

BUILDING THE RIGHT THING
The Journey Continues...



ANNUAL REPORT
2023



SINCE 1955

Company No. 198201012898 (92647-H)

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CORPORATE PROFILE

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

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

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

BUILDING THE RIGHT THING | The Journey Continues...

Business Segments



Utilities



Cement & Building Materials Industry



Construction



Property Investment & Development



Hotel Operations



Management Services & Others

Key Financial Highlights

Revenue

RM29,616.1 million
FY2023

Profit Before Tax

RM2,729.1 million
FY2023

Total Assets

RM81,460.4 million
as at 30.06.2023

Market Capitalisation

RM16,552.5 million
as at 30.09.2023

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Tan Sri (Sir) Francis Yeoh Sock Ping

PSM, KBE, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon LLD (Nottingham), Hon DEng (Kingston),
BSc (Hons) Civil Engineering
FFB, F Inst D, MBIM, RIM

Managing Director

Dato' Yeoh Seok Kian

DSSA
BSc (Hons) Bldg, MCIOB, FFB, (Hon) D.Univ

Directors

Dato' Yeoh Soo Min

DSPN, DPMP, DIMP
BA (Hons) Accounting

Dato' Yeoh Seok Hong

DPMS, DSPN, JP
BEng (Hons) Civil & Structural Engineering,
HonDSc, FFB

Dato' Sri Michael Yeoh Sock Siong

DIMP, SSAP
BEng (Hons) Civil & Structural Engineering, FFB

Dato' Yeoh Soo Keng

DIMP
BSc (Hons) Civil Engineering

Dato' Mark Yeoh Seok Kah

DSSA
LLB (Hons)

Dato' Ahmad Fuad Bin Mohd Dahalan

ABS, DIMP, SIMP
BA (Hons)

Syed Abdullah Bin Syed Abd. Kadir

BSc (Engineering Production), BCom (Economics)

Faiz Bin Ishak

Fellow of the Association of Chartered Certified Accountants
Member of the Malaysian Institute of Accountants

Raja Noorma Binti Raja Othman

BBA (Deans List)

Choo Yoo Kwan @ Choo Yee Kwan

FCB, BEcons (Hons), LLB (Hons)
Barrister-at-Law (Lincoln's Inn)

Tang Kin Kheong

Member of the Malaysian Institute of Certified Public Accountants
Member of the Malaysian Institute of Accountants

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388
Email : corpsecretariat@ytl.com

BUSINESS OFFICE

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

REGISTRAR

33rd Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0888
Fax : 603 2038 0388
Email : shares@ytl.com

AUDIT COMMITTEE

Faiz Bin Ishak

(Chairman and Independent Non-Executive Director)

Dato' Ahmad Fuad Bin Mohd Dahalan

(Independent Non-Executive Director)

Choo Yoo Kwan @ Choo Yee Kwan

(Independent Non-Executive Director)

Tang Kin Kheong

(Independent Non-Executive Director)

NOMINATING COMMITTEE

Faiz Bin Ishak

(Chairman and Independent Non-Executive Director)

Raja Noorma Binti Raja Othman

(Independent Non-Executive Director)

Choo Yoo Kwan @ Choo Yee Kwan

(Independent Non-Executive Director)

Tang Kin Kheong

(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Faiz Bin Ishak

(Chairman and Independent Non-Executive Director)

Raja Noorma Binti Raja Othman

(Independent Non-Executive Director)

Choo Yoo Kwan @ Choo Yee Kwan

(Independent Non-Executive Director)

Tang Kin Kheong

(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum Chew PLT

(201906002362 & AF 0276)
Chartered Accountants
(A member of HLB International)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Market (3.4.1985)

Tokyo Stock Exchange

Prime Market Foreign Stocks Segment (29.2.1996)

EXECUTIVE CHAIRMAN'S STATEMENT



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

Our Group achieved outstanding results, with record-high revenue and profits for the financial year ended 30 June 2023.

Our utilities segment turned in an excellent performance driven mainly by the power generation division. The cement division also registered better results due to increased demand and better selling prices, and our hotels delivered significantly improved performance stemming from the recovery of the global tourism industry.

Revenue increased by 22% to RM29.6 billion for the financial year under review compared to RM24.2 billion last year, with profit before tax leaping 50% to RM2.7 billion this year compared to RM1.8 billion last year.

The Board of Directors of YTL Corp declared an interim dividend of 4.0 sen per ordinary share, the 39th consecutive year of our dividend track record since listing on the Kuala Lumpur stock exchange in 1985.

As our long-term shareholders and stakeholders know, a core pillar of our strategy centers on safeguarding the enduring viability and sustainability of our businesses. The year under review exemplified the importance of this keystone to our Group's success and resilience.

In our utilities division, YTL PowerSeraya, which we acquired during the 2008 Global Financial Crisis, served as a bulwark for our Group against the global economic downturn and volatility that ensued.

Having successfully navigated the structural issues plaguing the market in recent years, we now see the turnaround and return to stability.

EXECUTIVE CHAIRMAN'S STATEMENT

Around the same time, in 2010, we started on our path towards digital transformation with our 4G telecommunications business, leading the way in democratising the availability of high-speed internet access across the Peninsula. The progress made with our new digital transformation businesses this year opens up the possibilities of advanced new technologies and applications, and we will take the same long-term perspective in our management and growth of these new areas.

Similarly, we have now owned Wessex Water for over 20 years, making us the longest single owner of a UK water and sewerage company. We have a demonstrable track record of responsible ownership and Wessex Water is one of the best performers in the sector. Whilst the business faces regulatory headwinds, we will continue to work towards delivering the best outcomes for our stakeholders.

Meanwhile, our cement business turned in a strong performance this year. Together with our construction business, our involvement in both of these vital areas dates back decades and is reflected across Malaysia's landscape, from large-scale infrastructure to commercial high rises and residential homes. As the largest home-grown cement operation in Malaysia, coupled with our long-term perspective, we understand and have a similar stake in the important investments needed to propel our country towards reaching its development goals and economic aspirations.

On the property front, we continued to progress with our key master-planned projects - Sentul in Kuala Lumpur, Brabazon in Bristol, UK, and our developments in Niseko Village in Hokkaido, Japan. All bear the characteristics of our long-term outlook, meticulously conceptualised and designed to meet the future needs of the specific areas and communities being served by each development. We are not in our businesses for the short haul and we develop communities with the view to safeguarding their well-being and wider civic value as a whole.

With the abatement of pandemic-related restrictions and return to normalcy in countries where we operate, the hospitality sector came roaring back following the release of pent-up demand across the global tourism industry, even in the face of the potential downside risks of higher inflation, interest rate hikes and other economic factors. Our hotels division saw a strong turnaround and our properties across the globe have capitalised on this surge in demand, offering the high standards and experiences our guests know to be the hallmarks of our hotels.

The wider environment in which we operate and the many stakeholders that our activities impact mean that a long-term outlook is the only viable approach towards ensuring the ongoing success, resilience and sustainability of our Group.

We have a long-standing track record of delivering excellent products and services to our millions of customers and will persist in doing so. We are confident that we will continue to deliver the best outcomes across our operations, for the benefit of all our stakeholders.

TAN SRI (SIR) FRANCIS YEOH SOCK PING

PSM, KBE

Economic Review

The Malaysian economy registered a strong recovery in 2022, with gross domestic product (GDP) growth of 8.7%, exceeding pre-pandemic levels. Recovery was driven by the realisation of pent-up demand following the full upliftment of COVID-19 containment measures, resilient export performance, higher tourism activity and continued policy support. In 2023, Malaysia's economy expanded by 5.6% in the first quarter but growth eased in the second quarter to 2.9% due to weaker external demand (*sources: Bank Negara Malaysia updates & reports*).

In other major economies where the Group operates, the United Kingdom recorded GDP growth of 4.1% for the 2022 calendar year. As a result of high inflationary pressures, the UK economy only expanded 0.2% in the first quarter of 2023 and 0.4% in the second quarter on a year-on-year basis. Singapore's economy expanded by 3.6% in 2022. Growth moderated to 0.4% and 0.5% on a year-on-year basis in the first and second quarters of 2023 (*sources: Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports*).

MANAGING DIRECTOR'S REVIEW



DATO' YEOH SEOK KIAN
Managing Director

OVERVIEW

YTL Corporation Berhad ("YTL Corp") and its subsidiaries ("Group") recorded revenue of RM29,616.1 million for the financial year ended 30 June 2023 compared to RM24,241.5 million for the last financial year ended 30 June 2022.

Profit before tax increased to RM2,729.1 million this year, 50% higher compared to RM1,818.4 million last year, whilst profit after tax grew 46% to RM2,122.3 million for the financial year under review over RM1,449.4 million last year.

The improved results were due mainly to better performance in the Group's utilities segment, with the cement and hotels divisions also turning in strong performances.

The Board of Directors of YTL Corp declared an interim dividend of 4.0 sen per ordinary share, with book closure and payment dates of 10 November 2023 and 29 November 2023, respectively.

SEGMENTAL REVIEW

Higher revenue in the **Utilities** segment for the financial year under review was contributed mainly by the power generation sub-segment in Singapore on the back of higher retail and pool prices and a stronger Singapore Dollar. The water and sewerage sub-segment registered improved trading and new non-retail contracts, although this was offset by lower revenue in the telecommunications sub-segment due to lower project revenue.

The segment's higher profit before tax was similarly driven by the power generation sub-segment, but impacted by the interest accretion on index-linked bonds and lower project revenue, respectively, in the water and sewerage and telecommunications sub-segments.

The **Cement & Buildings Materials Industry** segment registered an increase in revenue and profit before tax for the year due mainly to higher demand and better selling prices recorded across all sub-segments.

Meanwhile, in the **Construction** segment, an increase in the progress of construction works drove higher revenue, although higher operating costs impacted profit before tax for the year under review.

The Group's **Property Investment & Development** segment achieved higher revenue, after adjusting for one-off gains recorded last year, due to sales of on-going projects in Malaysia and the UK. The reduction in loss before tax for the segment this year is mainly attributed to a fair value gain on a vendor note held by YTL Land & Development Berhad, after adjusting for one-off gains recorded in the previous year.

MANAGING DIRECTOR'S REVIEW

The **Hotel Operations** segment achieved higher revenue and profit before tax for the year under review resulting from better performances of the Group's hotels and resorts, following the easing of pandemic restrictions, including the opening of international borders and resumption of economic activities.

In the **Management Services & Others** segment, higher revenue for the financial year arose from higher interest income and recognition of accrued technical service income and shareholder loan interest following the commercial operation of the 554 MW oil shale-fired power generation project in Jordan in which the Group owns a 45% stake. Profit before tax declined this year due mainly to the absence of the net gain on disposal of the Group's investment in ElectraNet Pty Ltd last year.



SUSTAINABILITY

The Group made good progress this year on its commitments towards transitioning to a green and circular economy in pursuit of its environmental objectives. Key amongst these was the signing of a RM1.10 billion green financing facility for Phase 1 of the YTL Green Data Center Park being developed in Kulai, Johor, with a commitment to secure Gold LEED (Leadership in Energy and Environmental Design) certification.

In January 2023, the Group signed a joint venture agreement with TNB Power Generation Sdn Bhd, a wholly-owned subsidiary of Tenaga Nasional Berhad, for the export and import 100 MW of electricity to Singapore via a newly upgraded interconnector.

With its unique positioning in Malaysia and Singapore, the Group aims over the longer-term to facilitate the export of energy from Malaysia, supplementing Singapore's existing capacity as Malaysia continues to accelerate its growth in renewable energy generation capacity.

Meanwhile, in line with Singapore's objective to deploy 12,000 electric vehicle (EV) chargers at public housing estates' carparks by 2025, a joint venture company ChargEco was formed in November 2022 between the Group and a wholly-owned subsidiary of Singapore's SMRT Corporation Ltd, to install, operate and maintain 1,200 EV chargers in Singapore.

On the building materials front, the Group signed a memorandum of understanding with the Construction Research Institute of Malaysia (CREAM), the research and development arm of the Construction Industry Development Board (CIDB), to support its initiatives in developing the construction industry's workforce, improving research and development efforts, and enhancing the understanding of sustainable construction practices among industry players.

Further information can be found in the Group's *Sustainability Report 2023*, published as a stand-alone report in conjunction with this Annual Report.

OUTLOOK

The outlook for the Group's core operations remains sound and is expected to be bolstered as its new businesses are developed and come onstream.

The solid performance this year bodes well for the forthcoming financial year. The fluidity of developments and the velocity of change in market conditions brought about by potential downside risks of higher inflation, interest rate hikes and other economic factors remain areas for concern. However, the Group will continue to proactively manage the business and take necessary actions to protect the long-term prospects of its businesses and safeguard stakeholder value.

DATO' YEOH SEOK KIAN
DSSA

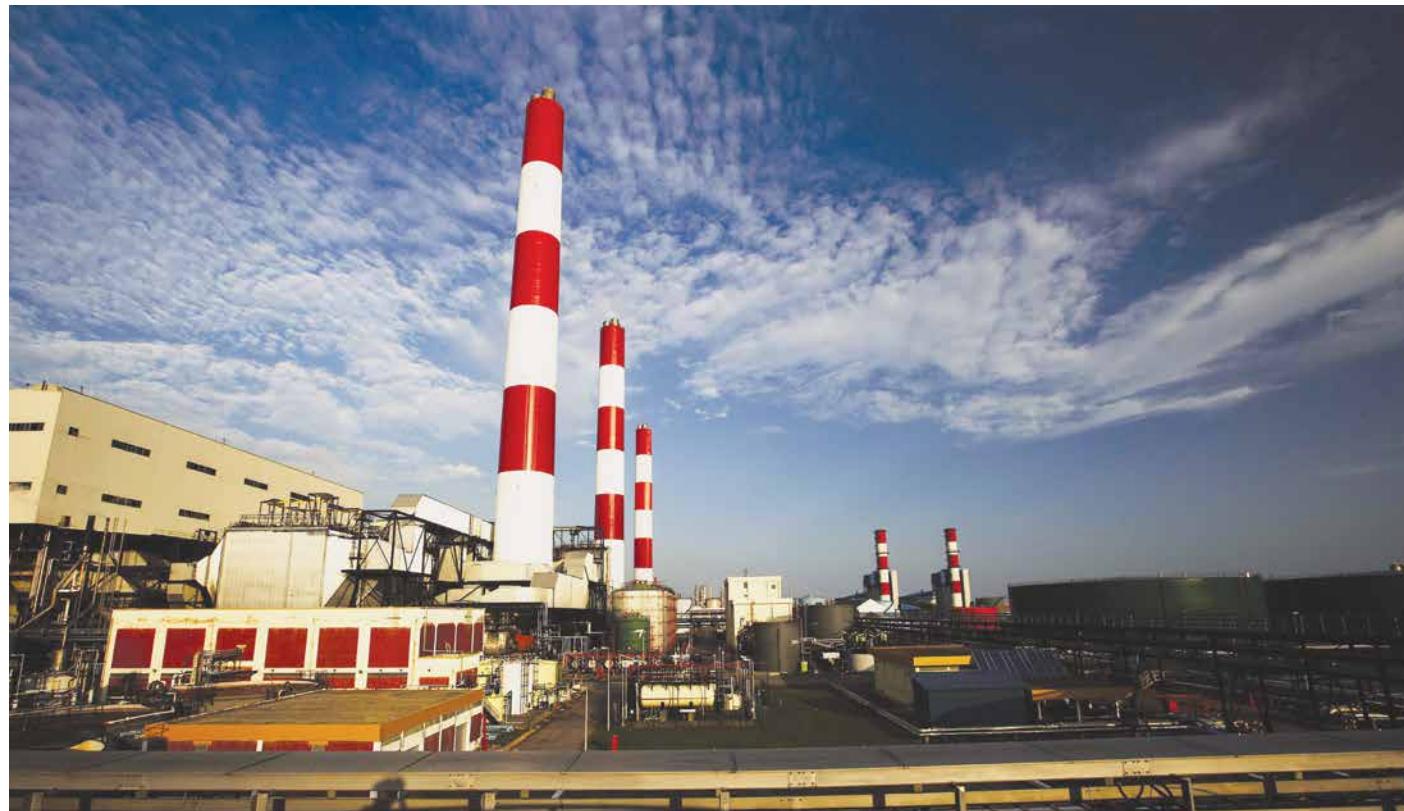
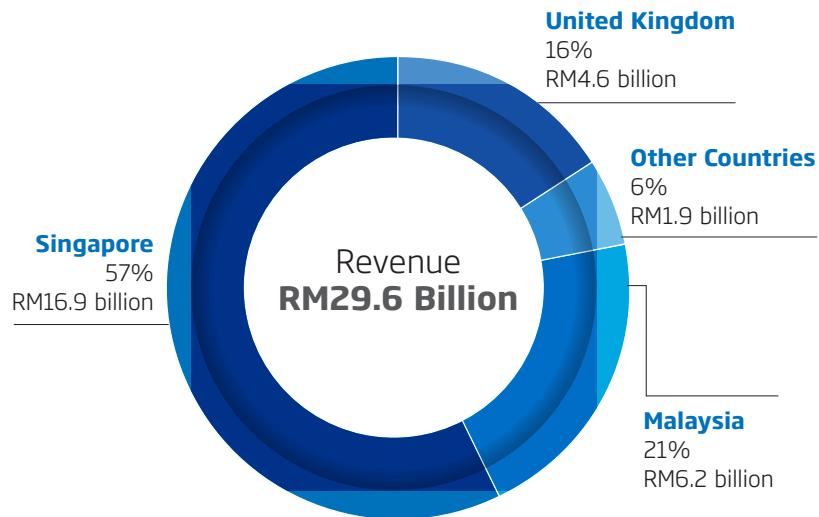
MANAGEMENT DISCUSSION & ANALYSIS

GROUP OVERVIEW

OVERVIEW

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

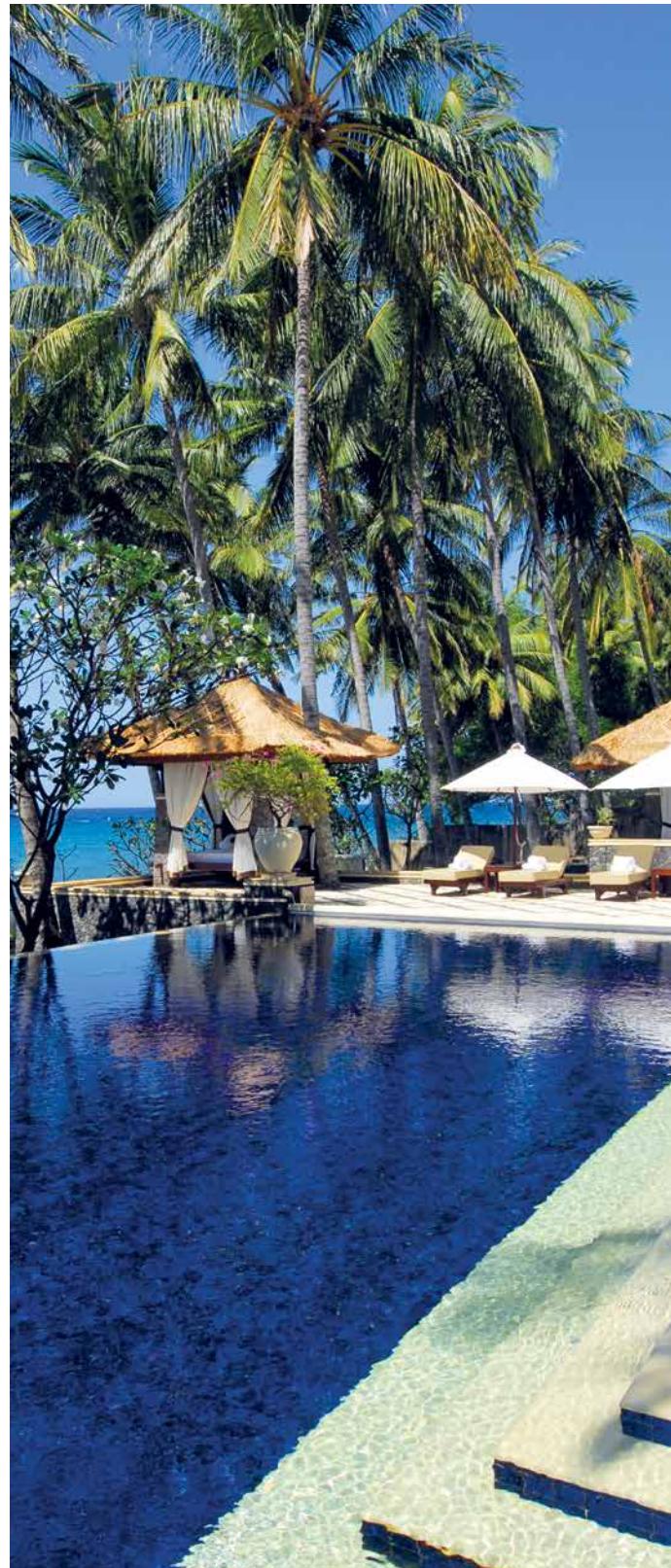
Revenue by Country - FY2023



**MANAGEMENT DISCUSSION & ANALYSIS
GROUP OVERVIEW**

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

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



MANAGEMENT DISCUSSION & ANALYSIS

GROUP OVERVIEW

OBJECTIVES & STRATEGIES

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

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

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

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

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

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

The Group's strategy to grow its businesses is to leverage its expertise in its core competencies, particularly in the areas of power generation, water and sewerage services, telecommunications, construction contracting, property development and investment, manufacturing of cement and other industrial products and supplies and hotel development and management (including restaurant operations).

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

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

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

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

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

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

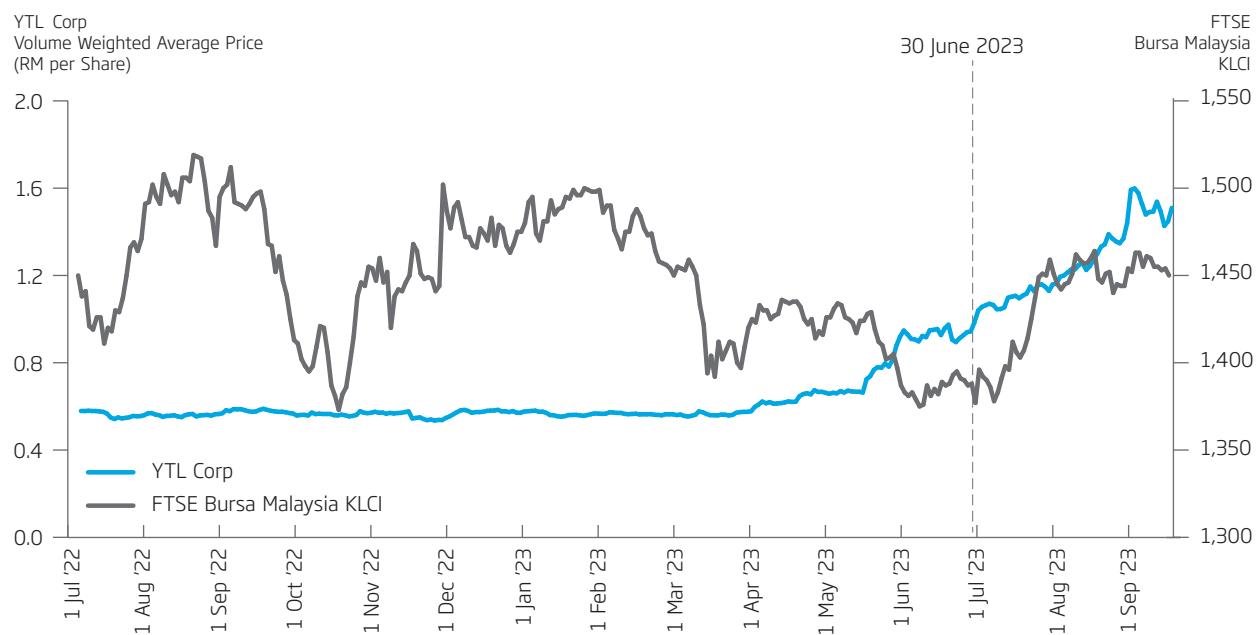
MANAGEMENT DISCUSSION & ANALYSIS GROUP OVERVIEW

PERFORMANCE INDICATORS

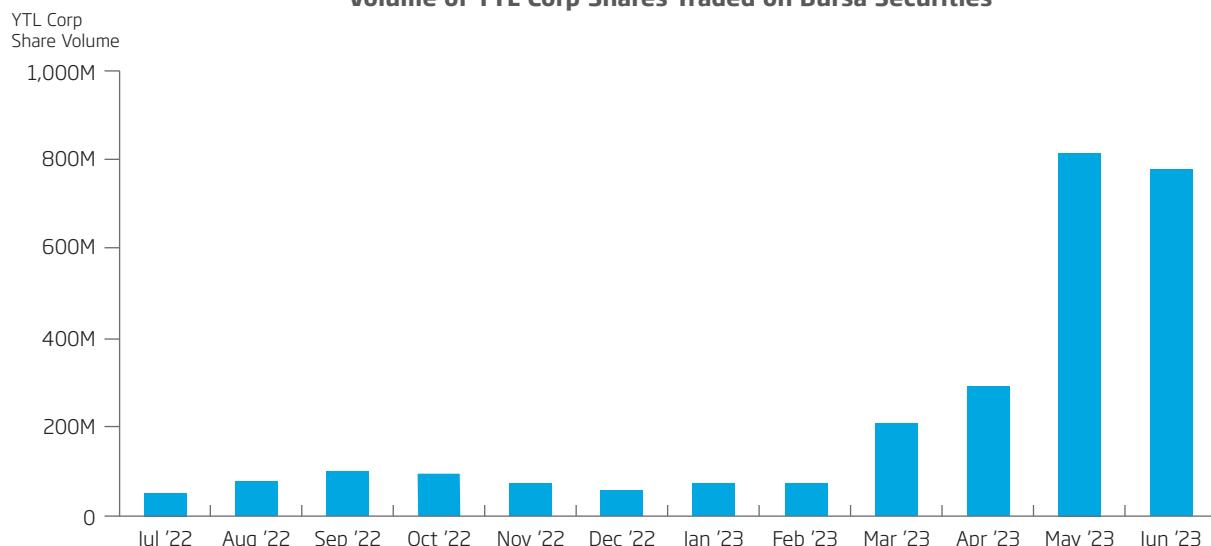
YTL Corp has been listed on Bursa Securities, the Kuala Lumpur stock exchange, since 3 April 1985. YTL Corp is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

The graph below illustrates the performance of YTL Corp's share price compared with the FTSE Bursa Malaysia KLCI during the financial year ended 30 June 2023.

