (KLIA) and the KLIA2 low-cost carrier terminal.

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. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. 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

FOREIGN CURRENCY EXCHANGE RISK

Foreign currency exchange risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to risks arising from various currency exposures primarily with respect to the British Pound and the Singapore Dollar. 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.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates. The exposure of the Group and the Company to interest rate risk arises 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.

PRICE RISK

The exposure of the Group and the Company to equity price risk arises 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. Meanwhile, 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 of fuel is indexed to a benchmark fuel price index.

CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The exposure of the Group and the Company to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

In the Group's power generation business in Malaysia, trade receivables are solely from its offtaker, 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 review are performed on all customers with established credit limits and supported by collateral in the form of guarantees. For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In addition, the Directors are of the view that credit risk arising from the water and disposal of waste water businesses is limited due to its large customer base. Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality.

As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely. Receivable balances are monitored continually with the result that the Group's exposure to credit risk is minimised.

LIQUIDITY RISK

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The objective of the Group and the Company is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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 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.

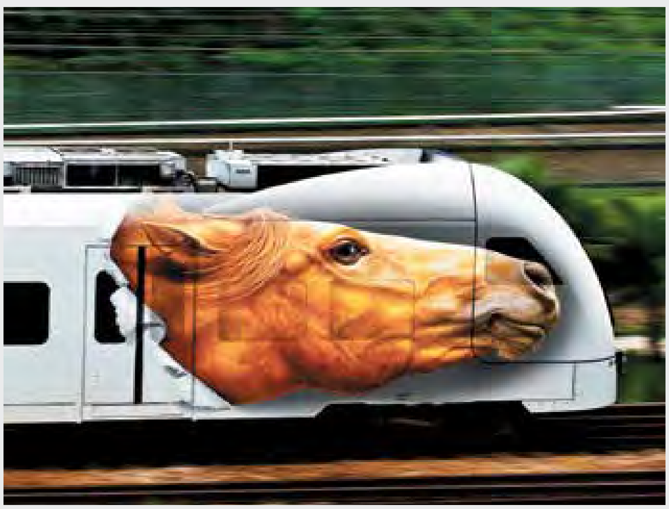
OUTLOOK

The global economy is expected to expand at a faster pace for the remainder of the 2018 calendar year, driven primarily by private consumption and industrial activities in the advanced economies. Nevertheless, global growth still remains vulnerable to downside risks such as policy uncertainties in major economies and geopolitical risks. In Malaysia, the economy is expected to grow within the range of 5.0% to 6.0% for the full 2018 calendar year, driven primarily by domestic demand, underpinned by private sector expenditure. Private consumption growth is expected to remain sustained supported by continued growth in employment and income, lower inflation and improving economic sentiments *(sources: Ministry of Finance, Bank Negara Malaysia updates).*

In the contracted power generation segment of the Group's key Utilities segment, the commencement of the new power purchase agreement for the supply from Paka Power Station has reestablished the income stream for the domestic power generation segment, and the Group's long-term experience and track record in this industry puts it in good stead to ensure the plant continues to operate at optimal efficiency. Meanwhile, progress is well underway on APCO's oil shale power generation project in Jordan, with construction well on target to meet the expected completion date, and the Group will continue to work towards financial close for Tanjung Jati Power.

The mobile broadband business is well-positioned continue to increase its subscriber base, with the prospective rollout of the new 800MHz spectrum, which will further enhance network coverage and reach, enabling customers to enjoy better connectivity. This, coupled with increasing availability of devices for this spectrum, will facilitate the marketing of more competitive and affordable products and services to customers, and plans are also underway to expand the YES platform in Sarawak.

Whilst the electricity generation market in Singapore is expected to remain competitive, owing to capacity oversupply in the wholesale electricity market, YTL PowerSeraya has proven its ability to successfully navigate the changing operating environment. The division will continue to set high standards for operational efficiency to ensure the resilience and reliability of its infrastructure, and continuously innovate to improve service offerings and the entire customer experience. And on the retail



front, Seraya Energy's Geneco brand, backed by the strength of the Group's established reputation and experience in the power generation and electricity retail industries, is ready for the full liberalisation of the electricity market, which is expected to take place in the fourth quarter of the 2018 calendar year.

In the UK, Wessex Water, as it enters the fourth year of the current 2015-2020 Asset Management Plan (AMP), remains confident of its ability to continue to deliver or outperform its regulatory targets and maintain its position as one of the most efficient water and sewerage companies in the country.

In its Cement Manufacturing and Trading segment, whilst the domestic cement industry is expected to remain highly competitive, the Group will continue efforts to improve operational efficiencies and manage its operating and production costs. The outlook for the Group's Construction segment is similarly stable particularly owing to its pipeline of infrastructure and property development projects.

Singapore's residential property market has been significantly impacted by ongoing efforts by the Singapore government to manage the affordability of housing over the past several years, and this trend is expected to continue for the near future. Since 2011, successive waves of new regulations, restrictions and requirements have been introduced, relating to foreign ownership, financing margins and requirements and other similar measures, which have dampened market sentiment and created uncertainty in the property market, As a result, potential buyers have become increasingly cautious.

However, notwithstanding the challenging property market conditions both in Malaysia and Singapore, the Group remains optimistic that properties in strategic locations across these jurisdictions will continue to draw prospective buyers, and remains committed to leveraging its long-standing track record, experience and expertise to time and price its new launches to deliver the optimal outcome to its stakeholders – shareholders, homeowners and the surrounding community alike.

Meanwhile, the Hotel Operations segment is expected to continue to perform well, backed by the diverse geographic market and wide range of product offerings catering to different market segments encompassed by the Group's hotel assets.

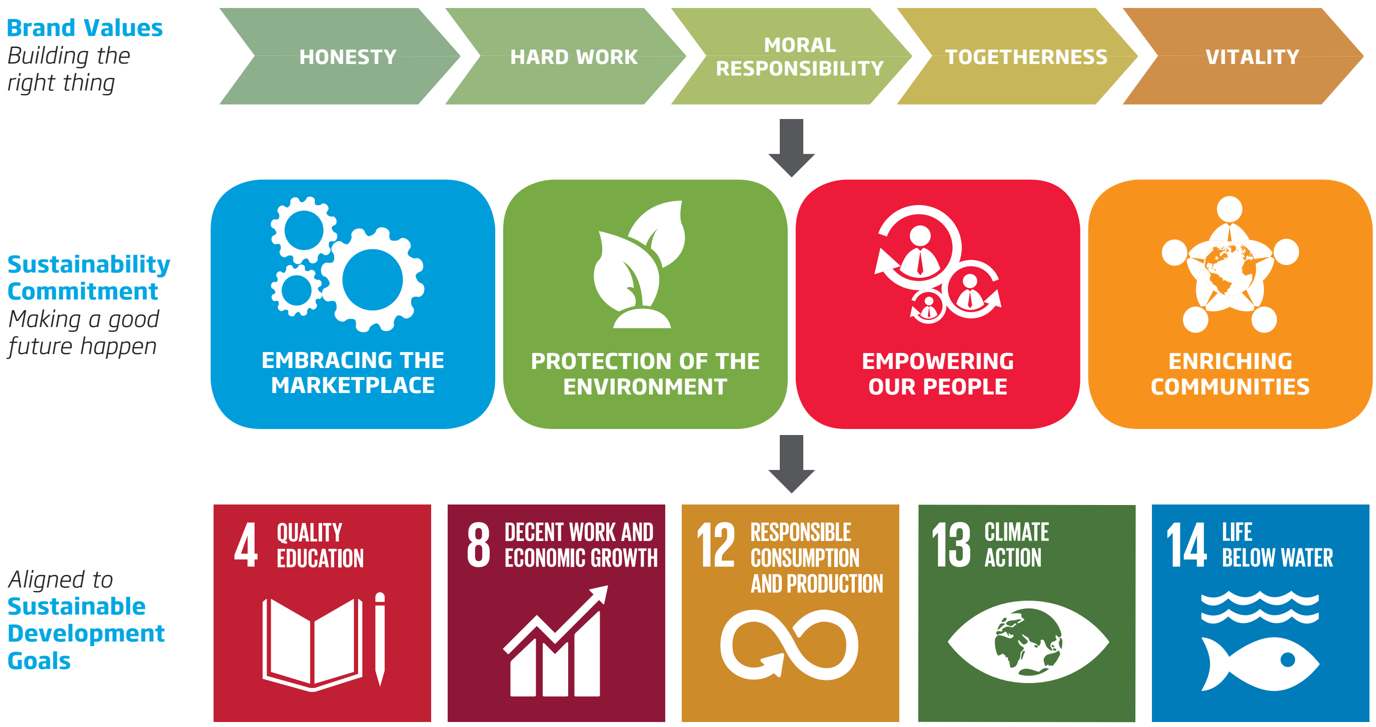
MANAGING SUSTAINABILITY

We believe that a healthy business which yields long term value for its stakeholders in a balanced manner can only be achieved through sustainable and truly responsible business practices. At YTL Corporation Berhad ("YTL Corp") sustainability is about adopting policies holistically, managing risks and applying procedures and practices that are economically, environmentally and socially responsible, steered by solid governance and managed through ethical business practices.

As one of the leading conglomerates in Malaysia, we believe that our sustainability practices bring lasting value to our organisation and our stakeholders in areas where we operate. We have aligned our initiatives with five of the seventeen (17) United Nations Sustainable Development Goals (SDGs) in the belief that businesses play an important role in providing quality education, creating decent work and economic growth, acting responsibly in consumption and production, taking great care of our marine and terrestrial ecosystems, and addressing climate change along with other economic, social and environmental issues.

Our own sustainability strategy remains focused on the four pillars as outlined in our sustainability framework.

YTL GROUP SUSTAINABILITY FRAMEWORK



We are proud that in 2018 YTL Corp was named as one of the constituents of the FTSE4Good Bursa Malaysia (F4GBM) Index for the second consecutive year. YTL Group encompasses YTL Corp and its subsidiaries. Information on YTL Group's governance structure, sustainability related material issues, initiatives, performance and achievements during the financial year ending 30 June 2018 can be found in our 12th standalone ***YTL Group Sustainability Report 2018*** which is available for download at http://www.ytl.com/sustainability.asp. The report focuses on YTL Group's key businesses in Malaysia and globally.

Supporting Education & COMMUNITY DEVELOPMENT

"Through YTL Foundation, we continue to spearhead our vision of equal opportunity for every child by providing access to high quality education via innovative communication tools, appropriate learning environments and networks that empower teachers, students and parents to share and grow together."

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

Through a collaborative effort between the Ministry of Education and YTL Foundation, 50 Tamil primary schools (SJKT) across Malaysia received a 21st century education boost with the construction of a Frog Classroom in each school. Representatives of the 50 schools signed a memorandum of understanding with YTL Foundation, represented by Programme Director Datin Kathleen Chew Wai Lin, witnessed by YB Dato' P. Kamalanathan, then Deputy Minister of Education, and Zaidi Yazid, Head of the Ministry of Education's Education Technology Division

Corporate
Events

22 OCT 2017
ERL NAMED BEST RAILWAY OPERATOR

Express Rail Link Sdn Bhd, a 45% associate of YTL Corporation Berhad and operator of KLIA Ekspres and KLIA Transit high-speed train services, was named the Best Operator (Railway) at the Land Public Transport Commission Gala Dinner and Industry Award 2017.

From left to right:- Encik Mohd Azharuddin bin Mat Sah, Chief Executive Officer, Land Public Transport Commission; Datuk Seri Nancy Shukri, former Minister in the Prime Minister's Department; and Tan Sri Mohd Nadzmi Mohd Salleh, Executive Chairman, Express Rail Link Sdn Bhd.

23 NOV 2017
ASIA TOP ENTREPRENEUR AWARDS 2017

Fortune Times, a leading Chinese magazine based in Singapore, presented Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Executive Chairman of YTL Corporation Berhad, with the Asia Top Entrepreneur Award 2017 – Malaysia. This award honours entrepreneurs whose enterprises have made good growth and performance in the business and, more importantly, made commendable contributions to the community and society.

Dato' Sri Prof Dr Tahir, Chairman of Mayapada Group, presenting the award to Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Executive Chairman of YTL Corporation Berhad.

5 DEC 2017
AGREEMENTS FOR NEW HOTELS ACROSS ASIA WITH MARRIOTT INTERNATIONAL

YTL Hotels & Properties Sdn Bhd, a subsidiary of YTL Corporation Berhad, and Marriott International announced agreements for new hotels across Asia. The two companies agreed that two new luxury hotels will be developed in Malaysia under the JW Marriott and EDITION brands and signed Memorandums of Understanding for two further hotels in Japan, an EDITION and a W Hotel, in Niseko Village, Hokkaido.

From left to right:- Mr Arne Morris Sorenson, President and Chief Executive Officer, Marriott International; Dato' Mark Yeoh Seok Kah, Executive Director, YTL Corporation Berhad; Mr Craig Smith, President and Managing Director of Asia Pacific, Marriott International; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Executive Chairman, YTL Corporation Berhad.

7 FEB 2018
ATTARAT POWER COMPANY PSC AWARDED PFI 2017 MIDDLE EAST & AFRICA RESOURCE DEAL OF THE YEAR

Attarat Power Company PSC (APCO) which is 45%-owned by YTL Power International Berhad (YTLPI), a listed subsidiary of YTL Corporation Berhad, won the Project Finance International (PFI) 2017 Middle East and Africa Resource Deal of the Year award for APCO's oil shale fired power project in Jordan. The PFI award is considered to be the most prestigious event in the project finance industry calendar.

Front row, from left to right:- Ms Lim Pei Yin, Manager, Commercial, YTLPI; Mr Dominic Hua Shi Hao, Senior Manager, Commercial, YTLPI; Mr Joseph Tan Choong Min, Director of Projects, YTLPI; Mr Jason Pok, Chief Financial Officer, APCO; and Mr Quek Khai Hor, Group Technical Director, YTL PowerSeraya Pte Limited, at the awards ceremony held in London.

Protection of the ENVIRONMENT

"Regulators, legislators, corporations and consumers alike have equally significant parts to play in driving the sustainability agenda globally. The obligation and necessity in building the right thing can reap both spiritual and tangible rewards, and this remains a key cultural pillar of the YTL Group. Sustainable conduct is about making responsible, appropriate and informed choices given the constraints and settings within which we find ourselves."

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

YTL Corporation Berhad's tree planting initiative was held in conjunction with its sponsorship of RM175,000 to plant 500 trees in Kuala Lumpur as part of Yayasan Hijau's Tree Planting Sponsorship Programme. YB Isnaraissah Munirah Majilis, Deputy Minister of Energy, Science, Technology, Environment and Climate Change, officiated the event, which saw the planting of 100 saplings at Sentul Park by 80 volunteers from across the YTL Group, led by Tan Sri Dato' (Dr) Francis Yeoh Sock Ping.

Corporate Events

22 FEB 2018
SITE VISIT BY PRIME MINISTER OF JORDAN

His Excellency Mr Hani Mulki, then Prime Minister of Jordan, checked on the progress of the 554 MW power generation project in Jordan developed by Attarat Power Company PSC, which is 45%-owned by YTL Power International Berhad, a listed subsidiary of YTL Corporation Berhad. During his visit he mentioned that the plan represents a milestone in the Kingdom's development process and emphasised the importance of the project in preserving the security of the Kingdom's energy supply.

HE Mr Hani Mulki, then Prime Minister of the Hashemite Kingdom of Jordan, during the site visit.

13 MAR 2018
UNVEILING OF NEW KLIA EKSPRES TRAIN

Express Rail Link Sdn Bhd, a 45% associate of YTL Corporation Berhad, unveiled its new KLIA Ekspress train with an exciting new livery based on songket motifs. The latest livery on the trains blend the traditional songket motifs like Pucuk Rebung, Tapak Sulaiman, and Bunga Pecah Lapan, with vibrant splashes of colours, producing a contemporary design that represents the innovative spirit of the company.

From left to right:- Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; Mr An Zhong Yi, President, CRRC Changchun Railway Vehicles Company Limited; Dr. Prodyut Dutt, Chief Development Officer of Suruhanjaya Pengangkutan Awam Darat (SPAD); Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Executive Chairman of YTL Corporation Berhad; Dato' Sri Liow Tiong Lai, former Minister of Transport; Tan Sri Mohd Nadzmi Mohd Salleh, Executive Chairman, Express Rail Link Sdn Bhd; and Datuk Seri Johan Abdullah, former Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji.

12 JUL 2018

YTL CORPORATION BERHAD RECOGNISED AS THE MALAYSIAN INVESTOR OF THE YEAR IN THE UNITED KINGDOM

YTL Corporation Berhad was awarded the Malaysian Investor of the Year award inaugural British Malaysian Chamber of Commerce's Business Excellence Awards 2018. The awards ceremony was held to recognise the best individuals and companies who contributed to the advancement of bilateral trade between the United Kingdom and Malaysia.

Dato' Yeoh Soo Min, Executive Director, YTL Corporation Berhad; and YB Mr Darell Leiking, Minister of International Trade and Industry.

19 JUL 2018

YTL CORPORATION BERHAD AWARDED MALAYSIA COMPANY OF THE YEAR AT CSR MALAYSIA AWARDS 2018

YTL Corporation Berhad was awarded the Company of the Year Award 2018 under the Conglomerate category for championing IT education in schools and welfare initiatives.

From left to right:- Mr Lee Seng Chee, Co-Chairman/Managing Editor, CSR Malaysia; Ms Nico Aw, Sustainability Manager, YTL Corporation Berhad; and Dato' R Rajendran, Chief Executive Officer, RHA Media.

Supporting Education &

COMMUNITY DEVELOPMENT

"Through YTL Foundation, we continue to spearhead our vision of equal opportunity for every child by providing access to high quality education via innovative communication tools, appropriate learning environments and networks that empower teachers, students and parents to share and grow together."

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

Through a collaborative effort between the Ministry of Education and YTL Foundation, 50 Tamil primary schools (SJKT) across Malaysia received a 21st century education boost with the construction of a Frog Classroom in each school. Representatives of the 50 schools signed a memorandum of understanding with YTL Foundation, represented by Programme Director Datin Kathleen Chew Wai Lin, witnessed by YB Dato' P. Kamalanathan, then Deputy Minister of Education, and Zaidi Yazid, Head of the Ministry of Education's Education Technology Division

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting of YTL Corporation Berhad ("the Company") will be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183 Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, the 12th day of December, 2018 at 12.45 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2018 together with the Reports of the Directors and Auditors thereon. — **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Constitution:-
   (i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping — **Resolution 1**
   (ii) Dato' Yeoh Seok Kian — **Resolution 2**
   (iii) Dato' Sri Michael Yeoh Sock Siong — **Resolution 3**
   (iv) Faiz Bin Ishak — **Resolution 4**

3. To approve the payment of Directors' fees amounting to RM684,932 for the financial year ended 30 June 2018. — **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 2019 to December 2019. — **Resolution 6**

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

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS:-

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

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

   (ii) "THAT approval be and is hereby given to Eu Peng Meng @ Leslie Eu, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than twelve years, to continue to serve as an Independent Non-Executive Director of the Company." — **Resolution 9**

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 ten per centum (10%) 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 10**

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

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company's Constitution and 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 2017, 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 sum of Retained Profits of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back; 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 11**

9. **PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") AND PROPOSED NEW SHAREHOLDER MANDATE FOR ADDITIONAL RRPT**

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 31 October 2018 subject to the following:-

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

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

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

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

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
31 October 2018

Notes:-

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

The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the office of the appointed share registrar for the Annual General Meeting, Tricor Investor and Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8. Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 5 December 2018. Only a depositor whose name appears on the General Meeting Record of Depositors as at 5 December 2018 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Explanatory Notes to Ordinary Business

Note A

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

Payment of Directors' Benefits

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

Explanatory Notes to Special Business

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

In line with Practice 4.2 of the Malaysian Code on Corporate Governance 2017, Resolutions 8 and 9 are to enable Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu to continue serving as Independent Directors of the Company to fulfil the requirements of Paragraph 3.04 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The justifications of the Board of Directors for recommending and supporting the resolutions for their continuing in office as Independent Directors are set out under the Nominating Committee Statement in the Company's Annual Report 2018. The shareholders' approval for Resolutions 8 and 9 will be sought on a single-tier voting process.

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

Resolution 10 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the Thirty-Fourth Annual General Meeting ("AGM") held on 12 December 2017 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of this AGM.

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

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

For Resolution 11, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 31 October 2018 which is despatched together with the Company's Annual Report 2018.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 12, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 31 October 2018 which is despatched together with the Company's Annual Report 2018.

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-Fifth 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-Fifth Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

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

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)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

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

Faiz Bin Ishak
Fellow of the Association of Chartered Certified Accountants

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

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

REGISTRAR

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

AUDIT COMMITTEE

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

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

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

NOMINATING COMMITTEE

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

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

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

AUDITORS

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

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 64, 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 Land & Development Berhad, YTL Hospitality REIT and Starhill Global REIT.

He was the Managing Director of YTL Power International Berhad and YTL Land & Development Berhad which are listed on the Main Market of Bursa Malaysia Securities Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is the Executive Chairman and Managing Director of YTL e-Solutions Berhad. He is also the Executive Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis is the Executive Chairman of YTL Cement Berhad and director of YTL Industries Berhad. 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 and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. 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 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.

Profile of the Board of Directors

DATO' YEOH SEOK KIAN

Malaysian, male, aged 61, 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 and Executive Director of YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities 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. Dato' Yeoh 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 REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

DATO' CHEONG KEAP TAI

Malaysian, male, aged 70, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee and Nominating 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 YTL Land & Development Berhad, YTL e-Solutions Berhad, Gromutual Berhad, Tanah Makmur Berhad and several private limited companies.

DATO' YEOH SOO MIN

Malaysian, female, aged 62, has been on the Board as an Executive Director since 24 June 1984. 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 an Associate Fellow member of the Malaysian Institute of Management, Life Member of the Women's Institute of Management, Malaysia, and member of the Advisory Council for Action Learning, Asia School of Business. She is currently Honorary Fellow of the Governors of International Students House, London, and Sir Thomas Pope, Trinity College, University of Oxford, UK, and member of the Vice-Chancellor's Circle of University of Oxford, UK. She is also a Trustee of Yayasan Tuanku Fauziah and IJN Foundation. She also holds directorships in YTL Power International Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad.

DATO' YEOH SEOK HONG

Malaysian, male, aged 59, was appointed to the Board on 19 June 1985 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and the building of the fourth generation (4G) Worldwide Interoperability for Microwave Access (WiMAX) network by YTL Communications Sdn Bhd. He serves as Managing Director of YTL Power International Berhad and Executive Director of YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities 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 58, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as an Executive Director of YTL Power International Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also sits on the boards of other public companies such as YTL e-Solutions Berhad, YTL Cement Berhad, YTL Industries Berhad, and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO KENG

Malaysian, female, aged 55, 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, a company listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad and YTL Cement 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.

Profile of the Board of Directors

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 53, 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 and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Cement Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

DATO' AHMAD FUAAD BIN MOHD DAHALAN

Malaysian, male, aged 68, 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. Currently, Dato' Ahmad Fuaad is a director of YTL e-Solutions Berhad, Hong Leong Capital Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

EU PENG MENG @ LESLIE EU

Malaysian, male, aged 83, was appointed to the Board on 31 March 2003 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee and a member of Nominating Committee. Mr Leslie Eu graduated with the degree of Bachelor of Commerce from the University College Dublin, Ireland in 1959. He was nominated by Bank Negara Malaysia to be one of the founding directors of Global Maritime Ventures Berhad to undertake the expansion and direct investment in the maritime industry in 1994. He has been in the shipping business for over 50 years and was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a board member of Lembaga Pelabuhan Kelang from 1970 to 1999 and is a Member Emeritus of the American Bureau of Shipping. He was appointed by the United Nations Conference on Trade and Development as one of 13 experts to assist developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the boards of YTL Land & Development Berhad, a company listed on the Main Market of Bursa Malaysia Securites Berhad and YTL Cement Berhad. He is also a director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 64, 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 60, was appointed to the Board on 1 December 2011 as an Independent Non-Executive Director. He is also the Chairman of the Nominating 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 board of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad.

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

Notes:

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

   The late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay who is a deemed major shareholder of the Company, is the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. **Conflict of Interest**

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

3. **Conviction of Offences (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 73, 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 40 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.

CHAN SWEE HUAT

Singaporean, male, aged 62, was appointed to the board of directors of YTL PowerSeraya Pte Limited on 16 October 2013.

He was also appointed the Chief Executive Officer of the YTL PowerSeraya Pte Limited Group on 16 October 2013.

Prior to his current appointment, he was Senior Vice President of the Trading & Fuel Management Group, where he was responsible for the planning, development and implementation of effective business strategies in the areas of physical oil storage, bunkering and chartering.

Swee Huat is trained as a mechanical engineer with over 25 years of experience in business development, planning, and management of power plant assets. He initially joined YTL PowerSeraya Pte Limited in 2001 and headed the Business Development Group. He had also served as Vice President of the Power Generation group for three years where he played a pivotal role in ensuring high plant efficiency and availability and maintained the competitive standing of the company in the new Electricity Market from 2004 to 2006.

LEE WING KUI

American, male, aged 51, 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 32 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.

HO SING

Singaporean, male, aged 52, was appointed the Executive Director and Chief Executive Officer of YTL Starhill Global REIT Management Limited ("YSGRM"), the manager of Starhill Global REIT, on 20 April 2010. He works with the Chairman and the Board of YSGRM in formulating and executing strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT.

He has over 25 years of leadership and management experience with multi-national companies in engineering, medical, infrastructure, and real estate. These included senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and Guocoland Limited. He is currently an Independent Non-Executive Director of Daiman Development Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He also completed the Stanford Executive Program at Stanford University in 2002.

Notes:

Save as disclosed, 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 2018, the Directors have:

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

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

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

Audit Committee Report

COMPOSITION

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

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

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

TERMS OF REFERENCE

The terms of reference 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
Eu Peng Meng @ Leslie Eu	3
Dato' Cheong Keap Tai	5
Dato' Ahmad Fuaad Bin Mohd Dahalan	5

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2018 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 their recommendation to the Board of Directors for approval:

- Quarterly financial results for the fourth quarter of financial year ended 30 June 2017, and the annual audited financial statements for the financial year ended 30 June 2017 at the Audit Committee meetings held in 24 August 2017 and 20 September 2017, respectively;
- First, second and third quarters of the quarterly results for the financial year ended 30 June 2018 at the Audit Committee meetings held 21 November 2017, 21 February 2018 and 23 May 2018, 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 Financial Reporting Standards ("FRS");
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the FRS 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, Messrs HLB Ler Lum:-

- their final report on the audit of the financial statements for financial year ended 30 June 2017 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 2018 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;

- 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.

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

(c) Had discussions with the external auditors twice during the financial year, namely on 20 September 2017 and 23 May 2018, 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 the external auditors.

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 2018. 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 2019 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. **AMENDMENTS TO TERMS OF REFERENCE ("TOR")**

(a) Reviewed the proposed amendments to its TOR to include enhancements to its oversight role as introduced by the changes to the Main LR and practices recommended in the Malaysian Code of Corporate Governance, prior to approval of the Board of Directors.

5. **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 2017 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.

6. **EMPLOYEES SHARE OPTION SCHEME ("ESOS")**

   (a) Reviewed the verification of share options allocation to the eligible employees approved by the options committee in May 2018 and concurred that the allocation under the ESOS complied with the criteria set out in the By-Laws of the ESOS.

7. **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 2017 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 RM2,653,814 were incurred in relation to the internal audit function for the financial year ended 30 June 2018.

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)*
- Eu Peng Meng @ Leslie Eu
- Dato' Cheong Keap Tai

The NC met twice during financial year ended 30 June 2018, attended by all members.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(a) Board nomination and election process and criteria used

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

i. Review of Directors proposed for re-election

In accordance with Article 84 of the Company's Constitution ("Article 84"), 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 2018, based on the results of the assessment undertaken for the financial year, the NC resolved to recommend to the Board that:-

- Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Sri Michael Yeoh Sock Siong and Encik Faiz Bin Ishak, who are due to retire pursuant to Article 84 at the Thirty-Fifth Annual General Meeting of the Company ("AGM"), stand for re-election;

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

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

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

The Board is of the view that there are significant advantages to be gained from the INED who have served on the Board for more than 12 years as they possess 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.

The Board, save for Eu Peng Meng @ Leslie Eu and Dato' Cheong Keap Tai who had abstained from deliberations on the matter, is satisfied with the skills, contributions and independent judgment that Eu Peng Meng @ Leslie Eu and Dato' Cheong Keap Tai, who have served for 12 years or more, bring to the Board. For these reasons, the Board, save for Eu Peng Meng @ Leslie Eu and Dato' Cheong Keap Tai, recommends and supports the resolutions for their 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 2018, 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/theirs 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 2018 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 that the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2018 were satisfactory. These results form the basis of the NC's recommendations to the Board for the re-election of Directors at the AGM.

(c) Succession in Boardroom

In June 2018, the NC deliberated on the succession in the boardroom following the demise of the late Founder of YTL group, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay. The NC evaluated candidates best matched to the roles required and recommended the re-designations of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping to the role of Executive Chairman from Managing Director previously, and Dato' Yeoh Seok Kian, to Managing Director, from Deputy Managing Director previously.

(d) Review of the NC Statement for financial year ended 30 June 2018

The NC Statement was reviewed by the NC prior to its recommendation to the Board for approval for inclusion in 2018 Annual Report.

(e) Review of the Evaluation Criteria in the Assessment Forms

The NC reviewed and revised the evaluation criteria in the assessment forms to ensure consistency with the requirements of the Malaysian Code on Corporate Governance 2017.

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, two or 25% of the Company's Executive Directors are women and they make up 17% 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 2018, the following three in-house training programmes were organised for the Directors:-

- YTL Leadership Conference 2017;
- Malaysian Code of Corporate Governance 2017;
- Companies Act 2016.

All the Directors have undergone training programmes during the financial year ended 30 June 2018. 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 ("CG")/Risk Management and Internal Controls/ Taxation/Financial/Legal/Technology**	
• National Tax Conference 2017 – Managing Tax Issues for growth and nation building (25 & 26 July 2017)	Dato' Cheong Keap Tai
• National Tax Seminar 2017 (2 November 2017)	Dato' Cheong Keap Tai

Nominating Committee Statement

for the financial year ended 30 June 2018

Seminars/Conferences/Training	Attended by
• MIA Conference 2017 (7 & 8 November 2017)	Dato' Cheong Keap Tai
• Bursa Malaysia Case Study Workshop for Independent Directors – "Rethinking – Independent Directors: A New Frontier" (9 November 2017)	Eu Peng Meng @ Leslie Eu
• National GST Conference 2018 (27 & 28 February 2018)	Dato' Cheong Keap Tai
• Malaysian Code of Corporate Governance 2017 (19 March 2018)	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Cheong Keap Tai Dato' Yeoh Soo Min Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd Kadir Faiz Bin Ishak
• Digital transformation and impact to businesses (18 May 2018)	Dato' Ahmad Fuaad Bin Mohd Dahalan
• Companies Act 2016 (18 June 2018)	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd Kadir
➢ **Trade/Economic Development, Sustainability**	
• SPAD Land Public Transport Symposium 2017 "Reimaging Transportation: Sustainable Mobility" (23 October 2017)	Syed Abdullah Bin Syed Abd Kadir
• Investment Roundtable Luncheon by H.E. Rod Smith and The Hon Niall Mark Blair, Minister for Primary Industries, Regional Water and Trade and Industry, New South Wales, Australia (1 November 2017)	Dato' Yeoh Soo Min

Seminars/Conferences/Training	Attended by
➢ **Leadership, Corporate Social Responsibility, and Business Management**	
• Bursa Malaysia CG Breakfast Series: Thought Leadership Session for Directors – Leading in a Volatile, Uncertain, Complex, Ambiguous (VUCA) World (13 October 2017)	Dato' Yeoh Seok Kian Syed Abdullah Bin Syed Abd Kadir Faiz Bin Ishak
• YTL Leadership Conference 2017 (6 November 2017)	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 Faiz Bin Ishak Syed Abdullah Bin Syed Abd Kadir
• Women in Leadership Forum with Governor-General of New Zealand, H.E. the Rt. Hon. Dame Patsy Reddy and a Roundtable Discussion with women leaders in Malaysia (8 December 2017)	Dato' Yeoh Soo Min
• Sweden-Southeast Asia Business Summit (6 & 7 February 2018)	Dato' Yeoh Soo Min
• International Women's Day 2018 luncheon by the Australian High Commission – "Press for Progress" (8 March 2018)	Dato' Yeoh Soo Min
• Leaps of Knowledge 2018 : Level Up! Raising the Bar Together (7 April 2018)	Dato' Yeoh Soo Min Dato' Yeoh Soo Keng
• YTL Foundation & UBS Wealth : An Evening Dialogue on Social Impact Investing – Investing for a Better Tomorrow (18 April 2018)	Dato' Yeoh Soo Min
• Alpha Leadership Conference 2018 (7 & 8 May 2018)	Dato' Yeoh Soo Min

Corporate Governance Overview Statement

for the financial year ended 30 June 2018

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.