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



Volume of YTL Corp Shares Traded on Bursa Securities



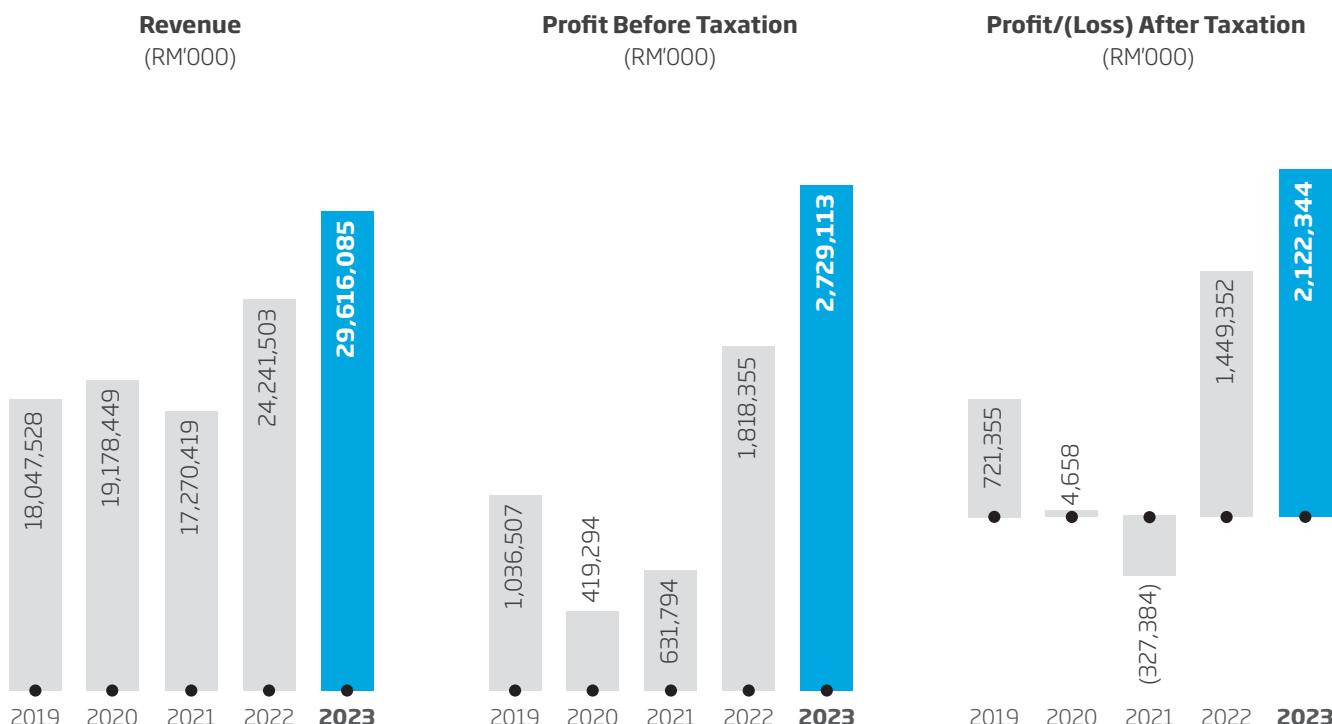
Source: Bloomberg

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

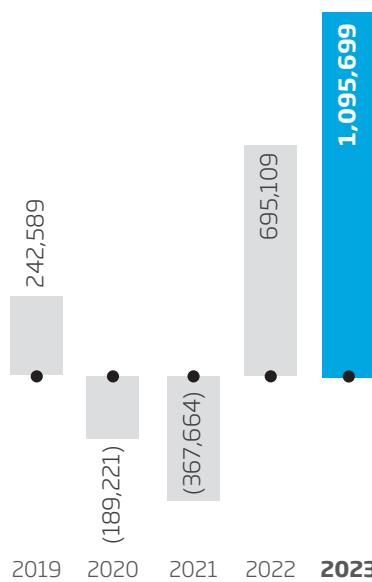
	2023	2022 (Restated)	2021	2020	2019
Revenue (RM '000)	29,616,085	24,241,503	17,270,419	19,178,449	18,047,528
Profit Before Taxation (RM '000)	2,729,113	1,818,355	631,794	419,294	1,036,507
Profit/(Loss) After Taxation (RM '000)	2,122,344	1,449,352	(327,384)	4,658	721,355
Profit/(Loss) for the Year Attributable to Owners of the Parent (RM '000)	1,095,699	695,109	(367,664)	(189,221)	242,589
Total Equity Attributable to Owners of the Parent (RM'000)	14,465,693	13,090,941	12,788,485	12,460,336	13,262,686
Basic Earnings/(Loss) per Share (Sen)	9.99	6.34	(3.38)	(1.78)	2.30
Dividend per Share (Sen)	3.0	2.5	2.5	-	4.0
Total Assets (RM '000)	81,460,369	72,984,574	73,863,566	69,908,435	76,727,093
Net Assets per Share (RM)	1.32	1.19	1.17	1.17	1.25



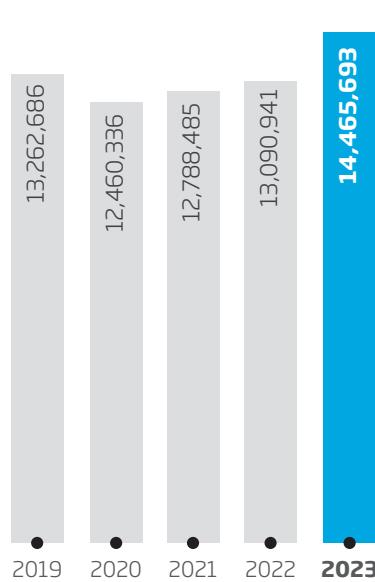
MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

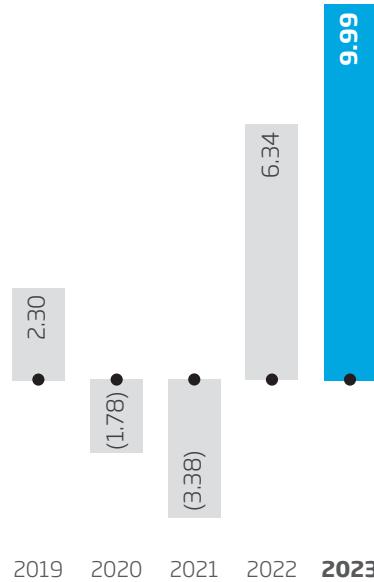
**Profit/(Loss) for the Year Attributable
to Owners of the Parent**
(RM'000)



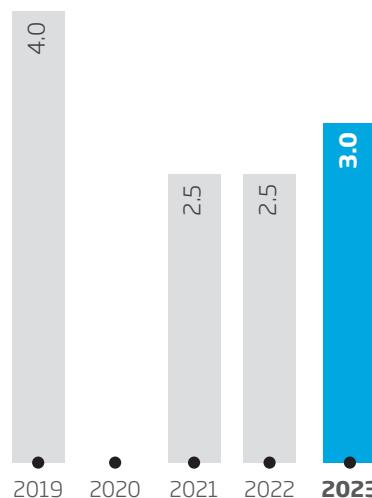
**Total Equity Attributable
to Owners of the Parent**
(RM'000)



**Basic Earnings/(Loss)
per Share**
(Sen)



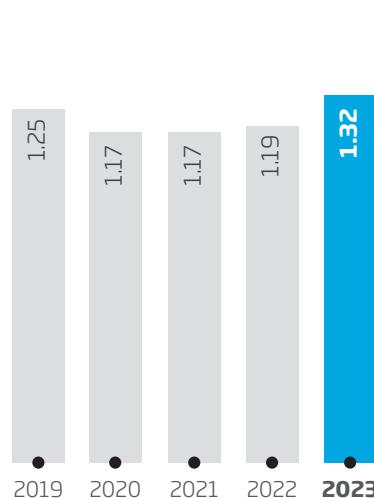
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

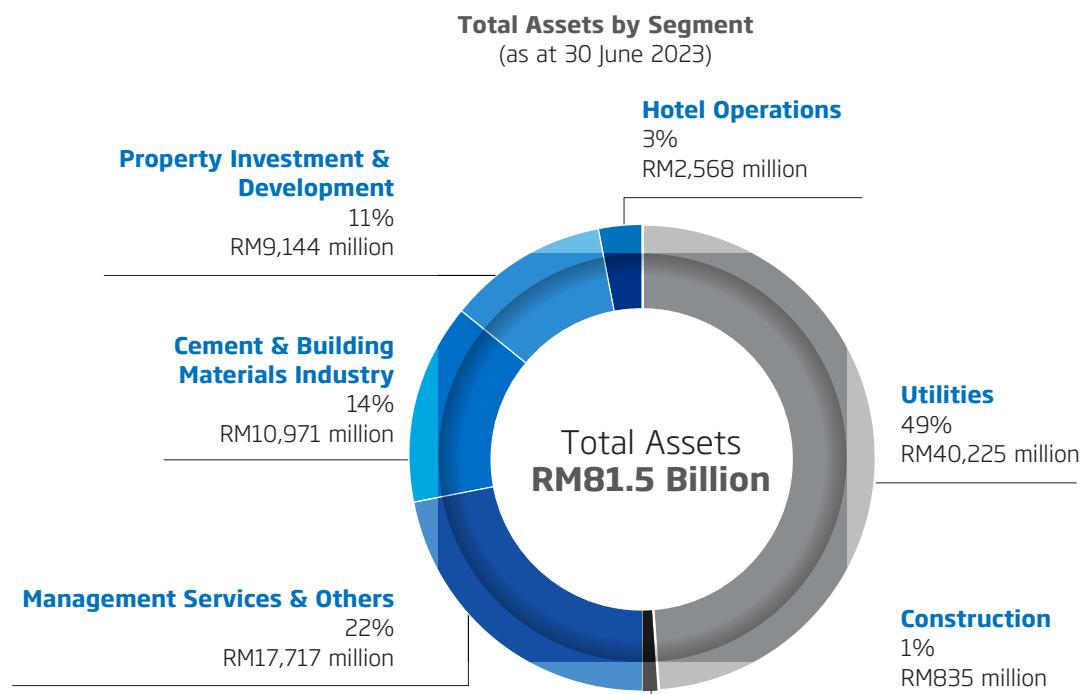
REVIEW OF FINANCIAL PERFORMANCE

Group Financial Performance

The YTL Corp Group recorded revenue of RM29,616.1 million for the financial year ended 30 June 2023 compared to RM24,241.5 million for the previous financial year ended 30 June 2022. Profit before taxation for the financial year under review increased to RM2,729.1 million, compared to RM1,818.4 million last year.

The Group's foreign operations continue to be largest contributors, with overseas operations accounting for approximately 79% of the Group's revenue and 76% of non-current assets for the 2023 financial year, compared to 77% and 74%, respectively, last year.

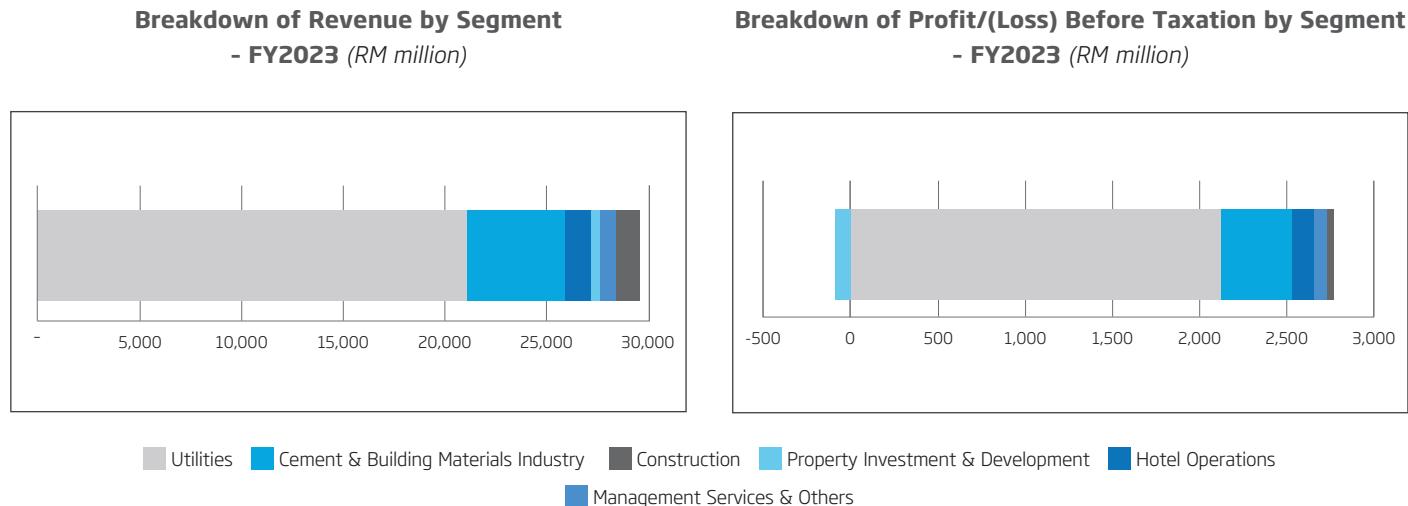
Segmental Financial Performance



	Segment Revenue		Segment Profit/(Loss) Before Taxation	
	2023 RM million	2022 RM million (Restated)	2023 RM million	2022 RM million (Restated)
Utilities	21,067.4	17,499.0	2,132.7	878.4
Cement & Building Materials Industry	4,821.2	3,891.0	383.2	264.2
Construction	1,203.5	1,136.2	10.0	62.3
Property Investment & Development	407.1	717.4	(71.8)	192.5
Hotel Operations	1,313.8	693.7	160.2	(58.4)
Management Services & Others	803.0	304.2	114.8	479.4
	29,616.0	24,241.5	2,729.1	1,818.4

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW



(a) Utilities

The Utilities segment recorded higher revenue of RM21,067.4 million for the financial year ended 30 June 2023 compared to RM17,499.0 million for the previous financial year ended 30 June 2022 due mainly to higher retail and pool prices and a stronger Singapore Dollar against the Malaysian Ringgit in the power generation sub-segment. Meanwhile, the water and sewerage division saw improved trading and new non-retail contracts. This was partially offset by the lower revenue in the telecommunications sub-segment due to lower project revenue recorded.

Higher profit before taxation of RM2,132.7 million for the financial year under review compared to RM878.4 million last year was mainly driven by the power generation division, impacted by the interest accretion on index-linked bonds in the water and sewerage sub-segment and lower project revenue recorded in the telecommunications sub-segment.

The Utilities segment continues to be the Group's largest operating segment, contributing 71% of revenue and 78% of profit before taxation for the financial year ended 30 June 2023, compared to 72% of revenue and 48% of profit before taxation last year.

(b) Cement & Building Materials Industry

The Cement & Buildings Materials Industry segment recorded higher revenue of RM4,821.2 million for the financial year ended 30 June 2023 compared to RM3,891.0 million for the previous financial year ended 30 June 2022, and an increased profit before taxation of RM383.2 million this year compared to RM264.2 million last year. The improved performance was mainly attributable to the increase in demand and better selling prices recorded across all divisions.

For the current financial year, the Cement & Building Materials Industry segment was the Group's second largest operating segment in terms of revenue, contributing 16% of revenue and 14% of profit before taxation for the financial year ended 30 June 2023, compared to 16% of revenue and 15% of profit before tax last year.

(c) Construction

The Construction segment registered higher revenue of RM1,203.5 million for the financial year under review compared to RM1,136.2 million last year due mainly to an increase in the progress of construction works. Profit before taxation stood at RM10.0 million for the year under review compared to RM62.3 million last year as a result of higher operating costs incurred.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

(d) Property Investment & Development

The Property Investment & Development segment recorded revenue of RM407.1 million for the financial year ended 30 June 2023 compared to RM315.1 million (after adjusting for the one-off sale of lands of approximately RM402.3 million recorded last year) for the previous financial year ended 30 June 2022.

The increased revenue was due to sales recorded by on-going projects in Kuala Lumpur and Ipoh along with sales recorded under the development project undertaken by YTL Property Holdings (UK) Ltd.

The segment reported a reduction in loss before taxation of RM71.8 million for the 2023 financial year compared to loss before taxation of RM113.5 million (after adjusting for one-off gain on disposal of lands of RM306.0 million) recorded last year. The reduction was principally attributed to a fair value gain on a vendor note held by YTL Land & Development Berhad and was partially offset by fair value loss on investment properties by a wholly-owned subsidiary.

(e) Hotel Operations

The Hotel Operations segment recorded higher revenue of RM1,313.8 million for the financial year ended 30 June 2023 compared to RM693.7 million for the previous financial year ended 30 June 2022 and higher profit before taxation of RM160.2 million for the year under review compared to a loss before taxation of RM58.4 million last year. The improvement was primarily due to better performances of the Group's hotels and resorts following the easing of pandemic restrictions including the opening of international borders and resumption of economic activities.

(f) Management Services & Others

The Management Services & Others segment recorded revenue of RM803.0 million for the financial year under review compared to RM304.2 million last year due to higher interest income and recognition of accrued technical service income following the commercial operation of the Jordan oil shale-fired power generation project ("Jordan Project").

Profit before taxation stood at RM114.8 million for the year under review compared to RM479.4 million last year due to the absence of the net gain on disposal of the investment in ElectraNet, partially offset by higher foreign exchange gains, higher interest income and accrued technical service income derived from the Jordan Project.

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2022:	
- Interim dividend of RM3.0 sen per ordinary share paid on 29 November 2022	328,923

On 24 August 2023, the Board of Directors of YTL Corp ("Board") declared an interim dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2023 with payment and book closure dates of 10 November 2023 and 29 November 2023, respectively.

The Board does not recommend the payment of a final dividend for the financial year ended 30 June 2023.

Dividend Policy

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

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

CAPITAL MANAGEMENT

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

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

The Group monitors capital using a debt-to-capital ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Bonds	24,913,123	20,212,938	3,440,000	3,240,000
Borrowings	21,541,069	22,043,244	1,116,910	1,066,963
Bonds and borrowings	46,454,192	42,256,182	4,556,910	4,306,963
Less: Cash and cash equivalents	(14,425,653)	(11,398,557)	(30,148)	(196,699)
Net debt	32,028,539	30,857,625	4,526,762	4,110,264
Equity attributable to owners of the parent	14,465,693	13,090,941	5,950,063	6,192,757
Capital and net debt	46,494,232	43,948,566	10,476,825	10,303,021
Debt-to-capital ratio	69%	70%	43%	40%

Under Practice Note 17 of the Listing Requirements of Bursa Securities, the Company is required to maintain consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement with total equity attributable to owners of the parent as at 30 June 2023 of RM14.47 billion.

MANAGEMENT DISCUSSION & ANALYSIS

SIGNIFICANT CORPORATE DEVELOPMENTS

PROPOSED ACQUISITION OF HOTEL STRIPES KUALA LUMPUR BY YTL REIT

On 6 September 2023, Pintar Projek Sdn Bhd ("PPSB"), the Manager of YTL REIT, announced that Maybank Trustees Berhad, as the Trustee for YTL REIT ("Trustee"), entered into a conditional sale and purchase agreement with Hotel 25 Sdn Bhd ("Vendor"), an indirect wholly-owned subsidiary of YTL Corp, for the acquisition of Hotel Stripes Kuala Lumpur, Autograph Collection ("Hotel Stripes") for a total cash consideration of RM138,000,000.

The Trustee, upon completion of the proposed acquisition, will lease Hotel Stripes to the Vendor under a lease agreement for a lease period of fifteen years with an option granted to the Vendor to renew for a further term of fifteen years.

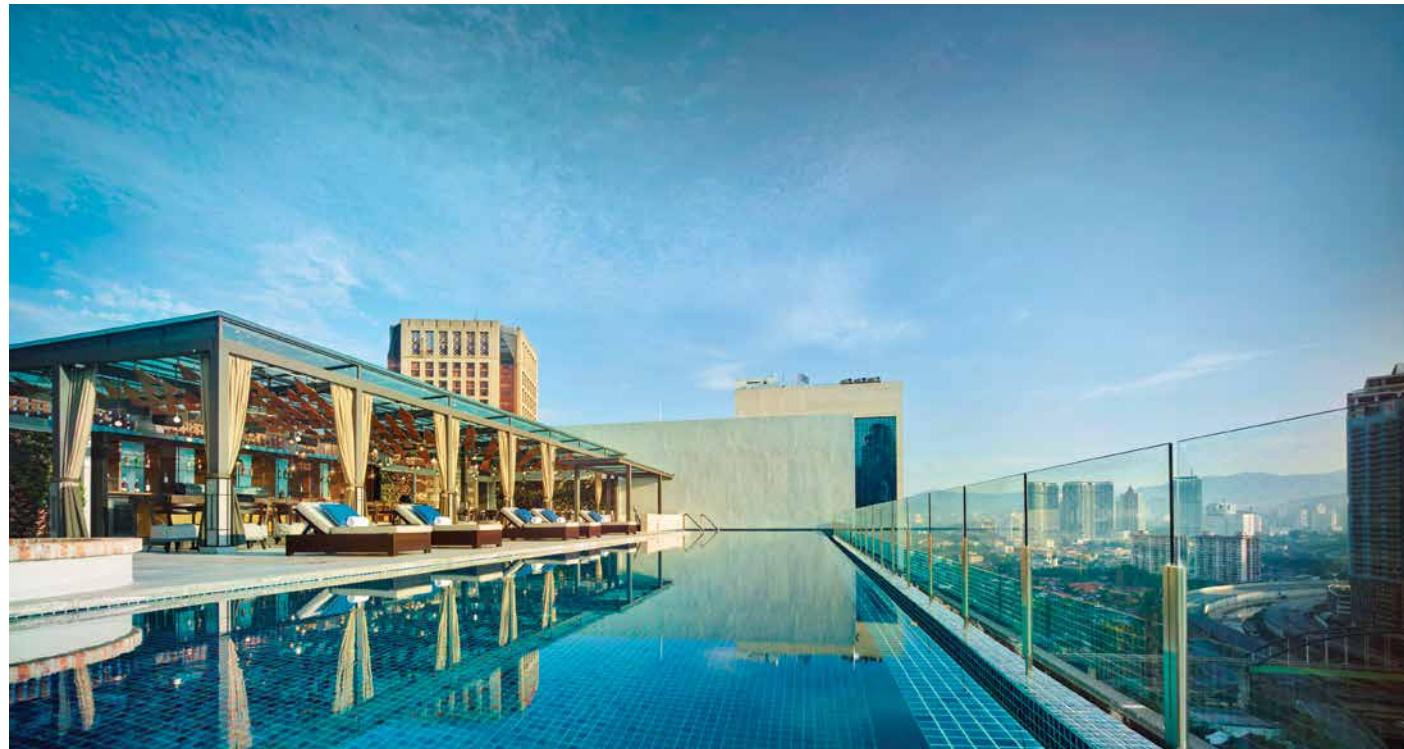
The proposed acquisition is currently pending completion.

PROPOSED RENTAL REVISIONS & REFURBISHMENTS FOR AC HOTELS

On 19 September 2023, PPSB, the Manager of YTL REIT announced that the Trustee had entered into three supplemental lease agreements with the following lessees for a total rental increase of RM2,695,000 per annum in consideration for YTL REIT agreeing to pay for the costs of the proposed refurbishments:

- (i) Prisma Tulin Sdn Bhd, a subsidiary of YTL Corp, in respect of the lease of AC Hotel Kuala Lumpur Titiwangsa;
- (ii) Business & Budget Hotels (Penang) Sdn Bhd, a subsidiary of YTL Corp, in respect of the lease of AC Hotel Penang Bukit Jambul; and
- (iii) Business & Budget Hotels (Kuantan) Sdn Bhd, an associate of YTL Corp, in respect of the lease of AC Hotel Kuantan City Centre.

In relation thereto, the Manager entered into three separate contracts and/or letters of awards for the proposed refurbishments with Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corp, to undertake and complete the refurbishment works.



MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

UTILITIES

SEGMENT OVERVIEW

The Utilities segment of the YTL Corp Group comprises the activities undertaken through its subsidiary, YTL Power, and its subsidiaries ("YTL Power Group"). As at 30 June 2023, YTL Corp held a 55.57% stake in YTL Power. The YTL Power Group has utilities businesses, investments and projects under development in Malaysia, Singapore and the UK.

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

YTL Power has a 60% stake in YTL Communications Sdn Bhd ("YTL Comms"), which provides high-speed 4G and 5G services under the YES brand.

YTL Power is also undertaking a solar power facility with a generation capacity of up to 500 MW in Johor, Malaysia.

OPERATIONAL REVIEW

Power Generation

For the financial year under review, YTL PowerSeraya sold 10,040 gigawatt hours (GWh) of electricity, a 12.6% increase from the previous financial year, while generation market share saw a strong annual increase of 3.9% following the Group's successful completion last year of its acquisition of Tuaspring Power Plant by its wholly-owned subsidiary, Taser Power Pte Ltd. The electricity market has stabilised, which led to lower volatility of prices in the Singapore wholesale electricity market except for hotter months, which saw a surge in electricity supply commitments.

A keen focus on maintaining plant reliability saw the timely completion of major and minor maintenance inspection activities on combined cycle and co-generation power plant units. Several key measures were implemented progressively over the past years and have improved plant reliability, such as Failure Mode Effect Analysis (FMEA) and Master Trip Logic Reviews to prevent forced outages, Root Cause Analysis (RCA) to prevent recurrence of outages and an Operational 'near-miss' Incident Framework for early detection and rectification of plant abnormalities.



Upon successful diversion of the house load from the Tuas South Desalination 6.6kV switchboard for two Circulating Water Pumps to the Group's own electrical switchboard, YTL PowerSeraya managed to achieve significant monthly cost savings and optimised electricity distribution.

Several digitalisation initiatives have also been implemented, such as plant performance, training and safety tracking dashboards and Operation Digitalisation through the use of Self Serving applications.

Continued emphasis on the importance of maintaining high standards in quality, environmental, energy, health and safety as well as cyber security management systems saw re-certifications of ISO9001, ISO14001, ISO45001, ISO27001 and BizSafe Star successfully completed, as well as audit compliance with the ISO50001 standard under Singapore's National Environmental Agency's Energy Management System requirement during the year. In addition, the Group successfully obtained the SS 651 standard, which is a standard developed specifically for the chemical industry in Singapore on occupational safety and health management systems.

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

Support of the company's ongoing digital transformation agenda focused on three key areas for the year under review, namely data and analytics, application modernisation and cybersecurity. As part of its commitment to continuous advancement, YTL PowerSeraya's embrace of application modernisation included the completion of several upgrading, cloud migration and re-platforming projects over the year.

These initiatives have led to improvements in system performance and efficiency, increased scalability, an enhanced overall security posture and ensured compliance for the company.

Retail

YTL PowerSeraya's retail brand, Geneco, held a market share of 13.5% in the electricity retail market (based on retail volume over total system demand), with a sales volume of 7,408 GWh for the financial year under review. The retail market comprises customers from the residential, commercial and industrial sectors.

In April 2023, Geneco expanded availability of its innovative green Power Eco Add-on 2.0 to all of its residential customers, at any point of their contracts. As at 30 June 2023, Geneco had 3,408 customers who had opted for Power Eco Add-on. This 2.0 initiative is in line with Geneco's commitment to supporting The Singapore Green Plan 2030 and building a more sustainable future for the nation by encouraging its customers to do their part for the environment.

As part of its digitalisation journey, Geneco launched Small & Medium Business (SMB) Online in May 2023 to empower SMB customers with single premises and a load size of less than 20 megawatt hours (MWh) per month, to sign up online. This self-service portal optimises operational requirements and provides automation to its business processes. In less than 2 months, as at 30 June 2023, 123 SMB customers had signed up via this new portal.

Fuel Management

YTL PowerSeraya's fuel management arm demonstrated resilience and achieved a commendable performance through the strategic approach of successfully securing higher tank leasing rates and optimising infrastructure assets.

This is especially notable given the challenges in the oil industry, ranging from geopolitical conflicts like the Russia-Ukraine situation to global energy security concerns, coupled with slower-than-expected global economic recovery and inflationary pressures leading to higher interest rates.

The division efficiently managed a substantial volume of 8.24 million metric tonnes of fuel oil and diesel, a notable increase from the previous year's 7.48 million metric tonnes. Moreover, the surge in berthing for bunkering and cargo vessels saw 837 vessels at the terminal, a significant increase from 644 vessels in the previous year, with an average berth utilisation rate of 41.85%, demonstrating the division's commitment to optimal resource utilisation.

Strategic efforts in optimising tank leasing and fuel management activities further underpinned the division's success and an unwavering focus on enhancing these core aspects will position the company for continued growth in the fuel management sector.



MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

Water & Sewerage

Wessex Water faced a challenging year, with extremely high energy prices and inflation in the UK. Nevertheless, its strong financial foundations have continued to underpin the provision and delivery of leading service levels for Wessex Water's customers and communities.

As the provider of an essential service, Wessex Water prioritised the mobilisation of support for its customers and communities who needed it most. Customers continued to be offered extensive financial and debt support through a range of schemes and low-rate tariffs under Wessex Water's tailored assistance programme (tap). This was increased during the year under review as customer incomes were increasingly squeezed by inflation and the high cost of living. The division aims to triple the number of customers on its financial support schemes over the next few years, making help even easier and quicker to access.



Despite the challenges, complaints from customers about the taste, odour or appearance of their water fell for the fourth consecutive year. Wessex Water met its target on water quality at home and in the workplace, where activity saw a return to pre-Covid levels, and achieved its best-ever performance on interruptions to supply, which moved further down to an average of 4 minutes 10 seconds per property, from 4 minutes 12 seconds in 2021.

While water discharge compliance remained very high at 99.4%, this was below the 100% target so process improvements have been implemented to restore and maintain compliance at specific sites.

Following public concern in the UK over storm overflows, Wessex Water is taking immediate action to steadily eliminate or improve on the 1,300 overflows on its 35,089 kilometres of sewers. Investment has been increased to GBP3.0 million per month - at no additional cost to customers - to make a 25% reduction in the operation of storm overflows by 2025, from the 2020 level. After 2025, Wessex Water is proposing a threefold increase in investment to GBP9.0 million per month, with the aim of fully treating or eliminating any discharge from storm overflows by 2050.

The division remains on track for its three-year average leakage target, despite 2022 being a difficult year due to both the extreme heat-drought in the summer and a significant freeze-thaw event in the winter.

Wessex Water's trajectory of diminishing annual gross greenhouse gas emissions continued this year, with its lowest annual operational carbon footprint since reporting began in 1997.

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

Telecommunications

Reflecting on the 2023 financial year, YTL Comms continued to invest in its network and technology, expand its reach and introduce new products and services. YES 5G focused on building its brand awareness through community-building campaigns and collaborations with well-known organisations. As a result of these efforts, YES has performed well and has been awarded various prestigious awards.

YES was awarded Malaysia's fastest mobile network speed in Q1-Q2 2023 by Ookla®, the global leader in fixed broadband and mobile network testing applications, data and analysis. Assessed and determined by Ookla Speedtest Intelligence® data analysis, YES landed at the No.1 spot for two consecutive years (YES was the winner for Q3-Q4 2022 as well) with top download speeds of 562.81 Mbps and top upload speeds of 70.59 Mbps, surpassing the competition.