The new Code was issued in April 2017 and required companies to report their application of the practices in the new Code for financial years ending on or after 31 December 2017, making this the Company's first report prepared with reference to its compliance with the new Code. In November 2017, Bursa Securities issued amendments to the Listing Requirements which, amongst others, replaced the previous narrative statement on corporate governance with the requirement for an overview of the application of the principles of the Code and set out the prescribed format for the Corporate Governance Report ("CG Report") required to be issued in conjunction with the annual report.

Therefore, an overview of the Board's implementation of the practices set out in the Code during the financial year ended 30 June 2018 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 CG Report for the financial year ended 30 June 2018 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.

Following the passing away of the YTL Corp Group's founder and Executive Chairman, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, in October 2017, the Nominating Committee undertook an assessment of the needs of the Board in appointing a new chairman. In June 2018, the Board approved the re-designations of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, who was re-designated as the Executive Chairman, from Managing Director previously, and Dato' Yeoh Seok Kian, who was re-designated as the Managing Director, from Deputy Managing Director previously.

There is a balance of power, authority and accountability between the Executive Chairman and the Managing Director 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 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 a 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 2018*, 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 2018.

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, and is in the process of updating and formalising the code of conduct for all employees of its group of companies in a consolidated employee handbook, also sets out a whistleblowing policy and procedures.

COMPOSITION OF THE BOARD

The Board currently has 12 Directors, comprising 8 executive members and 4 non-executive members, all 4 of whom are independent.

The Independent Directors comprise 33.3% of the Board. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent. 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. The Board is of the view that the current Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions, and act in the best interests of the shareholders.

There are currently two Independent Non-Executive Directors, Dato' Cheong Keap Tai and Mr Eu Peng Meng @ Leslie Eu, who both have served on the Board for a period exceeding the nine-year term limit recommended in the Code. In accordance with current practice, approval through a vote of all shareholders via the single-tier voting process will continue to be sought at the forthcoming thirty-fifth Annual General Meeting ("AGM") of YTL Corp for Dato' Cheong Keap Tai and Mr Eu Peng Meng @ Leslie Eu to continue to serve as Independent Non-Executive Directors. 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 Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments.

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, taking into account the required mix of skills, diversity, experience and expertise of members of the Board before submitting its recommendation to the Board for decision. Nevertheless, in identifying future candidates, 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, background and gender, 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. Currently there are two female directors on the Board comprising 16.7% of the Board and, therefore, the Board has not met the target of 30% women directors set out in the Code. However, the Directors understand the importance of having a diverse Board to leverage on varying perspectives, experience and expertise required to achieve effective stewardship and management. The Board intends to continue its current approach to support 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 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 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.

The Board does not currently have a separate committee to perform this function but will target to establish a remuneration committee within the next two years.

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

BOARD COMMITMENT

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

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

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

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, 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 3 Independent Non-Executive Directors, in compliance with the Listing Requirements and the Code, namely Mr. Eu Peng Meng @ Leslie Eu, Dato' Cheong Keap Tai and Dato' Ahmad Fuaad Bin Mohd Dahalan. The Chairman of the Audit Committee is Mr Eu Peng Meng @ Leslie Eu, in accordance with the recommendations of 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 2018. 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, Messrs HLB Ler Lum ("HLB"). The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders. During the financial year under review, the Terms of Reference of the Audit Committee were updated to include the establishment of policies to assess the suitability, objectivity and independence of external auditors. It is intended that these policies, which will 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, will be implemented within the next one year.

Details of the audit and non-audit fees paid/payable to HLB for the financial year ended 30 June 2018 are as follows:-

	Company	Group
	RM'000	**RM'000**
Statutory audit fees paid/payable to HLB	**245**	**2,179**
Non-audit fees paid/payable to:-		
– HLB	**16**	**70**
– Affiliates of HLB	**13**	**379**
Total	**29**	**449**

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 35 years of internal and external audit experience.

YTLIA comprises 8 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

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

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

- Developing the annual internal audit plan and proposing this plan to the 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 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 MEETING

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.

Voting in absentia is not applied as general meetings are always held at easily accessible locations, in the centre of Kuala Lumpur. Shareholders who are unable to attend the meetings can appoint a proxy to vote on their behalf.

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

The rights of shareholders, including the right to demand for a poll, are found in the Constitution of the Company. At the 34th AGM of the Company, held on 12 December 2017, 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 29 August 2018.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2018

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 new Code was issued in April 2017 and required companies to report their application of the practices in the new Code for financial years ending on or after 31 December 2017, making this the Company's first report prepared with reference to its compliance with the new Code.

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

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

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

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

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

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

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

- **Internal Audit Function:** The YTL Corp Group's internal audit function is carried out by its Internal Audit department ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by Management, and reports directly to the Audit Committee. A description of the 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.

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

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

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

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

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

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

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

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

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

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

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs HLB Ler Lum, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2018, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

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

This statement was approved by the Board of Directors on 27 September 2018.

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature

for the financial year ended 30 June 2018

At the last Annual General Meeting of YTL Corporation Berhad ("YTL Corp") held on 12 December 2017, the Company had obtained a mandate from its shareholders to allow YTL Corp and/or its subsidiaries ("YTL Corp Group") to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL Corp or its subsidiaries ("Recurrent Related Party Transactions").

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR"), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2018 pursuant to the said shareholder mandate are as follows:-

Companies in the YTL Corp Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
YTL Communications Sdn Bhd ("YTLC"); YTL Digital Sdn Bhd ("YTLD")	Other Major Shareholder and/or Persons Connected with Other Major Shareholder	Provision of telecommunications, broadband services, equipment and/or related services to Related Party; Provision of field operations, maintenance services for base stations, microwave equipment and hubs and/or any other ancillary equipment and areas for network facilities and network services by Related Party; Procurement of construction and related services, and building infrastructure/equipment from Related Party.	Other Major Shareholder[(1)] Persons Connected with Other Major Shareholder[(2)]	Major Shareholder[(a)] Persons Connected[(b)]	167,098

Notes:

[(a)] Major Shareholder – As defined in Paragraph 1.01 of the Main LR and for purpose of this disclosure, includes the definition set out in Chapter 10 of the Main LR.

[(b)] Persons Connected – As defined in Paragraph 1.01 of the Main LR.

[(1)] Other Major Shareholder refers to Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir ("Dato' Md Zainal Abidin"), who is a Major Shareholder of YTLC. YTLD is a subsidiary of YTLC.

[(2)] Persons connected with Other Major Shareholder refers to companies in which Dato' Md Zainal Abidin is also a Major Shareholder and/or Director.

Analysis of Shareholdings
as at 21 September 2018

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	3,033	9.92	100,679	0.00
100 - 1,000	3,470	11.35	1,621,863	0.02
1,001 - 10,000	14,823	48.50	56,416,898	0.53
10,001 - 100,000	7,753	25.36	215,525,119	2.04
100,001 to less than 5% of issued shares	1,486	4.86	4,971,760,190	47.04
5% and above of issued shares	2	0.01	5,323,273,262	50.37
Total	**30,567**	**100.00**	**10,568,698,011**	**100.00**

Excluding 341,861,418 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	4,701,391,375	44.48
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	621,881,887	5.88
3	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd	460,000,000	4.35
4	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	284,237,844	2.69
5	Jamaican Gold Limited	258,408,844	2.45
6	Tien Shia International Limited	217,078,398	2.05
7	Orchestral Harmony Limited	196,796,355	1.86
8	Water City Limited	193,588,994	1.83
9	Steeloak International Limited	183,087,748	1.73
10	Velvet Properties Limited	158,269,068	1.50
11	Windchime Developments Limited	138,357,059	1.31
12	Bara Aktif Sdn Bhd	115,217,861	1.09
13	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	99,427,095	0.94
14	State Secretary, Pahang	96,591,400	0.91

Analysis of Shareholdings
as at 21 September 2018

	Name	No. of Shares	%
15	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	89,576,759	0.85
16	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (West CLT OD67)	75,375,777	0.71
17	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	73,667,810	0.70
18	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	66,943,725	0.63
19	Valuecap Sdn Bhd	65,054,900	0.62
20	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	61,577,743	0.58
21	The Estate of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	59,507,480	0.56
22	Dato' Yeoh Seok Kian	56,591,526	0.54
23	Dato' Yeoh Soo Keng	55,164,966	0.52
24	Dato' Sri Michael Yeoh Sock Siong	54,725,584	0.52
25	Dato' Yeoh Soo Min	52,833,890	0.50
26	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	50,047,400	0.47
27	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	49,670,371	0.47
28	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	45,180,557	0.43
29	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	43,234,144	0.41
30	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	38,934,812	0.37
	Total	**8,662,421,372**	**81.95**

SUBSTANTIAL SHAREHOLDERS
(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,318,189,594	50.32	-	-
The Estate of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	92,372,386	0.87	5,318,189,594*	50.32
Employees Provident Fund Board	660,830,883	6.25	-	-

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

Statement of Directors' Interests

in the Company and Related Corporations as at 21 September 2018

THE COMPANY

YTL CORPORATION BERHAD

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	142,661,239	1.35	–	–
Dato' Yeoh Seok Kian	56,591,526	0.54	13,447,566[1]	0.13
Dato' Yeoh Soo Min	52,833,890	0.50	1,914,408[1][2]	0.02
Dato' Yeoh Seok Hong	52,425,780	0.50	24,020,752[1]	0.23
Dato' Sri Michael Yeoh Sock Siong	54,725,584	0.52	20,367,143[1]	0.19
Dato' Yeoh Soo Keng	56,164,966	0.53	773,378[1]	0.01
Dato' Mark Yeoh Seok Kah	20,482,775	0.19	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, 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	–
Eu Peng Meng @ Leslie Eu	1,000,000	–
Syed Abdullah Bin Syed Abd Kadir	2,000,000	–

HOLDING COMPANY

YEOH TIONG LAY & SONS HOLDINGS SDN BHD

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

Statement of Directors' Interests

in the Company and Related Corporations as at 21 September 2018

SUBSIDIARY COMPANIES

YTL LAND & DEVELOPMENT BERHAD

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Yeoh Seok Kian	61,538	0.01	–	–
Dato' Yeoh Soo Min	–	–	625,582[(2)]	0.08
Dato' Yeoh Soo Keng	100,000	0.01	–	–

	No. of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 Held			
Name	**Direct**	**%**	**Indirect**	**%**
Dato' Yeoh Seok Kian	37,000	*	–	–
Dato' Yeoh Soo Keng	60,000	0.01	–	–

YTL POWER INTERNATIONAL BERHAD

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	20,013,596	0.26	90,780[(1)]	*
Dato' Yeoh Seok Kian	10,612,987	0.14	9,409,578[(1)]	0.12
Dato' Yeoh Soo Min	17,199,678	0.22	3,829,577[(1)(2)]	0.05
Dato' Yeoh Seok Hong	102,945,219	1.34	5,115,520[(1)]	0.07
Dato' Sri Michael Yeoh Sock Siong	14,336,235	0.19	2,711,213[(1)]	0.04
Dato' Yeoh Soo Keng	15,939,576	0.21	185,818[(1)]	*
Dato' Mark Yeoh Seok Kah	9,575,718	0.12	1,443,626[(1)]	0.02
Syed Abdullah Bin Syed Abd Kadir	2,429,425	0.03	561[(1)]	*

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, 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	–

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD

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

YTL CORPORATION (UK) PLC

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

YTL CONSTRUCTION (THAILAND) LIMITED

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

SAMUI HOTEL 2 CO. LTD

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

* Negligible
(1) Deemed interests by virtue of interests held by 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.

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 2018

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 2018 (RM'000)	Date of Acquisition
Ngee Ann City Property, 391/391B Orchard Road, Singapore 238874^	Leasehold	26,846.4 sq.m.	4 strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City, located on: a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block; b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and c) Whole of Level 21 to Level 24 of Tower B (office)	40,210	25	31.03.2072	3,402,870	20.09.2005
Wisma Atria Property, 435 Orchard Road, Singapore 238877^	Leasehold	8,218.7 sq.m.	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria. Wisma Atria is a building comprising a podium block with four levels and one basement level of retail space, three levels of car parking space and 13 levels of office space in the office block	21,161	32	31.03.2061	2,950,141	20.09.2005
Lot 1070N of Town Subdivision 24, Orchard Boulevard	Freehold	1.427 acres	Residential development	-	-	-	1,931,815	22.11.2007

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 2018 (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	29	-	1,473,642	29.11.2012
Myer Centre Adelaide, 14-38 Rundle Mall, Adelaide, Australia^	Freehold	10,450 sq.m.	An eight-storey retail centre with three office buildings and four basement levels	55,742.64 (Net Lettable Area)	27	-	876,562	18.05.2015
Starhill Gallery, 181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia^	Freehold	12,338 sq.m.	Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements	76,208	23	-	654,400	28.06.2010
David Jones Building, 622-648 Hay Street Mall, Perth, Australia^	Freehold	6,640 sq.m.	Four-storey heritage-listed building for retail use	24,069.3 (Gross Lettable Area)	16	-	491,949	20.01.2010
Lot 10 Property, 50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia^	Leasehold	10,139 sq.m.	137 strata parcels and two accessory parcels within Lot 10 shopping centre	39,984	28	29.07.2076	432,700	28.06.2010
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	-	-	Year 2087	424,473	30.07.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	-	-	Year 2087		30.07.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	-	-	Year 2095		17.04.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	-	-	Year 2096		29.12.1997

List of Properties

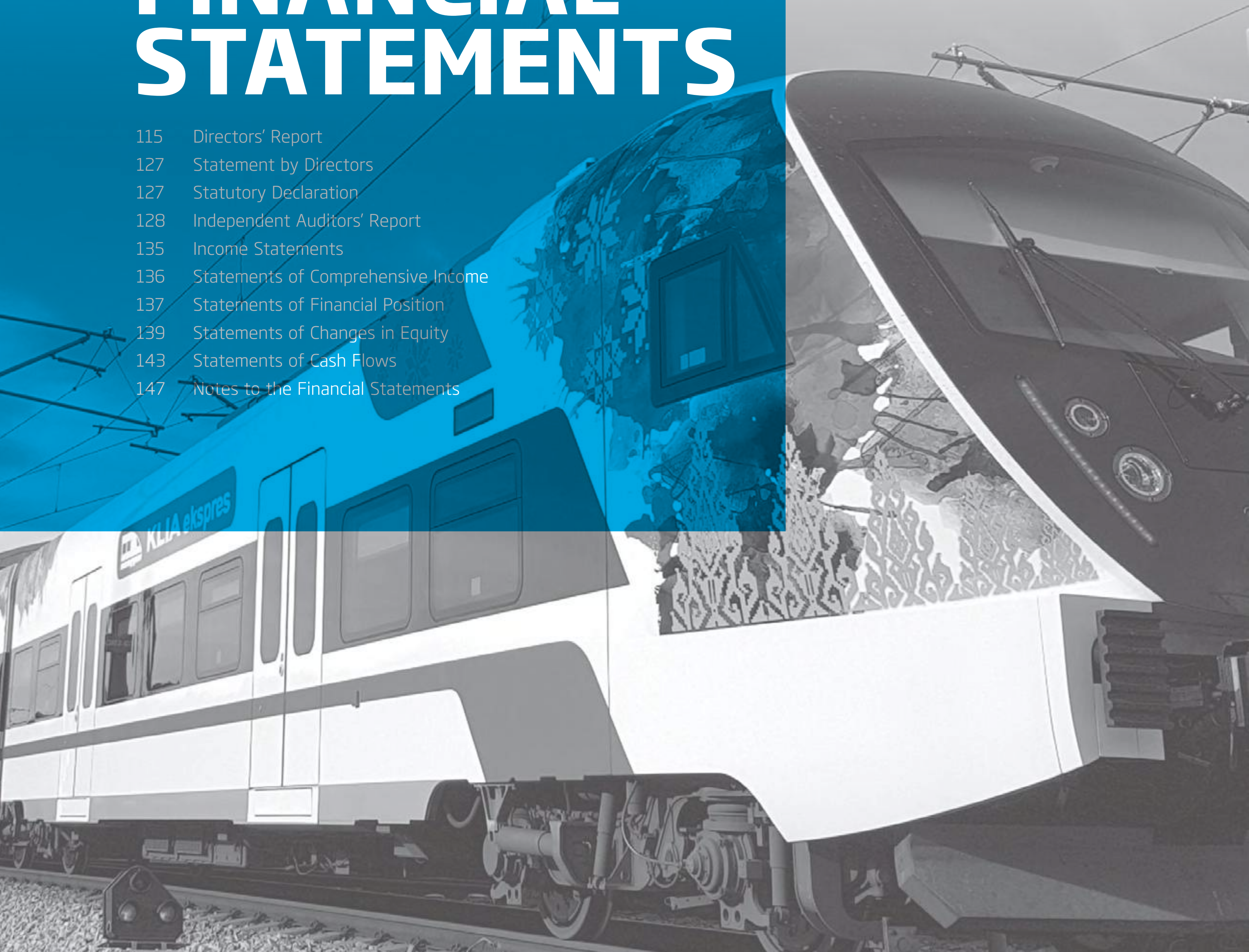
as at 30 June 2018

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 2018 (RM'000)	Date of Acquisition
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	-	-	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	-	-	Year 2095		17.04.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	-	-	Year 2095		17.04.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	-	-	Year 2095		17.04.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	-	-	Year 2026		17.04.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	-	-	Year 2026		17.04.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	-	-	Year 2095		29.05.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	-	-	Year 2095		27.06.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	-	-	Year 2026		17.04.1996
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	-	-	Year 2097		15.09.1998
HS (D) 4171 PT 1420#	Leasehold	3.54 acres	Cement plant	-	-	Year 2097		15.09.1998
HS (D) 8804 PT 1421#	Leasehold	13.38 acres	Cement plant	-	-	Year 2102		01.10.2003
PN 00108181, Lot 2764#	Leasehold	49.57 acres	Cement plant	-	-	Year 2886		01.11.1996

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 2018 (RM'000)	Date of Acquisition
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	21	-	424,000	16.12.2005

Mukim Kampung Buaya, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan
@ *Based on valuation on 30 April 2018*
^ *Based on valuation on 30 June 2018*

FINANCIAL STATEMENTS



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 2018.

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 14 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,003,141	277,416
Attributable to:-		
Owner of the parent	362,217	277,416
Non-controlling interests	640,924	-
	1,003,141	277,416

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 2017:	
- Interim single tier dividend of 5 sen per ordinary share paid on 10 November 2017	526,761

On 29 August 2018, the Board of Directors declared an interim single tier dividend of 4 sen per ordinary share for the financial year ended 30 June 2018. The book closure and payment dates in respect of the aforesaid dividend are 29 October 2018 and 13 November 2018, respectively.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2018.

On 29 August 2017, a distribution of treasury shares ("Share Dividend") of one (1) treasury share for every fifty (50) existing ordinary shares each was declared and the book closure date for the Share Dividend was 26 October 2017. The Share Dividend was completed on 9 November 2017 and a total of 210,696,721 treasury shares amounting to RM334,881,000 were distributed to the entitled shareholders.

RESERVES AND PROVISIONS

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

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 12 December 2017. 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.

On 9 November 2017, a total of 210,696,721 treasury shares amounting to RM334,881,000 were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held on 26 October 2017.

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

EMPLOYEES' SHARE OPTION SCHEME

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

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

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

	Actual Allocation	
	Since 1.4.2011	**Financial Year 30.6.2018**
Key management personnel	13.90%*	9.52%*

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

The Company has granted options to employees under the ESOS on 14 March 2018, details of which are set out in Note 28(b) to the financial statements.

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 1.7.2017**	**Granted**	**Exercised**	**Balance at 30.6.2018**
Name of Director				
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	–	–	1,000,000
Eu Peng Meng @ Leslie Eu	1,000,000	–	–	1,000,000

DIRECTORS

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay (Demised on 18.10.2017)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, 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
Eu Peng Meng @ Leslie Eu
Syed Abdullah Bin Syed Abd. Kadir
Faiz Bin Ishak

DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report:

Abdul Latiff Bin Abd Aziz
Ahmad Janwal
Ali Reza Tabassi
Andrew Jordan
Ang Meng Hee
Azlan Shah Bin Mohamad Shah *(Appointed on 1.6.2018)*
Bui Chung Keung Edmund
Chan Chor Yook
Charlotte Tamsyn Maher
Chhoa Kwang Hua
Chong Shao Siew
Chung Siew Leng
Dato' Sri Haji Abd Rahim Bin Haji Abdul
Dato' Daing A Malek bin Daing A Rahaman
Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir
Dato' Halimah Binti Hassan
Datin Kathleen Chew Wai Lin
Dato' Norzaity Binti Othman
Dato' Suleiman Bin Abdul Manan
Dato' Yoogalingam A/L Vyramuttu
Datuk Aziyah Binti Mohamed
Dato' Zainal Abidin Bin Ahmad *(Appointed on 23.2.2018)*
David Alan Knaggs
David John Elliott
Ding Hock Hing
Achmad Amri Aswono Putro
Alan Derek Morgan
Andrew Fraser Pymer
Ang Lay Leng
Armandus Martijn Lustig *(Appointed on 15.4.2018)*
Baldip Singh A/L Pall Singh
Bui Cathy Wai-Ying
Chan Swee Huat
Cheah Poh Weng
Ching Yew Chye
Christopher Antony Chambers *(Resigned on 11.6.2018)*
Colin Frank Skellett
Dato' Anuar bin Ahmed
Dato' Hamidah Binti Maktar
Dato' Haji Mohamed Bin Haji Hussein
Dato' Ikhwan Salim bin Dato' Hj Sujak
Datin Lim Lee Lee
Dato' Shahrom Bin Mohamed
Dato' Tan Guan Cheong
Dato' Yusli bin Mohamed Yusoff *(Resigned on 6.9.2018)*
Datuk Lim Sue Beng
Datuk Zainal Bin Hussin
David Huw Davies
David Martin Barclay
Djoko Leksono Sugiarto

DIRECTORS OF SUBSIDIARIES (CONTINUED)

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report: (Continued)

Dominic Hua Shi Hao *(Appointed on 8.6.2018)*
Eoon Whai San
Francis William Sweeting
Gareth John Davies
Gunther Axel Reinder Warris
Hee Kang Yow
Hj Safian Bin Tan Sri Dato' Hj Ibrahim
Intertrust (Netherlands) B.V.
James Andrew Rider
Jason Mills *(Appointed on 15.5.2018)*
Jeremy Robert Bryan
Joseph Benjamin Seaton
Julian Okoye *(Resigned on 31.10.2017)*
Kenneth Khaw Jin Teck *(Resigned on 5.3.2018)*
Kenta Kawano *(Appointed on 9.1.2018)*
Koh Kah Hock
Laurent Andre Marie Myter
Lee Chak Hui
Lee Wing Kui
Lim Khoon Hai
Long Shiau Wee
Mej Jen Dato' Hj Abdul Shukor Bin Haji Jaafar (B)
Mark Timothy Watts
Marilyn Elizabeth Smith
Melinda Voon Ching Mee
Michael Moriarty
Mochammad Fazri Yulianto *(Resigned on 31.5.2018)*
Mohamad Zaid Bin Mohamed Zainal Abidin
Mohamad Ziad Bin Mohamed Zainal Abidin
Mohammed Habedat Saddiq
Ng Choon Seang
Norhamidi bin Abdul Rahman
Owen Michael D'Oliveiro *(Resigned on 14.2.2018)*
Panchanath Mahalingam Ratnavale
Patrick James Pereira
Phan Gaik Cher
Pierre Ong Yan Hong
Poon Pooay Huang
Raja Shahreen bin Raja Othmad *(Appointed on 3.7.2018)*
Richard John Keys
Romeo Hilot Baguio
Sam Yau Weng
Sarah Elizabeth Johnson
Steven John Holt
Suban Bushnell
Tan Sri Datuk Dr. Aris bin Osman @ Othman
Eddie Low Hong Beng
Fiona Clare Reynolds
Gareth Alan King
Gillian Elizabeth Camm
Gunter Galster
Ho Sing
Insinyur Gafur Sulistyo Umar
Ionics Directors Limited
Jammula Bala Venkateswara Rao
Jeremy John Lavis
John Simon Hugh Crane
Juliana Goh Hong Gaik
Kamaruzzaman Bin Abdol *(Resigned on 1.1.2018)*
Kenneth Wong Kit Kay *(Ceased as Director on 5.4.2018)*
Koay Teng Chye *(Appointed on 25.7.2018)*
Lord Stewart Ross Sutherland *(Demised on 29.1.2018)*
Lee Anthony Derrick *(Appointed on 17.8.2018)*
Lee Milton Montgomery
Lee Liam Chye
Lim Kok Hoong *(Resigned on 1.1.2018)*
Luke Martin de Vial
Mark John Nicholson
Martin Franz Rudolf Metzger
Martin John Bushnell
Michael Luke Wilkinson
Mittelmeer Directors Limited
Mohamad Suhaimi bin Mohamad Tahir *(Appointed on 3.7.2018)*
Mohammad Zuhannes Bin Dzulkifli
Mohd Bazid Bin Hj Abd Kahar
Nigel Lynn Evans *(Resigned on 2.1.2018)*
Ong Mei-Lynn *(Appointed on 15.5.2018)*
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong
Patrick Chew Wai Yen
Pearly Poussier
PhastabeWek B.V.
Pieter Oosthoek *(Resigned on 15.4.2018)*
Raja Dato' Wahid Bin Raja Kamaral Zaman
Ralph Justin Dixon
Richard John Talbott *(Resigned on 24.4.2018)*
Ryota Kobayashi *(Resigned on 9.1.2018)*
Sandra Herawati Widjaja
Stephen Charles Harle Smith *(Resigned on 2.1.2018)*
Somvonk Poshyananda
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
Tan Sri Datuk Asmat Bin Kamaludin

DIRECTORS OF SUBSIDIARIES (CONTINUED)

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report: (Continued)

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Tok Puan Norzieta Zakaria
Tan Check Hong
Tan Chien Yih
Tan Woon Hum
Tunku Shazuddin Bin Tunku Sallehuddin *(Appointed on 1.6.2018)*
Wong Poh Kun *(Ceased as Director on 5.4.2018)*
Yeap Kian Bin
Yeoh Keong Hann
Yeoh Keong Shyan
Yeoh Keong Yeow
Yeoh Pei Cheen
Yeoh Pei Lou
Yeoh Pei Teeng
Yutaka Hayash
Toh Muda Rizal Ashram Bin Tan Sri Ramli
Tan Bong Lin *(Appointed on 1.1.2018)*
Tan Chee Keong
Tan Choong Min
Takehiko Fukuoka
Voon Sui Liong @ Paul Voon
Wan Kam Choon
YTM Dato' Seri Diraja Tan Sri Tengku Abdul Hamid Thani Ibni Almarhum Sultan Badlishah
Yeoh Keong Junn
Yeoh Keong Yeen *(Appointed on 11.6.2018)*
Yeoh Keong Yuan
Yeoh Pei Leeng
Yeoh Pei Nee
Yeoh Soo Len
Zhang Yugen

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 1.7.2017**	**Acquired**	**Disposed**	**Balance at 30.6.2018**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	9,660,023	-	142,661,239
Dato' Yeoh Seok Kian	55,481,889	1,109,637	-	56,591,526
Dato' Yeoh Soo Min	51,797,932	1,035,958	-	52,833,890
Dato' Yeoh Seok Hong	44,535,079	7,890,701	-	52,425,780
Dato' Sri Michael Yeoh Sock Siong	53,652,534	1,073,050	-	54,725,584
Dato' Yeoh Soo Keng	54,083,300	2,081,666	-	56,164,966
Dato' Mark Yeoh Seok Kah	20,081,152	401,623	-	20,482,775
Syed Abdullah Bin Syed Abd. Kadir	9,404,133	188,082	-	9,592,215
Deemed interests				
Dato' Yeoh Seok Kian	11,419,183(1)	2,028,383	-	13,447,566(1)
Dato' Yeoh Soo Min	1,876,871(1)(2)	37,537	-	1,914,408(1)(2)
Dato' Yeoh Seok Hong	23,549,759(1)	720,993	(250,000)	24,020,752(1)
Dato' Sri Michael Yeoh Sock Siong	19,967,788(1)	399,355	-	20,367,143(1)
Dato' Yeoh Soo Keng	758,214(1)	15,164	-	773,378(1)
Dato' Mark Yeoh Seok Kah	4,005,597(1)	80,111	-	4,085,708(1)
Syed Abdullah Bin Syed Abd. Kadir	19,642(1)	392	-	20,034(1)

DIRECTORS' INTERESTS (CONTINUED)

	Number of share options over ordinary shares			
The Company	**Balance at 1.7.2017**	**Granted**	**Exercised**	**Balance at 30.6.2018**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	10,000,000	-	17,000,000
Dato' Yeoh Seok Kian	5,000,000	10,000,000	-	15,000,000
Dato' Chong Keap Thai @ Cheong Keap Tai	1,000,000	-	-	1,000,000
Dato' Yeoh Soo Min	5,000,000	10,000,000	-	15,000,000
Dato' Yeoh Seok Hong	5,000,000	10,000,000	-	15,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	10,000,000	-	15,000,000
Dato' Yeoh Soo Keng	5,000,000	10,000,000	-	15,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	10,000,000	-	15,000,000
Eu Peng Meng @ Leslie Eu	1,000,000	-	-	1,000,000
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	1,000,000	-	2,000,000
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,000,000(1)	10,000,000	-	12,000,000(1)
Dato' Yeoh Seok Kian	-	6,000,000	-	6,000,000(1)
Dato' Yeoh Soo Min	-	2,000,000	-	2,000,000(1)
Dato' Yeoh Seok Hong	3,000,000(1)	9,000,000	-	12,000,000(1)

	Number of ordinary shares			
Holding Company – Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.	**Balance at 1.7.2017**	**Acquired**	**Disposed**	**Balance at 30.6.2018**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	-	-	5,000,000
Dato' Yeoh Seok Kian	5,000,000	-	-	5,000,000
Dato' Yeoh Soo Min	1,250,000	-	-	1,250,000
Dato' Yeoh Seok Hong	5,000,000	-	-	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	-	-	5,000,000
Dato' Yeoh Soo Keng	1,250,000	-	-	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	-	-	5,000,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares			
Subsidiary **- YTL Power International Berhad**	**Balance at 1.7.2017**	**Acquired**	**Disposed**	**Balance at 30.6.2018**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,719,213	5,294,383	-	20,013,596
Dato' Yeoh Seok Kian	10,404,890	208,097	-	10,612,987
Dato' Yeoh Soo Min	16,862,430	337,248	-	17,199,678
Dato' Yeoh Seok Hong	45,845,216	57,100,003	-	102,945,219
Dato' Sri Michael Yeoh Sock Siong	14,055,133	281,102	-	14,336,235
Dato' Yeoh Soo Keng	13,666,251	2,273,325	-	15,939,576
Dato' Mark Yeoh Seok Kah	9,387,959	187,759	-	9,575,718
Syed Abdullah Bin Syed Abd. Kadir	2,381,613	47,632	-	2,429,245
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	89,000[(1)]	1,780	-	90,780[(1)]
Dato' Yeoh Seok Kian	4,421,155[(1)]	4,988,423	-	9,409,578[(1)]
Dato' Yeoh Soo Min	3,754,488[(1)(2)]	75,089	-	3,829,577[(1)(2)]
Dato' Yeoh Seok Hong	5,015,218[(1)]	102,302	(2,000)	5,115,520[(1)]
Dato' Sri Michael Yeoh Sock Siong	2,658,052[(1)]	53,161	-	2,711,213[(1)]
Dato' Yeoh Soo Keng	182,175[(1)]	3,643	-	185,818[(1)]
Dato' Mark Yeoh Seok Kah	1,415,320[(1)]	28,306	-	1,443,626[(1)]
Syed Abdullah Bin Syed Abd. Kadir	550[(1)]	11	-	561[(1)]

	Number of Warrants 2008/2018			
Subsidiary **- YTL Power International Berhad**	**Balance at 1.7.2017**	**Acquired**	**Exercised/ Disposed**	**Balance at 11.6.2018[+]**
Deemed interests				
Dato' Yeoh Soo Min	2,000[(1)]	-	(2,000)	-
Dato' Yeoh Soo Keng	87,054[(1)]	-	(87,054)	-

[+] Date of expired of warrants 2008/2018

DIRECTORS' INTERESTS (CONTINUED)

Subsidiary - YTL Power International Berhad	Number of share options over ordinary shares			
	Balance at 1.7.2017	Granted	Exercised	Balance at 30.6.2018
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	10,000,000	–	17,000,000
Dato' Yeoh Seok Kian	5,000,000	10,000,000	–	15,000,000
Dato' Yeoh Soo Min	3,000,000	10,000,000	–	13,000,000
Dato' Yeoh Seok Hong	–	10,000,000	–	10,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	10,000,000	–	15,000,000
Dato' Yeoh Soo Keng	3,000,000	10,000,000	–	13,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	10,000,000	–	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	1,000,000	–	4,000,000
Deemed interest				
Dato' Yeoh Seok Hong	500,000[(1)]	4,000,000	–	4,500,000[(1)]

Subsidiary - YTL Land & Development Berhad	Number of ordinary shares			
	Balance at 1.7.2017	Acquired	Disposed	Balance at 30.6.2018
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[(2)]

Subsidiary - YTL Land & Development Berhad	Number of Irredeemable Convertible Unsecured Loan Stocks 2011/2021			
	Balance at 1.7.2017	Acquired	Converted/ Disposed	Balance at 30.6.2018
Direct interests				
Dato' Yeoh Seok Kian	37,000	–	–	37,000
Dato' Yeoh Soo Keng	60,000	–	–	60,000

DIRECTORS' INTERESTS (CONTINUED)

Subsidiary - YTL Corporation (UK) PLC*	Number of ordinary shares of £0.25 each Balance at 1.7.2017	Acquired	Disposed	Balance at 30.6.2018
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* Incorporated in England & Wales

Subsidiary - YTL Construction (Thailand) Limited+	Number of ordinary shares of THB100 each Balance at 1.7.2017	Acquired	Disposed	Balance at 30.6.2018
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Kian	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

+ Incorporated in Thailand

Subsidiary - Samui Hotel 2 Co., Ltd+	Number of ordinary shares of THB10 each Balance at 1.7.2017	Acquired	Disposed	Balance at 30.6.2018
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

+ Incorporated in Thailand

Subsidiary - Syarikat Pelanchongan Seri Andalan (M) Sdn. Bhd.	Number of ordinary shares Balance at 1.7.2017	Acquired	Disposed	Balance at 30.6.2018
Direct interest				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

(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.