On 22 December 2022, YES swept four awards from the MCMC Star Rating Awards 2021 - Best in Quality of Service, Best in Consumer Satisfaction, Best in Corporate Social Responsibility and, significantly, Best Mobile Network Operator with Less Than Five Million Subscribers.

Throughout the pandemic, the YES network held up well under heavy usage and delivered essential quality service to the customers. Additionally, working together with YTL Foundation and FrogAsia, YES provided 1.5 million free 4G SIM cards and 1 million free 4G smartphones that in aggregate consumed over 200 million GB of 4G data through YTL Foundation's Learn from Home Initiative. Not only is this program unique and impactful, it also shows how well the modern, all-IP YES network has performed when many other legacy networks struggle under extraordinary usage stress.

YES also managed to lead the way and became the first telco in Malaysia to launch 5G - a full nine months ahead of all other telcos in Malaysia. Not only does YES now have the highest quality 5G services, YES provides the most cost competitive 5G postpaid and 5G prepaid plans in Malaysia. For example, the YES Power 35 postpaid plan offers 100GB of 5G and 4G data with no speed cap for only RM35/month, while its YES Prepaid FT5G Unlimited plan offers Unlimited 5G and 4G data with 30 days of validity for only RM30/month. These plans are some of the lowest price 5G tariffs globally. True to its roots, YES has again demonstrated there is no compromise between pricing and performance.

Beyond providing world-class service at most affordable pricing, YTL Comms worked ceaselessly to drive awareness.

- YES contributed towards Ramadan by enabling 5G connectivity throughout an entire bazaar in Taman Tun Dr Ismail, making it the first-ever 5G Ramadan Bazaar. Through the Ramadan bazaar, YES 5G made 5G accessible for both vendors and customers alike to experience seamless connectivity, fast internet speeds, and ultra-low latency through YES 5G.
- For a period of 6 weeks, YES was the title sponsor for a K-pop "The Dream Show 2 World Tour".
- In collaboration with Brand New Waves Running Club and WE ARE KIX (a film experience company), YES organised a series of four immersive community runs, along with a variety of fun activities at each event called 'The Wave'. More than just a fun run, The Wave showcased the power of YES 5G coverage in Malaysia. In line with the telco's mission to provide accessible and affordable Internet connectivity to all Malaysians, The Wave signifies the arrival of YES 5G coverage throughout the country.
- On 22 July 2023, YES 5G partnered with Nothing, an innovative smartphone brand to launch the Nothing Phone (2) with YES 5G postpaid plans. The exclusive partnership offered the Nothing Phone (2) to consumers at no cost with a subscription to YES 5G's Infinite+ Ultra Plan.
- YES supported the Government's call for cost-effective 5G phone packages to drive adoption into the lower economic tiers of society. Through the Ramah Programme, YES led the industry with the lowest-cost package - a totally free 5G smartphone with 100GB of uncapped 5G data package for merely RM35/month.

This is but a short list of activities to illustrate the energy and commitment demonstrated by YES to deliver on the mission of "5G for All". YES is determined to use its modern network and innovation to leapfrog the entire country into a digital nation.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

CEMENT & BUILDING MATERIALS INDUSTRY



SEGMENT OVERVIEW

YTL Corp Group's Cement Manufacturing and Trading activities are performed by YTL Cement Berhad and its subsidiaries.

OPERATIONAL REVIEW

Operations in Malaysia

MCB successfully completed the acquisition of YTL Cement Berhad's entire cement and ready-mixed businesses in Malaysia on 21 September 2021. MCB is now Malaysia's leading building materials group. It operates four integrated cement plants, strategically located in Langkawi, Kanthan, Padang Rengas, and Bukit Sagu. The Rawang plant, with a 72-year history, is presently offline for planned refurbishments.

In addition to its cement plants, MCB operates a network of facilities comprising four grinding stations, three cement terminal facilities, two cement depots, 54 ready-mixed concrete batching plants, two drymix plants, and two aggregate quarries spanning Peninsular Malaysia. Geo Alam Environmental Sdn Bhd, an MCB subsidiary, is a leader in co-processing and waste management practices. Adding to this infrastructure, the Group operates a portfolio of 14 aggregate quarries across Peninsular Malaysia.

These various facilities are seamlessly interconnected through road, rail, and sea routes, effectively leveraging a comprehensive network that maximises development prospects and bolsters nationwide customer support. MCB operates the Construction Development Lab (CDL), a dedicated research and development center focused on creating bespoke cement and concrete solutions.

International Operations

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

Meanwhile, Fico Tay Ninh Cement Joint-Stock Company (Fico-YTL) is one of only three integrated cement plants in southern Vietnam. It is a major cement supplier to Ho Chi Minh City, and the Mekong Delta region. Fico-YTL achieved a good operational performance and continued profitability for the year under review, owing to its superior product range and cost control efforts. Its operations include an integrated plant, and two grinding stations totaling 2.5 mtpa cement production capacity.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

CONSTRUCTION

SEGMENT OVERVIEW

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



OPERATIONAL REVIEW

Infrastructure

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

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

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

The Group is also undertaking the design, construction and completion of a viaduct across the Kempas Depot in Johor Bahru for Perbadanan Aset Keretapi (Railway Assets Corporation), as well as comprehensive maintenance of the track and civil works on the highspeed Express Rail Link between Kuala Lumpur International Airport (KLIA) and downtown Kuala Lumpur.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW



Commercial

The Group continued to make good progress on Phase 1 of the YTL Green Data Center Park in Kulai, Johor during the year under review. The Park will offer 275 acres dedicated toward data center development, expected to serve a growing demand in the region for sustainable and cost-efficient data center solutions.

During the year under review, work was completed on schedule on the first of two warehouses in the Group's order book. The second, a 3-storey ramp-up warehouse in Bukit Raja, Klang, for ALP BR (Malaysia) Sdn Bhd, is scheduled for completion in mid-2024.

Residential

New residential contracts in the pipeline include the Group's proposed development in Kwasa Damansara. SPYTL entered into an agreement with Kwasa Land Sdn Bhd ("Kwasa Land"), a wholly-owned subsidiary of Employees Provident Fund (EPF), to develop a residential project in Kwasa Damansara with an estimated gross development value of RM200 million.

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

PROPERTY INVESTMENT & DEVELOPMENT



OPERATIONAL REVIEW

Property Development - Malaysia

The Group's land bank in Sentul stands at 250 acres of freehold land. The company is well-positioned to realise the value of the strategic land bank with a diverse portfolio of residential, commercial and mixed-use developments when the property market rebounds.

The progressive transformation of Sentul is catalysed by innovative techniques to infuse contemporary architecture to rejuvenate the urban landscape alongside the preservation of Sentul's railway heritage and identity.

The completion of the MRT Putrajaya Line in March 2023 with two stations in Sentul West complements the two LRT lines and a KTM commuter line in Sentul East. Sentul's accessibility will be further augmented with the highly anticipated MRT 3 or the Circle Line with its main hub positioned at Titiwangsa, which is only one station away from the Sentul LRT station.

The monetisation of Sentul's railway assets has generated a new source of recurring revenue whilst enhancing Sentul into the destination of choice in Kuala Lumpur to live, work and play. The preservation and restoration of **Sentul Depot's** disused railway warehouses created 200,000 sq ft of space repurposed into a social and entertainment hub that continues to draw nationwide interest. A vibrant profile of events has established Sentul Depot as a thriving hub of cultural and commercial significance. These include highly anticipated brand launches by BMW and Xiaomi, as well as a strong commitment to community engagement through public events such as the Riuh Raya bazaar, which was in collaboration with Lazada.

Further complementing Sentul's rejuvenated landscape is the newly completed Sentul Pavilion in Sentul Park, which is a rare green lung in the heart of the city. **Sentul Pavilion** is a dynamic space that adds significant value to the park whilst elevating Sentul into a lifestyle destination for placemaking and community engagement. Sentul Pavilion has hosted prestigious international brands like Lancome, Estee Lauder and Rolex; as well as dinner receptions by the German and Swedish Embassies of Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

The wider vision for upcoming projects in Sentul East such as the d2, d5 and d8 commercial developments will further stimulate Sentul's urban regeneration by introducing innovative design and architecture to promote liveability as well as environmental and social sustainability.

Located on prime freehold land along Jalan Sentul, **d2 at Sentul East** is a low-density development that will feature 338 SOHO units and 13 retail units on the street level. The SOHO concept will cater to the demand for trendy and flexible live-in workspaces by a new generation of young workforce and professionals. The project is expected to be launched in mid-2024.

The construction of **Tulips**, Puchong is expected to be completed in the fourth quarter of 2023. All 98 units of 2-storey link houses on a standard lot size of 20 ft x 60 ft are fully sold. The project was conceived under the "Rumah Selangorku" housing scheme to provide affordable homeownership to eligible buyers in the state of Selangor.

Currently under development is **Olive Grove** at Taman Pakatan Jaya, the first-ever gated-and-guarded development in Bercham. Phase 1 of Olive Grove comprising 132 units is fully sold, and construction is well underway. Phase 2 comprising 119 units is targeted for launch in the third quarter of 2023.

Olive Grove offers 380 units of modern 2-storey link houses amidst a lushly landscaped environment complemented by a clubhouse and lifestyle facilities. The development features spacious homes that accommodate 4 + 1 bedrooms with a built-up area of 2,000 sq ft on a standard lot size of 20 ft by 75 ft.

Plans are underway to launch **Danau Puchong**, an upcoming serviced apartment in the vicinity of Lake Edge, Puchong in the fourth quarter of 2023. This follows the success of the Group's Lake Edge development in the early 2000s, which has since grown into a thriving lakeside community today.

Danau Puchong is a gated-and-guarded enclave featuring 428 units within its two 32-storey residential towers with an estimated GDV of RM200 million. The 3-acre low-density development overlooking a scenic lake will be transformed into another vibrant lakeside community. The development will offer a selection of one-, two- and three-bedroom units with built-up areas between 566 sq ft and 999 sq ft.

Another project in the pipeline is **Dedaun Rimba**, an upcoming gated-and-guarded development in the visionary township of Kwasa Damansara, located northwest of Kuala Lumpur CBD. Dedaun Rimba presents an opportunity to partner Kwasa Land Sdn Bhd in the development of the Kwasa Damansara master-planned township. The project is slated for launch in the fourth quarter of 2023.

Dedaun Rimba offers a unique urban living concept within a 12.7-acre development site where the living experience is enriched by the tranquility of nature complemented by a clubhouse and a host of lifestyle facilities. The development features a total of 264 residential units comprising 68 units of 3-storey link houses featuring five bedrooms, and 196 units of 1 ½-storey townhouses featuring three bedrooms. The estimated GDV is RM200 million.

Kwasa Damansara is served directly by two MRT lines with two stations in the vicinity of Dedaun Rimba. The development also enjoys a strategic location with excellent connectivity by road and multiple interconnected highways.

Property Development - UK

The Group is undertaking one of UK's largest master planned developments, located on the former Filton Airfield. Brabazon Bristol is a 380-acre mixed-use urban development and the Group's first UK property development project.

Planning approval from South Gloucestershire Council is currently pending for the proposed update to the development's Masterplan. The approval will allow the new Masterplan to deliver up to 6,500 residential homes, student accommodation units, 4 million sq ft of commercial floor area and approximately 1 million sq ft of educational and community facilities.

The Group is currently delivering the first phase at Brabazon, known as The Hangar District, comprising 302 residential units apportioned to 127 landed and 175 apartment units. Half of these homes are now completed and occupied, with the remainder set to complete in stages up to the third quarter of 2024. All open-market homes are sold in staggered releases, and to date, all have been sold off-plan with no voids accrued.

In July 2023, the Group received planning permission for the next phase of 339 new homes at Brabazon. Construction for this phase has begun and the first homes are scheduled for completion in late 2024.

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

In November 2022, the Group received planning approval to create a 15-acre public park at the center of Brabazon. Part of the Masterplan re-design, Brabazon Park consolidates a number of dispersed public open spaces into one more sustainable leisure destination.

In April this year, the Group also received approval to transform a Grade II listed aircraft hangar into a new local, social community hub, designed to bring people together and promote active and sustainable living at Brabazon.

Discussions are ongoing on the new rail service will connect the train station at Brabazon to Bristol Temple Meads in less than 15 minutes. The station design has been upgraded to cater for YTL Arena Bristol, allowing up to 2,000 people on event nights to travel to the arena by train. The square has also been enlarged to allow for safe crowd management during event days and to minimise queue times.

The development of YTL Arena Bristol is progressing well. Situated at the legendary Brabazon Hangars, the birthplace of the Concorde, YTL Arena Bristol will be at the heart of a vibrant new community at Brabazon. The project is in the final stages of design. Work has begun on key pieces of infrastructure required including new road connections, establishing new power supplies and site preparation works.



Property Investment

YTL Corp has an effective interest of 37.18% in Starhill Global REIT, which is listed on the Mainboard of the SGX-ST, the Singapore stock exchange.

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

Starhill Global REIT's property portfolio was valued at SGD2.77 billion as at 30 June 2023. The trust's distribution per unit was SGD0.0380 for the financial year under review, unchanged compared to last year.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

HOTEL OPERATIONS



SEGMENT OVERVIEW

The YTL Corp Group's hotel management and development activities are undertaken primarily through its listed entity, YTL REIT, and through its wholly-owned subsidiary, YTL Hotels & Properties Sdn Bhd ("YTL Hotels"), and its subsidiaries ("YTL Hotels Group"). As at 30 June 2023, YTL Corp held a 56.96% stake in YTL REIT.

OPERATIONAL REVIEW

YTL Hotels Group

As countries transitioned towards the endemic phase of Covid-19, abundant pent-up demand for travel resulted in a marked improvement in occupancy and average rates across the YTL Hotels Group portfolio. The Group's London hotels achieved occupancies in the mid to high 80s, surpassing pre-pandemic levels. In Kuala Lumpur, several of the Group's city hotels produced their best occupancies since before the pandemic of up to 87%. Through the year the Group continued to see better results following the progressive re-opening of borders and gradual recovery of the tourism and hospitality sectors around the world.

All remaining travel restrictions for Malaysia were lifted on 1 August 2022 allowing a fully reopened border. This led to a tourism rebound especially in the last quarter of 2022, with the return of international travellers from the traditional markets of Europe, Australia and Asia. As global borders progressively reopened through the year, all resorts performed significantly better than the previous year. Staycations have continued as a key source of business in addition to short hops from around Asia. Gaya Island Resort has achieved its best results since opening. Tanjung Jara Resort has added a secluded luxury one-bedroom villa with a private pool to its inventory of rooms. The villa has been designed in the same traditional style of 17th century Malay palaces.

Awards won by the Group's Luxury Resorts and Classic Hotels over the year include the following: Travel + Leisure Luxury Awards Asia Pacific 2023 placed Pangkor Laut Resort in the Top Ten for Best Hotel Pools Malaysia. Spa Village Pangkor Laut Resort won the ASEAN Spa Services Award at the ASEAN Tourism Awards as well as Harper's Bazaar Spa Awards for Best Traditional Spa

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

Experience. Tanjong Jara Resort won Hospitality Asia Pacific Awards (HAPA) Best 30 Hotels & Resorts: Best in Malaysia while Spa Village Tanjong Jara won Harper's Bazaar Beauty Award for Best Cultural Spa Experience.

Travel + Leisure Luxury Awards Asia Pacific 2023 named Gaya Island Resort in the Top Ten Best Beach and Upcountry Hotels Malaysia. Spa Village Gaya Island won Harper's Bazaar Beauty Award for Best Ethnic Treatment. Spa Village Cameron Highlands Resort won Harper's Bazaar Beauty Award for Best Natural Treatment. The Majestic Malacca won the HAPA Award for Best 30 Hotels & Resorts: Recommended. Spa Village Malacca won Harper's Bazaar Beauty Award for Best Heritage Spa Experience.

All Kuala Lumpur hotels have performed well, in particular the JW Marriott Kuala Lumpur and The Ritz-Carlton, Kuala Lumpur, with improved average rates and their best occupancy levels since before the pandemic. The MICE segment has rallied, with several international conferences confirmed as well as social events and weddings. The JW Marriott Kuala Lumpur has introduced a new meeting concept with JW Mezzanine, the only co-working space in a luxury hotel in the city. It features a variety of flexible modern workspaces thoughtfully designed to drive inspiration and productivity.

The AC Hotels in Kuala Lumpur, Kuantan and Penang are undergoing a complete guestroom refurbishment. Guestrooms now feature a sleek, modern and stylish design in keeping with the ideals of the AC Hotels brand and have been well received by guests. The refurbishments are expected to be completed by year end.

The Ritz-Carlton, Kuala Lumpur was listed in Travel + Leisure Luxury Awards Asia Pacific 2023 in the Top Ten Best City Hotels in Malaysia while Spa Village Kuala Lumpur was named in the Top Ten Hotel Spas in Malaysia. JW Marriott Kuala Lumpur's Shook! Restaurant has won the HAPA Award for Resilience as well as being listed in HAPA Best 30 Restaurants: Recommended. The Majestic Spa won Harper's Bazaar Beauty Award for Most Indulgent Retreat for Couples. Hotel Stripes Kuala Lumpur was named in HAPA Best 30 Hotels & Resorts: Best in Malaysia 2023.

This year continues to be another strong year for the UK properties. The Gainsborough Bath Spa has achieved its best performance since the hotel's opening in 2015. The spa continues to be successful with a substantial growth in revenue year on year. The hotel has resumed normal food and beverage operations with the relaunch of The Gainsborough Brasserie in August 2023. In the Condé Nast Traveller 2022 Readers' Choice Awards, the hotel was fifth in the list of best UK hotels outside London and 24th in the list of Top 48 Destination Spa Resorts in the World. Luxury Lifestyle Magazine Readers Travel Awards 2022 placed The Gainsborough Bath Spa as 7th in the Best Spa and Wellness Hotel category.

Threadneedles Hotel's recovery post pandemic continued positively during the year and exceeded expectations by surpassing 2019 levels and remaining ahead of the local market performance. The corporate sector has seen a strong growth compared to the previous year. The hotel has been operating all food and beverage services since the beginning of 2023, with dinner service resuming in the restaurant in September 2023.

The Academy has continued to operate with high occupancy throughout the year. All services were resumed in August 2022, including all day dining in the bar, 24-hour room service and afternoon tea.

The Glasshouse saw occupancies recover steadily, with record results driven by the 150th Open Golf championship in July. A strong growth in average rate has led to the hotel achieving an impressive performance over pre-pandemic levels. Food and Beverage services have operated in full since November 2022 and revenues reached record breaking figures for the property. This is the result of strategies such as local activations and maximisation of the current outlets. The 2023 Forbes Travel Guide Star Awards listed the hotel as Recommended Verified Luxury. The Glasshouse was named a U.S. News & World Report Best Hotel.

Monkey Island Estate has seen some very positive movement in terms of corporate and social events for the next financial year as the industry returns to a more standardised pattern. The hotel remains the preferred venue for high end weddings. Luxury Lifestyle Magazine Readers' Travel Awards voted Monkey Island Estate number 4 Best Spa and Wellness Hotel and in the top ten for Best Boutique Hotel. Elite Traveler Magazine included the hotel's Wedgewood Suite in the World's Finest Suites. Times Travel included Monkey Island Estate's Floating Spa in 30 Best Spas in the UK.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

The Hague Marriott maintained its focus on the domestic leisure market, capitalising on its location close to the sea as well as the city centre. In the first half of the year, the hotel continued providing shelter to refugees. In the third quarter of 2022 the hotel succeeded in securing the contract for an airline crew which has been a very strong producer. Corporate clientele have returned for meetings and events with a strong recovery, especially in the second half of the financial year. MICE is an important market segment for the hotel and the hotel has surpassed its 2019 pre-Covid performance.

Japan's borders reopened to individual international travellers in September 2022, allowing a surge of pent-up demand for the winter season in Niseko Village. To boost domestic tourism, the government introduced a national travel discount plan for residents. The Green Leaf Niseko Village reopened in December 2022. Occupancies at all Niseko Village properties showed a significant improvement over the previous year. There has been a notable increase in Korean travellers. The Ritz-Carlton Reserve's Higashiyama Niseko Village was listed in Travel + Leisure US 'The 20 Most Beautiful Hotel Bathrooms in the World'. The resort's Higashiyama Suite was listed in Elite Traveler's 2023 World's Finest Suites. Hinode Hills was named Best Hotel Condo Development at the 2022 PropertyGuru Asia Property Awards.

The Surin Phuket has been exceeding expectations, especially from the fourth quarter of 2022 onwards with the return of regular guests. The post pandemic period has seen the emergence of new markets including the Middle East, India and China. November 2022 marked the hotel's 40-year anniversary. Six new luxurious one-bedroom pool villas have been added to the hotel's inventory. The elegant new Beach Restaurant fronting the sea serves authentic Thai cuisine.

The Ritz-Carlton, Koh Samui performed well with the return of guests from Europe and the USA. With China's borders reopened in January 2023, as well as anticipated improvements in flight frequency and capacity, it is expected this market will soon return to pre-covid levels. The resort's Ultimate Pool Villa was listed in Elite Traveler's 2023 World's Finest Suites.

YTL REIT

YTL REIT's investment portfolio was valued at RM4,953.0 million as at 30 June 2023, an increase of RM215.6 million or 4.6% compared to the previous valuation of RM4,737.4 million as at 30 June 2022, mainly due to the increase in valuation of the Australian Portfolio. YTL REIT's net asset value per unit increased to RM1.706 as at 30 June 2023 compared to RM1.627 as at 30 June 2022.

Malaysian Portfolio

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

During the financial year under review, Malaysia's tourism sector continued to rebound steadily, underpinned by improving domestic tourism and a rise in international tourist arrivals, as pent-up demand continued to be released following the multi-year pandemic restrictions and controls. This resulted in better guest numbers across the Trust's properties. With a notable preference for Malaysia particularly throughout the Southeast Asian region, the outlook for the sector remains positive, with projected increases in tourist arrivals from the wider Asian region and beyond anticipated to drive further recovery in the near to medium term.

International Portfolio - Japan

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



MANAGEMENT DISCUSSION & ANALYSIS**SEGMENTAL REVIEW**

The number of international visitors to Japan, including the Niseko area, increased significantly from October 2022, mainly due to the easing of entry restrictions into Japan, the ski season and the higher number of direct flights to Japan. The occupancy rate of the Trust's Japan properties demonstrated significant improvements primarily due to the easing of entry restrictions for international tourist arrivals.

International Portfolio - Australia

YTL REIT's Australian portfolio is made up of the Sydney Harbour Marriott, Brisbane Marriott and Melbourne Marriott. The Trust is afforded the benefit of a variable source of income from the operation of these hotel assets.

Australia's tourism industry has experienced robust recovery following the lifting of travel restrictions. The rebound has been primarily driven by the resurgence of the domestic tourism segment and gradual yet consistent increase in international tourist arrivals. The corporate segment has also continued to improve albeit not yet to pre-pandemic levels, with complete recovery across all guest segments expected in 2025.

The Sydney Harbour Marriott achieved a significant increase in occupancy during the financial year under review attributed to the strong domestic leisure market, which was keen to travel and had accumulated savings from the COVID lockdowns.

Similarly, the Melbourne Marriott witnessed higher occupancy resulting mainly from robust domestic leisure demand. During the year, the Executive Lounge was relocated from the 9th floor to the ground floor, with this reconfiguration increasing the room inventory to 189 from 186 guestrooms previously.

In the 2023 financial year, the Brisbane Marriott registered higher occupancy primarily fueled by the solid domestic leisure market.

MANAGEMENT DISCUSSION & ANALYSIS SEGMENTAL REVIEW

MANAGEMENT SERVICES & OTHERS



SEGMENT OVERVIEW

The Management Services & Others segment carries out investment holding activities and other services of the YTL Corp Group. These mainly comprise the Group's investments in Express Rail Link Sdn Bhd ("ERL"), a 45%-owned associated company, and its wholly-owned subsidiary, ERL Maintenance Support Sdn Bhd, and the investment holding activities of the YTL Power Group, namely its 45% interest in Attarat Power Company PSC ("APCO") and effective interest of 20% in PT Jawa Power ("Jawa Power") as well as its data center and digital transformation businesses.

OPERATIONAL REVIEW

ERL

ERL continued to focus on service improvements and collaborate with partners on market development, tactical promotions, B2B ticket sales, ancillary activities and awareness campaigns as part of its ridership recovery plan.

ERL also refreshed its Go Cashless efforts and continued to partner with banks and e-wallet providers to offer value deals to customers and incentivise them to switch to online and contactless ticketing.

Dedicated KLIA Ekspres and KLIA Transit services resumed in January 2023 after running combined train services for more than two years due to the drop in passenger ridership during the pandemic. KLIA Ekspres ridership has picked up month-on-month since then, showing a 154% ridership growth in June 2023 compared to December 2022, as the increased service frequency and longer peak hours greatly benefitted air travellers and daily commuters.

Following the rebranding of KLIA Terminals in February 2023, ERL renamed its KLIA and klia2 stations as KLIA T1 and KLIA T2, respectively, to ensure consistency with the airport and prevent confusion among air travellers and commuters who use the train services.

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL REVIEW

Through a smart partnership with the Ministry of Tourism, Arts and Culture (MOTAC) and Tourism Malaysia under the Tourism Recovery Plan 2022 (PRE 2.0), ERL offered discounted fares to Malaysians to boost domestic tourism and increase the use of public transport. The 8-month promotion which ended in December 2022 was successful in helping ERL recapture lapsed leisure travellers and attract new passengers to the service following the pandemic.

Other initiatives included a collaboration with MRT Corp on the launch of the MRT Putrajaya Line Phase 2 in March 2023 to promote connectivity from MRT Putrajaya Line stations to KLIA T1 and T2 via KLIA Transit, cross-marketing with strategic partners such Batik Air, Sama-Sama Hotel, Eraman, KL Hop-On Hop-Off and Meru Utama (VGI Airports), and mobile promoter booths at strategic sites in KLIA T1 and T2 from February 2023 until January 2024.

China Railway Construction Corporation Limited (CRCC) Saudi, the railway operation company appointed by the Saudi Arabia government to operate the Al Mashaaer Al Mugaddassah Metro or Makkah Metro line once again invited ERL to provide skilled and experienced operations staff to support the Makkah Metro operations for three years until 2024. The recent 2023 Hajj season was the tenth year that this operational support has been provided to Makkah Metro.

YTL Data Centers

The Group has embarked on the development of the YTL Green Data Center Park in Kulai, Johor. This will be the first data center campus in Malaysia to be co-powered by on-site renewable solar energy. To date, the Group has partnered with Sea Limited as a co-locator to anchor this world-class green facility.

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

Progress is well underway on Phase 1 of the YTL Green Data Center Park, scheduled for completion in the first quarter of the 2024 calendar year.

Digital Banking

In April 2022, the Group in consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia and work is well underway towards commencement of operations.

This new venture, which will leverage multiple synergies between the Group and Sea Limited, will enable the Group to further contribute to the growth of Malaysia's digital transformation and broaden access of its citizens to financial services, particularly the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs).

APCO

In Jordan, YTL Power has a 45% equity interest in APCO, the owner of a 554 MW oil shale-fired mine-mouth power generation project. 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 ("COD") of the project's second unit).

Following pandemic-related delays to the project APCO successfully achieved COD for Unit 1 and Unit 2 in October 2022 and May 2023, respectively.

The 554 MW power plant is the first in Jordan to utilise the country's indigenous oil shale resources which will account for approximately 15% of its installed power generation capacity. This will reduce the Kingdom's import of oil products for power generation, and its development is a key milestone in the Jordanian government's goal of furthering its energy independence.

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

Jawa Power

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

MANAGEMENT DISCUSSION & ANALYSIS

RISK MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

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

OPERATING RISK MANAGEMENT

Concessions & Key Contracts

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

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

Business Risk

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

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

Dependence on Key Management

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

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

Political, Economic, Environmental & Regulatory Considerations

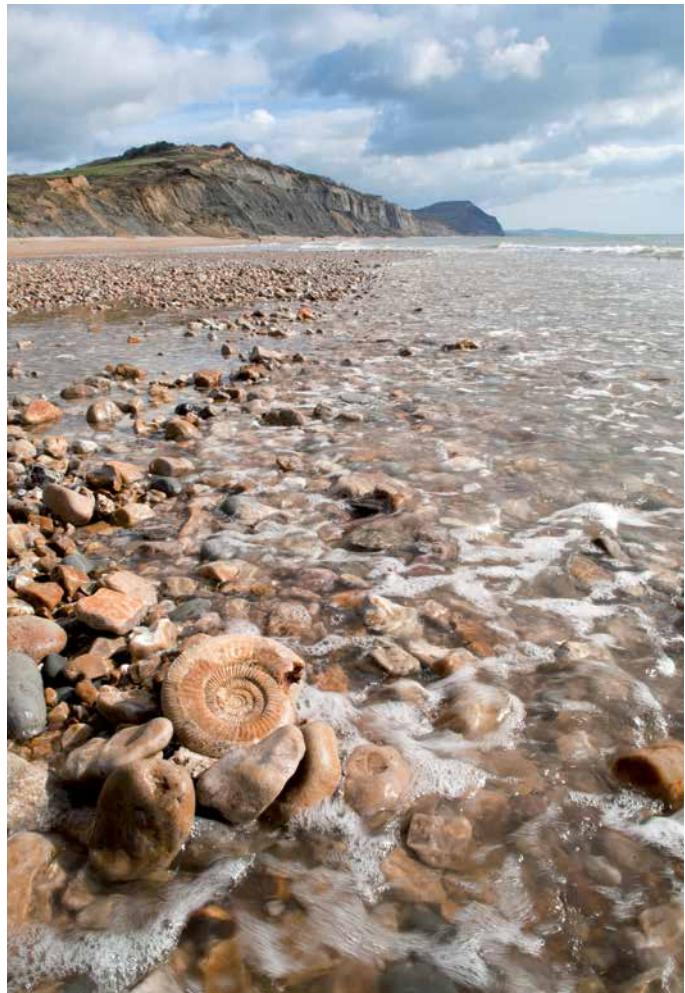
Like all other businesses, adverse developments in political, economic and regulatory conditions (including changes in environmental legislation and regulations) in Malaysia, Singapore, the UK and other overseas markets in which the YTL Corp Group from time to time has operations could materially and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

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

MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK

Global economic growth is projected to decelerate in 2023, reflecting the challenging and uncertain economic environment. The outlook for global growth is tilted to the downside, with risks including increased geopolitical fragmentation, higher-than-expected inflation and a sharp tightening in global financial market conditions, including further stress in the banking sector. Despite the challenging global environment, the Malaysian economy is projected to continue to expand at a steady, albeit moderated, rate of 4% to 5%. Strong domestic demand will remain the primary growth driver, supported by further improvements in labour market conditions, ongoing and new multi-year investment projects and higher tourism activity (source: *Bank Negara Malaysia updates*).



In the Utilities division, YTL PowerSeraya has successfully navigated the challenging conditions in the energy sector. Power generation is an essential service and electricity demand is expected to remain stable moving forward. The segment will continue to focus on customer service, operational efficiency and exploring diversification beyond the core business into integrated multi-utilities supply.

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

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

The rationalisation of the Group's cement operations has continued to bolster profitability and value enhancement and improving the effectiveness and efficiency to deliver seamless solutions to customers.

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

With the return to normalcy in the jurisdictions where the Group operates and ongoing release of pent-up demand across global tourism industry, the hospitality sector is expected to maintain a relatively positive outlook, even in the face of the potential downside risks of higher inflation, interest rate hikes and other economic factors.

MANAGING SUSTAINABILITY

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

YTL Group Sustainability Framework



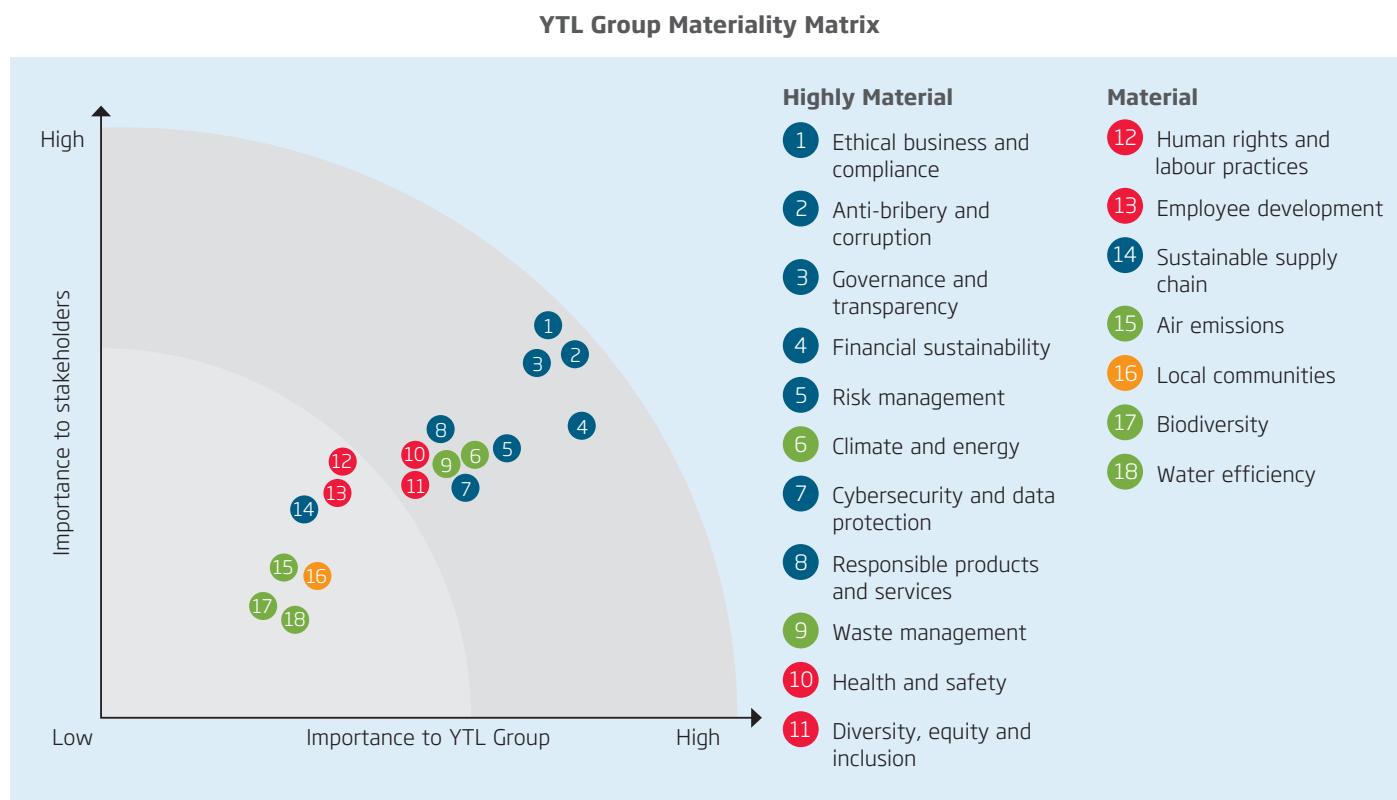
Our unwavering commitment to achieving our business objectives whilst delivering sustainable value to all stakeholders entails the implementation of robust policies and processes that enhance corporate performance and accountability. These measures are bolstered by our strict adherence to applicable laws, regulations, rules, and international standards in the jurisdictions where we operate. Further details on YTL Group policies in the following areas are available on our corporate website:

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

MANAGING SUSTAINABILITY

MATERIALITY

We periodically update our discovery process to ensure it remains current, accurate, reflective and relevant to our businesses. This helps us to align our strategy and day-to-day operations with business needs, and create long-term sustainable value to all stakeholders. This year, we carried out an internal assessment and observed that the 18 material matters were still relevant to our businesses and stakeholders. We plan to conduct a further materiality assessment, to engage with key stakeholders, and publish the results in our next report.



We are proud that in 2023 YTL Corp was once again named as one of the constituents of the FTSE4Good Bursa Malaysia Index for the seventh consecutive year. Information on YTL Group's governance structure, sustainability related material issues, initiatives, performance and achievements during the financial year ending 30 June 2023 can be found in our 17th standalone *YTL Group Sustainability Report 2023* which is available for download at www.ytl.com/sustainability. The report focuses on YTL Group's key businesses in Malaysia and globally.

CORPORATE EVENTS

2 NOVEMBER 2022



STRIDES MOBILITY & YTL POWERSERAYA JOINT TENDER TO BUILD PUBLIC EV CHARGING POINTS IN SINGAPORE

YTL PowerSeraya Pte Limited, a subsidiary of YTL Corporation Berhad, and Strides Mobility, a business arm of SMRT Corporation Limited, formed a joint venture under the brand name of ChargEco which, in consortium with Airetec and Yes Energy, won a tender from Singapore's Land Transport Authority to build charging points at Housing & Development Board carparks in the Central and East regions of Singapore.

From left to right: Dato' Yeoh Seok Hong, Managing Director of YTL Power International Berhad and Executive Director of YTL Corporation Berhad; Mr Yeoh Keong Hann, Director of YTL PowerSeraya Pte Limited; Mr Tan Kian Heong, President of Strides Mobility; and Mr Seah Moon Ming, Chairman of SMRT Corporation, at the signing of the joint venture agreement at the LTA UITP Singapore International Transport Congress & Exhibition

21 DECEMBER 2022

YTL COMMUNICATIONS WINS 4 AWARDS AT MCMC STAR RATING AWARDS

YTL Communications Sdn Bhd, a subsidiary of YTL Corporation Berhad, won 4 awards at the Malaysian Communications and Multimedia Commission (MCMC) Star Rating Awards 2021 for its YES network. The awards were 'Best Quality of Service', 'Best in Consumer Satisfaction', 'Best in Corporate Social Responsibility', and 'Best Mobile Network Operator with Less Than 5 Million Subscribers'.



From left to right: Datuk Mohd Ali Hanafiah Mohd Yunus, Chief Operating Officer, MCMC; Ms Teo Nie Ching, Deputy Minister of Communications and Digital; and Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd

CORPORATE EVENTS

30 JANUARY 2023

AGREEMENT FOR IMPORT OF 100 MW OF ELECTRICITY INTO SINGAPORE

YTL PowerSeraya Pte Limited, a subsidiary of YTL Corporation Berhad, and TNB Power Generation Sdn Bhd, a wholly-owned subsidiary of Tenaga Nasional Berhad, jointly announced an agreement to export and import 100 MW of electricity from Malaysia to Singapore via the newly upgraded interconnector.



From left to right: Tengku Datuk Seri Utama Zafriul Tengku Abdul Aziz, Malaysia's Minister of International Trade and Industry; Dato' Nor Azman Bin Mufti, Managing Director of TNB Power Generation Sdn Bhd; Mr John Ng, Chief Executive Officer of YTL PowerSeraya Pte Limited; and Dr. Tan See Leng, Singapore's Minister for Manpower and Second Minister for Trade & Industry

28 FEBRUARY 2023



YES WINS OOKLA® AWARDS FOR FASTEST MOBILE NETWORK SPEED IN MALAYSIA

YTL Communications Sdn Bhd, a subsidiary of YTL Corporation Berhad, was awarded Malaysia's fastest mobile network speed in Q3-Q4 2022 by Ookla, the global leader in fixed broadband and mobile network testing applications, data and analysis. YES won the award again in Q1-Q2 2023.

From left to right: Mr Jacob Yeoh Keong Yeow, Deputy Chief Executive Officer, YTL Communications Sdn Bhd; Mr Wing K Lee, Chief Executive Officer, YTL Communications Sdn Bhd; Mr Luke Deryckx, Chief Technology Officer, Ookla; and Mr Kuljeet Randhawa, Senior Vice President, Global Head of Sales & Enterprise Services, Ookla

CORPORATE EVENTS

11 APRIL 2023

**YTL CEMENT SIGNS MOU WITH CREAM TO SUPPORT SUSTAINABLE CONSTRUCTION**

YTL Cement Berhad, a subsidiary of YTL Corporation Berhad, signed a memorandum of understanding (MoU) with the Construction Research Institute of Malaysia (CREAM), the research and development (R&D) arm of the Construction Industry Development Board (CIDB), focusing on human resource development, R&D and supporting sustainable construction.

From left to right: Mr Ir. M. Ramuseren, Chief Executive Officer of CREAM; Datuk Ir. Ahmad 'Asri Abdul Hamid, Chief Executive Officer of CIDB; Dato' Sri Michael Yeoh Sock Siong, Executive Director of YTL Corporation Berhad and Managing Director of YTL Cement Berhad; Mr Patrick Pereira, Executive Director of YTL Cement Marketing Sdn Bhd

31 MAY 2023

**STAKEHOLDERS GATHERING TO MARK APCO'S COMMENCEMENT OF COMMERCIAL OPERATIONS**

Commercial operations commenced this year at the 554 MW oil shale-fired mine-mouth power generation project owned by Attarat Power Company PSC (APCO) in Jordan. APCO is indirectly owned by YTL Power International Berhad (45%), Guangdong Energy Group of China (45%) and Eesti Energia AS of Estonia (10%).

Seated from left to right: Mr Yan Shaojie, CTO, APCO; H.E. Dr Bassam Kakish, Advisor, APCO; Mr Mohammad Maaitah, Director, APCO; Mr Zou Runmo, Chief Representative, Sinosure; Mr Zhang Wei, Deputy GM, Industrial & Commercial Bank of China (ICBC); Mr Huang Guoqing, GM, Guangdong Energy Group; Dato' Yeoh Seok Hong, Managing Director of YTL Power International Berhad and Executive Director of YTL Corporation Berhad; Mr Andrus Dureiko, CEO, Eesti Energia; Mr Zhao Lianmeng, Head Corporate Banking, Bank of China; Mr Joseph Tan Choong Min, Director, Projects, YTL Power International Berhad; Mr Yeoh Keong Yuan, Executive Director, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd; Mr Jason Pok Hooi Long, CEO, APCO; and Mr Law Kok Choon, CTO, APCO

Standing from left to right: Mr Kiran Kumar, CTO, Attarat Operation & Maintenance Company BV; Mr Frank Kenny, Project Manager, Matt Macdonald; Ms Qin Yumeng, Corporate Banking, Bank of China; Mr Yu Hong, Sinosure; Mr Kenneth McLaren, CMO, Attarat Mining Company BV; Mr Dominic Hua Shi Hao, AVP Commercial, YTL Power International Berhad; Mr Dominic Freely, Senior Advisor, Evercore; Mr Riho Kruuv, Head Strategic Projects, Eesti Energia; Ms Liu Yuchen, Corporate Banking, Bank of China; Mr Ding Feng, Head of Corporate Banking, ICBC; Ms Li Jing, Deputy Head Risk, ICBC; Mr Bai Xuehan, President, Guangdong Power Engineering Corporation (GPEC); and Mr Zhang Weifeng, Project Manager, GPEC

CORPORATE EVENTS

8 JUNE 2023

YTL CORPORATION BERHAD WINS UK-MALAYSIA BUSINESS OF THE YEAR



YTL Corporation Berhad was awarded UK-Malaysia Business of the Year at the fourth iteration of the British Malaysia Chamber of Commerce's (BMCC) Business Excellence Awards, recognising the Group's stellar track record of investment in the UK.

From left to right: Mr Liew Chin Tong, Deputy Minister Of Investment, Trade and Industry; Mr Yeoh Keong Yeen, Director, YTL Developments (UK) Limited; Mr Richard Graham, the UK Prime Minister's Trade Envoy to Malaysia; Ms Jennifer Lopez, Chief Executive Officer, BMCC

Tan Sri (Sir) Francis Yeoh Sock Ping, Executive Chairman of YTL Corporation Berhad, was awarded with the UK-Malaysia Business Personality of the Year at the same event, honouring his role in developing the Group's investments in the UK.



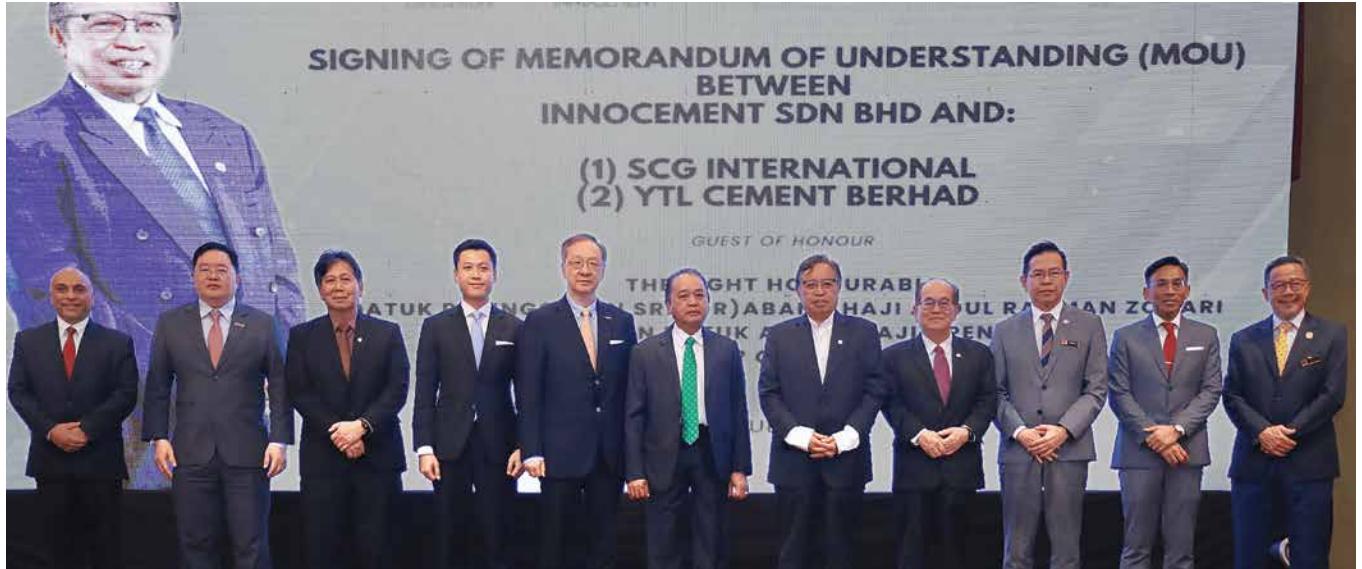
From left to right: His Excellency Charles Hay, MVO, British High Commissioner to Malaysia and Chairman of the judging panel; Mr Joseph Yeoh Keong Shyan, Vice President, YTL Land & Development Berhad; and Ms Jennifer Lopez, Chief Executive Officer, BMCC

CORPORATE EVENTS

14 JULY 2023

YTL CEMENT SIGNS MOU WITH INNOCENCEMENT SDN BHD TO PRODUCE CEMENT & CEMENTITIOUS MATERIALS IN SARAWAK

YTL Cement Berhad, a subsidiary of YTL Corporation Berhad, the nation's pioneer and largest homegrown cement company, inked a Memorandum of Understanding (MoU) with Innocement Sdn Bhd, a company owned by the Sarawak Government, to produce cement and cementitious materials in Sarawak.



From left to right: Mr Abhijit Datta, Managing Director, SCG International Corporation Co., Ltd; Mr Thammasak Sethaudom, Executive Vice-President, Siam Cement Public Company Ltd; Datuk Dr Malcolm Mussen Lamoh, State Deputy Minister of International Trade, Industry and Investment of Sarawak; Mr Joshua Yeoh Keong Junn, Director, YTL Cement Berhad; Dato' Sri Michael Yeoh Sock Siong, Executive Director, YTL Corporation Berhad, and Managing Director, YTL Cement Berhad; Tan Sri Datuk Amar (Dr) Haji Abdul Aziz bin Dato Haji Husain, Chairman, Sarawak Economic Development Corporation (SEDC); Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg, Premier of Sarawak; Datuk Amar Douglas Uggah Embas, Deputy Premier of Sarawak; Datu Dr Muhammad Abdullah bin Haji Zaidel, Chairman, Innocement Sdn Bhd; Mr Suhadi Sulaiman, Chief Executive Officer, Innocent Sdn Bhd; and Datu Haji Abdul Hadi Abdul Kadir, General Manager, SEDC

22 AUGUST 2023

YTL CORPORATION BERHAD WINS AWARDS AT ALPHA SOUTHEAST ASIA'S 13TH ANNUAL CORPORATE INSTITUTIONAL INVESTOR AWARDS 2023

YTL Corporation Berhad won awards for 'Best Senior Management Investor Relations Support', 'Strongest Adherence to Corporate Governance' and 'Best Annual Report in Malaysia' at Alpha Southeast Asia's 13th Annual Corporate Institutional Investor Awards 2023, as well as placing as one of the top five performers in the 'Most Organised Investor Relations' category.



Ms Rebekah Yeoh Pei Wenn, Director of Corporate Finance, YTL Corporation Berhad; and Mr Siddiq Bazarwala, Chief Executive Officer, Alpha Southeast Asia

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 69, was appointed to the Board on 6 April 1984 as an Executive Director and was the Managing Director of the Company from April 1988 till 29 June 2018 when he was redesignated as Executive Chairman. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws by University of Nottingham. He was appointed the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global Real Estate Investment Trust.

He was the Managing Director of YTL Power International Berhad, and YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Executive Chairman of these companies. He is also the Executive Chairman of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is the Executive Chairman and Managing Director of YTL e-Solutions Berhad and also a director of YTL Industries Berhad. He is also the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis is the Executive Chairman of YTL Cement Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He is the Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri Francis served as an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022. He sits on the board of trustees of YTL Foundation.

He is a Founding Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council and Global Council member of the Asia Society. He is the first non-Italian board member of the historic Rome Opera House

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

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

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and in 2019, received the Knight Commander of the Order of the British Empire (KBE). Tan Sri Francis received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010. He received the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit held in London in 2015. He was also awarded the prestigious Muhammad Ali Celebrity Fight Night Award at the 2016 Celebrity Fight Night in Arizona. In 2017, he was honoured with the Kuala Lumpur Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor Tourism Awards. This was in recognition of his efforts in the transformation of Kuala Lumpur into one of the top shopping and tourist destinations in the world. He was named CEO of the Year at the Asian Power Awards in 2017. The Japanese Government bestowed upon him the Order of the Rising Sun, Gold Rays with Rosette, in 2018 and in the same year the Italian government conferred upon him the honour of Grande Officiale of the Order of the Star of Italy. In 2022, he was awarded the PropertyGuru Real Estate Personality of the Year for Malaysia. The award is given to individuals who have made a significant impact in the Asian real estate sector.

PROFILE OF THE BOARD OF DIRECTORS

DATO' YEOH SEOK KIAN

Malaysian, male, aged 66, was appointed to the Board on 24 June 1984 as an Executive Director. He was the Deputy Managing Director of the Company till 29 June 2018 when he was redesignated as Managing Director of the Company. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He served as Deputy Managing Director of YTL Power International Berhad, which is listed on Main Market of Bursa Malaysia Securities Berhad, and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he

was redesignated as Managing Director of YTL Land & Development Berhad and Executive Director of YTL Power International Berhad. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad and Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. Dato' Yeoh Seok Kian also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

DATO' YEOH SOO MIN

Malaysian, female, aged 67, has been appointed to the Board on 24 June 1984 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting. She did her Articleship at Leigh Carr and Partners, London and gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is an executive director of YTL Power International Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad. She was appointed to the Board of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT on 13 December 2022. She also sits on the board of trustees of YTL Foundation.

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

DATO' YEOH SEOK HONG

Malaysian, male, aged 64, was appointed to the Board on 19 June 1985 as an Executive Director. He serves as Managing Director of YTL Power International Berhad and Executive Director of Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom and a Fellow of the Chartered of Institute of Building (CIOB), United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm.

Dato' Yeoh Seok Hong is responsible for developing the power and utility businesses of the YTL Power International Berhad Group which include the development of a new data centre campus powered by a solar power generation facility. He also serves as the Managing Director of YTL Communications Sdn Bhd where he was responsible for the building of the fourth generation (4G) network and which, in 2021, became the first telco in Malaysia to offer 5G services. Dato' Yeoh Seok Hong sits on the boards of other public companies such as YTL Cement Berhad, YTL Land & Development Berhad and YTL Industries Berhad and Sea Capital Services Berhad, and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation, the philanthropic arm of the YTL Group.

PROFILE OF THE BOARD OF DIRECTORS

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 63, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as Managing Director of Malayan Cement Berhad and Executive Director of YTL Power International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also

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

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

DATO' YEOH SOO KENG

Malaysian, female, aged 60, was appointed to the Board on 16 May 1996 as an Executive Director. She started her career with the group in 1986 as an engineer upon her graduation from Leeds University, United Kingdom with Bachelor of Science (Hons) in Civil Engineering. She has held key executive positions in numerous industries and sectors in which the group has presence. She led numerous construction and infrastructure projects of strategic and national significance. She headed the group's procurement division and later headed the sales and marketing division of YTL Cement Berhad when the group entered the industry in 1992. She was subsequently appointed the director of sales and marketing for the group's mobile communications division in 2012.

She serves on the boards of YTL Power International Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad and YTL Cement

Berhad. She is the President of the ASEAN Federation of Cement Manufacturers (AFCM).

She is actively involved in various community work at national and international levels. She serves on the board of YTL Foundation, and is the President of the Girl Guides Association Malaysia, Federal Territory of Kuala Lumpur Branch. She was elected as Chief Commissioner of the Girl Guides Association Malaysia in June 2023. She sits on the EXCO of the Girl Guides Association Malaysia. She sits on the boards of the World Scout Foundation (WSF) where she chairs the Global Network Committee. She also represents the WSF on the Finance Committee of the World Organisation of the Scout Movement (WOSM).

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 58, 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. He is also an Executive Director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He

serves as an Executive Director of YTL Power International Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. 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 is also a board member of YTL Land & Development Berhad, YTL Cement Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore.

PROFILE OF THE BOARD OF DIRECTORS

DATO' AHMAD FUAAD BIN MOHD DAHALAN

Malaysian, male, aged 73, 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 Pelancongan Malaysia, Malaysia Industry-Government Group for High Technology, Malaysia Airports Holdings Berhad, Tokio Marine Insurans (Malaysia) Berhad, Hong Leong Capital Berhad and YTL e-Solutions Berhad. Currently, Dato' Ahmad Fuaad is a director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He also sits on the board of trustees of YTL Foundation.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 69, was appointed to the Board on 20 October 1999 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general

manager of Amanah Capital Partners Berhad (now known as MIDF Amanah Capital Berhad), a company which has interests in, inter alia, discount, money broking, unit trusts, finance and fund management operations. He currently also serves on the boards of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad.

FAIZ BIN ISHAK

Malaysian, male, aged 65, was appointed to the Board on 1 December 2011 as an Independent Non-Executive Director. He is the Chairman of the Nominating Committee and Remuneration Committee. He was a member of the Audit Committee till 30 May 2023 when he was redesignated as Chairman. He became a graduate member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, in 1982. He was admitted to Associateship and Fellowship of ACCA in 1993 and 1999 respectively. He is also a member of the Malaysian Institute of Accountants.

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

PROFILE OF THE BOARD OF DIRECTORS

RAJA NOORMA BINTI RAJA OTHMAN

Malaysian, female, aged 64, was appointed to the Board on 5 September 2019 as an Independent Non-Executive Director. She is also a member of the Nominating Committee and Remuneration Committee. She holds a Bachelor of Business Administration degree from Ohio University, United States of America under a twinning program with MARA Institute of Technology and was the best student in her cohort. She attended the Global Leadership Development Program at Harvard Business School in 2008 organised by International Centre for Leadership in Finance (ICLIF) Malaysia. She is a member of the Malaysian Institute of Accountants.

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

CHOO YOO KWAN @ CHOO YEE KWAN

Malaysian, male, aged 70, was appointed to the Board on 18 May 2023 as an Independent Non-Executive Director. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee. Mr Choo holds honours degrees in Economics and Law from the University of Malaya and University of London respectively, and is a Barrister-at-Law of Lincoln's Inn following his call to the Bar of England and Wales in 1984. He was a member of the University Malaya Medical Centre (UMMC) Ethics Committee and currently serves as a member of the Board of Advisors of University Malaya Faculty of Business and Economics. He is also a Fellow of the Institute of Corporate Directors Malaysia.

Mr Choo retired in July 2014 after having served the banking and risk management industry for 38 years. His last position was as Country Chief Risk Officer for OCBC Bank (Malaysia) Berhad ("OCBC"), having first joined the OCBC Group in December 2007. He also served as the Alternate to the Chief Executive Officer of OCBC before his retirement.

Prior to joining OCBC, he was the Chief Risk Officer for Maybank Group and Group Chief Risk Officer for Alliance Bank Malaysia Berhad.

During his 14 years career at Maybank Group, he served as Division Head of Credit Control, International Banking, Corporate Remedial

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

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

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

Management and Group Risk Management. He was a member of the Board of Directors of Maybank International (L) Limited and Maybank International Trust (Labuan) Berhad. He also served on the Corporate Debt Restructuring Committee set up by Bank Negara Malaysia.

Before joining Maybank, he worked for the National Westminster Bank Plc in the areas of Global Specialised Industries and Group Credit Control.

He was conferred with the "Associate Fellowship" by Institut Bank-Bank Malaysia, now known as Asian Institute of Chartered Bankers ("AICB") in 1999 and was elected as a Fellow Chartered Banker by AICB in March 2023.

Mr Choo is currently serving as a Senior Independent Non-Executive Director of HSBC Bank Malaysia Berhad, having first been appointed to the Board in February 2016. He is the Chairman of the Risk Committee and member of the Audit Committee and Nominations and Remuneration Committee. He also served as an Independent Non-Executive Director of Danajamin Nasional Berhad (the country's first financial guarantee insurer) from May 2018 till June 2023.