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, OFFICERS AND AUDITORS

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 RM349,000 (2017: RM350,000). 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.

There were no indemnity given to or insurance affected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

DIRECTORS' BENEFITS

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

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

In their opinion,

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

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

HOLDING COMPANY

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

SUBSIDIARY/SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 14 to the financial statements.

AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, 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, CBE, FICE

Dato' Yeoh Seok Kian

27 September 2018
Kuala Lumpur

Statement by Directors

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

We, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, 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 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 2018 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 27 September 2018.

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

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

Subscribed and solemnly declared by the abovenamed
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
at Kuala Lumpur on 27 September 2018.

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 2018 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 135 to 304.

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 2018, and of their financial performance and their cash flows for the year then ended in accordance with 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 audit 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. Valuation of investment properties

The risk

We refer to Note 3 and 12 to the Financial Statements respectively.

Investment properties of the Group amounting to RM10,004 million, comprises 14.0% of total assets and is measured at fair value. Most of the investment properties held by the listed real estate investment trusts comprise of 94.6% of total investment properties.

The investment properties are stated at their fair values based on independent external valuations using the income capitalisation approach, which capitalise the estimated rental income stream, net projected operating costs, using a discount rate derived from market yield. Valuation of these properties was carried out once a year.

We focused on this area due to the magnitude of the balance and the complexities in determining the fair value of the investment properties, which involves significant judgement and estimation that could result in material misstatement.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

1. Valuation of investment properties (Continued)

Our response:

Ours and component auditors audit procedures included the following:

- assessed the competencies, objectivity and capabilities of the external valuer;
- checked the accuracy and relevance of the input data used in the valuations; and
- evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive, that is, those that have the most significant effect on the determination of the fair value of the investment properties, by comparing them to the information disclosed in the valuation reports.

2. Impairment assessment of goodwill

The risk

We refer to Note 3 and 18 to the Financial Statements respectively.

As at 30 June 2018, goodwill arising on consolidation amounted to RM5,805 million which represents 8.1% of the Group's total assets. The goodwill is primarily allocated to the multi utilities business in Singapore and water and sewerage business in the United Kingdom. The goodwill for these businesses comprise 87.9% of total goodwill.

The recoverable amounts of the cash generating units ("CGU") are determined based on value-in-use ("VIU") calculation. The key assumptions and sensitivities are disclosed in Note 18(a) and 18(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.

Our response:

Ours and component auditors audit procedures included the following:

- agreed the 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 for United Kingdom, and EBITDA growth rates for Singapore to the historical performance of the respective CGUs;
- checked the reasonableness of the discount rates and terminal growth rates with the assistance of valuation expert by benchmarking to the respective industries; and
- checked the sensitivity analysis performed by management over discount rates, terminal growth rates, and EBITDA growth rates, used in deriving the respective VIU cash flows.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

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 26.9% (RM7,566 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 FRS 16, Property, Plant and Equipment ("FRS 16").

Our response:

Ours and component auditors' audit procedures include the following:

- tested the operating effectiveness of the controls over authorisation of selected projects' infrastructure assets and identification of capital expenditures attributable to the infrastructure assets;
- understood the nature of costs incurred in relation to employee and overhead through discussion with management and checked whether the costs incurred met the capitalisation criteria in accordance with FRS 16; 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 corroborated with management.

4. Net realisable value of property held for sale in Singapore classified as inventories

The risk

We refer to Note 3 and 23 to the Financial Statements respectively.

As at 30 June 2018, the property held for sale in Singapore comprises 68.1% (RM1,932 million) (after the write-down) of the Group's total inventories. The challenging property market environment was mired by the issues such as cooling measures undertaken by the authorities in Singapore have contributed to the slow sale of the completed properties during the year. The Group continues to monitor the realisable value of the inventories to ensure that these inventories are stated at the lower of cost and net realisable value (the estimated selling price less estimated costs necessary to make the sale).

The estimates of net realisable values are based on reliable evidence available at the time the estimates are made and take into consideration estimated fluctuations of future property prices. Such estimates often involve certain degree of subjectivity and accordingly, we consider this area to be an area of audit focus.

The net realisable value assessment carried out by the management resulted in a write down of inventories for the year ended 30 June 2018.

Estimating the selling price and costs necessary to make the sale for the properties often involve certain degree of objectivity and accordingly, we consider this area to be an area of audit focus.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

4. Net realisable value of property held for sale in Singapore classified as inventories (Continued)

Our response:

Ours and component auditors' audit procedures include the following:

- assessed the competencies, objectivity and capabilities of the external valuer;
- evaluated the management's estimated selling price (less estimated cost necessary to make the sale) of these inventories by comparing to the recent transacted prices of similar completed property development units within the vicinity;
- discussed with the independent valuer to obtain an understanding of the related market data used as input to the valuation models;
- evaluated the assumptions applied in estimating cost to sell taking into consideration actual cost incurred in sale of properties and management's marketing strategies.

5. 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 8.3% (RM2,332 million) of the Group's property, plant and equipment as at 30 June 2018.

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

The impairment assessment was performed by management using value-in-use ("VIU") 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 VIU.

Our response:

Our audit procedures include the following:

- agreed the VIU cash flows of the cash generating unit ("CGU") to the financial budgets approved by the management;
- checked the assumptions used, in particular the discount rate, average revenue per unit, increase in subscribers and benchmarked against the comparable companies within the industry;
- 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 VIU.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

6. Provision for post-employment benefit obligations of the water and sewerage business

The risk

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

As at 30 June 2018, the water and sewerage business's post-employment benefit obligations comprise 98.0% (RM672 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(b) to the financial statements.

We focused on this area as the estimation of the present value of the post-employment benefit obligations is inherently uncertain and requires significant judgement on the future cash flows and the discount rate applied to the calculation of the present value.

Our response:

Ours and component auditors' audit procedures include the following:

- assessed the competencies, objectivity and capabilities of external actuary;
- obtained the external actuarial report and understood the key assumptions used in determining the post-employment benefit obligations;
- compared the key assumptions used by the actuary against external market data and a range of similar scheme with assistance of their actuarial specialist;
- 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 provision of the post-employment benefit obligations to changes in the assumptions.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 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 or 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 or 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 14 to the financial statements.

OTHER MATTERS

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

HLB Ler Lum
AF 0276
Chartered Accountants

Lum Tuck Cheong
01005/03/2019 J
Chartered Accountant

Dated : 27 September 2018
Kuala Lumpur

Income Statements

for the financial year ended 30 June 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue	4	**15,904,731**	14,728,681	**530,422**	803,424
Cost of sales	5	**(11,374,507)**	(10,579,754)	**-**	-
Gross profit		**4,530,224**	4,148,927	**530,422**	803,424
Other operating income		**275,872**	422,886	**1,910**	6,610
Selling and distribution costs		**(358,615)**	(341,916)	**-**	-
Administration expenses		**(1,363,894)**	(1,316,697)	**(64,384)**	(99,210)
Other operating expenses		**(464,593)**	(340,285)	**-**	-
Finance costs	6	**(1,640,005)**	(1,317,509)	**(174,320)**	(155,246)
Share of results of associated companies and joint ventures, net of tax		**400,745**	470,106	**-**	-
Profit before tax	7	**1,379,734**	1,725,512	**293,628**	555,578
Income tax expense	8	**(376,593)**	(283,462)	**(16,212)**	(22,461)
Profit for the year		**1,003,141**	1,442,050	**277,416**	533,117
Attributable to:-					
Owner of the parent		**362,217**	813,308	**277,416**	533,117
Non-controlling interests		**640,924**	628,742	**-**	-
		1,003,141	1,442,050	**277,416**	533,117
Earnings per share (sen)					
Basic/diluted EPS (sen)	9	**3.44**	7.74		
Dividend per ordinary shares (sen)	10	**5.00**	9.50		

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

Statements of Comprehensive Income

for the financial year ended 30 June 2018

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Profit for the year	**1,003,141**	1,442,050	**277,416**	533,117
Other comprehensive (loss)/income:				
Items that may not to be reclassified subsequently to income statement:				
- re-measurement of post-employment benefit obligations	**150,319**	(162,639)	**-**	-
Items that may be reclassified subsequently to income statement:				
- available-for-sale financial assets				
- fair value changes	**13,383**	4,346	**11,533**	1,035
- reclassification	**-**	-	**(753)**	(296)
- cash flow hedges	**317,664**	260,355	**-**	-
- foreign currency translation	**(1,406,171)**	1,149,586	**-**	-
Other comprehensive (loss)/income for the year, net of tax	**(924,805)**	1,251,648	**10,780**	739
Total comprehensive income for the year	**78,336**	2,693,698	**288,196**	533,856
Total comprehensive (loss)/income attributable to:-				
Owner of the parent	**(69,476)**	1,423,216	**288,196**	533,856
Non-controlling interests	**147,812**	1,270,482	**-**	-
	78,336	2,693,698	**288,196**	533,856

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

Statements of Financial Position

as at 30 June 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**28,085,524**	28,516,788	**4,006**	5,363
Investment properties	12	**10,003,889**	10,517,010	**-**	-
Development expenditures	13	**1,161,417**	1,060,293	**-**	-
Investment in subsidiaries	14	**-**	-	**8,172,710**	8,172,788
Investment in associated companies	15	**2,275,515**	2,401,951	**205,241**	205,241
Investment in joint ventures	16	**151,646**	78,432	**-**	-
Investments	17	**1,136,775**	845,165	**42,186**	31,565
Intangible assets	18	**5,986,886**	6,386,034	**-**	-
Biological assets	19	**1,798**	1,798	**-**	-
Trade and other receivables	20	**952,884**	953,544	**-**	-
Other non-current assets	21	**14,982**	34,895	**-**	-
Derivative financial instruments	22	**49,860**	13,629	**-**	-
		49,821,176	50,809,539	**8,424,143**	8,414,957
Current assets					
Inventories	23	**2,838,059**	799,825	**-**	-
Property development costs	24	**367,032**	2,475,214	**-**	-
Trade and other receivables	20	**3,456,646**	3,392,338	**11,693**	11,126
Other current assets	21	**299,683**	423,857	**366**	360
Derivative financial instruments	22	**198,405**	52,124	**-**	-
Income tax assets		**128,091**	80,116	**39,073**	39,119
Amounts due from related parties	26	**36,254**	87,497	**1,180,987**	1,147,171
Investments	17	**2,650,117**	3,241,812	**766,448**	738,801
Fixed deposits	27	**10,619,683**	12,145,557	**511,616**	853,092
Cash and bank balances	27	**1,014,971**	1,174,691	**3,502**	2,329
		21,608,941	23,873,031	**2,513,685**	2,791,998
TOTAL ASSETS		**71,430,117**	74,682,570	**10,937,828**	11,206,955

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

Statements of Financial Position

as at 30 June 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	28	**3,340,111**	3,340,111	**3,340,111**	3,340,111
Other reserves	29	**1,009,646**	1,523,559	**61,436**	46,900
Retained earnings		**10,123,292**	10,606,817	**3,742,991**	4,325,927
Treasury shares, at cost	28(a)	**(337,142)**	(596,577)	**(337,142)**	(596,577)
		14,135,907	14,873,910	**6,807,396**	7,116,361
Non-controlling interest		**7,540,331**	8,051,734	**-**	-
Total Equity		**21,676,238**	22,925,644	**6,807,396**	7,116,361
Non-current liabilities					
Long term payables	30	**908,127**	932,394	**-**	-
Bonds	31	**17,512,946**	19,966,528	**2,000,000**	2,500,000
Borrowings	32	**18,035,360**	14,166,295	**200,172**	978
Grants and contributions	33	**548,493**	547,775	**-**	-
Deferred tax liabilities	34	**2,073,201**	2,068,379	**113**	113
Post-employment benefit obligations	35	**685,509**	1,115,512	**-**	-
Provision for liabilities and charges	36	**7,077**	7,077	**-**	-
Derivative financial instruments	22	**34,308**	44,008	**-**	-
		39,805,021	38,847,968	**2,200,285**	2,501,091
Current liabilities					
Trade and other payables	37	**3,187,256**	3,304,385	**34,989**	19,373
Other current liabilities	38	**124,135**	72,078	**-**	-
Derivative financial instruments	22	**19,817**	128,772	**-**	-
Amounts due to related parties	26	**9,105**	8,486	**127,224**	101,593
Bonds	31	**2,708,701**	-	**500,000**	-
Borrowings	32	**3,529,505**	8,996,806	**1,267,661**	1,468,056
Provision for liabilities and charges	36	**179,259**	181,272	**-**	-
Post-employment benefit obligations	35	**4,677**	6,685	**273**	481
Income tax liabilities		**186,403**	210,474	**-**	-
		9,948,858	12,908,958	**1,930,147**	1,589,503
TOTAL LIABILITIES		**49,753,879**	51,756,926	**4,130,432**	4,090,594
TOTAL EQUITY AND LIABILITIES		**71,430,117**	74,682,570	**10,937,828**	11,206,955

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 2018

	Attributable to Owners of the Parent						
	Non-distributable		Distributable				
Group - 2018	**Share capital (Note 28) RM'000**	**Other reserves (Note 29(b)) RM'000**	**Retained earnings RM'000**	**Treasury shares (Note 28(a)) RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 July 2017	3,340,111	1,523,559	10,606,817	(596,577)	14,873,910	8,051,734	22,925,644
Profit for the year	-	-	362,217	-	362,217	640,924	1,003,141
Other comprehensive (loss)/ income for the year	-	(512,911)	81,218	-	(431,693)	(493,112)	(924,805)
Total comprehensive (loss)/ income for the year	-	(512,911)	443,435	-	(69,476)	147,812	78,336
Transactions with owners							
Changes in composition of the Group	-	(365)	(67,308)	-	(67,673)	(57,537)	(125,210)
Dividends paid	-	-	(526,761)	-	(526,761)	(601,678)	(1,128,439)
Share dividend	-	-	(334,881)	334,881	-	-	-
Share option expenses	-	5,916	-	-	5,916	-	5,916
Share option lapsed	-	(1,290)	1,290	-	-	-	-
Subsidiary's share option lapsed	-	(378)	700	-	(322)	-	(322)
Share of reserve of a joint venture	-	(4,885)	-	-	(4,885)	-	(4,885)
Treasury shares	-	-	-	(75,446)	(75,446)	-	(75,446)
At 30 June 2018	3,340,111	1,009,646	10,123,292	(337,142)	14,135,907	7,540,331	21,676,238

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 2018

	Attributable to Owners of the Parent							
	Non-distributable			Distributable				
Group - 2017	Share capital (Note 28) RM'000	Share premium (Note 29(a)) RM'000	Other reserves (Note 29(b)) RM'000	Retained earnings RM'000	Treasury shares (Note 28(a)) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2016	1,079,399	2,069,188	827,630	11,223,837	(596,575)	14,603,479	7,408,598	22,012,077
Profit for the year	-	-	-	813,308	-	813,308	628,742	1,442,050
Other comprehensive income/ (loss) for the year	-	-	697,000	(87,092)	-	609,908	641,740	1,251,648
Total comprehensive income for the year	-	-	697,000	726,216	-	1,423,216	1,270,482	2,693,698
Transactions with owners								
Changes in composition of the Group	-	-	-	(344,424)	-	(344,424)	147,324	(197,100)
Dividends paid	-	-	-	(1,000,031)	-	(1,000,031)	(774,670)	(1,774,701)
Issue of share capital	11,657	179,867	-	-	-	191,524	-	191,524
Share option lapsed	-	-	(900)	900	-	-	-	-
Subsidiary's share option lapsed	-	-	(171)	319	-	148	-	148
Transition to no par value regime	2,249,055	(2,249,055)	-	-	-	-	-	-
Treasury shares	-	-	-	-	(2)	(2)	-	(2)
At 30 June 2017	3,340,111	-	1,523,559	10,606,817	(596,577)	14,873,910	8,051,734	22,925,644

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

	Attributable to Owners of the Parent				
	Non-distributable		Distributable		
Company - 2018	Share capital (Note 28) RM'000	Other reserves (Note 29(b)) RM'000	Retained earnings RM'000	Treasury shares (Note 28(a)) RM'000	Total RM'000
At 1 July 2017	3,340,111	46,900	4,325,927	(596,577)	7,116,361
Profit for the year	-	-	277,416	-	277,416
Other comprehensive income	-	10,780	-	-	10,780
Total comprehensive income	-	10,780	277,416	-	288,196
Transactions with owners					
Dividends paid	-	-	(526,761)	-	(526,761)
Share dividend	-	-	(334,881)	334,881	-
Share option expenses	-	5,046	-	-	5,046
Share option lapsed	-	(1,290)	1,290	-	-
Treasury shares	-	-	-	(75,446)	(75,446)
At 30 June 2018	3,340,111	61,436	3,742,991	(337,142)	6,807,396

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 2018

	Attributable to Owners of the Parent					
	Non-distributable			Distributable		
Company - 2017	Share capital (Note 28) RM'000	Share premium (Note 29(a)) RM'000	Other reserves (Note 29(b)) RM'000	Retained earnings RM'000	Treasury shares (Note 28(a)) RM'000	Total RM'000
At 1 July 2016	1,079,399	2,069,188	47,061	4,791,941	(596,575)	7,391,014
Profit for the year	–	–	–	533,117	–	533,117
Other comprehensive income	–	–	739	–	–	739
Total comprehensive income	–	–	739	533,117	–	533,856
Transactions with owners						
Issue of share capital	11,657	179,867	–	–	–	191,524
Dividends paid	–	–	–	(1,000,031)	–	(1,000,031)
Share option lapsed	–	–	(900)	900	–	–
Transition to no par value regime	2,249,055	(2,249,055)	–	–	–	–
Treasury shares	–	–	–	–	(2)	(2)
At 30 June 2017	3,340,111	–	46,900	4,325,927	(596,577)	7,116,361

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 2018

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
Profit before tax	**1,379,734**	1,725,512	**293,628**	555,578
Adjustments for:				
Adjustment on fair value of investment properties	**42,770**	30,891	**-**	-
Amortisation of deferred income	**(9,678)**	(8,846)	**-**	-
Amortisation of grants and contributions	**(20,100)**	(14,774)	**-**	-
Amortisation of intangible assets	**48,635**	87,028	**-**	-
Bad debts recovered	**(1,204)**	(31)	**-**	-
Bad debts written off	**5,052**	8,205	**-**	-
Depreciation of property, plant and equipment	**1,537,784**	1,478,819	**1,435**	1,283
Dividend income	**(36,766)**	(47,320)	**(460,997)**	(732,141)
Fair value changes of derivatives	**5,181**	(4,394)	**-**	-
Fair value changes of investments	**27,382**	(264)	**-**	-
Gain on disposal of investments	**(584)**	(34,429)	**(580)**	(583)
Gain on disposal of investment properties	**(3,484)**	(2,578)	**-**	-
Gain on disposal of property, plant and equipment	**(20,613)**	(18,338)	**-**	(13)
Impairment losses	**36,949**	124,205	**958**	31,565
Interest expense	**1,640,005**	1,317,509	**174,320**	155,246
Interest income	**(320,253)**	(263,524)	**(69,141)**	(71,017)
Inventories written down - net	**119,299**	3,875	**-**	-
Investment written off	**-**	5	**-**	-
Loss on disposal of investment in subsidiary	**-**	-	**78**	-
Negative goodwill	**-**	(14,430)	**-**	-
Property, plant and equipment written off	**92,891**	37,431	**-**	-
Provision for post-employment benefit	**(124,495)**	71,990	**-**	-
Provision for liabilities and charges	**5,582**	6,470	**-**	-
Share option expenses	**6,658**	-	**1,935**	-
Share of results of associated companies and joint ventures	**(400,745)**	(470,106)	**-**	-
Unrealised (loss)/gain on foreign exchange - net	**(744)**	17,493	**-**	-
Operating profit/(loss) before changes in working capital	**4,009,256**	4,030,399	**(58,364)**	(60,082)

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 2018

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Changes in working capital:				
Inventories	**(53,425)**	(23,610)	**-**	-
Property development costs	**(111,166)**	(53,375)	**-**	-
Receivables	**(269,753)**	(643,592)	**3,758**	7,919
Other assets	**153,443**	(49,929)	**-**	-
Other liabilities	**44,202**	(6,895)	**-**	-
Payables	**(297,735)**	100,443	**(2,127)**	(8,685)
Related parties balances	**51,863**	(25,958)	**(5,075)**	(105,739)
Cash flow generated from/(used in) operations	**3,526,685**	3,327,483	**(61,808)**	(166,587)
Dividends received	**446,466**	448,322	**460,997**	732,141
Interest paid	**(1,488,448)**	(1,285,489)	**(156,785)**	(139,532)
Interest received	**318,510**	261,850	**64,812**	66,692
Payment to post-employment benefit obligations	**(108,103)**	(89,207)	**-**	-
Income tax paid	**(425,732)**	(419,331)	**(16,310)**	(20,329)
Income tax refunded	**5,478**	760	**144**	-
Net cash flow from operating activities	**2,274,856**	2,244,388	**291,050**	472,385
Cash flows from investing activities				
Acquisition of additional shares in existing subsidiaries	**(27,838)**	(201,416)	**-**	(201,413)
Acquisition of new subsidiaries (net of cash acquired)	**(91,156)**	15,762	**-**	-
Additional investment in associated companies and joint venture	**(79,336)**	(21,412)	**-**	-
Development expenditure incurred	**(163,077)**	(240,268)	**-**	-
Grants received in respect of infrastructure assets	**50,593**	54,570	**-**	-
Maturities/(placements) of income funds	**385,045**	(3,014,105)	**-**	-
Proceeds from disposal of investment properties	**18,849**	15,656	**-**	-
Proceeds from disposal of property, plant and equipment	**34,685**	42,578	**-**	22
Proceeds from disposal of land/property	**43,639**	-	**-**	-
Proceeds from disposal of investments	**2,969**	44,934	**2,965**	2,519
Purchase of intangible assets	**(23,705)**	(54,445)	**-**	-
Purchase of investment properties	**(86,213)**	(90,807)	**-**	-
Purchase of property, plant and equipment	**(2,073,482)**	(1,976,453)	**(78)**	(419)
Purchase of investments	**(101,360)**	(39,379)	**(30,832)**	(34,090)
Shareholder loans	**(69,683)**	(686,251)	**-**	-
Net cash flow used in investing activities	**(2,180,070)**	(6,151,036)	**(27,945)**	(233,381)

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

	Group		Company	
	2018 RM'000	2017 RM'000	**2018 RM'000**	2017 RM'000
Cash flows from financing activities				
Dividends paid	**(526,761)**	(1,000,031)	**(526,761)**	(1,000,031)
Dividends paid to non-controlling interests by subsidiaries	**(601,678)**	(774,670)	**-**	-
Repurchase of own shares by the company (at net)	**(75,446)**	(2)	**(75,446)**	(2)
Repurchase of subsidiaries' shares by subsidiaries	**(86,031)**	(2)	**-**	-
Proceeds from bonds	**-**	3,500,000	**-**	1,000,000
Proceeds from borrowings	**9,224,800**	2,156,146	**200,000**	-
Proceeds from issue of shares in subsidiaries to non-controlling interests	**17,224**	257,010	**-**	-
Repayment of borrowings	**(8,966,953)**	(1,082,151)	**(201,201)**	(1,135)
Repayment of loans owing to former shareholder	**(192,996)**	-	**-**	-
Upfront fees and discounts on borrowings	**-**	(31,218)	**-**	-
Net cash flow (used in)/from financing activities	**(1,207,841)**	3,025,082	**(603,408)**	(1,168)
Net (decrease)/increase in cash and cash equivalents	**(1,113,055)**	(881,566)	**(340,303)**	237,836
Effects of exchange rate changes	**(602,140)**	518,974	**-**	-
Cash and cash equivalents at beginning of year	**13,316,838**	13,679,430	**855,421**	617,585
Cash and cash equivalents at end of year (Note 27)	**11,601,643**	13,316,838	**515,118**	855,421

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 2018

NOTE TO THE STATEMENTS OF CASH FLOWS

Analysis of acquisition of property, plant and equipment:-

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Cash	**2,073,482**	1,976,453	**78**	419
Finance lease arrangement	**484**	5,985	**-**	1,943
Interest expense paid/payable	**13,803**	9,098	**-**	-
Transfer from prepayments	**-**	63,056	**-**	-
Payables	**31,392**	48,949	**-**	-
	2,119,161	2,103,541	**78**	2,362

Reconciliation of liabilities arising from financing activities:-

	Group	Company
	2018 RM'000	**2018 RM'000**
At 1 July 2017	**43,129,629**	**3,969,034**
Other changes of borrowings		
Proceeds from borrowings	**9,224,800**	**200,000**
Repayment from borrowings	**(8,966,953)**	**(201,201)**
Changes from financing cash flow		
Amortisation of issuance cost/unwinding of premium	**123,645**	**-**
Bank overdrafts	**30,848**	**-**
Finance leases	**484**	**-**
Foreign exchange movement	**(1,755,941)**	**-**
At 30 June 2018	**41,786,512**	**3,967,833**

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

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 14 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:-

11th Floor, Yeoh Tiong Lay Plaza
55 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 Financial Reporting Standards ("FRS") and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with the FRS 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 2017, the Group and the Company have adopted the following FRSs, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 July 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies (Continued)

Description	Effective for annual periods beginning on or after
Amendments to FRS 12 (Annual Improvements to FRS Standards 2014-2016 Cycle)	1 January 2017
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

Adoption of the above new and amendments to FRSs did not have any effect on the financial position and policy of the Group and the Company except for the following:

FRS 107 Disclosures Initiatives (Amendments to FRS 107)

The amendments requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceding periods. Apart from the additional disclosures in statements of cash flows, the application of these amendments has had no impact on the financial statements of the Group and the Company.

FRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to FRS 112)

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The Group applied amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

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

(c) Malaysian Financial Reporting Standards ("MFRS") Framework

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group and the Company falls within the scope of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 June 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Malaysian Financial Reporting Standards ("MFRS") Framework (Continued)

In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The consolidated financial statements for the financial years ended 30 June 2017 and 2018 are expected to be different if prepared under the MFRS Framework.

The Group and the Company considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2019.

The Group and the Company are in the process of assessing the financial effects of the differences between the accounting standards under Financial Reporting Standards and under the MFRS Framework. Based on preliminary assessment, the initial application of the above are expected to have no significant impact on the financial statements of the Group and the Company in the period of initial application except for the following:

MFRS 9: Financial Instruments: Recognition and Measurement

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than in the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and the Company have reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 July 2018:

- The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group has confirmed that its current hedge relationships will qualify as continuing hedges upon the adoption of MFRS 9.
- On the ECL impact, the Group and the Company is carrying out internal verification of the calculations performed based on MFRS 9 requirements and expects reliable quantitative effects to be available upon completion of the verification process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Malaysian Financial Reporting Standards ("MFRS") Framework (Continued)

MFRS 9: Financial Instruments: Recognition and Measurement (Continued)

- The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's and the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

The Group will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standards. Comparatives for financial year ended 30 June 2018 will not be restated. MFRS 9 is to be applied retrospectively but comparatives are not required to be restated.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A new five-step process must be applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price of each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Malaysian Financial Reporting Standards ("MFRS") Framework (Continued)

MFRS 15 Revenue from Contracts with Customers (Continued)

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

The Group intends to adopt the standard using the full retrospective approach, requiring the restatement of comparative period presented in the financial statements.

MFRS 16: Leases

MFRS 16 was issued in 16 April 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RM900 million, see Note 42(b) of the financial statements. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under MFRS 16.

The standard is effective for annual periods beginning on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

(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) Sale of goods and rendering of services

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (Continued)

(ii) Sale of electricity

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

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

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

(iv) Sale of fuel oil

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

(v) Sale of steam

Revenue is recognised upon delivery of steam.

(vi) Property development projects

Revenue from property development projects is accounted for by the stage of completion method as described in Note 2(x) to the financial statements.

(vii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2(u) to the financial statements.

(viii) Interest income

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

(ix) Dividend income

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

(x) Rental income

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

(xi) Hotel operations

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (Continued)

(xii) Broadband and telecommunications revenue

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

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

(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.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the industries in which it operates.

These benefit plans are either defined contribution or defined benefit plans.

(a) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's and the Company's contributions to a defined contribution plan are charged to the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee benefits (Continued)

(ii) Post-employment benefits (Continued)

(b) Defined benefit plan (Continued)

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 Statement.

(iii) Share-based compensation

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 FRS 116 'Property, Plant and Equipment', the valuation of these properties, plant and equipment have not been updated and they continue to be stated at their previously revalued amounts less depreciation and impairment losses.

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

Freehold land and freehold oil palm plantation are not amortised.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment, and depreciation (Continued)

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

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

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

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

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

(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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Development expenditure

(i) Land held for property development

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

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

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

(ii) Project development expenditure

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of non-financial assets (Continued)

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

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

(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;
- The Group's voting rights and potential voting rights.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Basis of consolidation (Continued)

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.

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

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

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the statements of financial position. The accounting policy for goodwill is set out in Note 2(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 interest

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Investment in subsidiaries

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

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

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

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Investment in associated companies (Continued)

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Intangible assets (Continued)

(ii) Goodwill

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

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

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

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

(iii) Others

(a) Customer acquisition costs and customer lists

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

(b) Quarry rights

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

(c) Emission rights

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Biological assets

Plantation development expenditure

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

(s) Financial assets

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Financial assets (Continued)

(ii) Loans and receivables

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

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

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

(iii) Available-for-sale financial assets

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Impairment of financial assets

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

(i) Assets carried at amortised cost

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

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

(ii) Available-for-sale financial assets

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

(u) Construction contracts

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Derivatives financial instruments and hedging activities

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

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

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

(iii) Embedded derivatives in exchangeable bonds

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

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 22. Movements on the hedging reserve in other comprehensive income are shown in Note 29. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

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

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

(ii) Cash flow hedge

The 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 within 'other gains/(losses) – net'.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Cash flow hedge (Continued)

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

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

(iii) Embedded derivatives in exchangeable bonds

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

(w) 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 Statement 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Inventories (Continued)

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

(x) Property development costs

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

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

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

(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 recognised in equity in the period in which they are declared.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

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

(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.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ae) Lessee

(i) Finance leases – the Group as lessee

Leases of property, plant and equipment where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Operating leases – the Group as lessee

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(iii) Operating leases – the Group as lessor

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

(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 and the Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's and the Company's current best estimate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ah) Financial liabilities

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

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

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

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

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

(ii) Other financial liabilities

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 RM as follows:

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

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

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

(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 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 (CONTINUED)

(ak) Financial guarantee (Continued)

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

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

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

(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) Fair value estimates for investment properties

The Group carry 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 use different valuation methodologies. Any changes in fair value of these investment properties would affect income statement.

(b) Estimated assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash generating units have been determined based on either value-in-use or fair value less costs to sell calculations. These calculations require the use of estimates as set out in Note 18 to the financial statements.

(c) 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.

(d) 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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) 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.

(f) 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.

(g) Assessment on allowance for impairment of trade receivables of water and sewerage

At each reporting date, the Group assess whether there is objective evidence that trade receivables of the Group have been impaired. Impairment loss is calculated based on historical cash collection trends and economic trends, which are subjective in nature. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(h) Consolidation of entities in which the group holds less than 50%

Management considers that the Group has de facto control of Starhill Global REIT even though it has less than 50% of the voting rights. The Group is the majority shareholder of Starhill Global REIT with a 36.46% (2017: 36.46%) equity interest, while all other shareholders individually own less than 5% of its equity shares except a shareholder holds 7.58% (2017: 7.58%.) There is no history of other shareholders forming a group to exercise their votes collectively.

(i) Construction contracts

The Group uses the percentage-of-completion method in accounting for its contract revenue where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making the judgement, the Group has relied on past experience and the work of specialists.

(j) Property development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

4. REVENUE

	Group		Company	
	2018 RM'000	2017 RM'000	**2018 RM'000**	2017 RM'000
Sale of electricity	**5,789,116**	5,075,843	**-**	-
Sale of clean water, treatment and disposal of waste water	**3,357,722**	3,104,838	**-**	-
Sale of goods	**2,838,687**	2,565,823	**-**	-
Hotel operations	**1,120,354**	927,251	**-**	-
Broadband and telecommunications revenue	**775,750**	815,867	**-**	-
Rental income				
– investment properties	**645,085**	676,607	**-**	-
– other properties	**1,945**	3,998	**-**	-
Rendering of services	**183,667**	227,412	**284**	266
Property development projects	**99,087**	526,440	**-**	-
Sale of fuel oil	**6,020**	278,789	**-**	-
Sale of land held for property development	**230,385**	-	**-**	-
Sale of steam	**190,120**	150,864	**-**	-
Construction contracts revenue	**386,466**	144,609	**-**	-
Interest income	**244,238**	183,835	**69,141**	71,017
Dividends income	**36,089**	46,505	**460,997**	732,141
	15,904,731	14,728,681	**530,422**	803,424

5. COST OF SALES

Included in cost of sales are the following:-

	Group	
	2018 RM'000	**2017 RM'000**
Cost of inventories	**1,568,438**	1,789,201
Construction contracts costs	**331,472**	52,710
Energy costs	**5,522,534**	4,824,716
Property development costs	**33,409**	342,404

6. FINANCE COSTS

		Group		Company	
	Note	**2018 RM'000**	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Interest expense					
– Bonds		**939,065**	731,691	**115,040**	97,112
– Borrowings		**706,056**	619,328	**59,280**	58,134
– Post-employment benefits obligations		**27,987**	25,621	**-**	-
		1,673,108	1,376,640	**174,320**	155,246
Less : Amount capitalised in					
– Property development costs	24	**(10,344)**	(46,377)	**-**	-
– Property, plant and equipments	11	**(22,759)**	(12,754)	**-**	-
Interest expense of financial liabilities carried at amortised cost		**1,640,005**	1,317,509	**174,320**	155,246

7. PROFIT BEFORE TAX

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before tax is stated after charging (other than those disclosed in Note 5 & 6 to the Financial Statements):-					
Amortisation of intangible assets	18	**48,635**	87,028	**-**	-
Auditors' remuneration					
- statutory audit					
- current financial year		**9,780**	10,029	**240**	238
- under/(over) provision in prior financial year		**28**	(18)	**-**	-
- others		**1,777**	993	**-**	14
Bad debts written off					
- receivables		**5,052**	8,205	**-**	-
Depreciation of property, plant and equipment	11	**1,537,784**	1,478,819	**1,435**	1,283
Directors' remuneration					
- emoluments		**91,990**	88,203	**1,419**	49
- fees		**2,917**	2,540	**685**	720
- benefits in kind		**606**	538	**-**	-
Hiring of plant and machinery		**11,221**	12,769	**-**	-
Impairment losses on					
- amount due from subsidiaries		**-**	-	**-**	4,625
- development expenditure	13	**6,249**	382	**-**	-
- goodwill	18	**960**	13,557	**-**	-
- receivables - net of reversal	20	**73,687**	67,216	**-**	-
- investments	17	**1,907**	6,792	**958**	319
- investment in subsidiaries		**-**	-	**-**	26,621
- investment in associates		**428**	31,393	**-**	-
- investment in joint venture	16	**3,388**	-	**-**	-
- property, plant and equipment	11	**5,582**	4,865	**-**	-
Investment written off		**-**	5	**-**	-
Inventories written down		**119,299**	3,875	**-**	-
Loss on disposal of investment in Subsidiary		**-**	-	**78**	-
Loss on foreign exchange - net					
- realised		**12,893**	18,321	**2,622**	-
- unrealised		**120,725**	96,692	**-**	-
Property, plant and equipment written off	11	**92,891**	37,431	**-**	-
Provision for liabilities and charges	36	**5,582**	6,470	**-**	-
Rental of land and buildings		**180,419**	166,166	**957**	1,015

7. PROFIT BEFORE TAX (CONTINUED)

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
And crediting (other than those disclosed in Note 4 to the Financial Statements):-					
Adjustment on fair value of investment properties	12	**(42,770)**	(30,891)	**-**	-
Amortisation of deferred income		**9,678**	8,846	**-**	-
Amortisation of grants and contributions	33	**20,100**	14,774	**-**	-
Bad debts recovered		**1,204**	31	**-**	-
Gain on disposal of					
- investments - net		**584**	34,429	**580**	583
- investment properties		**3,484**	2,578	**-**	-
- property, plant and equipment		**20,613**	18,338	**-**	13
Gain on foreign exchange - net					
- realised		**19,397**	15,210	**-**	1,630
- unrealised		**121,469**	79,199	**-**	-
Gross dividend from quoted investments within Malaysia		**677**	815	**-**	-
Hiring income from plant, machinery and equipment		**32,932**	25,460	**-**	-
Interest income		**76,015**	79,689	**-**	-
Liquidated assets damages income		**9,111**	90,005	**-**	-
Negative goodwill		**-**	14,430	**-**	-
Net fair value (loss)/gain on derivatives		**(5,181)**	4,394	**-**	-
Net fair value (loss)/gain on investments		**(27,382)**	264	**-**	-
Rental income					
- other properties		**22,591**	22,904	**-**	-
Write back of impairment loss on					
- property, plant and equipment	11	**55,252**	-	**-**	-

Direct operating expenses from investment properties in respect of income and non-income generating properties of the Group during the financial year amounted to RM116,755,000 (2017: RM124,240,000) and RM82,000 (2017: RM81,000), respectively.

7. PROFIT BEFORE TAX (CONTINUED)

DIRECTORS' REMUNERATION

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

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group - 2018					
Executive Directors	**2,177**	**48,654**	**32,082**	**11,769**	**94,682**
Non-Executive Directors	**740**	**-**	**-**	**91**	**831**
Company - 2018					
Executive Directors	**415**	**-**	**-**	**1,381**	**1,796**
Non-Executive Directors	**270**	**-**	**-**	**38**	**308**
Group - 2017					
Executive Directors	1,780	47,814	31,218	9,587	90,399
Non-Executive Directors	760	-	-	122	882
Company - 2017					
Executive Directors	450	-	-	-	450
Non-Executive Directors	270	-	-	49	319

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Defined contribution plan	**8,839**	8,869	**-**	-
Share option expenses	**2,308**	-	**1,381**	-
	11,147	8,869	**1,381**	-

7. PROFIT BEFORE TAX (CONTINUED)

DIRECTORS' REMUNERATION (CONTINUED)

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2018, 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 - 2018								
Executive Directors								
The late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	42	-	-	-	-	-	27	69
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	594	14,200	7,430	2,080	325	1	178	24,808
Dato' Yeoh Seok Kian	431	6,965	4,563	1,283	325	4	103	13,674
Dato' Yeoh Soo Min	100	5,369	3,761	1,045	325	1	60	10,661
Dato' Yeoh Seok Hong	190	5,686	3,992	1,118	325	1	36	11,348
Dato' Sri Michael Yeoh Sock Siong	240	5,837	3,816	1,097	325	3	56	11,374
Dato' Yeoh Soo Keng	190	4,848	4,848	1,163	325	2	58	11,434
Dato' Mark Yeoh Seok Kah	240	5,101	3,552	995	325	3	13	10,229
Syed Abdullah Bin Syed Abd. Kadir	150	648	120	58	33	1	75	1,085
Non-Executive Directors								
Eu Peng Meng @ Leslie Eu	180	-	-	-	-	21	-	201
Dato' Chong Keap Thai @ Cheong Keap Tai	200	-	-	-	-	30	-	230
Dato' Ahmad Fuaad Bin Mohd Dahalan	240	-	-	-	-	21	-	261
Faiz Bin Ishak	120	-	-	-	-	19	-	139
	2,917	48,654	32,082	8,839	2,308	107	606	95,513

7. PROFIT BEFORE TAX (CONTINUED)

DIRECTORS' REMUNERATION (CONTINUED)

	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 - 2018								
Executive Directors								
The late Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	15	-	-	-	-	-	-	15
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	50	-	-	-	195	-	-	245
Dato' Yeoh Seok Kian	50	-	-	-	195	-	-	245
Dato' Yeoh Soo Min	50	-	-	-	195	-	-	245
Dato' Yeoh Seok Hong	50	-	-	-	195	-	-	245
Dato' Sri Michael Yeoh Sock Siong	50	-	-	-	194	-	-	244
Dato' Yeoh Soo Keng	50	-	-	-	194	-	-	244
Dato' Mark Yeoh Seok Kah	50	-	-	-	194	-	-	244
Syed Abdullah Bin Syed Abd. Kadir	50	-	-	-	19	-	-	69
Non-Executive Directors								
Eu Peng Meng @ Leslie Eu	70	-	-	-	-	-	6	76
Dato' Chong Keap Thai @ Cheong Keap Tai	70	-	-	-	-	-	13	83
Dato' Ahmad Fuaad Bin Mohd Dahalan	70	-	-	-	-	-	11	81
Faiz Bin Ishak	60	-	-	-	-	-	8	68
	685	-	-	-	1,381	-	38	2,104

7. PROFIT BEFORE TAX (CONTINUED)

EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Employees compensation (excluding Directors' remuneration)				
Wages, salaries and bonus	**1,149,381**	1,104,579	**18,392**	18,345
Defined contribution plan	**106,439**	88,370	**2,178**	2,189
Defined benefit plan	**(124,495)**	71,990	**-**	-
Share option expenses	**3,608**	-	**554**	-
Other benefits	**33,112**	22,937	**1,452**	1,329
	1,168,045	1,287,876	**22,576**	21,863

8. INCOME TAX EXPENSE

	Note	Group		Company	
		2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Current income tax					
– Malaysian income tax		**146,097**	140,302	**16,212**	22,534
– Foreign income tax		**215,189**	266,428	**-**	-
Deferred tax	34	**15,307**	(123,268)	**-**	(73)
		376,593	283,462	**16,212**	22,461
Current income tax					
– Current financial year		**390,496**	415,587	**18,393**	19,825
– (Over)/Under provision in prior financial years		**(29,210)**	(8,857)	**(2,181)**	2,709
Deferred tax					
– Relating to origination and reversal of temporary differences		**15,307**	(123,268)	**-**	(73)
		376,593	283,462	**16,212**	22,461

8. INCOME TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit before tax	**1,379,734**	1,725,512	**293,628**	555,578
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	**331,136**	414,123	**70,471**	133,339
Non-deductible expenses	**499,402**	269,189	**49,952**	53,537
Income not subject to tax	**(280,146)**	(154,017)	**(102,030)**	(167,124)
Different tax rates in other countries including re-measuring of deferred tax*	**(38,583)**	(140,774)	**-**	-
Double deductible expenses	**(457)**	(1,074)	**-**	-
(Over)/under provision in prior years	**(29,210)**	(8,857)	**(2,181)**	2,709
Tax effect on share of profits of associated companies and joint ventures	**(96,179)**	(112,826)	**-**	-
Tax effect of over provision of deferred tax	**(40)**	(2,216)	**-**	-
Tax effect of unrecognised deferred tax assets^	**(4,437)**	39,396	**-**	-
Utilisation of reinvestment allowances	**(4,893)**	(19,482)	-	-
Income tax expense recognised in profit or loss	**376,593**	283,462	**16,212**	22,461

* The re-measurement of deferred tax in previous financial year of RM75.5 million was due to a reduction in the United Kingdom corporation tax rate from 18% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This reduction will reduce the subsidiary's future current tax charge accordingly. The deferred tax liability at 30 June 2017 has been calculated based on the rate of 17% substantively enacted at the financial year ended 30 June 2017. No further changes in the UK Corporation Tax rate were announced or substantively enacted in the year to 30 June 2018.

^ A subsidiary of the Group was granted pioneer status for a period of 10 years commencing November 2010. The tax effects of temporary differences not recognised as shown below in respect of this subsidiary, is expected to be reversed during the pioneer period.

9. 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	
	2018	**2017**
Profit for the financial year attributable to owners of the parent (RM'000)	**362,217**	813,308
Weighted average number of ordinary shares in issue for basic EPS ('000)	**10,529,529**	10,513,117
Basic/diluted EPS (sen)	**3.44**	7.74

125,895,000 (2017: 129,580,000) 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			
	2018		**2017**	
	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 2017:				
– Interim single tier dividend of 5 sen per ordinary share paid on 10 November 2017	**5.0**	**526,761**	–	–
Dividend paid in respect of financial year ended 30 June 2016:				
– Interim single tier dividend of 9.5 sen per ordinary share of 10 sen each paid on 15 November 2016	**-**	**-**	9.5	1,000,031
Dividend recognised as distribution to ordinary equity holders of the Company	**5.0**	**526,761**	9.5	1,000,031

10. DIVIDENDS (CONTINUED)

Subsequent to the financial year ended 30 June 2018, the Directors of the Company had on 29 August 2018 declared an interim single tier dividend 4 sen per ordinary share, with the total amounting to approximately RM427,109,000 computed based on the total issued and paid-up share capital of 10,677,727,611 ordinary shares of the Company, excluding treasury shares, in respect of the financial year ended 30 June 2018. The financial statements for the current financial year do not reflect these dividends. The dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ending 30 June 2019.

The Directors do not propose any final dividend in respect of the financial year ended 30 June 2018.

Distribution of treasury shares ("Share Dividend")

On 9 November 2017, a total of 210,696,721 treasury shares amounting to RM334,881,000 were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held on 26 October 2017.

11. PROPERTY, PLANT AND EQUIPMENT

Group - 2018	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
Cost/Valuation									
At 1.7.2017		10,320,196	8,216,955	19,451,173	1,624,051	630,977	2,665,019	1,743,343	44,651,714
Acquisition of subsidiaries		250,323	-	1,839	16,247	-	-	-	268,409
Additions		81,936	92,646	271,850	171,953	24,237	7,670	1,468,869	2,119,161
Disposal		(498)	-	(21,439)	(2,830)	(30,077)	(5)	(330)	(55,179)
Written off		(41,451)	(10,207)	(161,378)	(9,557)	(545)	(13,218)	(46,830)	(283,186)
Impairment loss	7	(5,582)	-	-	-	-	-	-	(5,582)
Transfer on commissioning		29,127	370,277	241,244	224,173	4,278	130,430	(999,529)	-
Currency translation differences		(401,166)	(443,202)	(712,595)	(91,680)	(8,810)	-	(93,071)	(1,750,524)
At 30.6.2018		10,232,885	8,226,469	19,070,694	1,932,357	620,060	2,789,896	2,072,452	44,944,813
Accumulated depreciation and impairment									
At 1.7.2017		2,942,872	602,135	10,635,309	834,380	411,617	665,287	43,326	16,134,926
Charge for the financial year		213,717	68,044	927,447	96,684	57,866	181,678	-	1,545,436
Disposal		(344)	-	(12,220)	(2,392)	(26,151)	-	-	(41,107)
Written off		(25,624)	-	(155,215)	(8,254)	(167)	(1,035)	-	(190,295)
Reversal of impairment	7	-	-	-	(370)	(23)	(11,533)	(43,326)	(55,252)
Transfer on commissioning		(8,095)	-	8,783	(589)	(99)	-	-	-
Currency translation differences		(104,390)	(32,731)	(352,006)	(40,047)	(5,245)	-	-	(534,419)
At 30.6.2018		3,018,136	637,448	11,052,098	879,412	437,798	834,397	-	16,859,289
Net book value									
At 30.6.2018		7,214,749	7,589,021	8,018,596	1,052,945	182,262	1,955,499	2,072,452	28,085,524

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group - 2017	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
Cost/Valuation									
At 1.7.2016		9,565,111	7,510,806	18,311,508	1,508,319	627,288	2,241,281	1,308,146	41,072,459
Acquisition of subsidiaries		325,730	60,931	70,266	18,720	-	-	196	475,843
Additions		76,289	207,300	426,986	96,265	22,325	8,670	1,265,706	2,103,541
Disposal		(3,977)	-	(25,107)	(19,186)	(33,501)	(10)	(849)	(82,630)
Written off		(34,186)	(8,310)	(119,385)	(24,218)	(761)	(179)	(3,148)	(190,187)
Reversal of impairment loss	7	49	-	-	-	-	-	-	49
Transfer on commissioning		74,690	159,908	252,554	(21,215)	-	415,257	(881,194)	-
Transfer from development expenditures	13	34,993	-	17,092	280	6,894	-	-	59,259
Currency translation differences		281,497	286,320	517,259	65,086	8,732	-	54,486	1,213,380
At 30.6.2017		10,320,196	8,216,955	19,451,173	1,624,051	630,977	2,665,019	1,743,343	44,651,714
Accumulated depreciation and impairment									
At 1.7.2016		2,679,199	519,991	9,578,831	728,967	372,448	512,431	43,326	14,435,193
Acquisition of subsidiaries		20,399	-	40,492	14,743	-	-	-	75,634
Charge for the financial year		207,577	63,270	907,653	89,778	64,153	153,007	-	1,485,438
Disposal		(8)	-	(22,642)	(5,862)	(29,873)	(5)	-	(58,390)
Written off		(23,975)	(2)	(107,905)	(20,119)	(607)	(148)	-	(152,756)
Impairment loss	7	-	-	4,889	-	23	2	-	4,914
Currency translation differences		59,680	18,876	233,991	26,873	5,473	-	-	344,893
At 30.6.2017		2,942,872	602,135	10,635,309	834,380	411,617	665,287	43,326	16,134,926
Net book value									
At 30.6.2017		7,377,324	7,614,820	8,815,864	789,671	219,360	1,999,732	1,700,017	28,516,788

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group - 2018	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation									
At 1.7.2017									
At cost	1,018,876	457,910	188,705	-	7,031,686	1,105,554	505,881	2,635	10,311,247
At valuation	4,271	200	-	2,000	2,478	-	-	-	8,949
	1,023,147	458,110	188,705	2,000	7,034,164	1,105,554	505,881	2,635	10,320,196
Acquisition of subsidiaries	35,228	-	-	-	215,095	-	-	-	250,323
Additions	17,671	15,615	-	-	5,914	3,106	39,630	-	81,936
Disposal	-	(496)	-	-	(2)	-	-	-	(498)
Written off	-	-	-	-	(18,900)	-	(22,551)	-	(41,451)
Impairment loss	-	-	-	-	(5,582)	-	-	-	(5,582)
Transfers	467	-	(8,801)	-	43,369	(14,709)	8,801	-	29,127
Currency translation differences	(38,917)	(336)	(13,521)	-	(317,962)	(6,127)	(24,303)	-	(401,166)
At 30.6.2018	1,037,596	472,893	166,383	2,000	6,956,096	1,087,824	507,458	2,635	10,232,885
Representing:-									
At cost	1,033,325	472,693	166,383	-	6,953,618	1,087,824	507,458	2,635	10,223,936
At valuation	4,271	200	-	2,000	2,478	-	-	-	8,949
At 30.6.2018	1,037,596	472,893	166,383	2,000	6,956,096	1,087,824	507,458	2,635	10,232,885
Accumulated depreciation and impairment									
At 1.7.2017									
At cost	-	49,475	67,457	-	2,345,655	360,777	116,759	2,070	2,942,193
At valuation	-	28	-	-	651	-	-	-	679
	-	49,503	67,457	-	2,346,306	360,777	116,759	2,070	2,942,872
Charge for the financial year	-	6,427	10,230	-	153,522	24,540	18,962	36	213,717
Disposal	-	(180)	-	-	-	(164)	-	-	(344)
Written off	-	-	-	-	(3,835)	-	(21,789)	-	(25,624)
Transfers	-	-	(280)	-	-	(8,095)	280	-	(8,095)
Currency translation differences	-	(167)	(4,577)	-	(87,844)	(2,975)	(8,827)	-	(104,390)
At 30.6.2018	-	55,583	72,830	-	2,408,149	374,083	105,385	2,106	3,018,136
Net book value									
At cost	1,033,325	417,140	93,553	-	4,546,169	713,741	402,073	529	7,206,530
At valuation	4,271	170	-	2,000	1,778	-	-	-	8,219
At 30.6.2018	1,037,596	417,310	93,553	2,000	4,547,947	713,741	402,073	529	7,214,749

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Group - 2017	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation									
At 1.7.2016									
At cost	893,024	457,936	186,090	-	6,528,873	1,073,540	414,064	2,635	9,556,162
At valuation	4,271	200	-	2,000	2,478	-	-	-	8,949
	897,295	458,136	186,090	2,000	6,531,351	1,073,540	414,064	2,635	9,565,111
Acquisition of subsidiaries	81,823	-	-	-	243,907	-	-	-	325,730
Additions	3,547	-	9,670	-	30,442	3,680	28,950	-	76,289
Disposal	-	-	-	-	(3,977)	-	-	-	(3,977)
Written off	-	-	-	-	(34,186)	-	-	-	(34,186)
Reversal of impairment	-	-	-	-	49	-	-	-	49
Transfers	35	41	-	-	30,911	20,185	58,511	-	109,683
Currency translation differences	40,447	(67)	(7,055)	-	235,667	8,149	4,356	-	281,497
At 30.6.2017	1,023,147	458,110	188,705	2,000	7,034,164	1,105,554	505,881	2,635	10,320,196
Representing:-									
At cost	1,018,876	457,910	188,705	-	7,031,686	1,105,554	505,881	2,635	10,311,247
At valuation	4,271	200	-	2,000	2,478	-	-	-	8,949
At 30.6.2017	1,023,147	458,110	188,705	2,000	7,034,164	1,105,554	505,881	2,635	10,320,196
Accumulated depreciation and impairment									
At 1.7.2016									
At cost	-	43,362	56,466	-	2,148,569	332,254	95,886	2,033	2,678,570
At valuation	-	26	-	-	603	-	-	-	629
	-	43,388	56,466	-	2,149,172	332,254	95,886	2,033	2,679,199
Acquisition of subsidiaries	-	-	-	-	20,399	-	-	-	20,399
Charge for the financial year	-	5,953	11,012	-	147,160	24,692	18,723	37	207,577
Disposal	-	-	-	-	(8)	-	-	-	(8)
Written off	-	-	-	-	(23,975)	-	-	-	(23,975)
Currency translation differences	-	162	(21)	-	53,558	3,831	2,150	-	59,680
At 30.6.2018	-	49,503	67,457	-	2,346,306	360,777	116,759	2,070	2,942,872
Net book value:-									
At cost	1,018,876	408,435	121,248	-	4,686,032	744,777	389,122	565	7,369,055
At valuation	4,271	172	-	2,000	1,826	-	-	-	8,269
At 30.6.2017	1,023,147	408,607	121,248	2,000	4,687,858	744,777	389,122	565	7,377,324

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Company - 2018				
Cost				
At 1.7.2017		**6,977**	**8,417**	**15,394**
Additions		**78**	**-**	**78**
At 30.6.2018		**7,055**	**8,417**	**15,472**
Accumulated depreciation				
At 1.7.2017		**5,924**	**4,107**	**10,031**
Charge for the financial year	7	**381**	**1,054**	**1,435**
At 30.6.2018		**6,305**	**5,161**	**11,466**
Net book value				
At 30.6.2018		**750**	**3,256**	**4,006**
Company - 2017				
Cost				
At 1.7.2016		6,783	6,808	13,591
Additions		194	2,168	2,362
Disposal		-	(559)	(559)
At 30.6.2017		6,977	8,417	15,394
Accumulated depreciation				
At 1.7.2016		5,514	3,784	9,298
Charge for the financial year	7	410	873	1,283
Disposal		-	(550)	(550)
At 30.6.2017		5,924	4,107	10,031
Net book value				
At 30.6.2017		1,053	4,310	5,363

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

		Group		Company	
	Note	**2018 RM'000**	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Profit or loss	7	**1,537,784**	1,478,819	**1,435**	1,283
Amount due from contract customers	25	**7,652**	6,619	**-**	-
		1,545,436	1,485,438	**1,435**	1,283

(b) Assets under finance lease

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Plant and machinery	**273,215**	287,151	**-**	-
Vehicles	**4,225**	7,415	**2,119**	3,128
	277,440	294,566	**2,119**	3,128

(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	
	2018 RM'000	**2017 RM'000**
Land	**148,502**	154,062
Buildings	**2,335,503**	2,340,857
	2,484,005	2,494,919

(d) Borrowing cost

Borrowing costs of RM22,759,000 (2017: RM12,754,000) arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year.

12. INVESTMENT PROPERTIES

	Note	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
Group – 2018				
At beginning of the financial year		**3,068,253**	**7,448,757**	**10,517,010**
Additions		**72,544**	**13,669**	**86,213**
Change in fair value recognised in profit or loss	7	**(28,187)**	**(14,583)**	**(42,770)**
Currency translation differences		**(195,197)**	**(346,002)**	**(541,199)**
Disposal		**(15,365)**	**-**	**(15,365)**
At end of the financial year		**2,902,048**	**7,101,841**	**10,003,889**
Group – 2017				
At beginning of the financial year		2,468,409	7,169,105	9,637,514
Additions		73,258	17,549	90,807
Change in fair value recognised in profit or loss	7	7,177	(38,068)	(30,891)
Currency translation differences		163,120	300,171	463,291
Disposal		(13,078)	-	(13,078)
Transfer from property development costs[#]	24	369,367	-	369,367
At end of the financial year		3,068,253	7,448,757	10,517,010

[#] During previous financial year, the development land at Filton Airfield, shown as Property development costs in previous financial year was transferred to investment properties. This follows an internal restructuring into two companies, the asset owner and the development company. Due to the length of time of the development and the use of land between residential, commercial and public usage the asset owner will hold the assets as an investor and look to derive income from letting of the site. During the project, parcels of land will be released to the development company and be recorded in that company as either investment property or held for development, depending on the actual plan for each parcel of land.

Investment properties with carrying amount of RM2,636 million (2017: RM2,795 million) are charged as security for a borrowing granted to the Group as disclosed in Note 31 and Note 32 to the financial statements.

12. INVESTMENT PROPERTIES (CONTINUED)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group – 2018				
Recurring fair value measurements:				
Investment properties				
– Commercial properties	**–**	**–**	**8,810,878**	**8,810,878**
– Hotel properties	**–**	**–**	**650,000**	**650,000**
– Other properties	**–**	**543,011**	**–**	**543,011**
Total	**–**	**543,011**	**9,460,878**	**10,003,889**
Group – 2017				
Recurring fair value measurements:				
Investment properties				
– Commercial properties	–	–	9,348,143	9,348,143
– Hotel properties	–	–	646,200	646,200
– Other properties	–	522,667	–	522,667
Total	–	522,667	9,994,343	10,517,010

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at reporting date.

The valuers have considered the capitalisation approach and/or discounted cash flows in arriving at the open market value as at the reporting date. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

12. INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value information

The Group's investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 and Level 3 respectively of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 40(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.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow method is the total of discounted income stream and present value of the properties' anticipated sale value in arriving at the total present market value.	Discount rate of 3.75% to 7.00% (2017: from 3.75% to 8.50%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 3.75% to 8.50% (2017: from 3.80% to 8.50%)	The higher the capitalisation rate, the lower the fair value.

Key unobservable inputs correspond to:

- Capitalisation rates derived from specialised publications from the related markets and comparable transactions.

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in the asset class.