PROFILE OF THE BOARD OF DIRECTORS

TANG KIN KHEONG

Malaysian, male, aged 67, was appointed to the Board on 11 October 2023 as an Independent Non-Executive Director. He is also a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company. He is a member of the Malaysian Institute of Certified Public Accountants and member of the Malaysian Institute of Accountants.

Mr. Tang qualified as a Certified Public Accountant, Malaysia with Turquand Youngs & Co, an antecedent firm of Ernst & Young. From 1983 to 1984, he was seconded to work in the firm's office in New Haven, Connecticut, USA where he gained exposure to the US public accounting and business environment. Mr. Tang left the firm in 1986 to join Cold Storage (Malaysia) Berhad as Head of Internal Audit reporting directly to the Audit Committee of the Board. He returned to the accounting profession in 1989 when he joined Moores Rowland.

In 2008, Mr. Tang led the Kuala Lumpur office of Moores Rowland into a merger with the international accounting firm of Mazars, where he served as its Malaysian Managing Partner until August 2013. He left Mazars in August 2014 to practice as a sole practitioner. In 2019, Mr. Tang ceased practicing as a public accountant to concentrate on litigation support and business advisory services.

Mr. Tang had been a practicing accountant for 28 years. He was a licensed auditor approved by the Audit Oversight Board to audit public interest enterprises, as well as a licensed liquidator. He worked with public listed companies and owner managed businesses, in the areas of auditing, accounting, litigation support and business advisory services.

He served as an independent director of ECO World Group Development Berhad from November 2013 to March 2023.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri (Sir) Francis Yeoh Sock Ping	5
Dato' Yeoh Seok Kian	5
Dato' Cheong Keap Tai (<i>resigned on 30 May 2023</i>)	5
Dato' Yeoh Soo Min	5
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	5
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	5
Dato' Ahmad Fuaad Bin Mohd Dahalan	5
Syed Abdullah Bin Syed Abd. Kadir	5
Faiz Bin Ishak	5
Raja Noorma Binti Raja Othman	5
Choo Yoo Kwan @ Choo Yee Kwan (appointed on 18 May 2023)	1

Notes:

1. Family Relationship with Director and/or Major Shareholder

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

2. Conflict of Interest or Potential Conflict of Interest

Yeoh Tiong Lay & Sons Holdings Sdn Bhd ("YTLSH") is YTL Corp's immediate holding company. Puan Sri Tan Kai Yong is also a deemed major shareholder of YTLSH and its subsidiaries by virtue of her beneficial interest (held through Yeoh Tiong Lay & Sons Trust Company Limited, in its capacity as trustee) in Yeoh Tiong Lay & Sons Family Holdings Limited (the ultimate holding company of YTLSH and YTL Corp) pursuant to Section 8 of the Companies Act 2016. The Yeoh Directors are directors of YTLSH and various subsidiaries of YTLSH. As YTLSH, via various subsidiaries, are also involved in hospitality businesses, and due to the family relationship with Puan Sri Tan Kai Yong and/or the aforementioned directorships, the Yeoh Directors may in this context be perceived as having interests in businesses which may potentially compete indirectly with the YTL Corp Group.

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 78, was appointed to the board of directors of Wessex Water Services Limited on 1 September 1988.

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

He has had non-executive roles in rail, travel and international infrastructure businesses, served on the board of the South West

Regional Development Agency and is involved with a number of charities. Colin was also Chair of the West of England Local Enterprise Partnership from 2011 until the beginning of 2016.

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

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

JOHN NG PENG WAH

Singaporean, male, aged 64, was appointed to the board of directors and the Chief Executive Officer of YTL PowerSeraya Pte Limited ("YTL PowerSeraya") on 15 January 2019. He holds a Bachelor of Mechanical Engineering degree from Nanyang Technological Institute in Singapore, a Master of Science in Systems Engineering from National University of Singapore and a Master of Science in Material Science from Carnegie Mellon University, USA.

He joined the Public Utilities Board, which was established by the Singapore Government to be sole supplier of electricity, gas and water in Singapore, as an Engineer in 1985 and transitioned with the company following the restructuring of the Public Utilities Board in 1995, which resulted in the creation of various entities, including

YTL PowerSeraya. He was promoted to Deputy General Manager (Business) in 2001 and Senior Vice President (Retail & Regulation) in 2004 before assuming the position of Chief Executive Officer in 2009. He left YTL PowerSeraya in 2013, taking on the role of Chief Executive Officer of Singapore LNG Corporation Pte Ltd.

In January 2019, he re-joined YTL PowerSeraya as the Chief Executive Officer. He is currently the Chairman of the Workplace Safety and Health Council as well as Vice-President of the Singapore National Employers Federation (SNEF). He also serves as a board member of the PUB, Employment Institute (e2i), Orchard Westwood Properties Pte Ltd and FM Global Asia Pacific Advisory Board.

LEE WING KUI

American, male, aged 56, was appointed the Chief Executive Officer of YTL Communications Sdn Bhd ("YTL Communications") on 1 November 2009 and subsequently appointed as a member of the board of directors of YTL Communications on 3 March 2011.

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

Prior to joining YTL Communications, Wing led next-generation mobile internet product development at Clearwire in the United

States. Earlier, he spent 15 years at Sprint Nextel, where he held senior management positions leading product development, led Sprint's Innovation Program, and spearheaded IT Architecture for the launch of the first nationwide wireless data network in the United States.

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

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

Notes:-

None of the Key Senior Management has -

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2023

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

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

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

An overview of the Board's compliance with the Code during the financial year ended 30 June 2023 is detailed in this statement.

The Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2023 is available at the Company's website at www.ytl.com and has been released via the website of Bursa Securities at www.bursamalaysia.com in conjunction with the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Responsibilities of the Board

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

Key elements of the Board's stewardship responsibilities include:-

- Ensuring that the strategic plans for the YTL Corp Group support long-term value creation for the benefit of its stakeholders and include strategies on economic, environmental and social considerations underpinning sustainability;

- Promoting good corporate governance culture within the YTL Corp Group which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the YTL Corp Group's businesses to evaluate and assess management performance to determine whether businesses are being properly managed;
- Ensuring there is a framework of prudent and effective internal control and risk management systems which enable risks to be identified, assessed and managed;
- Succession planning for the Board and senior management;
- Overseeing the development and implementation of a shareholder/stakeholder communications policy;
- Reviewing the adequacy and integrity of the YTL Corp Group's management information and internal control systems; and
- Ensuring the integrity of the YTL Corp Group's financial and non-financial reporting.

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

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

The Executive Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, including good corporate governance practices, the orderly and effective conduct of the meetings of the Board and shareholders, leading discussions, encouraging active and open participation, managing the interface and encouraging constructive relations between the Board and management, ensuring the provision of accurate, timely and clear information to Directors and effective communications with stakeholders and facilitating the effective contribution of Non-Executive Directors.

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

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

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

In accordance with the Code, the Executive Chairman is not a member of the Audit Committee, Nominating Committee or Remuneration Committee, all of which are chaired by and comprise Independent Non-Executive Directors. This promotes objectivity in the Board's deliberations and ensures there are effective checks and balances, as well as objective review by the Board of recommendations put forth by the committees.

In the discharge of their responsibilities, the Directors have established functions which are reserved for the Board and those which are delegated to management. Key matters reserved for the Board's approval include overall strategic direction, business expansion and restructuring plans, material acquisitions and disposals, expenditure over certain limits, issuance of new securities, payments of dividends and capital alteration plans.

Further information on authorisation procedures, authority levels and other key processes can also be found in the *Statement on Risk Management & Internal Control* set out in this Annual Report.

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Corp Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. Meetings of the Board's committees are conducted separately from those of the main Board to enable objective and independent discussions. The Board met 5 times during the financial year ended 30 June 2023.

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.

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Company Secretary

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

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

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary carries out ongoing reviews of existing practices in comparison with any new measures introduced in the Listing Requirements and/or legislation, regulations and codes applicable to the governance of the Company and updates the Board accordingly.

Board Charter

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

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

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

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

Business Conduct, Ethics & Whistleblowing

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

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

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

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

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

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

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

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

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

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

Sustainability Governance

The YTL Corp Group has a long-standing commitment to ensuring that its businesses are viable and sustainable on a long-term basis. The Board oversees governance of the YTL Corp Group's sustainability matters which includes setting its environmental, social and governance ("ESG") strategies, priorities and targets, overseeing the progress of ESG strategy and performance and reviewing and addressing the YTL Corp Group's material ESG risks and opportunities. Further information can be found in the *Managing Sustainability* section in this Annual Report and the *YTL Group Sustainability Report 2023* which is available for download at www.ytl.com/sustainability.

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

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

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

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

Composition of the Board

The following changes to the composition of the Board took place during the financial year under review:-

- Mr Choo Yoo Kwan @ Choo Yee Kwan was appointed to the Board on 18 May 2023
- Dato' Cheong Keap Tai resigned from the Board on 30 May 2023

As at 30 June 2023, the Board had 12 Directors, comprising 8 executive members and 4 independent non-executive members. The Independent Directors comprised 33.3% of the Board, in compliance with the Listing Requirements, which require one-third of the Board to be independent.

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Subsequently, on 11 October 2023, Encik Faiz Bin Ishak and Dato' Ahmad Fuaad Bin Mohd Dahalan each notified the Company of his resignation from the Board with effect from 30 November 2023 and the Company announced the appointment of Mr Tang Kin Kheong as an Independent Non-Executive Director.

The Company will ensure that the vacancies on the Board and the relevant Board committees will be filled, and that the requirement for one-third of the Board to be independent within 3 months of the relevant dates will be complied with, as prescribed under Chapter 15 of the Listing Requirements.

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

YTL Corp is 50.20%-owned by Yeoh Tiong Lay & Sons Holdings Sdn Bhd (as at 30 June 2023). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company.

YTL Corp is majority-owned by a single shareholder, unlike other listed companies that may have a dispersed shareholder base which enables a shareholder to exercise control despite holding a minority stake. The interests of the major shareholder are fully aligned with those of all shareholders of the Company.

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

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

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

As at 30 June 2023, two Independent Non-Executive Directors, namely Encik Faiz Bin Ishak and Dato' Ahmad Fuaad Bin Mohd Dahalan, had served on the Board and on the board of directors of a subsidiary of the YTL Corp Group, respectively, for a period exceeding the nine-year term limit recommended in the Code and as set out in the Listing Requirements. On 11 October 2023, Encik Faiz Bin Ishak and Dato' Ahmad Fuaad Bin Mohd Dahalan each notified the Company of his resignation from the Board with effect from 30 November 2023.

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

The names of Directors seeking re-election at the forthcoming AGM are disclosed in the *Notice of Annual General Meeting* in this Annual Report, whilst the review of Directors proposed for re-election and their profiles can be found in the *Nominating Committee Statement* and the *Profile of the Board of Directors*, respectively. This information is also available under the "Governance" section on the Company's website at www.ytl.com.

Board & Senior Management Appointments

The Nominating Committee is responsible for assessing suitable candidates for appointment to the Board for approval, with due regard for diversity, taking into account the required mix of skills, experience, age, gender, ethnicity, time commitment, background and perspective of members of the Board before submitting its recommendation to the Board for decision.

The Nominating Committee is chaired by and comprises solely Independent Non-Executive Directors. The Chairman of the Nominating Committee is Encik Faiz Bin Ishak. This complies with the recommendation under the Code that the chairman of the Nominating Committee should not be the chairman of the Board.

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

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

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

The Board recognises the importance of encouraging and developing female talent at all levels and has a strong complement of female divisional heads and chief executive officers. Currently there are three female Directors comprising 25% of the Board (as at 30 June 2023) and, therefore, whilst the Board has not met the target of 30% women directors set out in the Code, it will continue to seek Board members of the highest calibre, and with the necessary strength, experience and skills to meet the needs of the YTL Corp Group.

Evaluation of the Board

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

The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms comprising a Board and Board Committees Effectiveness Evaluation Form, Director's Performance Evaluation Form, Director's Confirmation of Independence Form, Audit Committee Effectiveness Evaluation Form and Audit Committee Members Evaluation by Nominating Committee Form.

The results of the annual evaluation carried out form the basis of the Nominating Committee's recommendations to the Board for the re-election of Directors. As recommended in the Code, the Board will endeavour to utilise independent experts to facilitate the evaluation process, as and when appropriate. Further information on the activities of the Nominating Committee can be found in the

Nominating Committee Statement set out in this Annual Report. This information is also available under the "Governance" section on the Company's website at www.ytl.com.

Remuneration

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

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

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

The composition of the RC is set out below:-

- Encik Faiz Bin Ishak, *Chairman*
(resigned with effect from 30 November 2023)
- Dato' Cheong Keap Tai *(resigned on 30 May 2023)*
- Puan Raja Noorma Binti Raja Othman
- Mr Choo Yoo Kwan @ Choo Yee Kwan
(appointed on 18 May 2023 and to be redesignated as Chairman on 30 November 2023)
- Mr Tang Kin Kheong *(appointed on 11 October 2023)*

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

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During the financial year ended 30 June 2023, the RC met once, attended by all members. The meeting, which was held on 3 August 2022, assessed the remuneration of the Directors and senior management as well as fees and meeting attendance allowance (benefits) proposed for the Independent Non-Executive Directors ("INED Remuneration"), guided by the framework set out in the YTL Corp Group *Remuneration Policy and Procedures for Directors and Senior Management*. The remuneration of the Directors and the INED Remuneration were benchmarked against comparable listed companies in Malaysia in terms of industry and size/market capitalisation. The RC also considered the performance of the Independent Non-Executive Directors as indicated by the evaluations conducted and responsibilities assumed by the Directors and senior management, as well as the overall performance of the Group. In view of the foregoing, the RC considered the remuneration of the Executive Directors and senior management to be reasonable.

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

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

Board Commitment

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

Presently, each Board member is required to assess (via the annual assessment process) whether he/she devotes the necessary time and energy to fulfilling his/her commitments to the Company. The Board recognises that an individual's capacity for work varies depending on various factors that weigh very much on his/her

own assessment. Hence, having rigid protocols in place before any new directorships may be accepted is not practical. Each Board member is also expected to inform the Board whenever he/she is appointed as an officer of a corporation. In accordance with the Board Charter and guidance in the Code, none of the Directors are active politicians.

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

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

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

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

Audit Committee

The Company has in place an Audit Committee which comprises solely Independent Non-Executive Directors, in compliance with the Listing Requirements and the Code. As at 30 June 2023, the members of the Audit Committee were Encik Faiz Bin Ishak, Dato' Ahmad Fuaad Bin Mohd Dahalan and Mr Choo Yoo Kwan @ Choo Yee Kwan. Encik Faiz Bin Ishak was redesignated as the Chairman of the Audit Committee on 30 May 2023, following the resignation of Dato' Cheong Keap Tai. This fulfilled the recommendation under the Code that the chairman of the Audit Committee should not be the chairman of the Board.

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Subsequently, on 11 October 2023, Encik Faiz Bin Ishak notified the Company of his resignation from the Board with effect from 30 November 2023, and Mr Tang Kin Kheong was appointed to the Board as an Independent Non-Executive Director and a member of the Audit Committee, and will be redesignated as the Chairman of the Audit Committee on 30 November 2023. Puan Raja Noorma Binti Raja Othman will be appointed as a member of the Audit Committee on 30 November 2023 in place of Dato' Ahmad Fuaad Bin Mohd Dahalan.

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 2023. Full details of the composition and a summary of the work carried out by the Audit Committee during the financial year can be found in the *Audit Committee Report* set out in this Annual Report. This information and the terms of reference of the Audit Committee are available under the "Governance" section on the Company's website at www.ytl.com.

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

The Audit Committee's *Auditor Independence Policy* guides its assessment of the suitability, objectivity and independence of the external auditors. This policy was updated during the last financial year to, amongst others, extend the cooling off period to three years (from two years previously) for appointment of a former audit partner of the external audit firm as a member of the Audit Committee, and to include additional assessment criteria based on information presented in the *Annual Transparency Report* of the external auditors, in line with the Code. None of the Audit Committee members were formerly audit partners of YTL Corp's external auditors.

Details of the audit and non-audit fees paid/payable to HLB for the financial year ended 30 June 2023 are as follows:-

	Company RM'000	Group RM'000
Statutory audit fees paid/payable to:-		
- HLB	256	2,895
Non-audit fees paid/payable to:-		
- HLB	16	69
- Affiliates of HLB	31	541
Total	47	610

Risk Management & Internal Control

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

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

Internal Audit

YTL Corp's internal audit function is undertaken by its Internal Audit department ("YTLIA"), which reports directly to the Audit Committee. The Head of YTLIA, Mr Choong Hon Chow, is a registered member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experience covering many areas of diversified commercial businesses and activities. He has a total of 40 years of internal and external audit experience.

During the financial year ended 30 June 2023, YTLIA comprised 9 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

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

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

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

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

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

Communication with Shareholders & Other Stakeholders

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

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

The Executive Chairman, Managing Director and/or the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Corp Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the YTL Corp Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Corp Group's performance and major development programs.

Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, the information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Corp Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

Conduct of General Meetings

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

for the financial year ended 30 June 2023

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

The Executive Chairman, Managing Director and Executive Directors take the opportunity to present a comprehensive review of the financial and non-financial performance of the YTL Corp Group, as well as progress and long-term strategies. The Directors provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL Corp Group's business operations, strategy and goals.

The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings. All Directors attended the Company's 39th AGM held on 6 December 2022.

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

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

The rights of shareholders, including the right to demand a poll, are found in the Constitution of the Company. At the 39th AGM of the Company, held on 6 December 2022, the resolutions put forth for shareholders' approval were voted on by way of a poll.

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

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

The Company endeavours to post the minutes of general meetings on the Company's website under the "Meetings" page at <https://www.ytl.com/meetings> no later than 30 business days after the general meeting.

Due to the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 39th AGM of the Company was conducted as a fully virtual meeting through live streaming and online remote participation and voting using the TIIH Online System at <https://tiih.com.my> provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

The forthcoming 40th AGM will also be held on a fully virtual basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

This statement and the CG Report were approved by the Board on 11 October 2023.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

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

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

This statement sets out an overview of YTL Corp's compliance with the applicable provisions of the Code during the financial year ended 30 June 2023.

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of risk management and internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL Corp Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

However, the Board recognises that reviewing the YTL Corp Group's system of risk management and internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of risk management and internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

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

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

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

- **Authorisation Procedures:** The YTL Corp Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL Corp Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interests of shareholders.
- **Authority Levels:** The YTL Corp Group has delegated authority levels for tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Chairman/Managing Directors/Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.
- The authority of the Directors is required for decisions on key treasury matters, including financing of corporate and investment funding requirements, foreign currency and interest rate risk management, investments, insurance and designation of authorised signatories.
- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL Corp Group's state of affairs are disclosed to shareholders after review and audit by the external auditors.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

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

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

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

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

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

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

- **Executive Board/Senior Management Meetings:** The YTL Corp Group conducts regular meetings of the executive board/senior management which comprise the Executive Chairman/Managing Directors/Executive Directors and divisional heads/senior managers. These meetings are convened to deliberate and decide upon urgent company matters and to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL Corp Group. They also serve to ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the executive board/management is able to identify significant operational and financial risks of the business units concerned.
- **Site Visits:** The Managing Directors/Executive Directors undertake visits to production and operating units and property development sites and communicate with various levels of staff to gauge first-hand the effectiveness of strategies discussed and implemented. This is to ensure that management and the respective Managing Directors/Executive Directors maintain a transparent and open channel of communication for effective operation.

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

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

for the financial year ended 30 June 2023

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

REVIEW BY EXTERNAL AUDITORS

The external auditors, HLB Ler Lum Chew PLT, have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2023, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

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

This statement was approved by the Board on 24 August 2023.

AUDIT COMMITTEE REPORT

COMPOSITION

Members of the Audit Committee as at 30 June 2023 were as follows:-

Dato' Cheong Keap Tai

(resigned on 30 May 2023)

(Chairman/Independent Non-Executive Director)

Dato' Ahmad Fuad Bin Mohd Dahalan

(Member/Independent Non-Executive Director)

Faiz Bin Ishak

(redesignated as Chairman on 30 May 2023)

(Member/Independent Non-Executive Director)

Choo Yoo Kwan @ Choo Yee Kwan

(appointed on 18 May 2023)

(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Dato' Cheong Keap Tai	5
Dato' Ahmad Fuad Bin Mohd Dahalan	5
Faiz Bin Ishak	5
Choo Yoo Kwan @ Choo Yee Kwan	1

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2023 in the discharge of its functions and duties:-

1. Overseeing Financial Reporting

- (a) Reviewed the following quarterly financial results and annual financial statements ("Financial Reports") prior to its recommendation to the Board of Directors for approval:
 - Quarterly financial results for the fourth quarter of financial year ended 30 June 2022, and the annual audited financial statements for the financial year ended 30 June 2022 at the Audit Committee meetings held on 24 August 2022 and 28 September 2022, respectively;
 - First, second and third quarters of the quarterly results for the financial year ended 30 June 2023 at the Audit Committee meetings held on 23 November 2022, 22 February 2023 and 24 May 2023, respectively.
- (b) At the Audit Committee meetings, the Financial Reports were presented by the Senior Finance Manager wherein the following matters were reviewed and confirmed, with clarification and/or additional information provided wherever required by the Managing Director/Executive Director primarily in charge of the financial management of the Company:
 - Appropriate accounting policies had been adopted and applied consistently, and other statutory and regulatory requirements had been complied with;
 - The Company has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern;
 - Significant judgements made by management in respect of matters such as impairment assessment of goodwill, carrying value of investment, and post-employment benefit obligations and the underlying assumptions and/or estimates used were reasonable and appropriate in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS");

AUDIT COMMITTEE REPORT

- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

2. External Audit

- (a) Reviewed with the external auditors, HLB Ler Lum Chew PLT ("HLB"):-
 - their status report, and final report on the audit of the financial statements for financial year ended 30 June 2022 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 2023 outlining, amongst others, their scope of work, and areas of audit emphasis and multi-location audit, and development in laws and regulations affecting financial reporting and the roles and responsibilities of directors/audit committee members and auditors;
- (b) Reviewed the audit fees proposed by the HLB together with management and recommended the negotiated fees agreed by HLB to the Board of Directors for approval;
- (c) Had discussions with HLB thrice during the financial year, on 24 August 2022, 28 September 2022 and 24 May 2023, without the presence of management, to discuss matters concerning the audit and financial statements. The Audit Committee also enquired about the assistance and co-operation given by management to HLB.
- (d) Reviewed the profiles of the audit engagement team which enabled the Audit Committee to assess their qualifications, expertise, resources, and independence, as well as the effectiveness of the audit process. The external auditors also confirmed their independence in each of the reports presented to the Audit Committee. The Audit Committee also reviewed on a regular basis, the nature and extent of the non-audit services provided by HLB and was satisfied with the suitability, performance, independence and objectivity of HLB.

- (e) Assessed the performance of HLB for the financial year ended 30 June 2022 and recommended to the Board of Directors for re-appointment at the annual general meeting held on 6 December 2022.

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 2023. Internal audit would leverage on the Group's risk analysis to focus on the business processes and relevant areas that address the key risks identified;
- (c) Reviewed the Anti-Bribery and Corruption Risk Assessment reports to effectively managing the risks identified within the Group.
- (d) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2024 to ensure sufficient scope and coverage of activities of the Company and the Group;
- (e) Reviewed internal audit resourcing, with focus on ensuring that the function has sufficient resources together with the right calibre of personnel to perform effectively, and that the head of internal audit has adequate authority to discharge his functions objectively and independently.

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

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

AUDIT COMMITTEE REPORT

- (b) Received updates on the directorships and shareholdings held by the Directors of the Company and persons connected with them via the general notices given under and in accordance with Section 221 of the Companies Act, 2016 tabled at board meetings. These disclosures enabled an assessment of the potential or actual conflicts of interest which may arise in relation to related party transactions or RRPT;
- (c) Reviewed the RRPT for financial year ended 30 June 2022 and assessed whether shareholder mandate should be sought at the Annual General Meeting, prior to its recommendation to the Board of Directors for approval.

5. Annual Report

Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2022 Annual Report.

6. Employees Share Option Scheme ("ESOS")

Reviewed the verification of share options allocation to the eligible employees approved by the options committee on 23 May 2022 and concurred that the allocation under the ESOS complied with the criteria set out in the By-Laws of the ESOS.

INTERNAL AUDIT FUNCTION

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

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

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

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

1. Developed the annual internal audit plan and proposed the plan to the Audit Committee.
2. Conducted scheduled and special internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and recommending improvements where necessary.
3. Conducted follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Presented significant audit findings and areas for improvements raised by the IA to the Audit Committee for consideration on the recommended corrective measures together with the management's response.
5. Conducted RRPT reviews to assess accuracy and completeness of reporting for presentation to the Audit Committee, and ensure compliance with the Listing Requirements.
6. Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the internal audit plan.
7. Conducted discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure.

Costs amounting to RM3,370,345 were incurred in relation to the internal audit function for the financial year ended 30 June 2023.

NOMINATING COMMITTEE STATEMENT

NOMINATING COMMITTEE ("NC")

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

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

Members of the NC as at 30 June 2023 were as follows:-

- Faiz Bin Ishak (*Chairman*)
- Dato' Cheong Keap Tai (*resigned on 30 May 2023*)
- Raja Noorma Binti Raja Othman
- Choo Yoo Kwan @ Choo Yee Kwan (*appointed on 18 May 2023*)

The NC met four (4) times during financial year ended 30 June 2023, attended by all members.

BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED

The NC is responsible for considering and making recommendations to the Board, candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified or to strengthen Board composition. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. A candidate's suitability for appointment will be based primarily on the individual's merits, fitness and propriety in accordance with the *Fit and Proper Policy* adopted by the Board, as well as the strategic aim for the appointment.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

i. Review of the following:-

- Candidate proposed for appointment as a member of the Board and concurrently as a member of each of the Board Committees
- Redesignation of a director as Chairman of the Audit Committee

In May 2023, the NC evaluated and recommended to the Board, the following persons who were nominated to fill the vacant position arising from the resignation of Dato' Cheong Keap Tai on 30 May 2023 pursuant to the 12-years tenure limit for independent directors under the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), which came into effect on 1 June 2023:

	Name	Nominated for
(1)	Choo Yoo Kwan @ Choo Yee Kwan ("Mr YK Choo")	Appointment to the Board, Audit Committee ("AC"), Remuneration Committee and NC
(2)	Faiz Bin Ishak ("Encik Faiz")	Redesignation as chairman of the AC

The NC evaluated each candidate in accordance with the Fit and Proper Policy adopted by the Board, amongst others, the candidates' background, knowledge, experience, skills, external appointments and associated time commitments expected of the roles.

For Mr YK Choo's candidacy, the NC evaluated the declaration of fit and properness provided and considered his qualifications and his extensive experience in the area of risk management in the banking industry, both locally and abroad, and his achievements and contributions to the industry to be a right fit to the role required. Mr YK Choo has also fulfilled the critical independence criteria necessary for the role as well as able to devote adequate time to fulfil his responsibility effectively. The NC concurred that he fulfilled the criteria necessary for the position of independent director.

NOMINATING COMMITTEE STATEMENT

As Encik Faiz was also member of the Board and Board Committees, the NC already had insights into his character, integrity and attributes. The NC (with the abstention of Encik Faiz) regarded Encik Faiz as having the right fit for the role as chairman of the AC and has the necessary qualifications and experience to lead and steer the AC.

ii. Review of Directors standing for re-election

In June 2023, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the NC recommended to the Board that:-

- Mr YK Choo who was appointed during the year and is due to retire pursuant to Article 85 of the Company's Constitution at the Fortieth Annual General Meeting ("AGM"), stands for re-election.

The NC was satisfied that there were no changes to the information or factors since his appointment on 18 May 2023 that could materially compromise his fitness and propriety as a director on the Board, and is confident of Mr YK Choo's ability to perform and contribute effectively and demonstrate the independence of character and judgement expected of him. As such, the NC recommended that he stands for re-election.

- Tan Sri (Sri) Francis Yeoh Sock Ping, Dato' Yeoh Soo Min, Dato' Yeoh Seok Kian and Dato' Yeoh Seok Hong ("Retiring Directors"), who are due to retire by rotation pursuant to Article 86 of the Company's Constitution at the AGM of the Company, stand for re-election.

As the Retiring Directors are all executive directors, who have a wealth of experience, knowledge and insights of the business, operations and growth strategies of the YTL Corp Group, the NC was satisfied that they performed and contributed effectively as indicated by the performance evaluation results. The NC also considered their fitness and propriety, in particular their character and integrity, experience and competence, as well as their time commitment to their roles and responsibilities. As such, the NC recommended to the Board that they stand for re-election.