13. DEVELOPMENT EXPENDITURES

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

Group - 2018	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		383,118	234,799	288,196	906,113
Additions		40,250	626	12,003	52,879
Disposal		(11,792)	-	(31,847)	(43,639)
Transfer to property development costs	24	-	-	(537)	(537)
At end of the financial year		411,576	235,425	267,815	914,816
Accumulated impairment losses					
At beginning of the financial year		-	(21,066)	(382)	(21,448)
Impairment losses	7	-	(6,249)	-	(6,249)
At end of the financial year		-	(27,315)	(382)	(27,697)
Total land held for property development		411,576	208,110	267,433	887,119
(b) Project development expenditure					
At beginning of the financial year		-	-	175,628	175,628
Additions		-	-	110,198	110,198
Currency translation difference		-	-	(11,528)	(11,528)
At end for the financial year		-	-	274,298	274,298
Total development expenditure		411,576	208,110	541,731	1,161,417

13. DEVELOPMENT EXPENDITURES (CONTINUED)

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

Group – 2017	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		377,078	104,893	280,309	762,280
Additions		6,040	129,947	7,044	143,031
Reclassification		–	–	(2,274)	(2,274)
Transfer from project development expenditure	13(b)	–	–	3,117	3,117
Transfer to property, plant and equipment	11	–	(41)	–	(41)
At end of the financial year		383,118	234,799	288,196	906,113
Accumulated impairment losses					
At beginning of the financial year		–	(21,066)	(2,274)	(23,340)
Impairment losses	7	–	–	(382)	(382)
Reclassification	20	–	–	2,274	2,274
At end of the financial year		–	(21,066)	(382)	(21,448)
Total land held for property development		383,118	213,733	287,814	884,665
(b) Project development expenditure					
At beginning of the financial year		–	–	134,650	134,650
Additions		–	–	97,237	97,237
Charge to profit or loss		–	–	(763)	(763)
Currency translation difference		–	–	6,839	6,839
Transfer to land held for property development	13(a)	–	–	(3,117)	(3,117)
Transfer to property, plant equipment	11	–	–	(59,218)	(59,218)
At end of the financial year		–	–	175,628	175,628
Total development expenditure		383,118	213,733	463,442	1,060,293

13. DEVELOPMENT EXPENDITURES (CONTINUED)

During the financial year, the impairment review has led to the recognition of impairment loss amounting to RM6,249,000 (2017: RM382,000) due to uncertainty in the recoverability of development cost.

Land held for property development with carrying amount of RM181,121,000 (2017: RM163,678,000) are charged as security for borrowing granted to the Group as disclosed in Note 32 to the financial statements.

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

Group - 2018	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost				
Land held for property development	411,576	235,425	267,815	914,816
Project development expenditure	-	-	313,378	313,378
	411,576	235,425	581,193	1,228,194
Accumulated amortisation				
Project development expenditure	-	-	(3,877)	(3,877)
Accumulated impairment losses				
Land held for property development	-	(27,315)	(382)	(27,697)
Project development expenditure	-	-	(35,203)	(35,203)
	-	(27,315)	(35,585)	(62,900)
Net book value				
Land held for property development	411,576	208,110	267,433	887,119
Project development expenditure	-	-	274,298	274,298
	411,576	208,110	541,731	1,161,417

13. DEVELOPMENT EXPENDITURES (CONTINUED)

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

Group – 2017	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost				
Land held for property development	383,118	234,799	288,196	906,113
Project development expenditure	–	–	214,708	214,708
	383,118	234,799	502,904	1,120,821
Accumulated amortisation				
Project development expenditure	–	–	(3,877)	(3,877)
Accumulated impairment losses				
Land held for property development	–	(21,066)	(382)	(21,448)
Project development expenditure	–	–	(35,203)	(35,203)
	–	(21,066)	(35,585)	(56,651)
Net book value				
Land held for property development	383,118	213,733	287,814	884,665
Project development expenditure	–	–	175,628	175,628
	383,118	213,733	463,442	1,060,293

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2018 RM'000	**2017 RM'000**
Quoted shares, at cost	**3,972,484**	3,972,484
Unquoted shares, at cost	**3,863,185**	3,863,263
Quoted ICULS, at cost*	**391,502**	391,502
Less: Accumulated impairment losses	**(54,461)**	(54,461)
	8,172,710	8,172,788
Market value		
– Quoted shares	**5,353,099**	6,946,149
– Quoted ICULS	**340,606**	371,927
	5,693,705	7,318,076

* Quoted ICULS, at cost

These are related to ten (10) years ICULS issued by YTL Land & Development Berhad, a subsidiary of the Group, on 31 October 2011. These ICULS bear a step-up coupon rate ranging from 3% to 6% per annum until its maturity date. The interest is payable semi-annually. The conversion price of the ICULS is fixed at a step-down basis. In the first four (4) years, the conversion price is at RM1.32 for one (1) ordinary share in YTL Land & Development Berhad, after which it is at RM0.99 in the next three (3) years and at RM0.66 for the remaining three (3) years.

The ICULS are quoted on Bursa Securities.

Details of the subsidiaries are as follows:

			Effective Equity Interest	
Name of Company	**Place of Incorporation**	**Principal Activities**	**2018 %**	**2017 %**
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
Dynamic Project Development Sdn. Bhd. ^	Malaysia	Inactive	**-**	100.00

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held by the Company: (Continued)				
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**	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 ǂ	Cayman Islands	Investment holding, ownership & chartering of yachts & vessels	**100.00**	100.00
YTL Cement Berhad	Malaysia	Investment holding, management company & hiring of vehicles	**97.99**	97.97
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 ǂ	Cayman Islands	Inactive	**100.00**	100.00
YTL Corp Finance (Labuan) Limited ǂ	Malaysia	Special purpose vehicle for issuance of securities & investment holding	**100.00**	100.00
YTL e-Solutions Berhad	Malaysia	Investment holding, provision and maintenance of information technology hardware and software systems, network and internet connectivity infrastructure, web hosting services, content development, provision of e-commerce systems, hardware sales and other related services	**100.00**	100.00
YTL Energy Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
YTL (Guernsey) Limited ǂ	Guernsey	Investment & property holding	**100.00**	100.00
YTL Hospitality REIT ("YTLREIT")	Malaysia	Management of real estate investment trusts	**56.92**	56.90
YTL Hotel Management Saint Tropez SARL ǂ	France	Hotel operator & management services	**100.00**	100.00

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held by the Company: (Continued)				
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	**65.26**	65.26
YTL Power International Berhad ("YTL Power") *	Malaysia	Investment holding & provision of administrative & technical support services	**54.03**	53.54
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
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	Inactive	**100.00**	100.00
Niche Retailing Sdn. Bhd.	Malaysia	Retailing of fashion apparels and related accessories	**100.00**	100.00
Prestige Lifestyles & Living Sdn. Bhd. @	Malaysia	Trading of furniture and accessories	**100.00**	-
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	Retailing of ready to wear	**100.00**	100.00

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
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**	36.46
Chengdu Xin Hong Management Co. Ltd. (formerly known as Renhe Spring Department Store Co., Ltd.) *	The People's Republic of China	Property investment	**36.46**	36.46
SG REIT (M) Pte. Ltd. *	Singapore	Investment holding	**36.46**	36.46
SG REIT (WA) Pte. Ltd. *	Singapore	Investment holding	**36.46**	36.46
SG REIT (WA) Trust *	Australia	Property investment	**36.46**	36.46
SG REIT (WA) Sub-Trust1 *	Australia	Property investment	**36.46**	36.46
SG REIT (SA) Sub-Trust2 *	Australia	Property investment	**36.46**	36.46
Starhill Global REIT Japan SPC One Pte. Ltd. *	Singapore	Investment holding	**36.46**	36.46
Starhill Global REIT Japan SPC Two Pte. Ltd. *	Singapore	Investment holding	**36.46**	36.46
Starhill Global REIT MTN Pte. Ltd. *	Singapore	Issuer of notes under the Medium Term Note Programme	**36.46**	36.46
Starhill Global REIT One TMK *	Japan	Property investment	**36.46**	36.46
Starhill Global ML K.K. ‡	Japan	Master lessee of Japan properties	**36.46**	36.46
Top Sure Investment Ltd. *	Hong Kong	Investment holding	**36.46**	36.46
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.:				
Austasia Metal Sdn. Bhd. *	Malaysia	Inactive	**100.00**	100.00
Austasia Timbers 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**	-

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	2017 %
Held through Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.: (Continued)				
Dayang Bunting Resorts Sdn. Bhd. †	Malaysia	Property investment and development	**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
North Western Development Sdn. Bhd. †	Malaysia	Property investment and development	**100.00**	-
Permai Property Management Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
P.T. YTL Construction Makmur ‡	Indonesia	Dormant	**67.00**	67.00
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	**99.19**	99.19
YTL THP JV Sdn. Bhd. (formerly known as YTL High Speed Rail Sdn. Bhd.) †	Malaysia	Inactive	**70.00**	-

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
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
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:				
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**97.99**	97.97
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**97.99**	97.97
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	**97.99**	-
Bentara Gemilang Industries Sdn. Bhd.	Malaysia	Quarry business & related services	**48.99**	48.99
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**97.99**	97.97
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**97.99**	97.97
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**97.99**	97.97
Buildcon Concrete (KL) Sdn. Bhd. (formerly known as Buildcon Desa Sdn. Bhd.)	Malaysia	Inactive	**97.99**	97.97
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Quarry business and related services	**97.99**	97.97
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**97.99**	97.97

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Cement Berhad: (Continued)				
Competent Teamwork Sdn. Bhd.	Malaysia	Investment holding	**97.99**	97.97
Concrete Industries Pte. Ltd.*	Singapore	Dormant	**97.99**	97.97
Concrete Star Limited ǂ	Cayman Islands	Dormant	**97.99**	-
Equity Corporation Sdn. Bhd.	Malaysia	Quarry business and related services	**97.99**	97.97
Gemilang Pintar Sdn. Bhd.	Malaysia	Marketing & trading of quarry products	**68.58**	68.59
Green Enable Technologies Sdn. Bhd.	Malaysia	Consultancy service in relation to the promotion of the gasification of municipal solid water for disposal in cement kilns	**97.99**	97.97
Hangzhou Dama Kai Tong Environmental Technology Co., Ltd. (In the process of deregistration) *ǂ	The People's Republic of China	Dormant	**97.99**	-
Hopefield Enterprises Limited *	Hong Kong	Investment holding	**97.99**	97.97
Industrial Procurement Limited ǂ	Cayman Islands	Investment holding	**97.99**	97.97
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry business & related services	**97.99**	97.97
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**97.99**	97.97
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**97.99**	97.97
Linan Lu Hong Transport Co., Ltd. (In the process of voluntary winding up) *	The People's Republic of China	Inactive	**-**	97.97
Madah Seloka Sdn. Bhd.	Malaysia	Quarry business & related services	**97.99**	97.97
Mini-Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mix concrete & hiring of vehicles	**97.99**	97.97
Mobijack Sea Sdn. Bhd.	Malaysia	Quarry business & related services	**97.99**	97.97
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business & related services	**97.99**	97.97
Nanyang Cement Pte. Ltd. *	Singapore	Cement terminal operation, bulk breaking activities and trading in cement	**97.99**	97.97
Oasis Vision Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**34.98**	34.98
Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker and related products	**97.99**	97.97

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Cement Berhad: (Continued)				
Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**97.99**	97.97
Permodalan Hitec Sdn. Bhd.	Malaysia	Quarry business & related services	**97.99**	97.97
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker and related products	**97.99**	97.97
PHS Trading Sdn. Bhd.	Malaysia	Management of plant	**97.99**	97.97
P.T. YTL Simen Indonesia *	Indonesia	Manufacture & sale of ordinary portland cement and ready-mixed concrete	**97.99**	97.97
RC Aggrerates Sdn. Bhd.	Malaysia	Handling of construction waste materials and sales of the recycled concrete aggregates	**97.99**	97.97
Sino Mobile and Heavy Equipment Sdn. Bhd.	Malaysia	Trading & maintenance of trucks & parts & heavy equipment	**97.99**	97.97
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**97.99**	97.97
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement distribution of construction & building materials	**97.99**	97.97
SMC Mix Sdn. Bhd.	Malaysia	Inactive	**97.99**	97.97
Solaris Concept Sdn. Bhd.	Malaysia	Production, selling & distribution of construction & building materials	**49.97**	49.96
Straits Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker and related products	**97.99**	97.97
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**97.99**	97.97
YTL Cement (Cambodia) Holdings Pte. Ltd. *	Singapore	Dormant	**97.99**	97.97
YTL Cement Enterprise Sdn. Bhd.	Malaysia	Investment holding	**97.99**	97.97
YTL Cement (Hong Kong) Limited *	Hong Kong	Investment holding	**97.99**	97.97
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale & marketing of cementitious products	**97.99**	97.97
YTL Cement Marketing Singapore Pte. Ltd. *	Singapore	Sale & marketing of cement, cementitious products & other related construction products	**97.99**	97.97
YTL Cement Myanmar Company Limited *	Myanmar	Manufacture & sale of ordinary portland cement & related products	**97.99**	97.97

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Cement Berhad: (Continued)				
YTL Cement (Myanmar) Holdings Pte. Ltd. *	Singapore	Investment holding	**97.99**	97.97
YTL Cement (Philippines) Holdings Pte. Ltd. *	Singapore	Dormant	**97.99**	97.97
YTL Cement (Sabah) Sdn. Bhd.	Malaysia	Investment holding	**97.99**	97.97
YTL Cement Singapore Pte. Ltd. *	Singapore	Investment holding, general importers & exporters of construction materials	**97.99**	97.97
YTL Cement Terminal Services Pte. Ltd. *	Singapore	Operation of port terminal & handling of cementitious products	**97.99**	97.97
YTL Cement (Vietnam) Pte. Ltd. *	Singapore	Investment holding	**97.99**	97.97
YTL Concrete (S) Pte. Ltd. *	Singapore	Manufacture of ready-mixed concrete, wholesale of structural clay & concrete products & mixed construction activities	**97.99**	97.97
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	**97.99**	97.97
Zhejiang Hangzhou Dama Cement Co., Ltd. *	The People's Republic of China	Manufacture & sale of ordinary portland cement, clinker and related products	**97.99**	97.97
Zhejiang YTL Cement Marketing Co., Ltd. *	The People's Republic of China	Sale & marketing of cementitious products	**97.99**	97.97
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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	2017 %
Held through YTL e-Solutions Berhad: (Continued)				
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 Network Ltd. *	England & Wales	Investment holding	**100.00**	100.00
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media & up to date information via electronic media	**100.00**	100.00
YMax Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**60.00**	60.00
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Held through YTL (Guernsey) Limited:				
YTL Construction (SA) (Proprietary) Ltd. ‡	South Africa	Inactive	**100.00**	100.00
Held through YTL Hospitality REIT (“YTL REIT”):				
Starhill Hospitality (Australia) Pty. Ltd. *	Australia	Trustee company	**56.92**	56.90
Starhill Hospitality REIT (Australia) Trust *	Australia	Real estate investment	**56.92**	56.90
Starhill Hospitality REIT (Brisbane) Trust *	Australia	Real estate investment	**56.92**	56.90
Starhill Hospitality REIT (Melbourne) Trust *	Australia	Real estate investment	**56.92**	56.90
Starhill Hospitality REIT (Sydney) Trust *	Australia	Real estate investment	**56.92**	56.90
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.92**	56.90
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	**56.92**	56.90

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Hospitality REIT ("YTL REIT"): (Continued)				
Starhill Hotel (Brisbane) Pty. Ltd. *	Australia	Hotel operator	**56.92**	56.90
Starhill Hotel (Melbourne) Pty. Ltd. *	Australia	Hotel operator	**56.92**	56.90
Starhill Hotel (Sydney) Pty. Ltd. *	Australia	Hotel operator	**56.92**	56.90
Starhill REIT (Australia) Pty. Ltd. *	Australia	Trustee company	**56.92**	56.90
Starhill REIT Niseko G.K. *	Japan	Purchase, possession, disposal, lease and management of real properties	**56.92**	56.90
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	**56.92**	56.90
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
Borneo Island Villas Sdn. Bhd.	Malaysia	Dormant	**80.00**	80.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	**100.00**	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**51.00**	51.00
Gainsborough Hotel (Bath) Limited *	England & Wales	Hotel operations	**100.00**	100.00
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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Hotels & Properties Sdn. Bhd.: (Continued)				
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
Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Thermae Development Company Limited *	England & Wales	Licence to operate the Thermae Bath Spa complex	**100.00**	100.00
Threadneedles Hotel Limited *	England & Wales	Investment holding	**100.00**	100.00
YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotels B.V. ‡	Netherlands	Investment holding	**100.00**	100.00
YTL Hotels (Cayman) Limited ‡	Cayman Islands	Hotel operator & hotel management services	**100.00**	100.00
YTL Hotels Central Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotel Management Services Sdn. Bhd.	Malaysia	Providing professional & commercial education & training in hospitality	**70.00**	70.00
YTL Hotels (Singapore) Pte. Ltd. *	Singapore	Travel and hospitality related business	**100.00**	100.00
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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Land Sdn. Bhd.:				
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	**65.26**	65.26
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	**45.68**	45.68
Lakefront Pte. Ltd. *	Singapore	Real estate development	**65.26**	65.26
Lot Ten Security Sdn. Bhd. *	Malaysia	Inactive	**65.26**	65.26
Mayang Sari Sdn. Bhd. *	Malaysia	Inactive	**65.26**	65.26
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**65.26**	65.26
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
Pinnacle Trend Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
PYP Sendirian Berhad	Malaysia	Property development	**65.26**	65.26
Sandy Island Pte. Ltd. *	Singapore	Real estate development	**65.26**	65.26
Satria Sewira Sdn. Bhd.	Malaysia	Dormant	**65.26**	65.26
Sentul Raya Sdn. Bhd. *	Malaysia	Property development & property investment	**65.26**	65.26
Sentul Raya Golf Club Berhad *	Malaysia	Inactive	**65.26**	65.26
Sentul Raya City Sdn. Bhd. *	Malaysia	Property development	**65.26**	65.26
Sentul Park Management Sdn. Bhd. *	Malaysia	Park management	**65.26**	65.26
SR Property Management Sdn. Bhd. *	Malaysia	Provision of property management services	**65.26**	65.26
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
Trend Acres Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**65.26**	65.26
YTL Land & Development (MM2H) Sdn. Bhd. *	Malaysia	Dormant	**65.26**	65.26
YTL Land & Development Management Pte. Ltd. *	Singapore	Provision of financial and management consultancy services	**65.26**	65.26
YTL Westwood Properties Pte. Ltd. *	Singapore	Real estate development	**65.26**	65.26

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Power International Berhad ("YTL Power"):				
Albion Water Limited *	England & Wales	Water and sewerage inset appointments	**27.56**	27.31
Bel Air Den Haag Beheer B.V. *	Netherlands	Hotel business	**54.03**	-
Cellular Structures Sdn. Bhd. *	Malaysia	Inactive	**32.42**	25.70
Enterprise Laundry Services Limited *	England & Wales	Laundry services	**54.03**	53.54
Extiva Communications Sdn. Bhd.	Malaysia	Inactive	**32.42**	32.12
Flipper Limited (formerly known as Wessex Concierge Services Limited) *	England & Wales	Energy switching for domestic customers	**35.12**	53.54
FrogAsia Sdn. Bhd.	Malaysia	Licence reseller focused on providing virtual learning education platform	**54.03**	53.54
Frog Education Limited *	England & Wales	Sales into the education market and further development of the web environment product	**36.90**	31.16
Frog Education Group Limited *	England & Wales	Investment holding	**36.90**	31.16
Frog Education Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning educational platform	**36.90**	31.16
Geneco Limited *	England & Wales	Waste water services	**54.03**	53.54
Geneco (South West) Limited *	England & Wales	Waste water services	**54.03**	53.54
Granite Investments (Cayman Islands) Limited ‡	Cayman Islands	Dormant	**54.03**	53.54
KJS Alunan Sdn. Bhd. †	Malaysia	Investment holding	**32.42**	-
Konsortium Jaringan Selangor Sdn. Bhd. *	Malaysia	Planning, implementation and maintenance of telecommunication towers and telecommunication related services	**32.42**	25.70
PetroSeraya Pte. Ltd. *	Singapore	Oil trading & oil tank leasing	**54.03**	53.54
P.T. YTL Jawa Timur *	Indonesia	Construction management, consultancy services and power station operation services	**54.03**	53.54
P.T. Tanjung Jati Power Company *	Indonesia	Design and construction of a coal-fired power generating facility	**43.22**	42.83
Seraya Energy and Investment Pte. Ltd. *	Singapore	Investment holding	**54.03**	53.54
Seraya Energy Pte. Ltd. *	Singapore	Sale of electricity	**54.03**	53.54

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Power International Berhad ("YTL Power"): (Continued)				
SC Technology Deutschland GmbH *	Germany	Waste treatment	**54.03**	53.54
SC Technology GmbH *	Switzerland	Waste treatment processes	**54.03**	53.54
SC Technology Nederlands B.V. *	Netherlands	Waste treatment	**54.03**	53.54
SIPP Power Sdn. Bhd.	Malaysia	Dormant	**37.82**	37.48
Sword Bidco (Holdings) Limited *	England & Wales	Dormant	**54.03**	53.54
Sword Bidco Limited *	England & Wales	Dormant	**54.03**	53.54
Sword Holdings Limited ‡	Cayman Islands	Dormant	**54.03**	53.54
Sword Midco Limited *	England & Wales	Dormant	**54.03**	53.54
Water 2 Business Limited *	England & Wales	Billing services	**37.82**	37.48
Wessex Concierge Limited *	England & Wales	Holding company	**54.03**	53.54
Wessex Electricity Utilities Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Engineering & Construction Services Limited *	England & Wales	Engineering services	**54.03**	53.54
Wessex Logistics Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Promotions Ltd. *	England & Wales	Dormant	**54.03**	53.54
Wessex Property Services Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Spring Water Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Water Commercial Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Water Engineering Services Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Water Enterprises Limited *	England & Wales	Water supply and waste water services	**54.03**	53.54
Wessex Water International Limited ‡	Cayman Islands	Dormant	**54.03**	53.54
Wessex Water Limited *	England & Wales	Water supply and waste water services	**54.03**	53.54
Wessex Water Pension Scheme Trustee Limited *	England & Wales	Dormant	**54.03**	53.54
Wessex Water Services Finance Plc. *	England & Wales	Issue of bonds	**54.03**	53.54
Wessex Water Services Limited *	England & Wales	Water supply and waste water services	**54.03**	53.54
Wessex Water Trustee Company Limited *	England & Wales	Dormant	**54.03**	53.54

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Power International Berhad ("YTL Power"): (Continued)				
Wessex Utility Solutions Limited *	England & Wales	Engineering services	**54.03**	53.54
Yakin Telesel Sdn. Bhd. †	Malaysia	Planning, development, implementation and management of telecommunications infrastructure and information communication technologies services	**32.42**	-
YesLinc Sdn. Bhd. †	Malaysia	Providing solution & services relating to Internet of Things (IoT) initiative	**32.42**	-
YTL Broadband Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**25.93**	25.70
YTL Communications International Limited ‡	Cayman Islands	Investment holding	**32.42**	32.12
YTL Communications Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	**32.42**	32.12
YTL Communications (S) Pte. Ltd. *	Singapore	Computer systems integration activities and system integration services	**32.42**	32.12
YTL Development (UK) Limited *	England & Wales	Housing development	**54.03**	53.54
YTL Digital Sdn. Bhd.	Malaysia	Retail and marketing of telecommunication devices	**32.42**	32.12
YTL Water (Singapore) Pte. Ltd. *	Singapore	Invest, develop, construct, operate and to maintain water utilities assets	**54.03**	53.54
YTL Education (UK) Limited *	England & Wales	Providing advisory and management services to educational institutions in the UK and abroad	**54.03**	53.54
YTL Energy Holdings Sdn. Bhd.	Malaysia	Investment holding	**54.03**	53.54
YTL Engineering Limited *	England & Wales	Dormant	**54.03**	53.54
YTL Events Limited *	England & Wales	Concert promotion	**54.03**	53.54
YTL Global Networks Limited ‡	Cayman Islands	Dormant	**32.42**	32.12
YTL Homes Ltd. ‡	England & Wales	Dormant	**54.03**	53.54

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Power International Berhad ("YTL Power"): (Continued)				
YTL Infrastructure Limited ‡	Cayman Islands	Dormant	**54.03**	53.54
YTL Jawa Energy B.V. *	Netherlands	Investment holding and financing activities	**54.03**	53.54
YTL Jawa O & M Holdings B.V. *	Netherlands	Investment holding	**54.03**	53.54
YTL Jawa O & M Holdings Limited *	Cyprus	Investment holding	**54.03**	53.54
YTL Jawa Power B.V. *	Netherlands	Investment holding	**30.87**	30.59
YTL Jawa Power Finance Limited	Cayman Islands	Financial services	**54.03**	53.54
YTL Jawa Power Holdings B.V. *	Netherlands	Investment holding	**30.87**	30.59
YTL Jawa Power Holdings Limited *	Cyprus	Investment holding & financing activities	**54.03**	53.54
YTL Jawa Power Services B.V. *	Netherlands	Investment holding	**54.03**	53.54
YTL Jordan Power Holdings Limited *	Cyprus	Investment holding & financing activities	**54.03**	53.54
YTL Jordan Services Holdings Limited *	Cyprus	Investment holding	**54.03**	53.54
YTL Jordan Services Sdn. Bhd.	Malaysia	Dormant	**54.03**	53.54
YTL Land & Property (UK) Ltd. ‡	England & Wales	Housing development	**54.03**	53.54
YTL Places Limited ‡	England & Wales	Dormant	**54.03**	53.54
YTL Power Australia Limited	Cayman Islands	Investment holding	**54.03**	53.54
YTL Power Finance (Cayman) Limited ‡	Cayman Islands	Dormant	**54.03**	53.54
YTL Power Generation Sdn. Bhd. *	Malaysia	Developing, constructing, completing, maintaining & operating power plants	**54.03**	53.54
YTL Power Holdings Sdn. Bhd.	Malaysia	Dormant	**54.03**	53.54
YTL Power Investments Limited	Cayman Islands	Investment holding	**54.03**	53.54
YTL Power International Holdings Limited ‡	Cayman Islands	Investment holding	**54.03**	53.54
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)	**54.03**	53.54
YTL Power (Thailand) Limited ‡	Cayman Islands	Dormant	**54.03**	53.54
YTL Power Trading (Labuan) Limited	Malaysia	Dormant	**54.03**	53.54

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	2017 %
Held through YTL Power International Berhad ("YTL Power"): (Continued)				
YTL Property Holdings (UK) Limited *	England & Wales	Housing development	**54.03**	53.54
YTL Seraya Limited	Cayman Islands	Investment holding	**54.03**	53.54
YTL Services Limited *	England & Wales	Dormant	**54.03**	53.54
YTL SIPP Power Holdings Sdn. Bhd.	Malaysia	Investment holding	**37.82**	37.48
YTL Utilities Limited	Cayman Islands	Investment holding	**54.03**	53.54
YTL Utilities Finance Limited ‡	Cayman Islands	Financial services	**54.03**	53.54
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**54.03**	53.54
YTL Utilities Finance 3 Limited ‡	Cayman Islands	Investment holding	**54.03**	53.54
YTL Utilities Finance 4 Limited ‡	Cayman Islands	Inactive	**54.03**	53.54
YTL Utilities Finance 5 Limited ‡	Cayman Islands	Inactive	**54.03**	53.54
YTL Utilities Finance 6 Limited ‡	Cayman Islands	Financial services	**54.03**	53.54
YTL Utilities Finance 7 Limited ‡	Cayman Islands	Inactive	**54.03**	53.54
YTL Utilities Holdings Limited	Cayman Islands	Investment holding	**54.03**	53.54
YTL Utilities Holdings (S) Pte. Limited *	Singapore	Investment holding	**54.03**	53.54
YTL Utilities (S) Pte. Limited *	Singapore	Investment holding	**54.03**	53.54
YTL Utilities (UK) Limited *	England & Wales	Investment holding	**54.03**	53.54
Held through YTL Power Services Sdn. Bhd.:				
YTL Power Services (Cayman) Ltd. ‡	Cayman Islands	Investment holding & provision of operations & maintenance services of power plants	**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.:				
Ideal World Pte. Ltd. ^	Singapore	Dormant	**-**	51.00
Genesis-Alliance Retail Pte. Ltd. ^	Singapore	Dormant	**-**	51.00
Guangzhou Autodome Food & Beverage Management Co., Ltd. ^	The People's Republic of China	Dormant	**-**	100.00

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Singapore Pte. Ltd.: (Continued)				
Prestige Lifestyles & Living Sdn. Bhd. @	Malaysia	Trading of furniture and accessories	**-**	51.00
Shanghai Autodome Food & Beverage Co., Ltd. *	The People's Republic of China	Operator of food & beverage outlets	**100.00**	100.00
Shanghai YTL Hotels Management Co., Ltd. *	The People's Republic of China	Dormant	**100.00**	100.00

* Subsidiaries not audited by HLB Ler Lum
^ Dissolved during the financial year
ǂ Entities are either exempted or not statutorily required to be audited
@ Inter-group restructuring
† First audited financial statements in 2019

(a) Acquisition of subsidiaries

(i) Acquisition of Bel Air Den Haag B.V. ("Bel Air")

On 28 June 2018, YTL Jawa Energy B.V. ("YTLJE"), an indirect wholly-owned subsidiary of the Group acquired entire issued and outstanding shares of Bel Air.

Details of the consideration transferred are:

	RM'000
Cash consideration	287,432
Loans owing to former shareholder	(192,996)
Purchase consideration excluding transaction costs	94,436
Fair value of net assets acquired	(19,834)
Provisional goodwill	74,602
Share to non-controlling interest	(34,295)
	40,307

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries (Continued)

(i) Acquisition of Bel Air Den Haag B.V. ("Bel Air") (Continued)

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	268,409
Receivables, deposits and prepayments	4,616
Cash and cash equivalents	7,036
Payables and accrued expenses	(11,484)
Loans payable	(192,996)
Deferred taxation	(55,747)
Identifiable net assets acquired	19,834

Details of cash flow arising from the acquisition are as follows:

	RM'000
Purchase consideration excluding transaction costs	94,436
Transaction cost incurred	3,756
Less : cash and cash equivalents	(7,036)
Final purchase consideration including transaction costs	91,156
Loans owing to former shareholder	192,996
Net cash outflow on acquisition	284,152

At the time the financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisition of Bel Air.

(ii) Acquisition of non-controlling interest

On 16 January 2017, YTL Land & Development Bhd. acquired additional 30% equity interest in Sentul Raya Sdn Bhd ("SRSB") from its non-controlling interest for a total consideration of RM252,424,000. As a result of this acquisition, SRSB became a wholly-owned subsidiary of the Company. On the date of acquisition, the carrying value of the additional interest acquired was RM52,125,000. The difference between the consideration and the carrying value of the interest acquired of RM200,299,000 is reflected in equity as premium paid on acquisition of non-controlling interest.

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests in subsidiaries

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

Group - 2018	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI effective equity interest	***45.97%***	***63.54%***	***43.08%***		
Carrying amount of NCI	**2,578,014**	**3,725,955**	**728,318**	**508,044**	**7,540,331**
Profit allocated to NCI	**102,578**	**(44,155)**	**46,604**	**42,785**	**147,812**

Summarised financial information before inter-company elimination

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000
As at 30 June			
Non-current assets	**34,111,120**	**9,232,785**	**4,321,921**
Current assets	**12,144,822**	**210,572**	**189,734**
Non-current liabilities	**(27,635,633)**	**(3,245,821)**	**(1,688,682)**
Current liabilities	**(5,495,795)**	**(308,449)**	**(104,462)**
Net assets	**13,124,514**	**5,889,087**	**2,718,511**
Year ended 30 June			
Revenue	**10,619,191**	**634,168**	**500,953**
Profit for the year	**718,390**	**255,849**	**236,559**
Total comprehensive income/(loss)	**275,529**	**(69,490)**	**321,627**
Cash flow from operating activities	**1,304,893**	**296,739**	**242,624**
Cash flow used in investing activities	**(1,136,434)**	**(22,765)**	**(13,057)**
Cash flow used in financing activities	**(1,341,239)**	**(303,697)**	**(203,448)**
Net changes in cash and cash equivalents	**(1,172,780)**	**(29,723)**	**26,119**
Dividend paid to NCI	**180,853**	**191,293**	**56,704**

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests in subsidiaries (Continued)

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

Group – 2017	**YTL Power Group RM'000**	**SGREIT Group RM'000**	**YTL REIT Group RM'000**	**Other individually immaterial subsidiaries RM'000**	**Total RM'000**
NCI effective equity interest	*46.46%*	*63.54%*	*43.10%*		
Carrying amount of NCI	2,702,958	3,961,403	736,557	650,816	8,051,734
Profit allocated to NCI	684,717	373,938	39,563	172,264	1,270,482

Summarised financial information before inter-company elimination

	YTL Power Group RM'000	SGREIT Group RM'000	YTL REIT Group RM'000
As at 30 June			
Non-current assets	34,377,856	9,780,595	3,862,224
Current assets	14,120,304	258,918	176,982
Non-current liabilities	(28,118,980)	(2,374,112)	(1,004,905)
Current liabilities	(6,889,500)	(1,399,456)	(503,310)
Net assets	13,489,680	6,265,945	2,530,991
Year ended 30 June			
Revenue	9,777,912	666,725	449,683
Profit/(loss) for the year	787,779	308,933	(12,121)
Total comprehensive income	1,617,714	588,499	331,867
Cash flow from operating activities	1,091,882	327,008	201,882
Cash flow used in investing activities	(4,913,619)	(12,830)	(106,496)
Cash flow from/(used in) financing activities	2,652,364	(313,782)	(75,244)
Net changes in cash and cash equivalents	(1,169,373)	396	20,142
Dividend paid to NCI	360,402	209,977	48,425

15. INVESTMENT IN ASSOCIATE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Unquoted ordinary shares, at cost	**1,355,513**	1,180,632	**205,241**	205,241
Share of post-acquisition reserves	**983,489**	1,288,131	**-**	-
Allowance for impairment	**(63,487)**	(66,812)	**-**	-
	2,275,515	2,401,951	**205,241**	205,241

Details of the associate are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
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
Held through YTL Cement Berhad:				
Cementitious Products Pte. Ltd. Ω*	Singapore	General wholesale trade (including general importers and exporters)	**48.99**	48.99
Fico Tay Ninh Cement Joint Stock Company Ω*	Vietnam	Manufacture & sale of ordinary portland cement & blended cement	**29.46**	-

15. INVESTMENT IN ASSOCIATE (CONTINUED)

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Cement Berhad: (Continued)				
Hangzhou Linan Herun Construction Materials Co., Ltd (formerly knows as Linan Herun Construction Materials Co., Ltd.) Ω*	The People's Republic of China	Quarry business and related services	**29.39**	29.38
Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**48.99**	48.98
Held through YTL e-Solution 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	**18.10**	17.94
Enefit Jordan B.V. ǂ	Netherlands	Investment holding	**16.21**	16.06
P.T. Jawa Power +*	Indonesia	Operate a coal-fired thermal power station	**10.81**	10.71

* Companies not audited by HLB Ler Lum
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

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.

15. INVESTMENT IN ASSOCIATE (CONTINUED)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:-

(a) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Non-current assets	**4,469,905**	4,771,909	**9,149,064**	9,420,263
Current assets	**1,001,835**	1,104,305	**118,787**	262,224
Non-current liabilities	**(682,917)**	(629,163)	**(5,693,887)**	(7,175,835)
Current liabilities	**(264,784)**	(357,939)	**(2,226,729)**	(1,001,043)
Net assets	**4,524,039**	4,889,112	**1,347,235**	1,505,609
Profit for the financial year	**914,584**	956,287	**135,361**	160,060
Other comprehensive (loss)/income	**-**	-	**(7,675)**	55,109
Total comprehensive income	**914,584**	956,287	**127,686**	215,169
Included in the total comprehensive income is:				
Revenue	**2,449,104**	2,431,873	**1,184,836**	1,221,851
Other information:				
Dividends received from associate	**346,296**	354,353	**46,398**	43,755

15. INVESTMENT IN ASSOCIATE (CONTINUED)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:- (Continued)

(b) Reconciliation of net assets to carrying amount:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Total	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Opening net assets, 1 July	**4,889,112**	4,632,625	**1,505,609**	1,283,289	**6,394,721**	5,915,914
Profit for the financial year	**914,584**	956,287	**135,361**	160,060	**1,049,945**	1,116,347
Other comprehensive (loss)/ income	**-**	-	**(7,675)**	55,109	**(7,675)**	55,109
Foreign exchange differences	**(290,240)**	312,637	**(147,560)**	137,764	**(437,800)**	450,401
Dividend paid	**(989,417)**	(1,012,437)	**(138,500)**	(130,613)	**(1,127,917)**	(1,143,050)
Closing net assets, 30 June	**4,524,039**	4,889,112	**1,347,235**	1,505,609	**5,871,274**	6,394,721
Interest in associates direct hold by subsidiary	**35.0%**	35.0%	**33.5%**	33.5%		
Carrying amount	**1,583,414**	1,711,189	**451,324**	504,379	**2,034,738**	2,215,568

Goodwill amounting to RM38,494,000 (2017: RM23,357,000) was included in the carrying amount of investment in associated companies.

The individually immaterial associate's carrying amount is RM240,777,000 (2017: RM186,383,000) and the Group's share of loss, total comprehensive loss is RM5,191,000 (2017: total comprehensive income of RM95,587,000).

16. INVESTMENT IN JOINT VENTURES

	Group 2018 RM'000	Group 2017 RM'000
Unquoted ordinary shares, at cost	**82,216**	85,937
Share of post-acquisition reserves	**72,818**	(7,505)
Allowance for impairment	**(3,388)**	–
	151,646	78,432

Details of the joint ventures are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
Held through YTL Land & Development Berhad:				
Shorefront Development Sdn. Bhd.	Malaysia	Property development	**32.63**	32.63
Held through YTL Power International Berhad:				
Attarat Mining Company B.V.	Netherlands	Mining & supply of oil shale	**24.31**	24.09
Attarat Operation and Maintenance Company B.V.	Netherlands	Operation & maintenance of Power Plant	**24.31**	24.09
Attarat Power Holding Company B.V.	Netherlands	Investment holding and financing activities	**24.31**	24.09
Bristol Wessex Billing Services Limited	England & Wales	Billing services	**27.02**	26.77
Xchanging Malaysia Sdn. Bhd.	Malaysia	Mobile internet and cloud-based technology solutions	**16.21**	16.06

16. INVESTMENT IN JOINT VENTURES (CONTINUED)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:-

(a) Summarised financial information:

	Attarat Mining Company B.V.		Shorefront Development Sdn. Bhd.	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Non-current assets	**2,481**	576	**3,170**	3,166
Current assets	**262,396**	163,773	**83,446**	97,009
Current liabilities	**(123,353)**	(108,087)	**(855)**	(22,022)
Net assets	**141,524**	56,262	**85,761**	78,153
Profit for the financial year/Total comprehensive income	**89,411**	34,764	**7,608**	15,980
Included in the total comprehensive income is:				
Revenue	**440,500**	139,002	**10,288**	88,709

16. INVESTMENT IN JOINT VENTURES (CONTINUED)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:- (Continued)

(b) Reconciliation of net assets to carrying amount:

	Attarat Mining Company B.V.		Shorefront Development Sdn. Bhd.		Total	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Opening net assets, 1 July	**56,261**	-	**78,153**	62,174	**134,414**	62,174
Increase in equity	**-**	21,453	**-**	-	**-**	21,453
Profit for the financial year	**89,411**	34,764	**7,608**	15,979	**97,019**	50,743
Foreign exchange differences	**(4,148)**	45	**-**	-	**(4,148)**	45
Closing net assets, 30 June	**141,524**	56,262	**85,761**	78,153	**227,285**	134,415
Interest in joint ventures direct hold by subsidiary	**45.0%**	45.0%	**50.0%**	50.0%		
Interest in joint ventures	**63,686**	25,318	**42,881**	39,077	**106,567**	64,395
Goodwill	**-**	-	**8,275**	8,275	**8,275**	8,275
Fair value adjustments	**-**	-	**1,284**	1,284	**1,284**	1,284
Accumulated impairment loss	**-**	-	**(3,388)**	-	**(3,388)**	-
Carrying amount	**63,686**	25,318	**49,052**	48,636	**112,738**	73,954

The individually immaterial joint ventures' carrying amount is RM38.9 million (2017: RM4.5 million), Group's share of loss is RM1.0 million (2017: RM55.9 million) and the Group's share of total comprehensive income is RM13.3 million (2017: total comprehensive loss of RM55.9 million).

17. INVESTMENTS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-current assets					
Available-for-sale	17(a)	**346,708**	310,348	**42,186**	31,565
Fair value through profit or loss	17(b)	**790,067**	534,817	**-**	-
		1,136,775	845,165	**42,186**	31,565
Current assets					
Available-for-sale	17(a)	**766,448**	738,801	**766,448**	738,801
Fair value through profit or loss	17(b)	**1,883,669**	2,503,011	**-**	-
		2,650,117	3,241,812	**766,448**	738,801

(a) Available-for-sale financial assets

The investments are in relation to the following:-

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Quoted equity investments				
– Within Malaysia	**15,585**	14,983	**5,292**	5,162
– Outside Malaysia	**29,839**	17,935	**7,294**	8,171
Unquoted equity investments				
– Within Malaysia	**30,657**	20,238	**29,600**	18,232
– Outside Malaysia	**270,627**	257,192	**-**	-
	346,708	310,348	**42,186**	31,565
Unquoted unit trusts				
– Within Malaysia	**766,448**	738,801	**766,448**	738,801

A gain arising from the changes in fair values of available-for-sale financial assets during the financial year of RM21,333,000 (2017: loss of RM6,930,000) and a gain of RM10,780,000 (2017: gain of RM739,000) was recognised as other comprehensive income in the Statements of Comprehensive income of the Group and the Company, respectively.

17. INVESTMENTS (CONTINUED)

(a) Available-for-sale financial assets (Continued)

During the financial year, the Group and the Company recognised an impairment loss of RM1,907,000 (2017: RM6,792,000) and RM958,000 (2017: RM319,000) against equity investments whose trade prices had been below cost for a prolonged period, respectively.

Unquoted unit trusts are measured at cost less impairment losses at each reporting date because fair values cannot be obtained directly from quoted market price.

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

The investments are in relation to the following:-

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Income funds *				
– Quoted, within Malaysia	**1,883,669**	2,503,011	**-**	-
– Quoted, outside Malaysia	**786,234**	530,771	**-**	-
Unquoted equity investments				
– Outside Malaysia	**3,833**	4,046	**-**	-
	2,673,736	3,037,828	**-**	-

A loss arising from the changes of financial assets at fair value through profit or loss during the financial year of RM27,382,000 (2017: gain of RM264,000) was recognised in the Income Statements of the Group.

* Financial assets at fair value through profit or loss consist of investment in income funds placed with licensed financial institutions. The income funds in Malaysia are highly liquid and readily convertible to cash.

18. INTANGIBLE ASSETS

The details of intangible assets are as follows:-

Group - 2018	Note	Contract rights RM'000	Goodwill on consolidation RM'000	Others RM'000	Total RM'000
At cost					
At beginning of the financial year		141,158	6,289,568	403,699	6,834,425
Additions		4,618	-	19,087	23,705
Acquisition of subsidiaries		-	40,307	-	40,307
Disposal		-	(1,035)	-	(1,035)
Currency translation differences		(8,391)	(406,371)	(1,374)	(416,136)
At end of the financial year		137,385	5,922,469	421,412	6,481,266
Accumulated amortisation and impairment					
At beginning of the financial year		(11,823)	(118,874)	(317,694)	(448,391)
Amortisation for the year	7	(6,251)	-	(42,384)	(48,635)
Disposal		-	1,035	-	1,035
Impairment loss	7	-	(960)	-	(960)
Currency translation differences		793	1,778	-	2,571
At end of the financial year		(17,281)	(117,021)	(360,078)	(494,380)
Net carrying amount					
At 30 June 2018		120,104	5,805,448	61,334	5,986,886

18. INTANGIBLE ASSETS (CONTINUED)

The details of intangible assets are as follows:- (Continued)

Group - 2017	Note	Contract rights RM'000	Goodwill on consolidation RM'000	Others RM'000	Total RM'000
At cost					
At beginning of the financial year		132,679	5,924,416	348,298	6,405,393
Additions		233	-	54,212	54,445
Acquisition of subsidiaries		-	1,257	-	1,257
Disposal		-	(20)	-	(20)
Currency translation differences		8,246	363,269	1,189	372,704
Reclassification from NCI		-	646	-	646
At end of the financial year		141,158	6,289,568	403,699	6,834,425
Accumulated amortisation and impairment					
At beginning of the financial year		(5,759)	(98,281)	(236,378)	(340,418)
Amortisation for the year	7	(5,712)	-	(81,316)	(87,028)
Disposal		-	20	-	20
Impairment loss	7	-	(13,557)	-	(13,557)
Currency translation differences		(352)	(7,056)	-	(7,408)
At end of the financial year		(11,823)	(118,874)	(317,694)	(448,391)
Net carrying amount					
At 30 June 2017		129,335	6,170,694	86,005	6,386,034

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

18. INTANGIBLE ASSETS (CONTINUED)

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

	Group	
	2018 RM'000	**2017 RM'000**
Utilities	**5,202,309**	5,554,337
Management services	**288,545**	304,100
Cement manufacturing & trading	**123,651**	126,578
Property investment & development	**96,231**	87,769
Hotel & restaurant operations	**69,233**	72,431
Others	**25,479**	25,479
	5,805,448	6,170,694

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 fifteen-year period. Cash flows beyond the fifteen-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 RM4.3 billion (2017: RM4.7 billion) ("A") and RM820 million (2017: RM820 million) ("B"), respectively, and one of the major goodwill in management services ("C") segment amounting to RM288 million (2017: RM304 million).

	2018			2017		
	A %	**B %**	**C %**	**A %**	**B %**	**C %**
Pre-tax discounts	**5.9**	**6.3**	**6.2**	5.8	4.4	5.3
Terminal growth rate	**2.0**	**0.1**	**6.5**	2.0	0.1	6.5
Revenue growth	**-**	**2.7**	**2.0**	–	1.6	2.0
Earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rate	**8.5**	**-**	**-**	1.9	–	–

18. INTANGIBLE ASSETS (CONTINUED)

(a) Key assumption used in the value-in-use calculation (Continued)

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, to conform with the remaining contract period of the gas supply agreements. 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 EBITDA growth rate is calculated using the Compound Annual Growth Rate method and applied on the projected first year's EBITDA over the forecast period. Management determined the current year's EBITDA growth rate assumption based on the changes in the vesting contract regime as published in the "Review of the Vesting Contract Regime Final Determination Paper" published by the Energy Market Authority on 30 September 2016.

For CGU "B", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a two year period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

(b) Sensitivity to change in key assumptions

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's results. The Group's review includes the key assumptions related to sensitivity in the cash flow projections.

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:-

	2018			**2017**		
	A	**B**	**C**	**A**	**B**	**C**
	%	**%**	**%**	**%**	**%**	**%**
Pre-tax discounts	**7.0**	**18.3**	**7.1**	7.5	15.0	7.5
Terminal growth rate	**0.2**	**(0.8)**	**7.0**	(0.3)	(1.2)	7.4
Revenue growth	**-**	**(29.5)**	**1.6**	–	(8.7)	0.5
Earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rate	**2.0**	**-**	**-**	(5.1)	–	–

19. BIOLOGICAL ASSETS

	Group	
	2018 RM'000	2017 RM'000
Plantation development expenditure - at cost		
At beginning/end of the financial year	**1,798**	1,798

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-current				
Trade receivables	**429**	436	**-**	-
Other receivables	**9,279**	9,345	**-**	-
Less: Allowance for impairment	**(2,485)**	(2,485)	**-**	-
Other receivables (net)	**6,794**	6,860	**-**	-
Deposits	**1,311**	1,387	**-**	-
Receivables from associate company ^	**229,362**	258,066	**-**	-
Shareholder loan Ω	**714,988**	686,795	**-**	-
	952,884	953,544	**-**	-
Current				
Trade receivables	**2,273,002**	2,153,127	**-**	-
Shareholder amounts held by solicitors	**49,632**	2,015	**-**	-
	2,322,634	2,155,142	**-**	-
Less : Allowance for impairment	**(328,846)**	(319,986)	**-**	-
Trade receivables (net)	**1,993,788**	1,835,156	**-**	-
Other receivables **	**437,923**	517,125	**11,366**	10,636
Less: Allowance for impairment	**(4,859)**	(5,906)	**-**	-
Other receivables (net)	**433,064**	511,219	**11,366**	10,636
Accrued income	**951,446**	981,319	**-**	-
Deposits	**78,348**	64,644	**327**	490
	3,456,646	3,392,338	**11,693**	11,126

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

^ 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.

Ω Shareholder loans are advances to Attarat Power Holding Company B.V. who wholly own Attarat Power Company ("APCO"). APCO is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan under a 30-year power purchase agreement for the plant's entire generating capacity with National Electric Power Company ("NEPCO"), Jordan's state-owned power utility, with an option for the utility to extend the operating period to 40 years. Construction has commenced on the project with operations scheduled to commence in mid-2020. The shareholder loans and accrued interest are repayable on demand.

** 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 amount recognised is based on legal advice and the judgement of management. The trial has completed and the matter is now awaiting court's decision. Additional information is disclosed in Note 45 to the financial statements.

Receivables amounting to RM43.0 million (2017: RM35.7 million) are secured by financial guarantees given by banks and RM25.2 million (2017: RM17.0 million) are secured by cash collateral.

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group	
	2018 RM'000	**2017 RM'000**
Neither past due nor impaired	**1,155,331**	916,136
1 to 90 days past due not impaired	**394,691**	495,215
91 to 120 days past due not impaired	**51,596**	33,959
More than 121 days past due not impaired	**392,170**	389,846
	838,457	919,020
Impaired	**328,846**	319,986
	2,322,634	2,155,142

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM838,457,000 (2017: RM919,020,000) that are past due at the reporting date but not impaired. These include mainly trade receivables past due for technical or strategic reasons and there is no concern on the credit worthiness of the counter parties and the recoverability of these debts, and which management has assessed that there is no recent history of default.

Receivables that are impaired

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

		Group	
	Note	2018 RM'000	2017 RM'000
Trade receivables			
At beginning of the financial year		**319,986**	357,314
Charge for the year	7	**75,986**	83,852
Reversal of impairment losses	7	**(1,258)**	(18,982)
Bad debts written off		**(53,163)**	(110,575)
Currency translation differences		**(12,705)**	8,377
At end of the financial year		**328,846**	319,986
Other receivables			
At beginning of the financial year		**8,391**	3,763
Charge for the year	7	**173**	2,346
Reversal of impairment losses	7	**(1,214)**	-
Reclassification	13	**-**	2,274
Currency translation differences		**(6)**	8
At end of the financial year		**7,344**	8,391

Receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The fair value of receivables approximates their carrying amounts.

21. OTHER ASSETS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-current					
Prepayments		**14,982**	34,895	**-**	-
Current assets					
Prepayments		**286,674**	277,178	**366**	360
Accrued billings in respect of property development costs		**2,572**	132,724	**-**	-
Amount due from contract customers	25	**10,437**	13,955	-	-
		299,683	423,857	**366**	360

22. DERIVATIVE FINANCIAL INSTRUMENTS

	Assets RM'000	Liabilities RM'000	Total RM'000
Group - 2018			
At beginning of the financial year	**65,753**	**(172,780)**	**(107,027)**
Movement during the year	**190,778**	**113,748**	**304,526**
Currency translation differences	**(8,266)**	**4,907**	**(3,359)**
At end of the financial year	**248,265**	**(54,125)**	**194,140**
Group - 2017			
At beginning of the financial year	95,820	(403,471)	(307,651)
Movement during the year	(34,005)	245,792	211,787
Currency translation differences	3,938	(15,101)	(11,163)
At end of the financial year	65,753	(172,780)	(107,027)

22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

	Contract/ notional amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
Group – 2018			
Cash-flow hedges			
– fuel oil swaps	**1,617,924**	**219,059**	**9,836**
– currency forwards	**1,122,018**	**21,129**	**8,479**
– interest rate swaps	**3,850,006**	**6,275**	**13,695**
Fair value through profit or loss			
– fuel oil swaps	**1,180**	**-**	**240**
– currency options contract	**1,615,400**	**-**	**18,579**
– currency forwards	**49,854**	**1,802**	**-**
– electricity futures	**11,256**	**-**	**3,296**
		248,265	**54,125**
Current portion		**198,405**	**19,817**
Non-current portion		**49,860**	**34,308**
		248,265	**54,125**
Group – 2017			
Cash-flow hedges			
– fuel oil swaps	1,253,820	43,558	114,185
– currency forwards	1,402,665	20,991	20,937
– interest rate swaps	3,484,015	202	25,826
Fair value through profit or loss			
– fuel oil swaps	89,991	-	9,382
– currency forwards	156,465	1,002	2,450
		65,753	172,780
Current portion		52,124	128,772
Non-current portion		13,629	44,008
		65,753	172,780

The changes in fair value that arose from fair value through profit or loss during the financial year that was recognised in the Income Statements amounted to loss of RM5.2 million (2017: gain of RM4.4 million).

22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Period when the cash flows on cash flow hedges are expected to occur or affect the Income Statement:

(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 37 months (2017: 33 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 Statement 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 43 months (2017: 36 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 Statement upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency payments of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in profit or loss over their estimated useful lives as part of depreciation expense.

For those currency forwards used to hedge highly probable forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in profit or loss over the period of the contracts.

The fair values of forward currency contracts are determined using actively quoted forward currency rates.

(c) Interest rate swaps

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.

23. INVENTORIES

	Group 2018 RM'000	Group 2017 RM'000
Consumable stores	**21,850**	20,536
Finished goods	**112,460**	107,165
Fuel	**214,675**	223,419
Property held for sales	**2,113,249**	77,884
Raw materials	**113,304**	114,732
Spare parts	**217,735**	211,338
Work-in-progress	**44,786**	44,751
	2,838,059	799,825

24. PROPERTY DEVELOPMENT COSTS

Group - 2018	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs:-					
At beginning of the financial year		**1,331,981**	**131,917**	**1,754,504**	**3,218,402**
Cost incurred during the financial year		**-**	**-**	**187,516**	**187,516**
Transfer to inventories		**(1,205,090)**	**-**	**(1,001,732)**	**(2,206,822)**
Transfer from land held for property development	13	**-**	**-**	**537**	**537**
Reversal of completed projects		**(15,019)**	**(47,867)**	**(713,711)**	**(776,597)**
Currency translation differences		**(35,411)**	**-**	**(20,593)**	**(56,004)**
At end of the financial year		**76,461**	**84,050**	**206,521**	**367,032**
Cumulative cost recognised in profit or loss:-					
At beginning of the financial year					**(743,188)**
Recognised during the financial year	5				**(33,409)**
Reversal of completed projects					**776,597**
At end of the financial year					**-**
Property development costs at end of the financial year					**367,032**

24. PROPERTY DEVELOPMENT COSTS (CONTINUED)

Group - 2017	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs:-					
At beginning of the financial year		1,642,718	135,279	1,272,973	3,050,970
Cost incurred during the financial year		-	-	468,377	468,377
Transfer to inventories		-	(3,362)	(21,393)	(24,755)
Transfer to investment properties	12	(369,367)	-	-	(369,367)
Currency translation differences		58,630	–	34,547	93,177
At end of the financial year		1,331,981	131,917	1,754,504	3,218,402
Cumulative cost recognised in profit or loss:-					
At beginning of the financial year					(400,784)
Recognised during the financial year	5				(342,404)
At end of the financial year					(743,188)
Property development costs at end of the financial year					2,475,214

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM10,344,000 (2017: RM46,377,000).

Included in property development costs of the Group is a freehold land under development with carrying value of RM nil (2017: RM2,145,415,000) pledged as security for a borrowing granted to the Group as disclosed in Note 32 to the financial statements.

25. CONSTRUCTION CONTRACTS

	Note	Group 2018 RM'000	Group 2017 RM'000
Aggregate costs incurred to date		**663,205**	331,128
Recognised profits less recognised losses		**108,057**	85,468
		771,262	416,596
Less : Progress billings		**(812,079)**	(407,023)
Total		**(40,817)**	9,573
Representing:			
Amount due to contract customers	38	**(51,254)**	(4,382)
Amount due from contract customers	21	**10,437**	13,955
Total		**(40,817)**	9,573

Included in aggregate costs incurred to date of the Group is depreciation capitalised during the financial year amounting to RM7,652,000 (2017: RM6,619,000).

26. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
(a) Amounts due from related parties				
Amounts due from:				
– Holding company	**23**	551	**-**	–
– Subsidiaries	**-**	–	**1,178,463**	1,144,650
– Related companies	**10,553**	28,143	**2,465**	2,465
– Associated companies	**25,606**	26,702	**59**	56
– Joint ventures	**72**	32,101	**-**	–
	36,254	87,497	**1,180,987**	1,147,171
(b) Amounts due to related parties				
Amounts due to:				
– Subsidiaries	**-**	–	**127,156**	101,592
– Related parties	**2,750**	2,597	**68**	1
– Associated companies	**384**	1,716	**-**	–
– Joint ventures	**5,971**	4,173	**-**	–
	9,105	8,486	**127,224**	101,593

26. AMOUNTS DUE FROM/TO RELATED PARTIES (CONTINUED)

(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 RM15.0 million (2017: RM55.0 million) which bear interest rate of 4.7% per annum (2017: 4.7% per annum).

(d) The significant related parties' transactions of the Group and of the Company are disclosed in Note 41 to the financial statements.

27. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Deposit with a licensed bank		**10,619,683**	12,145,557	**511,616**	853,092
Cash and bank balances		**1,014,971**	1,174,691	**3,502**	2,329
		11,634,654	13,320,248	**515,118**	855,421
Bank overdrafts	32	**(33,011)**	(3,410)	**-**	-
Cash and cash equivalents as per statements of cash flows		**11,601,643**	13,316,838	**515,118**	855,421

Cash and bank balances of the Group the included amounts totalling RM16,981,000 (2017 : RM28,730,000) 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	
	2018 %	2017 %	2018 %	2017 %
Deposits with licensed banks	**0.05-4.25**	0.09-4.20	**1.05-3.85**	0.28-3.87

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2017: 1 day to 365 days). Bank balances are deposits held at call with banks.

Included in the deposits with licensed banks amounting to RM3,057,000 (2017: RM6,242,000) is pledged as a security for a borrowing as disclosed in Note 32.

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.

28. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2018 '000	2017 '000	2018 RM'000	2017 RM'000
Issued and fully paid:				
At beginning of the financial year	**10,910,560**	10,793,991	**3,340,111**	1,079,399
Share Exchange Offer	**-**	107,996	**-**	10,800
Compulsory acquisition	**-**	8,573	**-**	857
Transition to no par value regime *	**-**	-	**-**	2,249,055
At end of the financial year	**10,910,560**	10,910,560	**3,340,111**	3,340,111

Out of a total of 10,910,559,429 (2017: 10,910,559,429) ordinary shares issued and fully paid-up ordinary shares, the Company holds 232,831,818 (2017: 375,348,139) ordinary shares as treasury shares. As at 30 June 2018, the number of ordinary shares in issue and fully paid net of treasury shares are 10,677,727,611 (2017: 10,535,211,290).

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.

* The Companies Act 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM2,249,055,000 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM2,249,055,000 for purposes as set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(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 2017. 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 68,180,400 ordinary shares (2017: 1,000) ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.11 (2017: RM1.60) 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.

On 9 November 2017, a total of 210,696,721 treasury shares amounting to RM334,881,368 were distributed as share dividend to the shareholders on the basis of one (1) treasury shares for every fifty (50) existing ordinary shares held on 26 October 2017.

28. SHARE CAPITAL (CONTINUED)

(a) Treasury shares (Continued)

As at 30 June 2018, the Company held as treasury shares a total of 232,831,818 (2017: 375,348,139) of its 10,910,559,429 (2017: 10,910,559,429) issued ordinary shares. Such treasury shares are held at a carrying amount of RM337,141,797 (2017: RM596,576,874).

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

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

The salient terms of the ESOS are as follows:-

(i) The ESOS 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;

28. SHARE CAPITAL (CONTINUED)

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

(v) Subject to Clause 13 of the By-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 10 and 11 of the By-Laws, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the options committee at its absolute discretion, by notice in writing to the options committee, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(vi) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the options committee at its absolute discretion.

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

Financial year ended 30 June 2018

		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***	**129,580**	**-**	**(3,685)**	**125,895**
14.03.2018	31.03.2021	**1.26**	**-**	**267,996**	**(8,513)**	**259,483**
			129,580	**267,996**	**(12,198)**	**385,378**

* The exercise price RM1.71 was adjusted from RM1.75.

28. SHARE CAPITAL (CONTINUED)

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

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

Financial year ended 30 June 2017

			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	1.75	132,150	-	(2,570)	129,580

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 FRS 2 applies, was determined using the Trinomial Valuation model. The significant inputs in the model are as follows:-

	Share options granted on 16.07.2012	**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%

28. SHARE CAPITAL (CONTINUED)

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

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	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Share option expenses				
by the Company	**5,046**	–	**5,046**	–
by the subsidiary	**1,612**	–	**-**	–
Allocation to subsidiaries	**-**	–	**(3,111)**	–
Total share option expenses	**6,658**	–	**1,935**	–

29. NON-DISTRIBUTABLE RESERVES

(a) Share premium

	Group/Company	
	2018 RM'000	**2017 RM'000**
At beginning of the financial year	**-**	2,069,188
Compulsory acquisition	**-**	12,473
Share Exchange Offer	**-**	167,394
Transfer to non par value regime*	**-**	(2,249,055)
At end of the financial year	**-**	–

* The Companies Act 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM2,249,055,000 became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM2,249,055,000 for purposes as set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

(b) 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	Available-for-sale reserve RM'000	Hedging reserve RM'000	Total other reserves RM'000
Group - 2018								
At beginning of the financial year	**102,309**	**73,848**	**1,334,763**	**71,379**	**19,733**	**(1,510)**	**(76,963)**	**1,523,559**
Changes in fair value	**-**	**-**	**-**	**-**	**-**	**21,333**	**171,143**	**192,476**
Exchange differences	**-**	**-**	**(705,387)**	**-**	**-**	**-**	**-**	**(705,387)**
Total comprehensive (loss)/ income for the year	**-**	**-**	**(705,387)**	**-**	**-**	**21,333**	**171,143**	**(512,911)**
Changes in composition of the Group	**-**	**-**	**(365)**	**-**	**-**	**-**	**-**	**(365)**
Share option expenses	**-**	**-**	**-**	**5,916**	**-**	**-**	**-**	**5,916**
Share option lapsed	**-**	**-**	**-**	**(1,290)**	**-**	**-**	**-**	**(1,290)**
Subsidiary's share option lapsed	**-**	**-**	**-**	**(378)**	**-**	**-**	**-**	**(378)**
Share of reserve of a joint venture	**(4,885)**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,885)**
Currency translation differences	**3**	**-**	**(161)**	**-**	**(1,179)**	**-**	**1,337**	**-**
At end of the financial year	**97,427**	**73,848**	**628,850**	**75,627**	**18,554**	**19,823**	**95,517**	**1,009,646**
Group - 2017								
At beginning of the financial year	102,267	73,848	762,796	72,450	18,491	5,419	(207,641)	827,630
Changes in fair value	-	-	-	-	-	(6,930)	147,619	140,689
Exchange differences	-	-	556,311	-	-	-	-	556,311
Total comprehensive income/ (loss) for the year	-	-	556,311	-	-	(6,930)	147,619	697,000
Share option lapsed	-	-	-	(900)	-	-	-	(900)
Subsidiary's share option lapsed	-	-	-	(171)	-	-	-	(171)
Currency translation differences	42	-	15,656	-	1,242	1	(16,941)	-
At end of the financial year	102,309	73,848	1,334,763	71,379	19,733	(1,510)	(76,963)	1,523,559

Note:

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

29. NON-DISTRIBUTABLE RESERVES (CONTINUED)

	Share option reserve RM'000	Available-for-sale reserve RM'000	Total other reserves RM'000
Company – 2018			
At beginning of the financial year	**45,353**	**1,547**	**46,900**
Changes in fair value	**-**	**11,533**	**11,533**
Disposal of available-for-sale investment securities	**-**	**(753)**	**(753)**
Share option expenses	**5,046**	**-**	**5,046**
Share option lapsed	**(1,290)**	**-**	**(1,290)**
At end of the financial year	**49,109**	**12,327**	**61,436**
Company – 2017			
At beginning of the financial year	46,253	808	47,061
Changes in fair value	–	1,035	1,035
Disposal of available-for-sale investment securities	–	(296)	(296)
Share option lapsed	(900)	–	(900)
At end of the financial year	45,353	1,547	46,900

30. LONG TERM PAYABLES

	Group	
	2018 RM'000	**2017 RM'000**
Deferred income	**676,196**	713,334
Deposits	**95,445**	97,230
Payable to non-controlling interest	**113,457**	120,635
Other payables	**23,029**	1,195
	908,127	932,394

The deferred income in relation to assets transferred from customer and services of the water and sewerage segment which are yet to be provided.