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

Encik Faiz and Dato' Ahmad Fuaad Bin Mohd Dahalan ("Dato' Ahmad Fuaad") have each served on the Board for more than 9 years.

Encik Faiz will reach the 12 years' tenure limit at the end of 30 November 2023. He will step down from the Board by 30 November 2023 or redesignated as non-independent director on 1 December 2023.

The NC conducted a rigorous review on the independency of Dato' Ahmad Fuaad and evaluated his declaration of fit and properness provided by him. The NC (with abstention of the relevant member in the deliberation) considered that he brings with him a collective wealth of experience, knowledge and insights of the business, operations and growth strategies of the YTL Corp Group. He continues to demonstrate the independence of character and judgement expected which enable him to discharge his responsibilities effectively and with integrity, and devote the necessary time required to his role. For these reasons, resolution for his continuing in office as INED of the Company is recommended for the consideration of the members at the AGM.

iv. Annual evaluation

In May 2023, the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and individual and/or Independent Directors was carried out with the objectives of assessing whether the Board and the Board Committees, as well as the Directors have effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs; and to recommend areas for improvement. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making, including ability in addressing and managing the Company's material sustainability risk and opportunities, while Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

NOMINATING COMMITTEE STATEMENT

Individual Directors were evaluated on their fit and properness, caliber, character and integrity, contribution, performance and time commitment; whether they have shown the will and ability to deliberate constructively, ask the right questions and confidence to stand up for a point of view.

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2023 were satisfactory.

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

v. Review of the NC Statement for financial year ended 30 June 2022

The NC Statement was reviewed by the NC prior to its recommendation to the Board for inclusion in 2022 Annual Report.

vi. Review of the evaluation criteria in the evaluation forms

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

POLICY ON BOARD COMPOSITION

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective. The Board recognises the importance of encouraging and developing female talent at all levels. Currently, there are three female directors on the Board and make up 25% of the full Board. Although it has not set any specific measurable objectives, the Board intends to continue its current approach to diversity in all aspects while at the same time seeking Board members of the highest caliber, 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, various policies adopted by the Company, terms of references of the Board Committees, Constitution, and schedule of meetings of the Board and Board Committees (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. This is followed by familiarisation visits to the Group's operational sites and meetings with senior management where practicable and appropriate.

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

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

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

During the financial year ended 30 June 2023, the following seven in-house training programmes were organised for the Directors:-

- Cybersecurity Training - Imposter Among Us;
- Cybersecurity Training - Cyberattacks;
- Cybersecurity Training - Best Practices;
- YTL LEAD Conference 2022;
- Anti-Bribery & Corruption (ABC) Refresher Course;
- Directors Guide to Machine Learning and Artificial Intelligence;
- Sustainable Finance.

NOMINATING COMMITTEE STATEMENT

All the Directors have undergone training programmes during the financial year ended 30 June 2023. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
■ Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability	
Board Awareness Session on Anti-Bribery and Anti-Corruption Laws and Corruption Risk Assessment (25 August 2022)	Raja Noorma Binti Raja Othman
CKM Advisory Sdn Bhd: Key Amendments to Listing Requirements 2022 (20 September 2022)	Faiz Bin Ishak
Sustainable Fitch Events: ESG Outlook Conference 2023 APAC (1 November 2022)	Dato' Yeoh Soo Min
The Securities Commission Malaysia's Audit Oversight Board: Conversation with Audit Committees - "How the Audit Committees and Auditors can work together towards reliable audited financial statements" (Sessions 1 and 2) (17 November 2022 and 6 December 2022)	Dato' Ahmad Fuad Bin Mohd Dahalan
The Securities Commission Malaysia's Audit Oversight Board: Conversation with Audit Committees - "How the Audit Committees and Auditors can work together towards reliable audited financial statements" (Session 1) (17 November 2022)	Faiz Bin Ishak
Malaysian Institute of Management ("MIM") Crucial Conversations Webinar: Accelerating Sustainability for Corporate Malaysia - Building a Better Future by Unlocking ESG Opportunities (7 December 2022)	Dato' Yeoh Soo Min
MIM Hybrid Conference: Building Towards a Corrupt-Free Nation - Fighting Corruption and Embracing a Culture of Compliance for Good Governance (15 December 2022)	Dato' Yeoh Soo Min
Invest Malaysia Webinar: Reshaping Malaysia's Narrative Series 1: Strengthening Resilience & Sustaining Growth (8 March 2023)	Dato' Yeoh Soo Min
Anti-Bribery & Corruption (ABC) Refresher Course (March 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir
PwC: Briefing on ESG (28 March 2023)	Raja Noorma Binti Raja Othman

NOMINATING COMMITTEE STATEMENT

Seminars/Conferences/Training	Attended by
■ Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability (continued)	
Institute of Singapore Chartered Accountants/ SAC Capital: Sustainability E-Training for Directors (17 May 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping
Sustainable Finance (31 May 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Soo Min Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Asia School of Business: Remaking Corporate Governance for an ESG World (31 May 2023)	Choo Yoo Kwan @ Choo Yee Kwan
Anti-Bribery and Corruption - Revisiting Section 17A of the MACC Act on Corporate Liability Provision - Developing a Robust Anti Bribery & Corruption Framework as Lines of Defense (7 June 2023)	Raja Noorma Binti Raja Othman
■ Leadership and Business Management	
ICDM: International Directors Summit (26-28 September 2022)	Raja Noorma Binti Raja Othman
Leaps of Knowledge - Recreation (8 October 2022)	Dato' Yeoh Soo Min
YTL LEAD Conference 2022 (9 November 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Webinar by DBS Singapore: Quality amidst Uncertainties (21 November 2022)	Dato' Yeoh Soo Min
Corporate Treasurer's Treasury Week: Cash Supply Chain & Digitalisation Strategies (23 November 2022)	Dato' Yeoh Soo Min
FIDE: Board Leadership Series - Can America stop China's rise? Will ASEAN be damaged? (12 January 2023)	Raja Noorma Binti Raja Othman
Asia Business Council: 2023 Spring Forum - The Changing Landscape of Asian Business and Innovation (16-18 March 2023)	Dato' Yeoh Seok Hong

NOMINATING COMMITTEE STATEMENT

Seminars/Conferences/Training	Attended by
■ Leadership and Business Management (continued)	
FIDE Forum Webinar – Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know (13 June 2023)	Choo Yoo Kwan @ Choo Yee Kwan
■ Cybersecurity/Technology	
Cybersecurity Training - Imposter Among Us (July 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir
Cybersecurity Training - Cyberattacks (September 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir
Cybersecurity Training - Best Practices (October 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir
Directors Guide to Machine Learning and Artificial Intelligence (3 April 2023)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Dato' Ahmad Fuaad Bin Mohd Dahalan Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak Raja Noorma Binti Raja Othman
J.P. Morgan: Presentation on Insurtech (6 April 2023)	Raja Noorma Binti Raja Othman
Asia School of Business: Understanding the Cybersecurity Landscape (19 June 2023)	Raja Noorma Binti Raja Othman
■ Finance/Economy/Capital Markets/Investment	
Webinar by DBS Singapore: Second Half 2022 Market Outlook - Rising Above Inflation (5 July 2022)	Dato' Yeoh Soo Min
Fitch Ratings Events - Islamic Finance in a Volatile World (25 August 2022)	Dato' Yeoh Soo Min
Sibos 2022 Conference: Progressive Finance For A Changing World (10 - 13 October 2022)	Raja Noorma Binti Raja Othman
40th JAMECA-MAJECMA Joint Conference: Deepening Economic Relations Between Japan and Malaysia through Multi-Layered Co-Creation (25 May 2023)	Dato' Yeoh Seok Kian

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2023, the Directors have:

- considered the applicable approved accounting standards in Malaysia;
- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

ANALYSIS OF SHAREHOLDINGS

as at 21 September 2023

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	4,976	12.97	184,172	0.00
100 - 1,000	4,590	11.97	2,115,861	0.02
1,001 - 10,000	17,184	44.81	70,564,749	0.64
10,001 - 100,000	9,692	25.27	289,055,563	2.64
100,001 to less than 5% of issued shares	1,908	4.98	5,265,524,946	48.03
5% and above of issued shares	1	0.00	5,336,641,099	48.67
Total	38,351	100.00	10,964,086,390	100.00

Excluding 58,675,950 shares bought back and retained by the Company as treasury shares.

THIRTY LARGEST SHAREHOLDERS

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

	Name	No. of Shares	%
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,336,641,099	48.67
2	HSBC Nominees (Asing) Sdn Bhd - Credit Suisse (Hong Kong) Limited	506,555,625	4.62
3	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	291,366,038	2.66
4	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	282,589,719	2.58
5	Jamaican Gold Limited	270,524,927	2.47
6	Tien Shia International Limited	224,314,344	2.05
7	Orchestral Harmony Limited	203,356,233	1.85
8	Steeloak International Limited	189,190,672	1.73
9	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	142,138,041	1.30
10	Bara Aktif Sdn Bhd	119,058,456	1.09
11	Kerajaan Negeri Pahang	103,040,249	0.94
12	Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	102,741,331	0.94
13	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	96,576,264	0.88

ANALYSIS OF SHAREHOLDINGS

as at 21 September 2023

Name	No. of Shares	%
14 Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (NORGES BANK 19)	93,593,000	0.85
15 Seri Yakin Sdn Bhd	77,553,100	0.71
16 HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	65,016,350	0.59
17 HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	63,860,800	0.58
18 Dato' Yeoh Soo Keng	60,000,065	0.55
19 Dato' Yeoh Seok Kian	58,508,722	0.53
20 Hasil Mayang Sdn Bhd	56,549,770	0.52
21 Citigroup Nominees (Asing) Sdn Bhd - UBS AG	55,275,702	0.50
22 Dato' Yeoh Soo Min	54,595,019	0.50
23 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	51,326,050	0.47
24 Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	48,247,900	0.44
25 Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	47,603,615	0.43
26 HSBC Nominees (Asing) Sdn Bhd - SIX SIS for Bank Sarasin CIE	45,511,620	0.42
27 Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	42,308,512	0.39
28 Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (LBF)	37,509,900	0.34
29 HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co International Plc (FIRM A/C)	34,723,149	0.32
30 Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	33,938,206	0.31
Total	8,794,214,478	80.23

ANALYSIS OF SHAREHOLDINGS

as at 21 September 2023

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	5,504,396,992	50.20	-	-
Yeoh Tiong Lay & Sons Family Holdings Limited	-	-	5,504,396,992 ⁽¹⁾	50.20
Yeoh Tiong Lay & Sons Trust Company Limited	-	-	5,504,396,992 ⁽²⁾	50.20
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	142,138,041	1.30	5,504,396,992 ⁽³⁾	50.20
UBS Group AG	-	-	575,250,091 ⁽⁴⁾	5.25

⁽¹⁾ Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.⁽²⁾ Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 arising from its ownership of 100% of Yeoh Tiong Lay & Sons Family Holdings Limited in its capacity as trustee.⁽³⁾ Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 arising from her beneficial interest (held through Yeoh Tiong Lay & Sons Trust Company Limited in its capacity as trustee) in Yeoh Tiong Lay & Sons Family Holdings Limited.⁽⁴⁾ Deemed interests by virtue of interests held through UBS Entities and Credit Suisse Entities pursuant to Section 8 of the Companies Act, 2016.

STATEMENT OF DIRECTORS' INTERESTS

in the Company and Related Corporations as at 21 September 2023

THE COMPANY

YTL Corporation Berhad

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	1.37	1,016,665 ⁽¹⁾	0.01
Dato' Yeoh Seok Kian	58,508,722	0.53	13,895,816 ⁽¹⁾	0.13
Dato' Yeoh Soo Min	58,386,499	0.53	2,495,456 ⁽¹⁾⁽²⁾	0.02
Dato' Yeoh Seok Hong	54,173,305	0.49	24,821,442 ⁽¹⁾	0.23
Dato' Sri Michael Yeoh Sock Siong	-	-	77,595,817 ⁽¹⁾⁽³⁾	0.71
Dato' Yeoh Soo Keng	60,000,065	0.55	799,157 ⁽¹⁾	0.01
Dato' Mark Yeoh Seok Kah	23,232,200	0.21	4,508,586 ⁽¹⁾	0.04
Syed Abdullah Bin Syed Abd Kadir	9,911,955	0.09	20,701 ⁽¹⁾	*

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

STATEMENT OF DIRECTORS' INTERESTS
in the Company and Related Corporations as at 21 September 2023

SUBSIDIARY COMPANIES**YTL Power International Berhad**

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	0.27	862,153 ⁽¹⁾	0.01
Dato' Yeoh Seok Kian	11,276,298	0.14	14,416,426 ⁽¹⁾	0.18
Dato' Yeoh Soo Min	19,166,325	0.24	4,980,017 ⁽¹⁾⁽²⁾	0.06
Dato' Yeoh Seok Hong	135,438,169	1.67	5,435,235 ⁽¹⁾	0.07
Dato' Sri Michael Yeoh Sock Siong	-	-	18,112,912 ⁽¹⁾⁽³⁾	0.22
Dato' Yeoh Soo Keng	21,500,049	0.27	197,431 ⁽¹⁾	*
Dato' Mark Yeoh Seok Kah	12,299,200	0.15	1,563,315 ⁽¹⁾	0.02
Syed Abdullah Bin Syed Abd Kadir	2,581,072	0.03	596 ⁽¹⁾	*

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

STATEMENT OF DIRECTORS' INTERESTS

in the Company and Related Corporations as at 21 September 2023

Malayan Cement Berhad

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

Name	No. of Share Options	
	Direct	Indirect
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-
Dato' Yeoh Seok Kian	15,000,000	-
Dato' Yeoh Seok Hong	15,000,000	-
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-
Dato' Yeoh Soo Keng	15,000,000	-

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

STATEMENT OF DIRECTORS' INTERESTS
in the Company and Related Corporations as at 21 September 2023

Samui Hotel 2 Co. Ltd

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

* Negligible

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

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

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

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

LIST OF PROPERTIES

as at 30 June 2023

Location	Tenure	Land Area	Description and Existing Use	Approximate			Net Book	
				Built up Area (sq.m.)	Age of Building (years)	Lease Expiry Date	Value as at 30 June 2023 (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	34	-	1,559,048	29.11.2012
Filton Airfield, Filton, Bristol	Freehold	1,416,400 sq.m.	Housing & Arena Development	-	-	-	701,361	1.12.2015
Grant No. 28678/M1/B5/1 within Parcel No. 1, Storey No. B5 of Building No. M1 and 8 accessory parcels for Lot No. 1267 Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur^	Freehold	12,338 sq.m.	A 5-star hotel with 578 rooms located on part of an 8-level podium block and the entire 24-level tower block of a shopping centre together with car park bays located partially at basement 1 and 4 and the entire basement 2, 3 and 5	45,834	26	-	527,500	16.12.2005
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Water Recycling Centre	-	-	-	471,887	21.5.2002
Kulai Young Estate, Kulai, Johor	Freehold	6,639,760 sq.m.	Land held for development of solar power facility and data centers	-	-	-	429,759	28.9.2021
Geran 23849 Lot 74 Section 59, City and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur^	Registered lease	13,219 sq.m.	A 5-star hotel comprising Majestic Wing (original historic hotel building) comprising 2-storey, 4-storey and 5-storey buildings with 47 rooms and 15-storey Tower Wing with 253 rooms and 3 levels of basement car park	57,722	Majestic Wing: 91 (refurbished in Year 2012) Tower Wing: 10	11.5.2091	400,000	3.11.2017
Grn 80069, Lot 20091 Menara YTL, 205, Jalan Bukit Bintang, 55100 Kuala Lumpur	Freehold	0.643 acre	42-storey office building known as Menara YTL	-	-	-	379,993	25.1.2008

LIST OF PROPERTIES

as at 30 June 2023

Location	Tenure	Land Area	Description and Existing Use	Approximate			Net Book	
				Built up Area (sq.m.)	Age of Building (years)	Lease Expiry Date	Value as at 30 June 2023 (RM'000)	Date of Acquisition
PN 212664, Lot 4064#	Leasehold	59.75 acres	Cement plant	-	-	29.7.2087	372,580	30.7.1998
PN 395004, Lot 15445#	Leasehold	0.56 acres	Cement plant	-	-	29.7.2087		30.7.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	-	-	16.4.2095		17.4.1996
PN 369360, Lot 4067#	Leasehold	1.45 acres	Warehouse & depot - Megazine store	-	-	28.12.2096		29.12.1997
PN 212336, Lot 4529#	Leasehold	14.59 acres	Cement plant	-	-	28.12.2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant - Safety Zone	-	-	16.4.2095		17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant - Safety Zone	-	-	16.4.2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant - Safety Zone	-	-	16.4.2095		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant - Clay Quarry Area	-	-	16.4.2056		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant - Clay Quarry Area	-	-	16.4.2056		17.4.1996
PN 313351, Lot 4322#	Leasehold	28.24 acres	Staff quarter building	-	-	28.5.2095		29.5.1996
PN 344194, Lot 4405#	Leasehold	28.17 acres	Cement plant	-	-	26.6.2095		27.6.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant - Limestone Hill/Quarry	-	-	16.4.2056		17.4.1996
PN 278198, Lot 4533#	Leasehold	28.12 acres	Cement plant	-	-	14.9.2097		15.9.1998
PN 278203, Lot 4534#	Leasehold	4.80 acres	Cement plant	-	-	14.9.2097		15.9.1998
PN 278204, Lot 4535#	Leasehold	13.37 acres	Cement plant	-	-	29.9.2102		1.10.2003
PN 00108181, Lot 2764#	Leasehold	210.06 acres	Cement plant	-	-	31.12.2886		1.11.1996
Grant No. 26579 for Lot No. 225, Section 67, Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur^	Freehold	1,596.206 sq.m.	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car parks	31,613.30	26	-	362,000	15.11.2011
Durleigh Water Treatment Works, Enmore Road, Durleigh, Bridgwater, TA5 2AW	Freehold	5,155 sq.m.	Water Treatment Works	-	-	-	342,054	21.5.2002

^ Based on revaluation on 31 May 2023

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



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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

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 44 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	2,122,344	75,738
Attributable to:		
- Owners of the parent	1,095,699	75,738
- Non-controlling interests	1,026,645	-
	2,122,344	75,738

DIVIDENDS

	RM'000
In respect of the financial year ended 30 June 2022:	
- Interim dividend of 3.0 sen per ordinary share paid on 29 November 2022	328,923

On 24 August 2023, the Board of Directors declared an interim dividend of 4 sen per ordinary share for the financial year ended 30 June 2023. The book closure and payment dates in respect of the aforesaid dividend are 10 November 2023 and 29 November 2023, respectively.

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 30 June 2023.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

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

DIRECTORS' REPORT

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 6 December 2022. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS 2021")

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

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

As at 30 June 2023, options for 13.86% of the shares available under the ESOS 2021 were granted to Directors and senior management.

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

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

DIRECTORS

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

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE
 Dato' Yeoh Seok Kian
 Dato' Chong Keap Thai @ Cheong Keap Tai (Resigned on 30.05.2023)
 Dato' Ahmad Fuaad Bin Mohd Dahalan
 Dato' Yeoh Soo Min
 Dato' Yeoh Seok Hong
 Dato' Sri Michael Yeoh Sock Siong
 Dato' Yeoh Soo Keng
 Dato' Mark Yeoh Seok Kah
 Syed Abdullah Bin Syed Abd. Kadir
 Faiz Bin Ishak
 Raja Noorma Binti Raja Othman
 Choo Yoo Kwan @ Choo Yee Kwan (Appointed on 18.05.2023)

DIRECTORS' REPORT**DIRECTORS (CONTINUED)**

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

DIRECTORS' INTERESTS

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

The Company	Number of ordinary shares			
	Balance at 1.7.2022	Acquired	Disposed	Balance at 30.6.2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	-	-	150,344,946
Dato' Yeoh Seok Kian	58,508,722	-	-	58,508,722
Dato' Yeoh Soo Min	56,902,999	1,483,500	-	58,386,499
Dato' Yeoh Seok Hong	54,173,305	-	-	54,173,305
Dato' Yeoh Soo Keng	58,087,165	1,912,900	-	60,000,065
Dato' Mark Yeoh Seok Kah	23,232,200	-	-	23,232,200
Syed Abdullah Bin Syed Abd. Kadir	9,911,955	-	-	9,911,955
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1,016,665 ⁽¹⁾	-	-	1,016,665⁽¹⁾
Dato' Yeoh Seok Kian	13,895,816 ⁽¹⁾	-	-	13,895,816⁽¹⁾
Dato' Yeoh Soo Min	2,495,456 ⁽¹⁾⁽²⁾	-	-	2,495,456⁽¹⁾⁽²⁾
Dato' Yeoh Seok Hong	24,821,442 ⁽¹⁾	-	-	24,821,442⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	77,595,817 ⁽¹⁾⁽³⁾	-	-	77,595,817⁽¹⁾⁽³⁾
Dato' Yeoh Soo Keng	799,157 ⁽¹⁾	-	-	799,157⁽¹⁾
Dato' Mark Yeoh Seok Kah	4,508,586 ⁽¹⁾	-	-	4,508,586⁽¹⁾
Syed Abdullah Bin Syed Abd. Kadir	20,701 ⁽¹⁾	-	-	20,701⁽¹⁾

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

The Company	Number of share options over ordinary shares			
	Balance at 1.7.2022	Granted	Exercised	Balance at 30.6.2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Kian	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Min	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Hong	15,000,000	-	-	15,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Keng	15,000,000	-	-	15,000,000
Dato' Mark Yeoh Seok Kah	15,000,000	-	-	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	-	-	1,000,000
Faiz Bin Ishak*	1,000,000	-	-	1,000,000
Dato' Ahmad Fuad Bin Mohd Dahalan*	1,000,000	-	-	1,000,000
Raja Noorma Binti Raja Othman*	1,000,000	-	-	1,000,000
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000 ⁽¹⁾	-	-	15,000,000⁽¹⁾
Dato' Yeoh Seok Kian	12,000,000 ⁽¹⁾	-	-	12,000,000⁽¹⁾
Dato' Yeoh Soo Min	3,000,000 ⁽¹⁾	-	-	3,000,000⁽¹⁾
Dato' Yeoh Seok Hong	14,000,000 ⁽¹⁾	-	-	14,000,000⁽¹⁾

* Non-Executive Directors

Subsidiary - YTL Power International Berhad	Number of ordinary shares			
	Balance at 1.7.2022	Acquired	Disposed	Balance at 30.6.2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	-	-	21,870,694
Dato' Yeoh Seok Kian	11,276,298	-	-	11,276,298
Dato' Yeoh Soo Min	19,166,325	-	-	19,166,325
Dato' Yeoh Seok Hong	135,438,169	-	-	135,438,169
Dato' Yeoh Soo Keng	17,042,049	4,458,000	-	21,500,049
Dato' Mark Yeoh Seok Kah	12,299,200	-	-	12,299,200
Syed Abdullah Bin Syed Abd. Kadir	2,581,072	-	-	2,581,072
Deemed interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	862,153 ⁽¹⁾	-	-	862,153⁽¹⁾
Dato' Yeoh Seok Kian	14,416,426 ⁽¹⁾	-	-	14,416,426⁽¹⁾
Dato' Yeoh Soo Min	4,980,017 ⁽¹⁾⁽²⁾	-	-	4,980,017⁽¹⁾⁽²⁾
Dato' Yeoh Seok Hong	5,435,235 ⁽¹⁾	-	-	5,435,235⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	18,112,912 ⁽¹⁾⁽³⁾	-	-	18,112,912⁽¹⁾⁽³⁾
Dato' Yeoh Soo Keng	197,431 ⁽¹⁾	-	-	197,431⁽¹⁾
Dato' Mark Yeoh Seok Kah	1,563,315 ⁽¹⁾	-	-	1,563,315⁽¹⁾
Syed Abdullah Bin Syed Abd. Kadir	596 ⁽¹⁾	-	-	596⁽¹⁾

DIRECTORS' INTERESTS (CONTINUED)

Subsidiary - YTL Power International Berhad	Number of share options over ordinary shares			
	Balance at 1.7.2022	Granted	Exercised	Balance at 30.6.2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Kian	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Min	15,000,000	-	-	15,000,000
Dato' Yeoh Seok Hong	15,000,000	-	-	15,000,000
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	-	15,000,000
Dato' Yeoh Soo Keng	15,000,000	-	-	15,000,000
Dato' Mark Yeoh Seok Kah	15,000,000	-	-	15,000,000
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	-	-	1,000,000
Faiz Bin Ishak*	1,000,000	-	-	1,000,000
Deemed interest				
Dato' Yeoh Seok Hong	9,000,000 ⁽¹⁾	-	-	9,000,000⁽¹⁾

* Non-Executive Directors

Subsidiary - Malayan Cement Berhad	Number of ordinary shares			
	Balance at 1.7.2022	Acquired	Disposed	Balance at 30.6.2023
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000 ⁽¹⁾	-	-	500,000⁽¹⁾
Dato' Sri Michael Yeoh Sock Siong	2,100 ⁽¹⁾	-	-	2,100⁽¹⁾

Subsidiary - Malayan Cement Berhad	Number of share options over ordinary shares			
	Balance at 1.7.2022	Granted	Exercised	Balance at 30.6.2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	15,000,000	-	15,000,000
Dato' Yeoh Seok Kian	-	15,000,000	-	15,000,000
Dato' Yeoh Seok Hong	-	15,000,000	-	15,000,000
Dato' Sri Michael Yeoh Sock Siong	-	15,000,000	-	15,000,000
Dato' Yeoh Soo Keng	-	15,000,000	-	15,000,000

Subsidiary - YTL Corporation (UK) PLC*	Number of ordinary shares of £0.25 each			
	Balance at 1.7.2022	Acquired	Disposed	Balance at 30.6.2023
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1

* Incorporated in England & Wales

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

Subsidiary - YTL Construction (Thailand) Limited *	Number of ordinary shares of THB100 each			
	Balance at 1.7.2022	Acquired	Disposed	Balance at 30.6.2023
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1
Dato' Yeoh Seok Kian	1	-	-	1
Dato' Yeoh Seok Hong	1	-	-	1
Dato' Sri Michael Yeoh Sock Siong	1	-	-	1
Dato' Mark Yeoh Seok Kah	1	-	-	1

* Incorporated in Thailand

Subsidiary - Samui Hotel 2 Co., Ltd *	Number of ordinary shares of THB10 each			
	Balance at 1.7.2022	Acquired	Disposed	Balance at 30.6.2023
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	1
Dato' Mark Yeoh Seok Kah	1	-	-	1

* Incorporated in Thailand

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

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

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

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

DIRECTORS' REPORT**INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS**

The Company maintains a Directors' and Officers' liability insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Group and of the Company. The total amount of insurance premium effected for any director and officer of the Company as at the financial year ended was RM493,000 (2022: RM396,000). The directors and officers shall be indemnified by such insurance except for acts attributable to any deliberate criminal or fraudulent acts committed by them, provided such act is established by a final non-appealable adjudication.

DIRECTORS' BENEFITS

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

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

DIRECTORS' REMUNERATION

	Group RM'000	Company RM'000
Fees	1,910	898
Salaries	48,887	1,218
Bonus	6,823	203
Others*	296	53
Defined contribution plan	5,788	171
Estimated money value of benefits-in-kind	561	140
	64,265	2,683

* Includes SOCSO, meeting allowance, etc

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)**

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

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

In their opinion,

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

ULTIMATE HOLDING COMPANY

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

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 44 to the financial statements.

DIRECTORS' REPORT**AUDITORS' REMUNERATION**

Auditors' remuneration is as follows:-

	Group RM'000	Company RM'000
HLB Ler Lum Chew PLT	2,895	256

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 27 September 2023.

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

Dato' Yeoh Seok Kian

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE and Dato' Yeoh Seok Kian, being two of the Directors of YTL Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 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 2023.

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

Dato' Yeoh Seok Kian

STATUTORY DECLARATION

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

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

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

Subscribed and solemnly declared by the abovenamed
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE
at Kuala Lumpur on 27 September 2023.

Before me:

Syed Khairil Anuar B. Syed Zainudin

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of YTL Corporation Berhad, which comprise the Statements of Financial Position as at 30 June 2023 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 103 to 292.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report of the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment assessment of goodwill

The risk

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

As at 30 June 2023, goodwill arising on consolidation amounted to RM9,064 million which represents 11.1% of the Group's total assets. The goodwill is primarily allocated to the multi utilities business in Singapore, water and sewerage business in the United Kingdom ("UK") and cement manufacturing business in Malaysia as disclosed in Note 19 to the Financial Statements. The goodwill for these businesses comprises 83.7% of total goodwill.

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

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

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

1. Impairment assessment of goodwill (continued)

Our response:

Ours and component auditors' audit procedures included the following:

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

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

The risk

We refer to Notes 2(h), 3(c) and 11 to the Financial Statements, respectively.

The property, plant and equipment of the mobile broadband network business accounts for 5.6% (RM1,993.8 million) of the Group's property, plant and equipment as at 30 June 2023.

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

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

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

Our response:

Ours and component auditors' audit procedures included the following:

- discussed with management the assumptions underlying the cash flow projections;
- assessed key assumptions including the discount rate, average service revenue growth rate, earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin, long-term growth rate and useful life of the assets by comparing these assumptions against publicly available macroeconomic and industry data, as well as historical data and market expectations from industry reports, where available;

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Key Audit Matters (continued)****2. Impairment assessment of property, plant and equipment ("PPE") of the mobile broadband network business (continued)**Our response: (continued)

Ours and component auditors' audit procedures included the following: (continued)

- assisted by our valuation expert in assessing the assumptions used and the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets";
- assessed the reliability of the approved budget by comparing the previous years' approved budget against past trends of actual results; and
- checked the sensitivity analysis performed by management by stress testing the discount rate, average service revenue growth rate and terminal year EBITDA margin.

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

We refer to Notes 2(h), 3(b) and 11 to the Financial Statements, respectively.

The water and sewerage business's net book value of infrastructure assets (RM10,209.2 million) comprises 28.9% of the Group's total property, plant and equipment. Due to the high value of capital expenditure on infrastructure assets, judgements made on the classification of expenses as operating or capital, and within capital between maintenance and enhancement, are key to the preparation of the accounts.

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

Our response:

Ours and component auditors' audit procedures included the following:

- tested the operating effectiveness of the controls over authorisation of selected projects' infrastructure assets and identification of capital expenditures attributable to the infrastructure assets;
- sampled capital expenditure costs in the year and agreed the costs to underlying support, including timesheets and invoices;
- challenged management's assumptions used in allocating certain costs between capital and operating expenditure. Specifically, this has included assessing the appropriate capitalisation of the various types of costs such as overheads, interest, and infrastructure maintenance; and
- understood the nature of costs incurred in relation to employee and overhead costs through discussion with management and corroborated with supporting information provided and checked whether the costs incurred met the capitalisation criteria in accordance with MFRS 116.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

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

The risk

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

Trade receivables of the water and sewerage segment (RM524.9 million net of expected credit losses of RM307.4 million) accounts for 20.7% of the Group's trade receivables as at 30 June 2023.

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

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

Our response:

Ours and component auditors' audit procedures included the following:

- tested the operating effectiveness of the key information technology systems used for generating billings and cash collection data used for the expected credit losses assessment and the controls over assessment of expected credit losses of trade receivables;
- obtained the historical cash collection trends of each ageing bracket of the trade receivables and payment methods and compared against the percentage of expected credit losses used by management against each ageing bracket and payment methods;
- checked the appropriateness of the forward-looking forecasts assumptions used to determine the expected credit losses, which included management's scenario analysis of the impact of economic uncertainty due to inflation;
- compared the level of expected credit losses charged against similar companies within the industry in the UK;
- performed substantive testing to ensure the completeness and accuracy of the reports used to populate the expected credit loss provision calculation; and
- developed expectations to generate a range for the estimated value and compared against the estimates and assumptions set forth by management to ensure no management bias over the expected credit losses.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Key Audit Matters (continued)****5. Metered income accrual**The risk

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

The Group has recorded a metered income accrual of RM640.4 million as at 30 June 2023 relating to revenue from the provision of water services to customers on water meters that had not been read at the year-end date.

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

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

Our response:

Ours and component auditors' audit procedures included the following:

- obtained an understanding of the process for the supply of measured services, meter reading and related billing;
- tested the key controls linked to system generated information and around the estimation process for measured revenue;
- compared the accrued income to bills raised post year end and compared management's history of estimating the accrued income balance to bills raised in the subsequent year to assess the accuracy of accrual income balance;
- recomputed the accrued income based on customers' historical usage data for selected samples;
- performed analytical procedures by comparing revenue balances for the year against expectation and obtaining support for significant variances;
- corroborated the key assumptions and estimates made by management in recognising revenue, by obtaining internal and external data on factors that influence demand from customers;
- tested contract terms and conditions were met and revenue recognised at the correct period;
- performed journal testing over targeted manual entries related to revenue, particularly those recorded close to the year-end; and
- obtained an understanding of manual adjustments made to accrued income and reviewed the underlying assumptions for those adjustments.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

6. Revenue recognition from construction contracts

The risk

Revenue and cost of sales recognised from construction contracts during the financial year as disclosed in Notes 2(d)(i)(e), 3(h), 4 and 5 to the Financial Statements, is RM1,203 million and RM1,126 million, respectively.

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

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

Our response:

Our audit procedures included the following:

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

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.

INDEPENDENT AUDITORS' REPORT

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITORS' REPORT

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

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, actions taken to eliminate threats or safeguards applied.

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

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 44 to the Financial Statements.

OTHER MATTERS

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

HLB Ler Lum Chew PLT

201906002362 & AF 0276

Chartered Accountants

Wong Chee Hong

03160/09/2024 J

Chartered Accountant

Dated: 27 September 2023

Kuala Lumpur

INCOME STATEMENTS

for the financial year ended 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Revenue	4	29,616,085	24,241,503	386,317	396,617
Cost of sales	5	(23,163,010)	(20,620,017)	-	-
Gross profit		6,453,075	3,621,486	386,317	396,617
Other operating income		638,365	1,937,808	24,663	10,462
Selling and distribution costs		(681,843)	(588,833)	-	-
Administration expenses		(1,318,225)	(1,205,630)	(140,119)	(68,985)
Other operating expenses		(465,561)	(801,961)	-	-
Finance costs	6	(2,316,743)	(1,586,566)	(184,151)	(170,989)
Share of results of associated companies and joint ventures, net of tax		420,045	442,051	-	-
Profit before tax	7	2,729,113	1,818,355	86,710	167,105
Income tax expense	8	(606,769)	(369,003)	(10,972)	(12,455)
Profit for the year		2,122,344	1,449,352	75,738	154,650
Attributable to:-					
Owners of the parent		1,095,699	695,109	75,738	154,650
Non-controlling interests		1,026,645	754,243	-	-
		2,122,344	1,449,352	75,738	154,650
Earnings per share					
- Basic (sen)	9	9.99	6.34		
- Diluted (sen)	9	9.94	6.31		
Dividend per ordinary share (sen)	10	3.00	2.50		

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

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2023

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit for the year	2,122,344		1,449,352	75,738
Other comprehensive income/(loss):-				
Items that will not be reclassified subsequently to income statement:-				
- re-measurement of post-employment benefit obligations	(249,825)		408,354	-
- changes in the fair value of equity investments at fair value through other comprehensive income ("FVOCI")	(61,314)		(65,685)	(200)
- foreign currency translation	638,464		(104,748)	-
Items that will be reclassified subsequently to income statement:-				
- cash flow hedges				
- fair value changes	(513,435)		284,748	-
- reclassification	-		38,452	-
- foreign currency translation, net of investment hedges of foreign operations				
- gain	1,079,574		17,689	-
- reclassification	-		(9,659)	-
Other comprehensive income/(loss) for the year, net of tax	893,464		569,151	(200)
Total comprehensive income for the year	3,015,808		2,018,503	75,538
Total comprehensive income attributable to:-				
Owners of the parent	1,690,628		1,046,780	75,538
Non-controlling interests	1,325,180		971,723	-
	3,015,808		2,018,503	75,538
				154,650

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

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2023

Note	Group		Company			
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000		
		(Restated)				
ASSETS						
Non-current assets						
Property, plant and equipment	11	35,330,655	32,341,036	39,246		
Right-of-use assets	12	1,524,877	1,548,315	2,226		
Investment properties	13	1,966,666	1,976,595	-		
Development expenditures	14	786,093	806,353	-		
Investment in subsidiaries	15	-	-	8,242,229		
Investment in associates	16	3,863,791	3,704,323	564,021		
Investment in joint ventures	17	377,500	272,936	-		
Investments	18	533,169	341,528	23,580		
Intangible assets	19	9,428,412	8,620,910	-		
Trade and other receivables	20	3,011,400	2,766,228	-		
Contract assets	24	9,206	2,097	-		
Deferred tax assets	34	353,268	317,506	-		
Post-employment benefit assets	35	64,314	174,802	-		
Derivative financial instruments	21	2,879	20,607	-		
		57,252,230	52,893,236	8,871,302		
				8,834,015		
Current assets						
Inventories	22	1,219,606	1,249,409	-		
Property development costs	23	443,555	303,826	-		
Trade and other receivables	20	5,509,845	4,727,914	8,461		
Contract assets	24	422,689	230,355	-		
Derivative financial instruments	21	18,824	415,891	-		
Income tax assets		108,352	163,352	6,775		
Amounts due from related parties	25	73,223	101,465	1,102,319		
Investments	18	1,986,392	1,500,569	530,481		
Fixed deposits	26	11,195,322	8,230,733	26,742		
Cash and bank balances	26	3,230,331	3,167,824	3,406		
		24,208,139	20,091,338	1,678,184		
				1,709,786		
TOTAL ASSETS		81,460,369	72,984,574	10,549,486		
				10,543,801		

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

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2023

	Note	Group		Company		
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000	
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	27	3,467,555	3,467,555	3,467,555	3,467,555	
Other reserves	28	1,761,203	996,132	17,648	7,234	
Retained earnings		9,291,387	8,681,706	2,519,312	2,772,420	
Treasury shares, at cost	27(a)	(54,452)	(54,452)	(54,452)	(54,452)	
		14,465,693	13,090,941	5,950,063	6,192,757	
Non-controlling interests		5,647,540	4,702,593	-	-	
Total Equity		20,113,233	17,793,534	5,950,063	6,192,757	
Non-current liabilities						
Long-term payables	29	1,817,479	1,510,836	-	-	
Contract liabilities	24	35,095	28,638	-	-	
Bonds	30	23,318,657	17,582,938	3,200,000	2,240,000	
Borrowings	31	15,336,292	17,761,959	-	55	
Lease liabilities	32	1,094,322	1,245,678	-	2,339	
Grants and contributions	33	699,025	620,655	-	-	
Deferred tax liabilities	34	3,773,208	3,447,423	113	113	
Post-employment benefit obligations	35	38,426	36,959	-	-	
Provision for liabilities and charges	36	22,483	21,645	-	-	
Derivative financial instruments	21	9,654	1,367	-	-	
		46,144,641	42,258,098	3,200,113	2,242,507	
Current liabilities						
Trade and other payables	37	5,631,023	4,525,099	33,889	27,917	
Contract liabilities	24	798,709	914,715	-	-	
Derivative financial instruments	21	110,828	21,740	-	-	
Amounts due to related parties	25	37,970	35,531	5,846	6,542	
Bonds	30	1,594,466	2,630,000	240,000	1,000,000	
Borrowings	31	6,204,777	4,281,285	1,116,910	1,066,908	
Lease liabilities	32	260,388	170,939	2,339	6,844	
Provision for liabilities and charges	36	117,586	140,972	-	-	
Post-employment benefit obligations	35	6,837	6,620	326	326	
Income tax liabilities		439,911	206,041	-	-	
		15,202,495	12,932,942	1,399,310	2,108,537	
TOTAL LIABILITIES		61,347,136	55,191,040	4,599,423	4,351,044	
TOTAL EQUITY AND LIABILITIES		81,460,369	72,984,574	10,549,486	10,543,801	

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 2023

Attributable to owners of the parent							
	Non-distributable		Distributable				
	Share capital (Note 27)	Other reserves (Note 28)	Retained earnings	Treasury shares (Note 27(a))	Total	Non-controlling interests	Total equity
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2023							
At 1 July 2022, as previously reported		3,467,555	993,435	8,531,991	(54,452)	12,938,529	4,580,735
Purchase price allocation ("PPA") adjustment	47	-	2,697	149,715	-	152,412	121,858
At 1 July 2022, as restated		3,467,555	996,132	8,681,706	(54,452)	13,090,941	4,702,593
Profit for the year		-	-	1,095,699	-	1,095,699	1,026,645
Other comprehensive income/(loss) for the year		-	733,749	(138,820)	-	594,929	298,535
Total comprehensive income for the year		-	733,749	956,879	-	1,690,628	3,015,808
Transactions with owners							
Changes in composition of the Group		-	2,560	(18,352)	-	(15,792)	518
Reclassification upon disposal of investments designated at FVOCI		-	6,187	-	-	6,187	6,187
Dividends paid		-	-	(328,923)	-	(328,923)	(387,296)
Share option expenses		-	22,652	-	-	22,652	6,545
Share option lapsed		-	(77)	77	-	-	-
At 30 June 2023		3,467,555	1,761,203	9,291,387	(54,452)	14,465,693	5,647,540
Group - 2022							
At 1 July 2021		3,467,555	892,399	8,482,982	(54,451)	12,788,485	3,549,476
Profit for the year, as restated	47	-	-	695,109	-	695,109	754,243
Other comprehensive income for the year, as restated	47	-	124,765	226,906	-	351,671	217,480
Total comprehensive income for the year, as restated	47	-	124,765	922,015	-	1,046,780	971,723
Transactions with owners							
Changes in composition of the Group		-	-	(461,464)	-	(461,464)	572,926
Conversion of ICULS		-	(27,023)	12,490	-	(14,533)	10,756
Reclassification upon disposal of investments designated at FVOCI		-	166	(215)	-	(49)	49
Dividends paid		-	-	(274,102)	-	(274,102)	(402,337)
Share option expenses		-	5,825	-	-	5,825	5,825
Treasury shares		-	-	-	(1)	(1)	(1)
At 30 June 2022		3,467,555	996,132	8,681,706	(54,452)	13,090,941	4,702,593
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 2023

	Attributable to owners of the parent				
	Non-distributable		Distributable		
	Share capital (Note 27)	Other reserves (Note 28)	Retained earnings	Treasury shares (Note 27(a))	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Company - 2023					
At 1 July 2022	3,467,555	7,234	2,772,420	(54,452)	6,192,757
Profit for the year	-	-	75,738	-	75,738
Other comprehensive loss	-	(200)	-	-	(200)
Total comprehensive (loss)/income	-	(200)	75,738	-	75,538
Transactions with owners					
Dividends paid	-	-	(328,923)	-	(328,923)
Share option expenses	-	10,691	-	-	10,691
Share option lapsed	-	(77)	77	-	-
At 30 June 2023	3,467,555	17,648	2,519,312	(54,452)	5,950,063
Company - 2022					
At 1 July 2021	3,467,555	2,759	2,891,977	(54,451)	6,307,840
Profit for the year, representing total comprehensive income for the year	-	-	154,650	-	154,650
Transactions with owners					
Dividends paid	-	-	(274,102)	-	(274,102)
Reclassification upon disposal of investments designated at FVOCI	-	105	(105)	-	-
Share option expenses	-	4,370	-	-	4,370
Treasury shares	-	-	-	(1)	(1)
At 30 June 2022	3,467,555	7,234	2,772,420	(54,452)	6,192,757

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 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
	(Restated)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	2,729,113	1,818,355	86,710	167,105
Adjustments for:-				
Adjustment on fair value of investment properties	68,559	(3,617)	-	-
Amortisation of contract costs	1,021	1,537	-	-
Amortisation of deferred income	(5,632)	(6,008)	-	-
Amortisation of grants and contributions	(17,951)	(18,999)	-	-
Amortisation of intangible assets	64,577	68,762	-	-
Bad debts recovered	(2,354)	(4,640)	-	-
Bad debts written off	1,530	2,704	4	-
Depreciation of property, plant and equipment	1,620,651	1,608,338	5,088	222
Depreciation of right-of-use assets	213,476	186,732	6,677	6,677
Dividend income	(3,786)	(4,092)	(377,177)	(381,823)
Development expenditure written down	2,413	-	-	-
Development expenditure written off	-	63,921	-	-
Fair value changes of financial assets	(93,192)	93,114	(6,894)	7,405
Gain on a bargain purchase	-	(270,818)	-	-
Gain on disposal of investments	(6,089)	(17,479)	(2,546)	(2,183)
Gain on disposal of property, plant and equipment	(6,514)	(76,620)	-	(36)
Loss/(Gain) on disposal of associated companies - net	1,843	(1,271,456)	-	-
Gain on disposal of subsidiaries	-	(4,916)	-	-
Gain on lease modification and reassessment	(501)	(855)	-	-
Gain on lease termination	(1,926)	(991)	-	-
Impairment losses - net	130,253	296,826	64,779	1,387
Interest expense	2,316,743	1,586,566	184,151	170,989
Interest income	(567,466)	(163,924)	(8,980)	(14,567)
Inventories written down - net	252	1,490	-	-
Investment written off	-	1	-	1
Property development costs written down	17,424	-	-	-
Property, plant and equipment written off	14,403	20,543	34	-
Provision for post-employment benefits	34,192	54,894	-	-
Provision for liabilities and charges	7,467	21,003	-	-
Rent concession	-	(1,062)	-	-
Share option expenses	28,713	6,988	5,094	2,117
Share of results of associated companies and joint ventures	(420,045)	(442,051)	-	-
Unrealised gain on foreign exchange - net	(156,701)	(29,851)	-	-
Operating profit/(loss) before changes in working capital	5,970,473	3,514,395	(43,060)	(42,706)

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 2023

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Changes in working capital:-				
Inventories	(3,273)	(113,599)	-	-
Property development costs	(58,849)	2,917	-	-
Receivables	(1,425,933)	(1,276,029)	(476)	(461)
Contract assets and liabilities	(424,191)	(373,062)	-	-
Payables	1,766,804	1,024,767	5,972	(130)
Related parties balances	(19,247)	(11,435)	(216,328)	(72,055)
Cash flow generated from/(used in) operations	5,805,784	2,767,954	(253,892)	(115,352)
Dividends received	529,324	488,722	377,177	381,823
Interest paid	(1,714,386)	(1,446,680)	(183,921)	(170,504)
Interest received	554,311	167,719	8,546	13,626
Payment to post-employment benefit obligations	(237,583)	(135,796)	-	-
Income tax paid	(266,736)	(300,401)	(9,770)	(13,745)
Income tax refunded	233	2,638	-	-
Net cash flow from/(used in) operating activities	4,670,947	1,544,156	(61,860)	95,848
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares in existing subsidiaries	(10,020)	(1,000)	(77)	(76)
Acquisition of new subsidiaries (net of cash acquired)	-	(854,000)	-	-
Additional investment in associated companies and joint venture	(74,550)	(78,113)	-	-
Development expenditures incurred	(10,653)	(27,210)	-	-
Grants received in respect of infrastructure assets	31,051	32,092	-	-
Increase in shareholder loan	(167,300)	(426,221)	-	-
Net disposal of subsidiaries/associates (net of cash and cash equivalents)	9,694	1,977,117	-	-
(Placement)/Maturities of income funds	(415,000)	953,102	-	-
Repayments/(Placement) for participation investment	194,682	(498,165)	-	-
Proceeds from disposal of property, plant and equipment	66,666	101,615	-	58
Proceeds from disposal/redemption of investments - net	75,471	148,828	21,793	132,395
Proceeds from finance lease receivables	2,741	4,805	-	-
Purchase of intangible assets	(66,960)	(68,800)	-	-
Purchase of investment properties	(4,596)	(1,740)	-	-
Purchase of property, plant and equipment	(2,078,728)	(1,906,348)	(40,357)	(376)
Purchase of investments	(266,585)	(260,231)	-	-
Purchase of right-of-use assets	(3,669)	(3,054)	-	-
Net cash flow (used in)/from investing activities	(2,717,756)	(907,323)	(18,641)	132,001

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 2023

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(328,923)	(274,102)	(328,923)	(274,102)
Dividends paid to non-controlling interests by subsidiaries	(387,296)	(402,337)	-	-
Capital repayment by a subsidiary	(172)	(1,960)	-	-
Repurchase of own shares by the company (at net)	-	(1)	-	(1)
Repurchase of subsidiaries' shares by subsidiaries	(1)	(1)	-	-
Proceeds from bonds	3,098,971	5,000	1,200,000	-
Proceeds from borrowings	5,539,829	6,406,467	300,000	-
Proceeds from issue of shares in subsidiaries to non-controlling interests	1,887	-	-	-
Repayment of bonds	(2,280,000)	(1,687,525)	(1,000,000)	-
Repayment of borrowings	(4,853,316)	(6,719,896)	(250,053)	(191)
Repayment of lease liabilities	(297,580)	(260,057)	(7,074)	(7,074)
Upfront fees and discounts on borrowings	(26,025)	(82,808)	-	-
Net cash flow from/(used in) financing activities	467,374	(3,017,220)	(86,050)	(281,368)
Net increase/(decrease) in cash and cash equivalents	2,420,565	(2,380,387)	(166,551)	(53,519)
Effects of exchange rate changes	697,605	24,456	-	-
Cash and cash equivalents at beginning of year	11,296,665	13,652,596	196,699	250,218
Cash and cash equivalents at end of year (Note 26)	14,414,835	11,296,665	30,148	196,699
NOTE TO THE STATEMENTS OF CASH FLOWS				
Analysis of acquisition of property, plant and equipment:-				
Cash	2,078,728	1,906,348	40,357	376
Finance lease arrangement	574	5,698	-	159
Interest expense paid/payable	53,861	36,306	-	-
Transfer of assets from customers	23,894	43,528	-	-
Transfer from prepayments	906	-	-	-
Payables	22,144	15,254	-	-
	2,180,107	2,007,134	40,357	535

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 2023

Reconciliation of liabilities arising from financing activities :-**1. Bonds and borrowings**

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
At 1 July	42,256,182	45,074,443	4,306,963	4,306,995
<u>Changes from financing cash flows</u>				
Interest paid	(1,711,558)	(1,446,663)	(183,921)	(170,504)
Proceeds from bonds	3,098,971	5,000	1,200,000	-
Proceeds from borrowings	5,539,829	6,406,467	300,000	-
Upfront fees on borrowings	(26,025)	(82,808)	-	-
Repayment of bonds	(2,280,000)	(1,687,525)	(1,000,000)	-
Repayment of borrowings	(4,853,316)	(6,719,896)	(250,053)	(191)
Transactions costs paid	(2,828)	(17)	-	-
<u>Other changes in bonds and borrowings</u>				
Amortisation of issuance cost/unwinding of premium	458,090	193,899	-	-
(Decrease)/Increase in bank overdraft	(92,946)	81,491	-	-
Conversion of ICULS into ordinary shares	-	(2,417)	-	-
Finance leases	574	355	-	159
Interest expenses	2,234,547	1,498,687	183,921	170,504
Foreign exchange movement	1,832,672	(1,064,834)	-	-
At 30 June	46,454,192	42,256,182	4,556,910	4,306,963

2. Lease liabilities

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
At 1 July	1,416,617	1,483,958	9,183	15,772
<u>Changes from financing cash flows</u>				
Repayment of lease liabilities	(297,580)	(260,057)	(7,074)	(7,074)
<u>Other changes in lease liabilities</u>				
Additions	77,587	138,681	-	-
Interest expenses	82,196	87,879	230	485
Modification	91,572	47,773	-	-
Expiry/Termination	(28,018)	(26,425)	-	-
Transfer to payables	(5,252)	(13,272)	-	-
Foreign exchange movement	17,588	(41,920)	-	-
At 30 June	1,354,710	1,416,617	2,339	9,183

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

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 44 to the financial statements.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

(b) Changes in accounting policies

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

On 1 July 2022, the Group and the Company have adopted the following MFRS, IC Interpretations and amendments which are mandatory for annual financial periods beginning on or after 1 July 2022.

MFRS and IC Interpretations (Including The Consequential Amendments)

Annual Improvements to MFRS Standards 2018–2020

Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework

Amendments to MFRS 112, Income Taxes - International Tax Reform – Pillar Two Model Rules (paragraphs 4A and 88A)

Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets-Onerous Contracts - Cost of Fulfilling a Contract

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Standards issued but not yet effective

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

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective date
MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17, Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements	1 January 2023
- Disclosure of Accounting Policies	
Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates'	1 January 2023
Amendments to MFRS 112 'Income tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	1 January 2023
Amendments to MFRS 112, Income Taxes - International Tax Reform - Pillar Two Model Rules (paragraphs 88B-88D)	1 January 2023
Amendments to MFRS 16 Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be announced by the MASB Board

(d) Revenue recognition

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

(i) Revenue from contracts with customers

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Revenue recognition (continued)****(i) Revenue from contracts with customers (continued)****(a) Sale of electricity**

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

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

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

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

(b) Supply of clean water and the treatment and disposal of waste water

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

(b) Supply of clean water and the treatment and disposal of waste water (continued)

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

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

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

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

(c) Sale of cement and related products

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Revenue recognition (continued)****(i) Revenue from contracts with customers (continued)***(d) Hotel operations*

Revenue from room rental revenue is accrued over time on customer-occupied rooms. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Group has a present right to payment for the food and beverage product. Revenue from functions and banquets is recognised at a point in time when the performance obligation is satisfied, generally at the provision of the space.

(e) Construction contracts

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Revenue recognition (continued)****(i) Revenue from contracts with customers (continued)****(f) Telecommunications**

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

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

(i) Telecommunication services

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Revenue recognition (continued)****(i) Revenue from contracts with customers (continued)****(f) Telecommunications (continued)****(ii) Sale of devices**

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

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

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

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

The Group generates revenue from telecommunication infrastructure. Telecommunication infrastructure revenue is generated from the leasing of space on the Group's telecommunication towers, where the customers install and maintain their individual communication network equipment and from construction of telecommunication infrastructure. The leasing revenue is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payment are due. For the construction of telecommunication infrastructure, see accounting policy Note 2(d)(i)(e) to the financial statements on construction contracts.

(g) Property development projects

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

(g) Property development projects (continued)

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

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

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

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

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

(h) Sale of steam

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Revenue recognition (continued)****(i) Revenue from contracts with customers (continued)****(i) Others**

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

(i) Sale of fuel oil

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

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

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

(ii) Sale of natural gas

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

(iii) Operation and maintenance fees

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

(iv) Tank leasing fees

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

(v) Rendering of services

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Revenue recognition (continued)****(i) Revenue from contracts with customers (continued)**

(i) Others (continued)

(vi) Revenue from sales of land

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

(vii) Hiring income

Hiring income is recognised on an accrual basis.

(viii) Commission income

Commission income is recognised on received and receivable basis.

(ii) Revenue from other sources

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

(a) Interest income

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

(b) Dividend income

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

(c) Rental income

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

(e) Employee benefits**(i) Short-term employee benefits**

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Employee benefits (continued)****(ii) Post-employment benefits**

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

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

(a) Defined contribution plan

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

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

(b) Defined benefit plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

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

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

(iii) Share-based compensation

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

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

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

(g) Income tax and deferred tax

Income tax on the Income Statement for the financial year comprises current and deferred tax.

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

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

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

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

(h) Property, plant and equipment, and depreciation

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

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

Where items of property, plant and equipment are transferred to the Group from customers/developers, the fair value of the assets transferred is recognised as property, plant and equipment in the Statement of Financial Position. Where the transfer is exchanged for connection to the network and no further obligation is required, the corresponding credit is revenue. Where the transfer is linked to the provision of ongoing services, the corresponding entry is deferred income as disclosed in Note 29 and released to the Income Statement over the expected useful lives of the assets.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(h) Property, plant and equipment, and depreciation (continued)**

Infrastructure assets comprise eight components: impounding reservoirs 150 years, raw water mains 100 years, treated water mains 100 years, communication pipes 60 years, sewers 200 years, sewage pumping stations 60 years, combined sewer overflows 80 years and sea outfalls 60 years.

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

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

Freehold land and freehold oil palm plantation are not amortised.

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

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

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

	%
Buildings	1 - 10
Leasehold land	1 - 3
Infrastructure & site facilities	0.9 - 20
Plant & machinery	3½ - 33½
Furniture, fixtures & equipment	10 - 50
Vehicles	10 - 33½
Telecommunication equipment	3½ - 20

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

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investment properties

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

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in Income Statement for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

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

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement in the period in which the item is derecognised. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS15 "Revenue from Contracts with Customers".

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

(j) Development expenditures

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost and net realisable value.

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Development expenditures (continued)****(ii) Project development expenditure**

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

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

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

(k) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated to determine the amount of impairment loss.

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

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

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

(l) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Basis of consolidation (continued)

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

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

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

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

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

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

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

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill in the statements of financial position. The accounting policy for goodwill is set out in Note 2(q) to the financial statements. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in Income Statement on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(m) Transactions with non-controlling interests**

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

(n) Investment in subsidiaries

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

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

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

(o) Investment in associated companies

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Investment in associated companies (continued)

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

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

(p) Joint arrangements

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

Joint venture

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

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

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

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

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

(q) Intangible assets

(i) Contract rights

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(q) Intangible assets (continued)****(ii) Goodwill**

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

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

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

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

(iii) Software assets

Software assets comprise in-house computer software development and specialised computer software. Software assets are amortised over 3 to 10 years and are assessed at each reporting date whether there is any indication that the software assets may be impaired. See accounting policy Note 2(k) to the financial statements on impairment of non-financial assets.