Deposits comprise of amount collected from retail customers in relation to the provision of electricity, deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure and security deposits from property tenants. The fair value of payables approximates their carrying values.

31. BONDS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current:-					
Medium Term Notes	31(a)	**2,708,701**	–	**500,000**	–
Non-current:-					
Medium Term Notes	31(a)	**8,976,599**	11,074,090	**2,000,000**	2,500,000
3.52% Retail Price Index Guaranteed Bonds	31(b)	**411,533**	422,115	**-**	–
5.75% Guaranteed Unsecured Bonds	31(c)	**1,839,201**	1,940,301	**-**	–
5.375% Guaranteed Unsecured Bonds	31(d)	**1,053,734**	1,111,634	**-**	–
1.75% Index Linked Guaranteed Bonds	31(e)	**1,107,059**	1,135,525	**-**	–
1.369% and 1.374% Index Linked Guaranteed Bonds	31(f)	**1,107,059**	1,135,525	**-**	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	31(g)	**1,049,568**	1,073,920	**-**	–
2.186% Index Linked Guaranteed Bonds Due 2039	31(h)	**344,367**	351,648	**-**	–
4.0% Guaranteed Unsecured Bonds	31(i)	**1,599,926**	1,692,479	**-**	–
Japan bonds	31(j)	**23,900**	29,291	**-**	–
		17,512,946	19,966,528	**2,000,000**	2,500,000
Total		**20,221,647**	19,966,528	**2,500,000**	2,500,000

The bonds are repayable:-

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Not later than 1 year	**2,708,701**	–	**500,000**	–
Later than 1 year but not later than 5 years	**5,717,455**	4,205,844	**1,000,000**	500,000
Later than 5 years	**11,795,491**	15,760,684	**1,000,000**	2,000,000
Total	**20,221,647**	19,966,528	**2,500,000**	2,500,000

31. BONDS (CONTINUED)

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	
	2018 %	2017 %	2018 %	2017 %
Medium Term Notes	**2.88**	2.74	**4.66**	4.66
Bonds	**4.95**	4.67	**-**	-

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
3.52% Retail Price Index Guaranteed Bonds	**313,436**	548,537	**-**	-
5.75% Guaranteed Unsecured Bonds	**2,538,182**	2,810,758	**-**	-
5.375% Guaranteed Unsecured Bonds	**1,313,751**	1,455,438	**-**	-
1.75% Index Linked Guaranteed Bonds	**1,668,760**	1,742,405	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,753,143**	1,850,380	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,746,270**	1,843,126	**-**	-
2.186% Index Linked Guaranteed Bonds Due 2039	**398,759**	409,754	**-**	-
4.0% Guaranteed Unsecured Bonds	**1,708,469**	1,866,534	**-**	-
Medium Term Notes	**11,670,455**	11,115,526	**2,479,533**	2,479,533
Japan bonds	**23,900**	29,291	**-**	-
	23,135,125	23,671,749	**2,479,533**	2,479,533

31. BONDS (CONTINUED)

(a) Medium term notes ("MTNs")

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

(a) An MTNs issuance programme of up to RM500 million constituted by a Trust Deed and Programme Agreement, both dated 18 June 2004, and the First Supplemental MTNs Trust Deed dated 13 July 2004.;

A nominal value of RM500 million of MTNs was issued on 25 June 2014 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.47% (2017: 4.47%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 25 June 2019 at nominal value.

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

A nominal value of RM1,000,000,000 of MTNs was issued under the programme on 25 April 2013 at a coupon rate 4.38% (2017: 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% (2017: 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% (2017: 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) An Medium Term Notes programme of up to RM5,000,000,000 constituted by a Trust Deed and MTN Agreement, both dated 11 August 2011. The facility bears interest rates ranging from 4.35% to 4.95% (2017: 4.35% to 4.95%) per annum.

(b) The Islamic MTN 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% (2017: 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.

31. BONDS (CONTINUED)

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

(iii) The MTNs of Starhill Global REIT ("SGREIT") were issued pursuant to:- (Continued)

(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.

(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 ("Second Senior MTN") issued at a discounted cash consideration of approximately RM325 million. The Second Senior MTN bear a fixed coupon rate of 4.48% per annum and have a carrying amount of approximately RM328.9 million (SGD111.2 million) [2017: RM328.0 million (SGD105.2 million)] as at 30 June 2018. 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.

(iv) The MTNs of YTL Hospitality REIT ("YTLREIT") were issued pursuant to:-

An MTNs issuance programme of up to RM1,650 million constituted by a Trust Deed and Programme Agreement, both dated 11 May 2016.

(a) A nominal value of RM10 million of MTNs was issued on 25 May 2016 to refinance part the Group's existing RM821.8 million term loan. The MTNs are redeemable on 24 May 2019 at nominal value.

(b) A nominal value of RM65 million of MTNs was issued on 23 May 2017 to finance the renovation costs carried out at two properties owned by the Trust. The MTNs are redeemable on 23 May 2022 at nominal value.

(c) 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 the Trust. The MTNs are redeemable on 1 November 2024 at nominal value.

(d) A nominal value of RM265 million of MTNs was issued on 23 November 2017 to refinance the existing borrowings of the Trust. The MTNs are redeemable on 23 November 2022 at nominal value.

31. BONDS (CONTINUED)

(b) 3.52% Retails price index guaranteed bonds ("RPIG Bonds")

The RPIG Bonds of Wessex Waters Services Finance Plc, a subsidiary of the Group, bear interest semi-annually on 30 January and 30 July at an interest rate of 3.52% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2018 is 7.40% (2017: 5.71%) 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.

(c) 5.75% Guaranteed unsecured bonds

On 15 October 2003, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP350,000,000 nominal value of 5.75% Guaranteed Unsecured Bonds due 2033 ("5.75% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 5.75% GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of 5.75% GU Bonds issued amounted to GBP350,000,000 and as at 30 June 2018 GBP347,274,542 (2017: GBP347,095,909) remained outstanding, net of amortised fees and discount. The net proceeds of the 5.75% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The 5.75% GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The 5.75% GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest.

(d) 5.375% 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 GBP198,964,188 (2017: GBP198,857,580) remained outstanding as at 30 June 2018, net of amortised fees and discount. The net proceeds of the 5.375% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The 5.375% GU Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The 5.375% GU bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with all accrued interest.

(e) 1.75% Index linked guaranteed bonds

On 31 July 2006, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued two (2) tranches of GBP75,000,000 nominal value of 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds 1 were each constituted under a Trust Deed dated 31 July 2006 and are unsecured.

The ILG Bonds 1 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2018 is 5.63% (2017: 3.94%) per annum. The ILG Bonds 1 will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche, at their indexed value together with all accrued interest.

31. BONDS (CONTINUED)

(f) 1.369% AND 1.374% Index linked guaranteed bonds

On 31 January 2007, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP75,000,000 nominal value of 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value of 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds 2") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds 2 were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The ILG Bonds 2 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2018 is 5.25% (2017: 3.56%) per annum. The ILG Bonds 2 will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest.

(g) 1.489%, 1.495% AND 1.499% Index linked guaranteed bonds

On 28 September 2007, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP50,000,000 nominal value of 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value of 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value of 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds 3") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The ILG Bonds 3 were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The ILG Bonds 3 bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2018 is 4.83% (2017: 4.63%) per annum. The ILG Bonds 3 will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

(h) 2.186% Index linked guaranteed bonds

On 7 September 2009, Wessex Water Services Finance Plc ("Issuer") issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds 4") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 4 were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The ILG Bonds 4 bear interest semi-annually on 1 December and 1 June at an interest rate of 2.186% initially, indexed up by the inflation rate every half year. The effective interest rate as at 30 June 2018 is 3.35% (2017: 3.85%) 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.

31. BONDS (CONTINUED)

(i) 4.0% Guaranteed unsecured bonds

On 24 January 2012, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP200,000,000 nominal value 4.0% Guaranteed Unsecured Bonds due 2021 ("4.0% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4.0% GU Bonds are constituted under a Trust Deed dated 24 January 2012. The nominal value of 4.0% GU Bonds issued amounted to GBP200,000,000, of which GBP199,134,603 (2017: GBP198,868,328) remained outstanding as at 30 June 2018, net of amortised fees and discount. The net proceeds of the 4.0% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 30 August 2012, Wessex Water Services Finance Plc ("Issuer"), a subsidiary of the Group, issued GBP100,000,000 nominal value 4.0% Guaranteed Unsecured Bonds due 2021 ("4.0% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4.0% GU Bonds are constituted under a Trust Deed dated 30 August 2012. The nominal value of 4.0% GU Bonds issued amounted to GBP100,000,000 of which GBP102,960,481 (2017: GBP103,895,370) remained outstanding as at 30 June 2018, net of amortised fees and discount. The net proceeds of the 4.0% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The 4.0% GU Bonds bear interest at 4.00% per annum, payable annually on 24 September of each year. The 4.0% GU Bonds will be redeemed in full by the Issuer on 24 September 2021 at their nominal value together with all accrued interest.

The 4.0% GU Bonds GBP100,000,000 due 24 September 2021 were consolidated to form a single series with the 4.0% GU Bonds GBP200,000,000 which was issued on 24 January 2012.

(j) Japan bonds

Starhill Global REIT One TMK ("SGREIT One TMK"), a subsidiary of the Group, has JPY678 million (SGD8.4 million) [2017: JPY0.8 billion (SGD9.8 million)] of Japan bonds outstanding as at 30 June 2018, 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).

32. BORROWINGS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current					
Bankers' acceptances	32(a)	**3,855**	4,395	**-**	-
Bank overdrafts	32(b)	**33,011**	3,410	**-**	-
Committed bank loans	32(c)	**52,538**	46,094	**-**	-
Finance lease liabilities	32(d)	**77,675**	120,412	**807**	**1,201**
Irredeemable convertible unsecured loan stocks	32(e)	**19,826**	15,013	**-**	-
Revolving credit	32(f)	**2,079,207**	4,305,911	**1,266,854**	1,266,855
Term loans	32(g)	**1,263,393**	4,501,571	**-**	200,000
		3,529,505	8,996,806	**1,267,661**	1,468,056
Non-current					
Committed bank loans	32(c)	**2,648**	-	**-**	-
Finance lease liabilities	32(d)	**45,317**	54,836	**172**	978
Irredeemable convertible unsecured loan stocks	32(e)	**4,969**	12,938	**-**	-
Revolving credit	32(f)	**381,781**	188,945	**-**	-
Term loans	32(g)	**17,600,645**	13,909,576	**200,000**	-
		18,035,360	14,166,295	**200,172**	978
Total					
Bankers' acceptances	32(a)	**3,855**	4,395	**-**	-
Bank overdrafts	32(b)	**33,011**	3,410	**-**	-
Committed bank loans	32(c)	**55,186**	46,094	**-**	-
Finance lease liabilities	32(d)	**122,992**	175,248	**979**	2,179
Irredeemable convertible unsecured loan stocks	32(e)	**24,795**	27,951	**-**	-
Revolving credit	32(f)	**2,460,988**	4,494,856	**1,266,854**	1,266,855
Term loans	32(g)	**18,864,038**	18,411,147	**200,000**	200,000
		21,564,865	23,163,101	**1,467,833**	1,469,034

32. BORROWINGS (CONTINUED)

The borrowings of the Group and the Company are repayable as follows:-

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2018				
Bankers' acceptances	**3,855**	**-**	**-**	**3,855**
Bank overdrafts	**33,011**	**-**	**-**	**33,011**
Committed bank loans	**52,538**	**2,648**	**-**	**55,186**
Finance lease liabilities	**77,675**	**45,317**	**-**	**122,992**
ICULS	**19,826**	**4,969**	**-**	**24,795**
Revolving credit	**2,079,207**	**221,781**	**160,000**	**2,460,988**
Term loans	**1,263,393**	**16,433,097**	**1,167,548**	**18,864,038**
	3,529,505	**16,707,812**	**1,327,548**	**21,564,865**
At 30 June 2017				
Bankers' acceptances	4,395	-	-	4,395
Bank overdrafts	3,410	-	-	3,410
Committed bank loans	46,094	-	-	46,094
Finance lease liabilities	120,412	54,762	74	175,248
ICULS	15,013	12,938	-	27,951
Revolving credit	4,305,911	188,945	-	4,494,856
Term loans	4,501,571	12,326,677	1,582,899	18,411,147
	8,996,806	12,583,322	1,582,973	23,163,101

32. BORROWINGS (CONTINUED)

The borrowings of the Group and the Company are repayable as follows:-

Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2018				
Finance lease liabilities	**807**	**172**	**-**	**979**
Revolving credit	**1,266,854**	**-**	**-**	**1,266,854**
Term loans	**-**	**200,000**	**-**	**200,000**
	1,267,661	**200,172**	**-**	**1,467,833**
At 30 June 2017				
Finance lease liabilities	1,201	978	-	2,179
Revolving credit	1,266,855	-	-	1,266,855
Term loans	200,000	-	-	200,000
	1,468,056	978	-	1,469,034

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

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

	Group		Company	
	2018 %	**2017 %**	**2018 %**	**2017 %**
Term loans	**2.63**	2.37	**4.34**	4.55
Revolving credit	**1.49**	2.71	**4.17**	3.89
Committed bank loans	**2.20**	2.04	**-**	-
ICULS	**7.50**	7.49	**-**	-
Bankers' acceptances	**2.68**	2.47	**-**	-
Bank overdrafts	**1.53**	1.52	**-**	-
Finance lease liabilities	**1.72**	1.73	**2.40**	2.44

32. BORROWINGS (CONTINUED)

(a) Bankers' acceptances

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

(b) Bank overdrafts

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

(c) Committed bank loans

All committed bank loans are unsecured and repayable in full on 28 February 2020.

(d) Finance lease liabilities

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Payable not later than 1 year	**81,250**	125,073	**834**	1,274
Payable later than 1 year and not later than 5 years	**46,556**	55,970	**175**	1,005
Later than 5 years	**-**	316	**-**	-
Total minimum lease payments	**127,806**	181,359	**1,009**	2,279
Less : Finance charges	**(4,814)**	(6,111)	**(30)**	(100)
Present value of minimum lease payments	**122,992**	175,248	**979**	2,179

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

ICULS 2011/2021

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

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

(i) The ICULS 2011/2021 bear a coupon rate of 3.0% per annum from date of issue ("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

32. BORROWINGS (CONTINUED)

(e) Irredeemable convertible unsecured loan stocks ("ICULS") (Continued)

ICULS 2011/2021 (Continued)

(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 14 to the financial statements). The relevant amounts have been eliminated in the Statements of Financial Position.

(f) Revolving credit

Save for RM200,000,000 (2017: Nil) revolving credit facility of YTL Land & Development Berhad, all the revolving credit facilities are unsecured and repayable on demand.

(g) Term loans

(i) Term loans denominated in Great British Pounds

(a) The term loans of RM397,207,500 [GBP75,000,000] (2017: RM419,257,500 [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 0.90% to 1.05% (2017: 1.00% to 1.21%) per annum and are repayable in full on 22 July 2021.

(b) The term loans of RM741,454,000 [GBP140,000,000] (2017: RM782,614,000 [GBP140,000,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates ranging from 0.57% to 0.91% (2017: 0.57% to 0.85%) per annum and are repayable in full on 15 December 2018.

(c) The term loans of RM1,059,220,000 [GBP200,000,000] (2017: RM1,118,020,000 [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% (2017: 2.16%) per annum, the second loan of GBP50,000,000 was drawn down on 9 March 2015 bears interest rates ranging from 0.95% to 1.15% (2017: 0.95% to 1.19%) per annum, the third loan of GBP50,000,000 was drawn down on 9 April 2015 bears an interest rate of 1.99% (2017: 1.99%) per annum, and the fourth loan of GBP50,000,000 was drawn down on 25 May 2016 bears interest rates ranging from 1.21% to 1.49% (2017: 1.21% to 1.50%) per annum. All the loans are repayable in full between 30 January and 25 May 2025.

(ii) Term loans denominated in US Dollars

(a) The Term loan of RM807,700,000 [USD200,000,000] (2017: RM858,800,000 [USD200,000,000]) was drawn down by YTL Power International Berhad on 28 May 2015 and repayable on 28 May 2020. The borrowing bears interest rates ranging from 2.77% to 3.63% (2017: 2.33% to 2.77%) per annum.

(b) The Term loan of RM807,700,000 [USD200,000,000] (2017: RM858,800,000 [USD200,000,000]) was drawn down by YTL Power International Berhad on 17 December 2015 and repayable on 17 December 2020. The borrowing bears interest rates ranging from 2.63% to 3.45% (2017: 1.10% to 2.63%) per annum.

32. BORROWINGS (CONTINUED)

(g) Term loans (Continued)

(ii) Term loans denominated in US Dollars (Continued)

(c) The Term loan of RM1,009,625,000 [USD250,000,000] (2017: RM1,073,500,000 [USD250,000,000]) was drawn down by YTL Power International Berhad on 31 March 2017 of which RM996,946,206 [USD246,860,519] (2017: RM1,056,620,973 [USD246,069,160]) remained outstanding as at 30 June 2018, net of amortised fees. The borrowing bears interest rates ranging from 2.43% to 3.29% (2017: 2.18% to 2.24%) per annum and is repayable on 31 March 2022.

(d) Term loan of RM979,336,000 [USD242,500,000] (2017: RM1,105,705,000 [USD257,500,000]) of YTL Corp. Finance (Cayman) Limited guaranteed by the Company and repayable by 8 semi-annual instalments of USD7.5 million, commencing on 16 March 2016 and a final instalment of USD220 million on 16 March 2020. The loan bears net rate of 3.23% (2017: 2.29%) per annum.

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loan of RM180,500,000 (2017: RM606,800,000) of the Group, all the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollars

Included in the term loan are:-

(a) The Term loan of 2017: RM2,368,278,513 [SGD759,453,089] of previous financial year is unsecured loan of YTL PowerSeraya Pte. Limited and bears interest rates ranging from 1.78% to 1.87% (2017: 1.31% to 1.80%) per annum and were fully repaid during the financial year.

(b) The Term loan of 2017: RM2,356,079,678 [SGD755,541,200] of previous financial year is unsecured loan of YTL PowerSeraya Pte. Limited and bears interest rates ranging from 1.88% to 1.97% (2017: 1.41% to 1.90%) per annum and were fully repaid during the financial year.

(c) The term loan of RM5,890,592,790 [SGD1,990,804,958] was drawn down by YTL PowerSeraya Pte. Limited during the financial year and is repayable in full on 12 September 2022. The borrowing is unsecured loan and bears interest rates ranging from 2.27% to 2.79%.

(d) Term loan of RM1,149,725,000 [SGD388,565,000] (2017: RM1,196,084,000 [SGD383,557,000]) is a secured loan of YTL Westwood Properties Pte. Ltd. ("YTLW"). This term loan bears interest rates ranging from 2.65% to 3.56% (2017: 2.14% to 2.70%) per annum and is secured by legal mortgage of the property of YTLW.

Save for item (c) above, all the term loans are unsecured.

(v) Term loans denominated in Australian Dollars

All the term loans are secured by first fixed charge over the properties.

33. GRANTS AND CONTRIBUTIONS

	Note	Company 2018 RM'000	Company 2017 RM'000
At beginning of the financial year		**547,775**	427,843
Currency translation differences		**(29,775)**	19,403
Amortisation of grants and contributions	7	**(20,100)**	(14,774)
Acquisition of a subsidiary *		**-**	60,732
Received during the financial year		**50,593**	54,571
At end of the financial year		**548,493**	547,775

* This is in relation to acquisition of Albion Water Limited in 2017.

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.

34. DEFERRED TAXATION

	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
At beginning of the financial year	**2,068,379**	2,118,308	**113**	186
Charged/(credited) to Income Statement	**15,307**	(123,268)	**-**	(73)
- Property, plant and equipment	**(5,116)**	(98,382)	**-**	(73)
- Property development	**(3,728)**	(2,016)	**-**	-
- Investment properties	**(1,476)**	(9,444)	**-**	-
- Retirement benefits	**33,480**	(331)	**-**	-
- Provision	**147**	535	**-**	-
- Unutilised capital allowance	**(17,705)**	4,980	**-**	-
- Unabsorbed tax losses	**1,929**	(16,207)	**-**	-
- Others	**7,776**	(2,403)	**-**	-
Currency translation differences	**(96,750)**	72,495	**-**	-
Acquisition of subsidiary	**55,747**	25,420	**-**	-
Charged/(credited) to Other Comprehensive Income *	**30,518**	(24,576)	**-**	-
At end of the financial year	**2,073,201**	2,068,379	**113**	113

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

34. DEFERRED TAXATION (CONTINUED)

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Deferred tax provided are in respect of:-				
Deferred tax assets before offsetting				
Unutilised capital allowances	**(63,653)**	(45,786)	**-**	-
Retirement benefits	**(116,542)**	(189,663)	**-**	-
Unabsorbed tax losses	**(27,458)**	(29,387)	**-**	-
Provision	**(5,940)**	(6,128)	**-**	-
Others	**(15,537)**	(17,876)	**-**	-
	(229,130)	(288,840)	**-**	-
Offsetting	**229,130**	288,840	**-**	-
Deferred tax assets after offsetting	**-**	-	**-**	-
Deferred tax provided are in respect of:-				
Deferred tax liabilities before offsetting				
Property, plant and equipment				
- capital allowances in excess of depreciation	**2,236,701**	2,288,576	**113**	113
Land held for property development	**42,863**	44,249	**-**	-
Others	**22,767**	24,394	**-**	-
	2,302,331	2,357,219	**113**	113
Offsetting	**(229,130)**	(288,840)	**-**	-
Deferred tax liabilities after offsetting	**2,073,201**	2,068,379	**113**	113

34. DEFERRED TAXATION (CONTINUED)

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

	Group	
	2018 RM'000	2017 RM'000
Unabsorbed tax losses	**1,355,652**	1,357,838
Unutilised capital allowances	**2,052,474**	1,886,854
Deductible temporary differences	**60,776**	58,068
Taxable temporary differences - property, plant and equipment	**(1,092,660)**	(935,315)
	2,376,242	2,367,445

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

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Defined contribution plan - Current					
– Malaysia	35(a)	**4,677**	6,685	**273**	481
Defined benefit plan - Non-current					
– United Kingdom	35(b)	**671,629**	1,099,962	**-**	-
– Indonesia	35(c)	**13,880**	15,550	**-**	-
		685,509	1,115,512	**-**	-

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plan - United Kingdom

A subsidiary of the Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken by a qualified actuary as at 30 September 2016. This valuation has been adjusted to the reporting date as at 30 June 2018 taking account of experience over the period since 30 September 2016, changes in market conditions, and differences in the financial and demographic assumptions by the qualified actuary.

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (Continued)

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 34% of the liabilities are attributable to current employees, 17% to former employees and 49% 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 20 years reflecting the approximate split of the defined benefit obligation between current employees (duration of 25 years), deferred members (duration of 25 years) and current pensioners (duration of 15 years).

(ii) Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2016 showed a deficit of GBP160.9 million (RM852.1 million). The subsidiary is paying deficit contributions of:

- GBP7.60 million (RM40.25 million) by 31 March 2017;
- GBP11.00 million (RM58.26 million) by 31 March 2018;
- GBP11.38 million (RM60.27 million) by 31 March 2019;
- GBP11.77 million (RM62.34 million) by 31 March 2020;
- GBP12.04 million (RM63.77 million) by 31 March 2021;
- GBP12.32 million (RM65.25 million) by 31 March 2022;
- GBP12.60 million (RM66.73 million) by 31 March 2023;
- GBP12.90 million (RM68.32 million) by 31 March 2024;
- GBP13.19 million (RM69.86 million) by 31 March 2025;
- GBP13.50 million (RM71.50 million) by 31 March 2026;

which, along with investment returns from return-seeking assets, is expected to make good this shortfall by 31 March 2026.

The next funding valuation is due no later than 30 September 2019 at which progress towards full-funding will be reviewed.

The subsidiary also pays contributions of 21.7% of pensionable salaries from 1 April 2018 (18.2% prior to this date) in respect of current accrual and non-investment related expenses, with active members paying a further 7.3% of pensionable salaries on average. A contribution of GBP11.38 million (RM60.27 million) is expected to be paid by the subsidiary during the year ending on 30 June 2019.

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (Continued)

(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, diversified growth fund and 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.

A contingent liability exists in relation to the equalisation of Guaranteed Minimum Pension ("GMP"). The UK Government intends to implement legislation which could result in an increase in the value of GMP for some categories of member. This would increase the defined benefit obligation of the plan. At this stage, it is not possible to quantify the impact of this change.

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**1,099,962**	861,832
Pension (credit)/cost	**(98,524)**	95,423
Contributions and benefits paid	**(107,008)**	(88,311)
Currency translation differences	**(44,454)**	36,951
Re-measurement (gain)/loss	**(178,347)**	194,067
At 30 June	**671,629**	1,099,962

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan - United Kingdom (Continued)

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

	Group	
	2018 RM'000	**2017 RM'000**
Present value of funded obligations	**3,922,374**	4,416,568
Fair value of plan assets	**(3,250,745)**	(3,316,606)
Liability in the Statements of Financial Position	**671,629**	1,099,962

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**4,416,568**	3,795,075
Exchange differences	**(222,810)**	152,110
Interest cost	**113,593**	111,752
Current service cost	**67,202**	65,441
Contributions by scheme participants	**1,098**	1,090
Past service cost	**(197,006)**	545
Net benefits paid	**(130,056)**	(131,921)
Re-measurement loss/(gain):-		
- Actuarial gain arising from demographic assumptions	**-**	(35,433)
- Actuarial (gain)/loss arising from financial assumptions	**(162,982)**	548,946
- Actuarial (loss)/gain arising from experience adjustments	**36,767**	(91,037)
Present value of defined benefit obligations, at 30 June	**3,922,374**	4,416,568

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan - United Kingdom (Continued)

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**3,316,606**	2,933,243
Exchange differences	**(178,356)**	115,159
Interest income	**85,606**	86,131
Contributions by employer	**107,008**	88,311
Contributions by scheme participants	**1,098**	1,090
Net benefits paid	**(130,056)**	(131,921)
Administration expenses	**(3,293)**	(3,816)
Re-measurement gain:-		
- Return on plan assets excluding interest income	**52,132**	228,409
Fair value of plan assets, at 30 June	**3,250,745**	3,316,606

The pension cost recognised is analysed as follows:-

	Group	
	2018 RM'000	**2017 RM'000**
Current service cost	**67,202**	65,441
Interest cost	**27,987**	25,621
Past service cost *	**(197,006)**	545
Administration expenses	**3,293**	3,816
Total (credited)/charge to Income Statements	**(98,524)**	95,423

* Following the latest actuarial valuation of the pension scheme, a consultation was held with members to discuss the future funding of the scheme. As part of that consultation, the subsidiary, trustees and members agreed that the measurement of inflation for future pension increases would change. From 2020 pension increases for active members will be measured using Consumer Price Index (CPI) rather than Retail Price Index (RPI) which is currently used. The impact of that change is RM180.5 million (GBP32.9 million), a reduction in the FRS119 measurement of retirement benefit obligations, which has been shown in the Income Statements as a reduction in staff costs within cost of sales. A further change to the scheme in relation to death in service benefits payable to dependents of members has come into effect this year. The effect of this change is an additional RM16.5 million (GBP3.0 million) reduction, making RM197.0 million (GBP35.9 million) in total. The RM197.0 million (GBP35.9 million) reduction in expenses generated a RM33.5 million (GBP6.1 million) deferred tax charge, a net exceptional credit of RM163.5 million (GBP29.8 million).

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (Continued)

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

	Group	
	2018 **RM'000**	**2017** **RM'000**
Cost of sales	**(94,883)**	52,351
Administration expenses	**(31,628)**	17,451
Interest cost	**27,987**	25,621
Total (credited)/charge to Income Statements	**(98,524)**	95,423

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

	Group	
	2018 **%**	**2017** **%**
Discount rate	**2.80**	2.60
Expected rate of increase in pension payment	**2.20-3.10**	2.20-3.10
Expected rate of salary increases	**1.80-3.20**	3.20-3.70
Price inflation – RPI	**3.20**	3.20
Price inflation – CPI	**2.20**	2.20

The Group determines the appropriate discount rate at the end of each financial year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately the terms of the related pension liability.

The mortality assumptions are based upon the recent actual mortality experience of scheme members, and allow for expected future improvements in mortality rates. The assumptions are that a member currently aged 60 will live, on average, for a further 27.1 years (2017: 27.0 years) if they are male, and for a further 29.2 years (2017: 29.1 years) if they are female. For a member who retires in 2038 at age 60 the assumptions are that they will live, on average, for a further 28.3 years (2017: 28.2 years) after retirement if they are male, and a further 30.4 years (2017: 30.4 years) after retirement if they are female.

The mortality table adopted is based upon 95% of standard tables S2P(M/F)A adjusted to allow for individual years of birth. Future improvements are assumed to be in line with the CMI 2016 core projection, with a long term improvement rate of 1.0% p.a. for all members.

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan - United Kingdom (Continued)

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 2.8% to 2.7%)	74,675	3,922,374	3,997,049	671,629	746,304
An increase in the inflation of 0.1% (from 2.2% to 2.3% for CPI and 3.2% to 3.3% for RPI)	72,027	3,922,374	3,994,401	671,629	743,656
An increase in life expectancy of 1 year	140,876	3,922,374	4,063,250	671,629	812,505

The plan assets are comprised as follow:-

	2018		2017	
	RM'000	**%**	**RM'000**	**%**
Equity instrument	**1,347,856**	**41.5**	1,457,898	44.0
Debt instrument	**1,626,432**	**50.0**	1,518,271	45.8
Property	**205,489**	**6.3**	200,126	6.0
Others	**70,968**	**2.2**	140,311	4.2
	3,250,745	**100.0**	3,316,606	100.0

	Group	
	2018 RM'000	**2017 RM'000**
Actual return on plan assets	**137,738**	314,540

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan - Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are as presented below:-

	Group	
	2018 RM'000	**2017 RM'000**
Obligation relating to post-employment benefits	**11,916**	13,251
Obligation relating to other long-term employee benefits	**1,964**	2,299
Total	**13,880**	15,550

A subsidiary of the Group has a defined contribution pension fund program for its permanent national employees in Indonesia. The subsidiary's contribution is 6% of employee basic salary, while the employees' contributions range 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 2018.

(i) Post-employment benefits obligations

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**13,251**	10,072
Pension cost	**1,656**	1,632
Contributions and benefits paid	**(666)**	(106)
Currency translation differences	**(1,530)**	709
Re-measurement (gain)/loss	**(795)**	944
At 30 June	**11,916**	13,251

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia (Continued)

(i) Post-employment benefits obligations (Continued)

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

	Group	
	2018 RM'000	**2017 RM'000**
Present value of obligations	**11,916**	13,251

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**13,251**	10,072
Currency translation differences	**(1,530)**	709
Interest cost	**823**	828
Current service cost	**833**	804
Net benefits paid	**(666)**	(106)
Re-measurement loss:		
– Actuarial (gain)/loss arising from financial assumptions	**(1,098)**	746
– Actuarial loss arising from experience adjustments	**303**	198
Present value of defined benefit obligations at 30 June	**11,916**	13,251

The pension cost recognised can be analysed as follows:-

	Group	
	2018 RM'000	**2017 RM'000**
Current service cost	**833**	804
Interest cost	**823**	828
Total charge to Income Statements	**1,656**	1,632

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan - Indonesia (Continued)

(ii) Other long term employee benefits 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	
	2018 RM'000	**2017 RM'000**
Present value of obligations	**1,964**	2,299

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**2,299**	2,368
Pension cost	**359**	556
Contributions and benefits paid	**(429)**	(791)
Currency translation differences	**(265)**	166
At 30 June	**1,964**	2,299

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

	Group	
	2018 RM'000	**2017 RM'000**
At 1 July	**2,299**	2,368
Currency translation differences	**(265)**	166
Current service cost	**359**	556
Net benefits paid	**(429)**	(791)
At 30 June	**1,964**	2,299

35. POST-EMPLOYMENTS BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan - Indonesia (Continued)

(ii) Other long term employee benefits obligations (Continued)

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

	Group	
	2018 RM'000	2017 RM'000
Current service cost	**359**	556

The charge above was included in the cost of sales.

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

	Group	
	2018 %	2017 %
Discount rate	**8.0**	7.0
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:

	Increase	Decrease
	RM'000	RM'000
Discount rate (1% movement)	**907**	1,011
Future salary increase rate (1% movement)	**1,316**	1,202

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	Housing RM'000	Rectification works RM'000	Restructuring RM'000	Damages claims RM'000	Total RM'000
Group - 2018						
At beginning of the financial year		**40,331**	**5,828**	**35,035**	**107,155**	**188,349**
Currency translation differences		**-**	**(268)**	**(12)**	**(4,328)**	**(4,608)**
Charged to profit or loss	7	**-**	**3,600**	**1,981**	**1**	**5,582**
Payments		**-**	**(1,028)**	**(1,622)**	**(337)**	**(2,987)**
At end of the financial year		**40,331**	**8,132**	**35,382**	**102,491**	**186,336**
Presented as follows:						
Current		**33,254**	**8,132**	**35,382**	**102,491**	**179,259**
Non-current		**7,077**	**-**	**-**	**-**	**7,077**
		40,331	**8,132**	**35,382**	**102,491**	**186,336**
Group - 2017						
At beginning of the financial year		40,331	–	36,077	91,712	168,120
Currency translation differences		–	–	11	9,025	9,036
Charged to profit or loss	7	–	–	–	6,470	6,470
Transfer from other current liabilities		–	5,828	–	–	5,828
Payments		–	–	(1,053)	(52)	(1,105)
At end of the financial year		40,331	5,828	35,035	107,155	188,349
Presented as follows:						
Current		33,254	5,828	35,035	107,155	181,272
Non-current		7,077	–	–	–	7,077
		40,331	5,828	35,035	107,155	188,349

36. PROVISION FOR LIABILITIES AND CHARGES (CONTINUED)

(a) Provision for affordable housing

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

(b) Rectification works

The provision relates to the estimated cost of rectification works for completed project.

(c) Restructuring

The provision for liabilities and charges relates to scaling down of operations, environmental liabilities and asset retirement obligation.

(d) 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	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Trade payables	**1,201,202**	1,165,891	**-**	-
Other payables	**473,651**	679,669	**18,520**	1,875
Receipts in advance	**337,719**	308,029	**-**	-
Deferred income	**165,211**	80,573	**-**	-
Security deposits	**122,269**	114,236	**-**	-
Accruals	**887,204**	955,987	**16,469**	17,498
	3,187,256	3,304,385	**34,989**	19,373

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2017: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

38. OTHER CURRENT LIABILITIES

		Group	
	Note	2018 RM'000	2017 RM'000
Progress billings in respect of property development cost		**5,185**	-
Amount due to contract customers	25	**51,254**	4,382
Amount due to customer on contract	38(a)	**67,696**	67,696
		124,135	72,078

(a) Amount due to customer on contract

The amount represents the balance of the total purchase consideration of not less than RM105,616,000 for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which is to be settled by way of phased development, construction and completion of the Railway Village by a subsidiary, Sentul Raya Sdn. Bhd. ("SRSB") for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB, as amended pursuant to the Supplementary Development Agreement with KTMB dated 21 December 2000.

39. 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 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.

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency exchange risk (Continued)

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

	Increase/Decrease in net assets	
Group	**2018 RM'000**	**2017 RM'000**
5% changes on GBP exchange rate	**224,666**	202,767
5% changes on SGD exchange rate	**557,048**	595,948

There is no significant exposure to foreign currency exchange risk at the Company level.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and 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, were:

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Fixed rate instruments				
Financial liabilities	**19,837,117**	21,497,111	**2,500,000**	2,700,000
Variable rate instruments				
Financial assets	**11,386,131**	12,884,358	**1,278,064**	1,591,893
Financial liabilities	**21,949,395**	21,632,518	**1,467,833**	1,269,034
	33,335,526	34,516,876	**2,745,897**	2,860,927

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 RM109.7 million (2017: RM108.2 million) and RM7.3 million (2017: RM6.3 million), respectively, as a result of lower/higher interest expense on borrowings.

The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect their profit after tax.

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (Continued)

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 RM11.4 million (2017: RM12.9 million) and RM1.3 million (2017: RM1.6 million), respectively.

(c) Price risk

Equity price risk

The Group's and the Company's exposure to equity price risk arise primarily from their investments in quoted securities.

To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

At the reporting date, the Group's and the Company's exposure to quoted equity investments at fair value are RM2,715,327,000 (2017: RM3,066,700,000) and RM12,586,000 (2017: RM13,333,000), 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 - 2018			
Local equities	**1,899,254**	**+/- 10**	**189,925**
Foreign equities	**816,073**	**+/- 10**	**81,607**
Group - 2017			
Local equities	2,517,994	+/- 10	251,799
Foreign equities	548,706	+/- 10	54,871
Company - 2018			
Local equities	**5,292**	**+/- 10**	**529**
Foreign equities	**7,294**	**+/- 10**	**729**
Company - 2017			
Local equities	5,162	+/- 10	516
Foreign equities	8,171	+/- 10	817

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Price risk (Continued)

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.

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

As for the Group's Power Generation business in Singapore, credit review 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. In addition, the Directors are of the view that credit risk arising from the Water and Disposal of Waste Water businesses is limited due to its large customer base.

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

Receivable balances are monitored continually with the result that the Group's exposure to credit risk is minimised.

The ageing analysis, information regarding impairment, credit quality and significant concentration of credit risk of the Group and the Company are disclosed in Note 20 to the financial statements.

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

At the reporting date, the maximum exposure to credit risk arising from receivables are represented by their carrying amounts in the Statements of Financial Position, except for trade receivables on electricity sales and physical fuel transactions where collaterals of RM68.2 million (2017: RM52.7 million) are held in the form of security deposits from customers and banker's guarantee.

Financial guarantees

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

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

A nominal amount of RM2,264,463,000 (2017: RM2,383,359,000) relating to corporate guarantees provided by the Company to the banks is in respect of subsidiaries' banking facilities.

As at the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised as their fair values on initial recognition are insignificant.

Inter-company balances

The Company provides advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Company monitors the results of the subsidiaries regularly. As at 30 June 2018, the maximum exposure to credit risk is represented by their carrying amounts in the Statements of Financial Position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2018, there was no indication that the advances extended to the subsidiaries are not recoverable.

(e) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:-

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2018				
Non-derivative:				
Trade and other payables	3,042,833	209,865	-	3,252,698
Bonds and borrowings	7,396,418	24,003,969	29,297,566	60,697,953
Related parties	9,105	-	-	9,105
	10,448,356	24,213,834	29,297,566	63,959,756
Derivative:				
Net - interest rate swaps	8,733	9,569	-	18,302
Gross - fuel oil swaps	10,076	-	-	10,076
Gross - currency forwards	6,045	2,498	-	8,543
Gross - electricity futures	3,296	-	-	3,296
Gross - currency options contract	-	18,579	-	18,579
	28,150	30,646	-	58,796
Company - 2018				
Non-derivative:				
Bonds and borrowings	1,882,730	1,569,077	1,428,650	4,880,457
Trade and other payables	34,989	-	-	34,989
Related parties	127,224	-	-	127,224
	2,044,943	1,569,077	1,428,650	5,042,670

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (Continued)

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group – 2017				
Non-derivative:				
Bonds and borrowings	9,576,898	19,482,628	27,702,862	56,762,388
Trade and other payables	3,240,798	219,060	–	3,459,858
Related parties	8,486	–	–	8,486
	12,826,182	19,701,688	27,702,862	60,230,732
Derivative:				
Net – interest rate swaps	22,189	10,711	–	32,900
Gross – fuel oil swaps	105,966	17,601	–	123,567
Gross – currency forwards	16,686	6,836	–	23,522
	144,841	35,148	–	179,989
Company – 2017				
Non-derivative:				
Bonds and borrowings	1,432,450	894,264	2,521,350	4,848,064
Trade and other payables	19,373	–	–	19,373
Related parties	101,593	–	–	101,593
	1,553,416	894,264	2,521,350	4,969,030

40. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	Note	Financial Assets				
		Loans and receivables RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
Group - 2018						
Non-current						
Investments	17	**-**	**790,067**	**-**	**346,708**	**1,136,775**
Trade and other receivables	20	**952,884**	**-**	**-**	**-**	**952,884**
Derivative financial instruments	22	**-**	**-**	**49,860**	**-**	**49,860**
Current						
Investments	17	**766,448**	**1,883,669**	**-**	**-**	**2,650,117**
Derivative financial instruments	22	**-**	**1,802**	**196,603**	**-**	**198,405**
Trade and other receivables	20	**3,456,646**	**-**	**-**	**-**	**3,456,646**
Amount due from related parties	26	**36,254**	**-**	**-**	**-**	**36,254**
Fixed deposits	27	**10,619,683**	**-**	**-**	**-**	**10,619,683**
Cash and bank balances	27	**1,014,971**	**-**	**-**	**-**	**1,014,971**
Total		**16,846,886**	**2,675,538**	**246,463**	**346,708**	**20,115,595**
Group - 2017						
Non-current						
Investments	17	–	534,817	–	310,348	845,165
Trade and other receivables	20	953,544	–	–	–	953,544
Derivative financial instruments	22	–	–	13,629	–	13,629
Current						
Investments	17	738,801	2,503,011	–	–	3,241,812
Derivative financial instruments	22	–	1,002	51,122	–	52,124
Trade and other receivables	20	3,392,338	–	–	–	3,392,338
Amount due from related parties	26	87,497	–	–	–	87,497
Fixed deposits	27	12,145,557	–	–	–	12,145,557
Cash and bank balances	27	1,174,691	–	–	–	1,174,691
Total		18,492,428	3,038,830	64,751	310,348	21,906,357

40. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

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

		Financial Liabilities			
	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Group - 2018					
Non-current					
Long term payables	30	**-**	**-**	**231,931**	**231,931**
Bonds	31	**-**	**-**	**17,512,946**	**17,512,946**
Borrowings	32	**-**	**-**	**18,035,360**	**18,035,360**
Derivatives financial instruments	22	**22,115**	**12,193**	**-**	**34,308**
Current					
Trade and other payables	37	**-**	**-**	**3,022,045**	**3,022,045**
Derivatives financial instruments	22	**-**	**19,817**	**-**	**19,817**
Amount due to related parties	26	**-**	**-**	**9,105**	**9,105**
Bonds	31	**-**	**-**	**2,708,701**	**2,708,701**
Borrowings	32	**-**	**-**	**3,529,505**	**3,529,505**
Total		**22,115**	**32,010**	**45,049,593**	**45,103,718**
Group - 2017					
Non-current					
Long term payables	30	-	-	219,060	219,060
Bonds	31	-	-	19,966,528	19,966,528
Borrowings	32	-	-	14,166,295	14,166,295
Derivatives financial instruments	22	11,832	32,176	-	44,008
Current					
Trade and other payables	37	-	-	3,223,812	3,223,812
Derivatives financial instruments	22	-	128,772	-	128,772
Amount due to related parties	26	-	-	8,486	8,486
Borrowings	32	-	-	8,996,806	8,996,806
Total		11,832	160,948	46,580,987	46,753,767

40. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

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

	Note	Financial Assets		
		Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Company - 2018				
Non-current				
Investments	17	**-**	**42,186**	**42,186**
Current				
Trade and other receivables	20	**11,693**	**-**	**11,693**
Amount due from related parties	26	**1,180,987**	**-**	**1,180,987**
Investments	17	**766,448**	**-**	**766,448**
Fixed deposits	27	**511,616**	**-**	**511,616**
Cash and bank balances	27	**3,502**	**-**	**3,502**
Total		**2,474,246**	**42,186**	**2,516,432**
Company - 2017				
Non-current				
Investments	17	-	31,565	31,565
Current				
Trade and other receivables	20	11,126	-	11,126
Amount due from related parties	26	1,147,171	-	1,147,171
Investments	17	738,801	-	738,801
Fixed deposits	27	853,092	-	853,092
Cash and bank balances	27	2,329	-	2,329
Total		2,752,519	31,565	2,784,084

40. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

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

	Note	Financial Liabilities	
		Other financial liabilities at amortised cost RM'000	**Total RM'000**
Company - 2018			
Non-current			
Bonds	31	**2,000,000**	**2,000,000**
Borrowings	32	**200,172**	**200,172**
Current			
Trade and other payables	37	**34,989**	**34,989**
Amount due to related parties	26	**127,224**	**127,224**
Bonds	31	**500,000**	**500,000**
Borrowings	32	**1,267,661**	**1,267,661**
Total		**4,130,046**	**4,130,046**
Company - 2017			
Non-current			
Bonds	31	2,500,000	2,500,000
Borrowings	32	978	978
Current			
Trade and other payables	37	19,373	19,373
Amount due to related parties	26	101,593	101,593
Borrowings	32	1,468,056	1,468,056
Total		4,090,000	4,090,000

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement

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

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

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

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2018				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	1,802	-	1,802
- Income funds	-	2,669,903	-	2,669,903
- Equity investments	-	3,833	-	3,833
Derivatives used for hedging	-	246,463	-	246,463
Available-for-sale financial assets	45,424	-	301,283	346,707
Total	45,424	2,922,001	301,283	3,268,708
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Currency option contracts	18,579	-	-	18,579
- Trading derivatives	-	3,536	-	2,536
Derivative used for hedging	-	32,010	-	32,010
Total	-	54,125	-	54,125

40. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (Continued)

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position:- (Continued)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2017				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	–	1,002	–	1,002
- Income funds	–	3,033,782	–	3,033,782
- Equity investments	–	4,046	–	4,046
Derivatives used for hedging	–	64,751	–	64,751
Available-for-sale financial assets	32,918	–	277,430	310,348
Total	32,918	3,103,581	277,430	3,413,929
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	–	11,832	–	11,832
Derivative used for hedging	–	160,948	–	160,948
Total	–	172,780	–	172,780

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company - 2018				
Assets				
Available-for-sale financial assets	**12,586**	**-**	**29,600**	**42,186**
Total	**12,586**	**-**	**29,600**	**42,186**
Company - 2017				
Assets				
Available-for-sale financial assets	13,333	–	18,232	31,565
Total	13,333	–	18,232	31,565

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

40. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2018				
Financial assets:				
Unquoted equity investments				
- Within Malaysia	**30,657**	*	**29,600**	*
- Outside Malaysia	**274,460**	*	**-**	*
Financial liabilities:				
Bonds	**20,221,647**	^	**2,500,000**	^
2017				
Financial assets:				
Unquoted equity investments				
- Within Malaysia	20,238	*	18,232	*
- Outside Malaysia	261,238	*	-	*
Financial liabilities:				
Bonds	19,966,528	^	2,500,000	^

* Unquoted equity and debt investments carried at cost (Note 17)

Fair value information has not been disclosed for these unquoted equity and debt instruments as fair value cannot be measured reliably as these instruments are not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

^ Bonds (Note 31)

Fair value information regarding these bonds is as disclosed in the Note 31 to the financial statements. The fair values of these bonds are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements and of the same remaining maturities.

40. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Determination of fair value

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

	Note
Other receivables (non-current)	20
Trade and other receivables (current)	20
Investments (current)	17
Fixed deposits (current)	27
Cash and bank balances (current)	27
Long term payables (non-current)	30
Trade and other payables (non-current)	37
Borrowings (current)	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the-guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

41. 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.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions

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

Entity	Relationship	Type of transactions	Group 2018 RM'000	Group 2017 RM'000
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Management fee, incentive fee and software maintenance cost	**1,234**	1,358
		Lease rental of investment property	**6,300**	6,188
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of office and car park	**2,850**	2,876
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion expenses	**5,254**	7,413
Express Rail Link Sdn. Bhd.	Associated company	Progress billings related to civil engineering & engineering & construction works	**30,662**	29,767
East West Ventures Sdn. Bhd.	Subsidiary of holding company	Lease rental of investment property	**21,626**	19,917
		Hotel accommodation & lease rental of equipment	**3,934**	5,300
Oriental Place Sdn. Bhd.	Subsidiary of holding company	Rental of premises expenses	**8,156**	8,249
Shorefront Development Sdn. Bhd.	Joint venture company	Progress billing relates to construction works	**6,226**	53,224
Syarikat Pelanchongan Pangkor Laut Sendirian Berhad	Subsidiary of holding company	Lease rental of investment property	**8,820**	8,664
		Hotel accommodation	**6,892**	2,035
		Management fees & data processing fees & royalty income	**2,389**	2,342

41. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant related party transactions (Continued)

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

Entity	Relationship	Type of transactions	Group 2018 RM'000	Group 2017 RM'000
Thunder Match Technology Sdn. Bhd.	Subsidiary of associated company	Commission, incentives and/or reimbursement of bundle device sold	**5,325**	8,030
Xchanging Malaysia Sdn. Bhd.	Joint venture company	IT Consultancy & related services expenses	**37,158**	39,588
Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.	Holding company	Progress billings for sale of properties	**3,646**	10,939

Entity	Relationship	Type of transactions	Company 2018 RM'000	Company 2017 RM'000
Autodome Sdn. Bhd.	Subsidiary	YTL Platinum Plus Expenses	**1,336**	2,747
YTL Majestic Hotel Sdn. Bhd.	Subsidiary	Other interest income	**912**	2,132
YTL Land & Development Berhad	Subsidiary	ICULS interest income	**17,618**	17,618
Suri Travel & Tours Sdn. Bhd.	Subsidiary	Travelling expenses	**1,219**	2,415
Star Hill Hotel Sdn. Bhd.	Subsidiary	Hotel, accommodation & related expenses	**2,080**	2,446

(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 2018 RM'000	Group 2017 RM'000
Progress billings related to purchase of properties	**25,403**	35,223

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.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(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	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Directors' and key management personnel's remuneration				
- short term employee benefits	**98,975**	97,108	**723**	769
- defined contribution plans	**8,920**	9,150	**-**	-
- benefit in kind	**961**	538	**-**	-
- share option expenses	**2,308**	-	**1,381**	-
	111,164	106,796	**2,104**	769

(c) Significant related party balances

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

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Key management personnel and close family members				
- Progress billings related to sale of properties	**5,236**	2,421	**-**	-
- Advance payment received for purchase of properties	**-**	13,204	**-**	-

42. COMMITMENTS

(a) Capital commitments

	Group	
	2018 RM'000	2017 RM'000
Authorised but not contracted for	**647,493**	847,928
Contracted but not provided for	**1,267,913**	1,454,822

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

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Capital commitments in relation to addition investment	**101,807**	6,788	**-**	-

(b) Operating lease commitments - as lessee

(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	
	2018 RM'000	2017 RM'000
Not later than 1 year	**158,557**	162,317
Later than 1 year and not later than 5 years	**384,489**	460,019
Later than 5 years	**289,802**	342,205
	832,848	964,541

42. COMMITMENTS (CONTINUED)

(b) Operating lease commitments – as lessee (Continued)

(ii) The Group as lessor

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

	Group	
	2018 RM'000	**2017 RM'000**
Not later than 1 year	**603,917**	641,498
Later than 1 year and not later than 5 years	**1,664,321**	1,499,655
Later than 5 years	**1,059,893**	1,263,366
	3,328,131	3,404,519

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 RM2.4 billion (2017: RM2.8 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 RM781 million (2017: RM479 million).

In addition, the payments receivable under the power purchase agreement ("PPA") which are classified as operating lease are as follows:-

	Group	
	2018 RM'000	**2017 RM'000**
Not later than 1 year	**60,747**	39,801
Later than 1 year and not later than 5 years	**117,936**	163,275

43. 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 construction and information technology & e-commerce related business segments do not meet the quantitative thresholds required by FRS 8 for reportable segments, management has concluded that those segments should be reported, as they are closely monitored by CODM as important segments.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Malaysia, United Kingdom and Singapore. The details of the geographical segments are disclosed in the below note of the financial statements.

43. SEGMENTAL INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments is as follows:-

2018	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manu-facturing & trading RM'000	Manage-ment services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
Revenue								
Total revenue	613,471	84,482	1,110,855	2,628,339	1,239,753	1,230,211	10,318,703	17,225,814
Inter-segment revenue	(227,004)	(80,021)	(13,562)	(9,641)	(738,131)	(236,720)	(16,004)	(1,321,083)
External revenue	386,467	4,461	1,097,293	2,618,698	501,622	993,491	10,302,699	15,904,731
Results								
Interest income	5,363	7,341	2,885	25,548	13,170	13,300	8,408	76,015
Finance costs	(17)	-	(20,518)	(54,684)	(640,071)	(273,759)	(650,956)	(1,640,005)
Share of results of associated companies and joint ventures	-	-	6,248	4,104	(17,682)	3,831	404,244	400,745
Segment profit before tax	40,291	2,291	7,221	174,150	(284,246)	385,035	1,054,992	1,379,734
Segment assets								
Investment in associated companies and joint ventures	-	-	34,463	90,883	104,093	51,753	2,145,969	2,427,161
Other segment assets	556,807	156,888	4,008,641	5,341,138	14,956,775	14,098,539	29,884,168	69,002,956
Segment liabilities								
Bonds and borrowings	175	-	845,055	1,181,288	15,258,451	7,303,511	17,198,032	41,786,512
Other segment liabilities	252,390	3,502	171,519	603,268	631,252	609,637	5,695,799	7,967,367
Other segment information								
Capital expenditure	18,213	469	196,753	103,463	43,696	147,205	1,858,652	2,368,451
Impairment/(write back)	-	898	(42)	3,115	958	18,071	13,949	36,949
Depreciation and amortisation	10,041	671	60,861	245,684	17,280	100,024	1,159,510	1,594,071

43. SEGMENTAL INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments is as follows:-

2017	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel operations RM'000	Cement manu-facturing & trading RM'000	Manage-ment services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
Revenue								
Total revenue	552,055	84,594	980,784	2,442,344	757,083	1,438,297	9,567,028	15,822,185
Inter-segment revenue	(407,446)	(81,390)	(13,295)	(16,801)	(349,132)	(210,118)	(15,322)	(1,093,504)
External revenue	144,609	3,204	967,489	2,425,543	407,951	1,228,179	9,551,706	14,728,681
Results								
Interest income	2,635	5,835	1,056	28,222	9,649	10,399	21,893	79,689
Finance costs	(12)	-	(22,860)	(48,974)	(469,586)	(215,843)	(560,234)	(1,317,509)
Share of results of associated companies and joint ventures	-	-	5,125	(322)	109,067	7,927	348,309	470,106
Segment profit before tax	57,196	925	100,524	220,916	47,278	385,190	913,483	1,725,512
Segment assets								
Investment in associated companies and joint ventures	-	-	37,782	14,332	122,546	51,264	2,254,459	2,480,383
Other segment assets	563,543	106,560	2,217,100	5,566,969	15,762,887	16,668,595	31,316,533	72,202,187
Segment liabilities								
Bonds and borrowings	142	-	857,958	1,144,131	15,542,862	7,085,514	18,499,022	43,129,629
Other segment liabilities	248,109	2,118	345,024	677,345	544,015	607,227	6,203,459	8,627,297
Other segment information								
Capital expenditure	7,271	1,512	258,236	143,073	6,275	258,755	1,759,494	2,434,616
Impairment/(write back)	(8,419)	(722)	941	13,131	319	6,006	112,949	124,205
Depreciation and amortisation	8,914	557	44,860	245,461	13,552	102,979	1,156,143	1,572,466

43. SEGMENTAL INFORMATION (CONTINUED)

(a) Geographical information

The Group's seven business segments operate in four main geographical areas:-

(i) Malaysia
- Construction
- Information technology & e-commerce related business
- Hotel operations
- Cement manufacturing & trading
- Management services & others
- Property investment & development
- Utilities

(ii) United Kingdom
- Utilities
- Hotel operations

(iii) Singapore
- Utilities
- Cement manufacturing & trading
- Property investment & development

	Revenue		Non-current assets	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Malaysia	**4,796,177**	4,041,386	**10,418,354**	8,224,711
United Kingdom	**3,568,584**	3,281,438	**17,148,696**	17,383,386
Singapore	**6,375,068**	6,442,682	**16,902,856**	18,232,120
Other countries	**1,164,902**	963,175	**769,608**	2,641,706
	15,904,731	14,728,681	**45,239,514**	46,481,923

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

	Non-current assets	
	2018 RM'000	**2017 RM'000**
Property, plant and equipment	**28,085,524**	28,516,788
Investment properties	**10,003,889**	10,517,010
Development expenditures	**1,161,417**	1,060,293
Intangible assets	**5,986,886**	6,386,034
Biological assets	**1,798**	1,798
	45,239,514	46,481,923

43. SEGMENTAL INFORMATION (CONTINUED)

(b) Major customers

The following is the major customer with revenue equal or more than 10 per cent of the Group's revenue:-

	2018 RM'000	2017 RM'000	Segment
Energy Market Company	**2,883,229**	2,652,274	Utilities

44. 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	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Bonds	31	**20,221,647**	19,966,528	**2,500,000**	2,500,000
Borrowings	32	**21,564,865**	23,163,101	**1,467,833**	1,469,034
Bonds and borrowings		**41,786,512**	43,129,629	**3,967,833**	3,969,034
Less : Cash and cash equivalents	27	**(11,634,654)**	(13,320,248)	**(515,118)**	(855,421)
Net debt		**30,151,858**	29,809,381	**3,452,715**	3,113,613
Equity attributable to owners of the parent		**14,135,907**	14,873,910	**6,807,396**	7,116,361
Capital and net debt		**44,287,765**	44,683,291	**10,260,111**	10,229,974
Debt-to-equity ratio (%)		**68**	67	**34**	30

Under the requirement of Bursa Malaysia Securities Berhad Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less RM40 million. The Company has complied with this requirement.

45. MATERIAL LITIGATIONS

(a) In 2015, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The customers have filed their defence and counterclaims. The trial has completed and the matter is now awaiting court's decision.

Based on legal advice sought by the board, the subsidiary has strong prospects of succeeding in its claim and the customers are highly unlikely to succeed in their counterclaims. Thus, no provision has been made for potential losses that may arise from the counterclaims.

(b) In an award received in 2017, Syarikat Pembenaan Yeoh Tiong Lay ("SPYTL") succeeded in its arbitration ("Arbitration") against Sunway City Sdn Bhd (previously known as Sunway City Berhad) ("Sunway City") for the outstanding sums due and owing to SPYTL together with damages in respect of the main building contract works for Sunway City Palazzio project. SPYTL was awarded a total final sum of Ringgit Malaysia Seventy Five Million Five Thousand Seven Hundred Sixty Four and Sen Seventy Five (RM75,005,764.75) only plus 4% per annum simple interest ("Award") from 24 June 2017 until actual full payment thereof and costs.

Sunway City however applied to High Court to set aside the Award and on 5.12.2017, the Judge allowed Sunway City's application and ordered the Award to be set aside and remitted the case back to the Arbitrator for reconsideration (the "Order") . SPYTL thereafter filed an appeal to Court of Appeal against the Order and on 1.8.2018, the Court of Appeal set aside the Order with costs.

Sunway City has since filed an application for leave to appeal to Federal Court against the Court of Appeal's decision and the hearing is pending in Court.

Counsel for SPYTL is of the view that there is reasonable likelihood that Sunway City would not succeed in its application for leave to appeal to Federal Court.

(c) Two subsidiaries of the Group have contingent liabilities in respect of a claim for damages for allegations of non-purchase of goods.

In respect of the said matter, a notice of arbitration was filed on 25 May 2018 ("Notice of Arbitration") with the Singapore International Arbitration Centre ("SIAC") in Singapore claiming for damages for alleged failure to perform obligations to purchase goods contained in a document that has not been signed by the claimant and respondents. A response to the Notice of Arbitration has been filed by the respondents with the SIAC on 8 June 2018 ("Response") wherein the respondents deny all allegations made in the Notice of Arbitration as there is no valid agreement and without prejudice to the respondents' jurisdictional objection(s) and denials in the Response, the respondents agree to the appointment of a sole arbitrator to determine the matter. As at date of report, the arbitral tribunal has yet to be constituted.

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 27 September 2018.

Form of Proxy

YTL Corporation Berhad

SINCE 1955

I/We *(full name as per NRIC/company name in block letters)* ______________________________

____

NRIC/Company No. *(New)* ______________ *(Old)* ______________

CDS Account No. *(for nominee companies only)* ______________ Tel. No. ______________

of *(full address)* ______________________________

____

being a member of **YTL Corporation Berhad** hereby appoint *(full name as per NRIC in block letters)*

____

NRIC No. *(New)* ______________ *(Old)* ______________

of *(full address)* ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at Mayang Sari Grand Ballroom, Lower Level 3, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, 12 December 2018 at 12.45 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Yeoh Seok Kian		
3.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
4.	Re-election of Faiz Bin Ishak		
5.	Approval of the payment of Directors' fees		
6.	Approval of the payment of meeting attendance allowance to Non-Executive Directors		
7.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
8.	Approval for Dato' Cheong Keap Tai to continue in office as Independent Non-Executive Director		
9.	Approval for Eu Peng Meng @ Leslie Eu to continue in office as Independent Non-Executive Director		
10.	Authorisation for Directors to Allot and Issue Shares		
11.	Proposed Renewal of Share Buy-Back Authority		
12.	Proposed Renewal of Shareholder Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") and Proposed New Shareholder Mandate for Additional RRPT		

Number of shares held

Signed this ______________ day of ______________ 2018 Signature ______________

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Notes:-

1. A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
2. This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be lodged at the office of the appointed share registrar for the Annual General Meeting, Tricor Investor and Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8. Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting. Facsimile transmission of such documents will not be accepted.
3. In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.
4. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.
5. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 5 December 2018. Only a depositor whose name appears on the General Meeting Record of Depositors as at 5 December 2018 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for YTL Corporation Berhad's 35th AGM
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

First fold here

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