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

(iv) Others**a) Customer lists**

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

b) Quarry rights

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial assets

(i) Initial recognition and measurement

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

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

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

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

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

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

(ii) Subsequent measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(r) Financial assets (continued)****(ii) Subsequent measurement (continued)****(a) Financial assets at amortised cost (debt instruments)**

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

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

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

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

(b) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Income Statement. Dividends are recognised as other income in the Income Statement when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments under this category.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatory required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(r) Financial assets (continued)****(ii) Subsequent measurement (continued)****(c) Financial assets at fair value through profit or loss (continued)**

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are also recognised as other income in the Income Statement when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in Income Statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:-

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(s) Impairment of financial assets**

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:-

	Note
Trade and other receivables	20
Financial risk management	38

(t) Contract cost assets

The Group capitalises sales commissions as costs to obtain a contract with a customer when they are incremental and expected to be recovered over more than a year. The Group expects to recover these costs in the future through telecommunication services revenue earned from the customer. The Group also capitalises the expenditure on assets such as water mains/sewers or new connections relating to contracts as they are incurred to fulfil the contract and are expected to be received over more than one year.

Sales commissions are amortised on a straight line basis over the term of the specific contract to which the cost relates to. Amortisation of contract costs are included as part of direct cost within "Cost of sales" in the Income Statements. While, the expenditure on assets are treated as cost of sales when the contract is complete.

An impairment loss is recognised to Income Statement to the extent that the carrying amount of the contract cost assets recognised exceeds the remaining amount of consideration that the Group expects to receive for the specific contract that the cost relates to less additional costs required to complete the specific contract.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Contract assets and liabilities

Contract asset is the right to consideration in exchange for goods and services that the Group has transferred to a customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the ECL model.

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(v) Derivatives financial instruments and hedging activities

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

- (i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- (ii) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (iii) Hedges of a net investment in a foreign operation.

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

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 21. Movements on the hedging reserve in other comprehensive income are shown in Note 28. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

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

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(v) Derivatives financial instruments and hedging activities (continued)****(ii) Cash flow hedge**

The fair value changes on the effective portion of the derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in Income Statement.

Amounts accumulated in equity are reclassified to Income Statement in the financial periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of property, plant and equipment.

When the hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to Income Statement.

(iii) Hedges of net investment in foreign operations

The Group applies hedge accounting by designating a non-derivative financial liability as a hedge of a net investment in the foreign operation, with the corresponding foreign currency differences arising on the translation being reclassified to the Group's foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the income statement. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to the income statement as part of the gain or loss on disposal.

The Group uses loans as hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, whether the hedging relationships are highly effective in offsetting changes in fair values of the hedged items.

(w) Inventories

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

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

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

Fuel and diesel oil held for generation of electricity are not written down below cost if the electricity generated is expected to obtain a gross margin at or above cost. Cost for this purpose includes the applicable costs required to enable the fuel and diesel oil to be used for the generation of electricity.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Inventories (continued)

Inventories for oil trading are acquired with the purpose of selling in the near future and generating a profit from fluctuations in price. These are at fair value less costs to sell, with changes in fair value less costs to sell recognised in the Income Statements in the period of change.

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

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

(x) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are recognised when incurred.

When the financial outcome of the development activity can be reliably estimated and the sale of the development unit is affected, property development revenue and expenses are recognised in the Income Statement by reference to the stage of completion of development activities at the reporting date in accordance with MFRS 15: Revenue from Contracts with Customers. The stage of completion is determined by the proportion that property development costs incurred for work performed to date to the estimated total property development costs.

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

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Where revenue recognised in the Income Statement exceed billings to purchasers, the balance is shown as contract assets (within current assets). Where billings to purchasers exceed revenue recognised in the Income Statement, the balance is shown as contract liabilities (within current liabilities).

(y) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(z) Share capital**

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

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as liability in the financial year in which the obligation to pay is established.

(aa) Treasury shares

Where the Company purchases its own shares, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued.

Should such shares be cancelled, the costs of the treasury shares are applied in the reduction of the profits otherwise available for distribution as dividends. Should such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

Where the treasury shares are subsequently distributed as dividends to shareholders, the costs of the treasury shares on the original purchase are applied in the reduction of the funds otherwise available for distribution as dividends.

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

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

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

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

(ac) Deferred income

The deferred income is in relation to assets transferred from customers in respect of services which are yet to be provided. Such amounts are recorded as liabilities in the Statements of Financial Position and are amortised to the Income Statements over the expected useful economic lives of the related assets.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) Bonds and borrowings

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

Interest relating to a financial instrument classified as a liability is reported within finance cost in the Income Statements.

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

Borrowing cost incurred to finance the construction of property, plant and equipment that meets the definition of qualifying asset are capitalised as part of the cost of the assets during the period of time that is required to get the asset ready for its intended use.

(ae) Leases

(i) Accounting as lessee

Leases are recognised as right-of-use ('ROU') assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy 2(ae)(d) on reassessment of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ae) Leases (continued)****(i) Accounting as lessee (continued)****(b) ROU assets**

ROU assets are initially measured at cost comprising the following:-

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain measurement of the lease liabilities.

The Group and the Company presents ROU assets within which the corresponding underlying assets would be presented if they were owned, those assets are presented in the Statements of Financial Position as property, plant and equipment. ROU assets are presented as a separate line item in the Statements of Financial Position except for above.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the payments that are not paid at that date. The lease payments include the following:-

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date;
- The exercise price of a purchase and extension option if the Group and the Company are reasonably certain to exercise that options; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Income Statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payment that depend on sales are recognised in the statement of comprehensive income in the period in which the condition that triggers those payments occurs.

The Group and the Company presents lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ae) Leases (continued)****(i) Accounting as lessee (continued)****(d) Reassessment of lease liabilities**

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Lease liabilities is also remeasured if there is a change in the Group's and the Company's assessment of whether it will exercise an extension option and there are modifications in the scope or the consideration of the lease that was not part of the original term.

(e) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight line bases as an expense in Income Statements.

(ii) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Group and the Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 2(s) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ae) Leases (continued)****(ii) Accounting by lessor (continued)****(b) Operating leases**

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

Rental income on operating leases is recognised over the term of the lease on a straight-line basis. Rental income is shown net of rebates and discounts. Rental income includes base rent, percentage rent and other rent related income from tenants. Base rent is recognised on a straight-line basis over the lease term. Percentage rent is recognised based on sales reported by tenants. When the Group provide incentives or rebates to the tenants, the cost of incentives or rebates is capitalised as deferred lease incentive and is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Initial direct cost incurred by the Group in negotiating and arranging an operating lease is recognised as an asset (deferred lease incentive) and amortised over the lease term on the same basis as the rental income.

(c) Sublease classification

Until the financial year ended 30 June 2019, when the Group was an intermediate lessor, the subleases were classified as finance or operating leases by reference to the underlying assets.

From 1 July 2019, when the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group and the Company applies the exemption described above, then it classifies the sublease as an operating lease.

(d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 "Revenue from Contracts with Customers".

(af) Grants and contributions

Grants and contributions are benefits received in respect of specific qualifying expenditure, and investment tax credits and tax benefits in respect of qualifying property, plant and equipment. These are released to the Income Statement over the expected economic useful lives of the related assets.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ag) Provisions

The Group and the Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's and the Company's current best estimate.

(ah) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties, bonds and borrowings and derivative financial instruments.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:-

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

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Income Statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

(b) Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ah) Financial liabilities (continued)****(iii) Derecognition**

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

(ai) Foreign currency**(i) Functional and presentation currency**

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

(ii) Foreign currency transactions

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

(iii) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statements are translated at average exchange rates; and
- all resulting exchange differences are recognised as separate components of other comprehensive income.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2011 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2011, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions. This is in accordance to the adoption of MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

(aj) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the managing directors/chief executive officers who are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ak) Financial guaranteee

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

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

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

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

(al) Contingent liabilities and contingent assets

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

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

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

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

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

(am) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(an) Contract costs****(i) Incremental cost obtaining a contract**

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

(ii) Costs to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contracts costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relate. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has impaired, the impairment loss is reversed to the extent that the carrying amount of the contracts cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(a) Estimated assessment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of significant judgements and estimates as set out in Note 19 to the financial statements.

(b) Capitalisation of infrastructure assets in property, plant and equipment

Due to the high value of capital expenditure on infrastructure assets, judgements made on the classification of expenses as operating or capital, and within capital between maintenance and enhancement, are key to the preparation of the accounts. These judgements are based on engineering experience of differentiating between treatment as a repair or a replacement of an infrastructure asset.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Estimated impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value-in-use of the property, plant and equipment. The value-in-use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

The Group management follows its accounting policy set out in Note 2(k) in determining when property, plant and equipment are considered impaired.

Impairment is recognised when events and circumstances indicate that these assets may be impaired and the carrying amount of these assets exceeds the recoverable amounts. In determining the recoverable amount of these assets, certain estimates regarding the cash flows of these assets are made.

(d) Assessment on allowance for impairment of trade receivables of water and sewerage

The expected credit loss on outstanding receivables is a key estimate under MFRS 9. The Group estimate of recoverability by grouping customers into similar economic profiles and applying a percentage loss rate based on forward-looking judgements on the future collection rates that are likely to be achieved. This has included additional considerations of the possible impact of the ongoing economic uncertainty on the expected collection rates of outstanding receivables. A 1% reduction in collection rates would increase the expected credit loss allowance by RM28.7 million.

(e) Estimated useful lives of property, plant and equipment ("PPE")

The Group reviews the useful lives of its PPE at each reporting date and any adjustments are made on a prospective basis as changes in accounting estimates. The useful lives of the PPE are assessed periodically based on the conditions of the equipment, market conditions and other regulatory requirements. A change in accounting estimates in the current financial year is disclosed in Note 11 to the financial statements.

(f) Fair value estimates for investment properties

The Group carries investment properties at fair value, which requires extensive use of accounting estimates and judgements. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these investment properties would affect income statement. The sensitivity analysis is disclosed in Note 13(c) to the financial statements.

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

The present value of the post-employment benefit plans/(obligations) depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income are disclosed in Note 35 to the financial statements. Any changes in these assumptions will impact the carrying amount of post-employment benefit assets/(obligations).

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**(h) Construction contracts**

The Group has significant ongoing construction contracts. For these construction contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of the internal experts to determine the progress of the construction and also on past experience of completed projects.

(i) Revenue recognition from accrued income

The unbilled income accrual from metered water services of the water and sewerage segment requires an estimation of the amount of unbilled charges at the period end. This is calculated using system generated information based on previous customer volume usage. A 2% movement in average consumption equates to a RM5.4 million movement in the unbilled income accrual.

(j) Leases

The measurement of the "right-of-use" assets and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group and the Company first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(k) Deferred tax assets

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

4. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue comprises the following:-				
Revenue from contracts with customers	29,073,797	24,044,845	160	227
Revenue from other sources	542,288	196,658	386,157	396,390
Total revenue	29,616,085	24,241,503	386,317	396,617

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Utilities				
Sale of electricity	15,842,008	12,172,047	-	-
Supply of clean water, treatment and disposal of waste water	4,265,768	4,108,545	-	-
Sale of steam	244,787	251,186	-	-
Telecommunications	592,678	660,288	-	-
Others	129,375	297,017	-	-
	21,074,616	17,489,083	-	-
Cement and building materials industry				
Sale of cement and related products	4,797,251	3,850,546	-	-
Others	23,703	40,415	-	-
	4,820,954	3,890,961	-	-
Construction				
Construction contracts	1,203,486	1,136,228	-	-
Hotel operations				
Hotel room and food and beverages	1,272,897	684,556	-	-
Others	19,585	16,132	-	-
	1,292,482	700,688	-	-
Property				
Project revenue	98,317	76,683	-	-
Sale of development properties	35,199	5,736	-	-
Sale of completed properties	145,329	103,345	-	-
Sale of lands	2,900	402,494	-	-
Others	19,464	16,480	-	-
	301,209	604,738	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

4. REVENUE (CONTINUED)**(a) Disaggregation of revenue from contracts with customers and other sources:- (continued)**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Management services & others				
Management, operation and maintenance services	200,199	97,634	-	-
Licencing fee	15,982	21,150	-	-
Property manager fees	72,793	66,449	-	-
Food and beverages operations	17,872	7,316	-	-
Others	74,204	30,598	160	227
	381,050	223,147	160	227
	29,073,797	24,044,845	160	227
Revenue from other sources				
Rental income	111,125	100,988	-	-
Interest income	427,881	92,401	8,980	14,567
Dividend income	3,282	3,269	377,177	381,823
	542,288	196,658	386,157	396,390
Total revenue	29,616,085	24,241,503	386,317	396,617

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At a point in time	5,736,877	5,044,362	-	-
Over time	23,336,920	19,000,483	160	227
	29,073,797	24,044,845	160	227

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

5. COST OF SALES

Included in cost of sales are the following:-

	Group	
	2023 RM'000	2022 RM'000
	(Restated)	
Cost of inventories	3,242,358	2,778,154
Construction contracts costs	1,125,646	1,017,301
Cost of fuel, raw materials and consumable	14,318,315	12,967,759
Property development costs	142,543	82,021

6. FINANCE COSTS

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
	(Restated)			
Interest expense				
- Bonds	1,169,062	877,636	146,237	141,390
- Borrowings	1,130,180	651,169	37,684	29,114
- Post-employment benefit obligations	(10,834)	6,188	-	-
- Lease liabilities	82,196	87,879	230	485
	2,370,604	1,622,872	184,151	170,989
Less: Amounts capitalised in				
- Property, plant and equipment	11	(53,861)	(36,306)	-
Interest expense of financial liabilities carried at amortised cost		2,316,743	1,586,566	184,151
				170,989

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

7. PROFIT BEFORE TAX

Note	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 5 & 6 to the Financial Statements):-				
Amortisation of contract costs	24	1,021	1,537	-
Amortisation of intangible assets	19	64,577	68,762	-
Auditors' remuneration				
- statutory audit				
- current financial year		11,464	10,253	256
- under/(over) provision in prior financial year		7	(102)	-
- others		1,116	1,134	16
Bad debts written off		1,530	2,704	4
- receivables				
Cash flow hedges, reclassified from hedging				
reserve to cost of sales		(31,912)	(331,254)	-
Development expenditure written down	14(a)	2,413	-	-
Development expenditure written off	14(b)	-	63,921	-
Depreciation of property, plant and equipment	11	1,620,651	1,608,338	5,088
Depreciation of right-of-use assets	12	213,476	186,732	6,677
Directors' remuneration				
- emoluments		61,794	53,569	1,645
- fees		1,910	1,869	898
- benefits-in-kind		561	450	140
Hedge ineffectiveness recognised in profit or loss		6,333	7,171	-
Impairment losses on/(Reversal of)				
- amount due from subsidiaries	38(d)	-	-	(11,802)
- amount due from related parties	38(d)	150	206	-
- contract assets	38(d)	2,622	270	-
- intangible assets	19	159	174,000	-
- receivables - net of reversal	38(d)	147,974	122,115	-
- investments		2,805	5,262	2,805
- investment in subsidiaries		-	-	73,776
- investment in associates		270	-	-
- investment in joint venture		-	5,273	-
Infrastructure maintenance expenses		115,415	117,144	-
Investment written off		-	1	-
Inventories written down		252	1,490	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

7. PROFIT BEFORE TAX (CONTINUED)

Note	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 5 & 6 to the Financial Statements):- (continued)				
Lease expense not recognised in lease liabilities				
- short-term lease	93,097	79,099	199	101
- low value assets	1,719	2,317	-	-
Loss on foreign exchange				
- realised	32,372	54,736	1,504	1,455
- unrealised	40,567	51,152	-	-
Net fair value gain on financial assets, at FVTPL	(94,728)	(12,403)	-	-
Property development costs written down	23	17,424	-	-
Property, plant and equipment written off	11	14,403	20,543	34
Rates		142,203	149,450	-
Share option expenses		28,713	6,988	5,094
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 4 to the Financial Statements):-				
Adjustment on fair value of investment properties	13	68,559	(3,617)	-
Amortisation of deferred income		(5,632)	(6,008)	-
Amortisation of grants and contributions	33	(17,951)	(18,999)	-
Bad debts recovered		(2,354)	(4,640)	-
Gain on a bargain purchase		-	(270,818)	-
(Gain)/loss on disposal of				
- investments - net		(6,089)	(17,479)	(2,546)
- property, plant and equipment		(6,514)	(76,620)	-
- associated companies - net		1,843	(1,271,456)	-
- subsidiaries		-	(4,916)	-
Gain on foreign exchange				
- realised		(40,515)	(12,226)	(13,877)
- unrealised		(197,268)	(81,003)	-
Gain on lease termination		(1,926)	(991)	-
Gain on lease modification and reassessment		(501)	(855)	-
Gross dividend from quoted investments, within Malaysia		(504)	(823)	-
Hiring income from plant, machinery and equipment		(25,153)	(21,266)	-
Interest income from financial assets measured at amortised cost				
- fixed deposits		(132,995)	(55,340)	-
- others		(6,157)	(15,502)	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

7. PROFIT BEFORE TAX (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 4 to the Financial Statements):-(continued)					
Interest income - net investment in leases		(433)	(681)	-	-
Net fair value loss/(gain) on investments	18	1,536	105,517	(6,894)	7,405
Operating lease income		(371)	(409)	-	-
Rental income					
- other properties		(19,229)	(8,604)	(642)	(443)
Write back of impairment loss on					
- property, plant and equipment	11	(23,727)	(10,300)	-	-
Provision for liabilities and charges	36	7,467	21,003	-	-

Directors' remuneration

Details of the total remuneration of each Director of the Company received from YTL Corporation Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2023 and 30 June 2022, are as follows:-

Group - 2023	Fees	Salaries	Bonus	Defined contribution plan	Others*	Estimated money value of benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	350	14,352	1,651	1,387	2	174	17,916
Dato' Yeoh Seok Kian	222	6,941	931	866	3	96	9,059
Dato' Yeoh Soo Min	-	5,370	829	696	1	44	6,940
Dato' Yeoh Seok Hong	-	5,718	887	745	1	52	7,403
Dato' Sri Michael Yeoh Sock Siong	-	5,878	848	723	2	44	7,495
Dato' Yeoh Soo Keng	-	4,848	808	679	207	45	6,587
Dato' Mark Yeoh Seok Kah	-	5,132	789	663	3	32	6,619
Syed Abdullah Bin Syed Abd. Kadir	-	648	80	29	1	74	832
Non-Executive Directors							
Dato' Chong Keap Thai @ Cheong Keap Tai	210	-	-	-	13	-	223
Dato' Ahmad Fuad Bin Mohd Dahalan	420	-	-	-	20	-	440
Faiz Bin Ishak	460	-	-	-	31	-	491
Raja Noorma Binti Raja Othman	220	-	-	-	9	-	229
Choo Yeo Kwan @ Choo Yee Kwan	28	-	-	-	3	-	31
	1,910	48,887	6,823	5,788	296	561	64,265

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

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 2023 and 30 June 2022, are as follows:- (continued)

Company - 2023	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan	Others* RM'000	Estimated money value of benefits- in-kind RM'000	Total RM'000
				plan			
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	92	92
Dato' Yeoh Seok Kian	-	1,218	203	171	1	34	1,627
Dato' Yeoh Soo Min	-	-	-	-	-	-	-
Dato' Yeoh Seok Hong	-	-	-	-	-	-	-
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	-	-	-
Dato' Yeoh Soo Keng	-	-	-	-	-	-	-
Dato' Mark Yeoh Seok Kah	-	-	-	-	-	14	14
Syed Abdullah Bin Syed Abd. Kadir	-	-	-	-	-	-	-
Non-Executive Directors							
Dato' Chong Keap Thai @ Cheong Keap Tai	210	-	-	-	13	-	223
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	11	-	221
Faiz Bin Ishak	230	-	-	-	16	-	246
Raja Noorma Binti Raja Othman	220	-	-	-	9	-	229
Choo Yoo Kwan @ Choo Yee Kwan	28	-	-	-	3	-	31
	898	1,218	203	171	53	140	2,683

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

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 2023 and 30 June 2022, are as follows:- (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

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 2023 and 30 June 2022, are as follows:- (continued)

	Fees RM'000	Salaries RM'000	Bonus RM'000	Defined contribution plan RM'000	Others* RM'000	Estimated money value of benefits- in-kind		Total RM'000
Company - 2022								
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	-	-	-	-	-	106	106	
Dato' Yeoh Seok Kian	-	1,218	-	146	1	48	1,413	
Dato' Yeoh Soo Min	-	-	-	-	-	-	-	
Dato' Yeoh Seok Hong	-	-	-	-	-	-	-	
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	-	-	-	
Dato' Yeoh Soo Keng	-	-	-	-	-	-	-	
Dato' Mark Yeoh Seok Kah	-	-	-	-	-	14	14	
Non-Executive Directors								
Dato' Chong Keap Thai @ Cheong Keap Tai	230	-	-	-	14	-	244	
Dato' Ahmad Fuaad Bin Mohd Dahalan	210	-	-	-	11	-	221	
Faiz Bin Ishak	230	-	-	-	14	-	244	
Raja Noorma Binti Raja Othman	220	-	-	-	9	-	229	
	890	1,218	-	146	49	168	2,471	

* Includes SOCSO, meeting allowances, etc

NOTES TO THE FINANCIAL STATEMENTS

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7. PROFIT BEFORE TAX (CONTINUED)**Employee benefits expenses**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Employees compensation (excluding Directors' remuneration)				
Wages, salaries and bonus	1,357,982	1,004,853	20,241	17,329
Defined contribution plan	150,369	104,650	2,225	1,916
Defined benefit plan	34,192	54,894	-	-
Other benefits	56,683	46,816	766	807
	1,599,226	1,211,213	23,232	20,052

8. INCOME TAX EXPENSE

	Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000
Current income tax				
- Malaysian income tax		154,494	198,981	10,972
- Foreign income tax		390,085	117,744	-
Deferred tax	34	62,190	52,278	-
		606,769	369,003	10,972
				12,455
Current income tax				
- Current financial year		590,162	333,558	9,702
- (Over)/Under provision in prior financial years		(45,583)	(16,833)	1,270
Deferred tax				
- Relating to origination and reversal of temporary differences		62,190	52,278	-
		606,769	369,003	10,972
				12,455

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

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	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before tax	2,729,113	1,818,355	86,710	167,105
Taxation at Malaysian statutory tax rate of 24% (2022 : 24%)	654,987	436,405	20,810	40,105
Non-deductible expenses	517,564	510,580	63,288	56,659
Income not subject to tax	(205,909)	(452,988)	(71,385)	(93,557)
Different tax rates in other countries	(205,642)	(28,715)	(3,011)	-
Double deductible expenses	(822)	(1,081)	-	-
(Over)/Under-provision in prior years	(45,583)	(16,833)	1,270	9,248
Tax effect on share of profits of associated companies and joint ventures	(100,811)	(106,092)	-	-
Tax effect of unrecognised deferred tax assets	(7,015)	27,727	-	-
Income tax expense	606,769	369,003	10,972	12,455

9. EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share 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	
	2023	2022 (Restated)
Profit for the financial year attributable to owners of the parent (RM'000)	1,095,699	695,109
Weighted average number of ordinary shares in issue ('000)	10,964,086	10,964,088
Basic earnings per share (sen)	9.99	6.34

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

9. EARNINGS PER SHARE (CONTINUED)**(b) Diluted earnings per share**

Diluted earnings per share 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 is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2023	2022 (Restated)
Profit for the financial year attributable to owners of the parent (RM'000)	1,095,699	695,109
Weighted average number of ordinary shares in issue ('000)	10,964,086	10,964,088
Adjustments for ESOS ('000)	60,956	53,794
Weighted average number of ordinary shares for diluted earnings per shares ('000)	11,025,042	11,017,882
Diluted earnings per share (sen)	9.94	6.31

10. DIVIDENDS

	Group / Company			
	2023		2022	
	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 2022:-				
Interim dividend of 3.0 sen per ordinary share paid on 29 November 2022	3.0	328,923	-	-
Dividend paid in respect of financial year ended 30 June 2021:-				
Interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	-	-	2.5	274,102
Dividend recognised as distribution to ordinary equity holders of the Company	3.0	328,923	2.5	274,102

On 24 August 2023, the Board of Directors declared an interim dividend of 4 sen per ordinary share for the financial year ended 30 June 2023. The book closure and payment dates in respect of the aforesaid dividend are 10 November 2023 and 29 November 2023, respectively. The financial statements for the current financial year do not reflect this interim dividend. Instead, this dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2024.

The Board of Directors do not recommend a final dividend in respect of the financial year ended 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

11. PROPERTY, PLANT AND EQUIPMENT

Note	Lands & buildings*	Infrastructure & site facilities	Plant & machinery	Furniture, fixtures & equipment	Vehicles	Telecom- munication equipment	Assets under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2023								
Cost								
At 1.7.2022, as previously reported	12,254,968	9,692,115	25,633,525	2,153,486	973,371	3,419,907	1,560,120	55,687,492
Purchase price allocation ("PPA") adjustment *	(28,359)	-	427,143	-	555	-	-	399,339
At 1.7.2022, restated	12,226,609	9,692,115	26,060,668	2,153,486	973,926	3,419,907	1,560,120	56,086,831
Additions	20,949	21,405	35,147	29,478	32,517	3,920	2,036,691	2,180,107
Currency translation differences	684,822	1,068,509	1,729,276	128,171	39,818	-	146,772	3,797,368
Disposals	(624,983)	(15,525)	(1,717,865)	(12,776)	(52,451)	(146)	(551)	(2,424,297)
Reversal of impairment	7	23,820	-	-	-	-	-	23,820
Transfer on commissioning	290,308	589,780	904,441	68,920	38,946	20,177	(1,912,572)	-
Transfer to intangible assets	(5,138)	-	13,330	(5,939)	-	-	(3,069)	(816)
Written off	7	(1,593)	(1,051)	(307,119)	(10,517)	(434)	(1,282)	(624)
At 30.6.2023	12,614,794	11,355,233	26,717,878	2,350,823	1,032,322	3,442,576	1,826,767	59,340,393
Accumulated depreciation and impairment								
At 1.7.2022, as previously reported	3,847,516	944,819	15,648,979	1,229,428	701,760	1,371,887	-	23,744,389
Purchase price allocation ("PPA") adjustment*	(131)	-	1,521	-	16	-	-	1,406
At 1.7.2022, restated	3,847,385	944,819	15,650,500	1,229,428	701,776	1,371,887	-	23,745,795
Charge for the financial year	251,447	89,259	955,323	140,794	62,344	127,950	-	1,627,117
Currency translation differences	212,592	105,218	899,015	67,637	24,633	-	-	1,309,095
Disposals	(607,247)	(15,525)	(1,682,080)	(12,667)	(46,540)	(86)	-	(2,364,145)
(Reversal of impairment)/ impairment loss	7	(40)	-	133	-	-	-	93
Transfer on commissioning	2	-	345	(7)	(340)	-	-	-
Transfer to intangible assets	(6,060)	-	10,679	(4,619)	-	-	-	-
Written off	7	(1,093)	(107)	(295,664)	(10,155)	(434)	(764)	(308,217)
At 30.6.2023	3,696,986	1,123,664	15,538,118	1,410,544	741,439	1,498,987	-	24,009,738
Net book value								
At 30.6.2023	8,917,808	10,231,569	11,179,760	940,279	290,883	1,943,589	1,826,767	35,330,655

* This is in relation to a PPA adjustment on the acquisition of a power plant and associated assets of Tuaspring Pte. Ltd.

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note	Land & buildings*	Infrastructure & site facilities	Plant & machinery	Furniture, fixtures & equipment	Vehicles	Telecom- munications equipment	Assets under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2022								
Cost								
At 1.7.2021	11,848,653	10,094,992	25,007,809	2,250,370	1,036,248	3,385,937	1,400,408	55,024,417
Acquisition of subsidiaries, as restated	95,624	-	1,090,241	23	1,236	-	-	1,187,124
Additions	441,039	42,410	16,391	24,911	23,995	1,257	1,457,131	2,007,134
Currency translation differences, as restated	(507,321)	(735,942)	(574,003)	(98,036)	(20,023)	-	(107,164)	(2,042,489)
Disposals	(283)	(3)	(59,592)	(2,860)	(92,681)	(144)	(443)	(156,006)
Disposal of subsidiary	(5,954)	(67,391)	(9,506)	(83)	-	-	(20,028)	(102,962)
Reversal of impairment loss	7	10,300	-	-	-	-	-	10,300
Transfer from development expenditures	14	200,002	-	-	-	-	-	200,002
Transfer from investment properties	13	-	-	(25,381)	-	-	109,764	84,383
Transfer on commissioning		137,379	361,965	665,964	38,630	25,384	44,461	(1,273,783)
Transfer from/(to) right-of-use assets	12	15,075	-	-	-	(11,501)	-	3,574
Written off	7	(7,905)	(3,916)	(51,255)	(59,469)	(233)	(103)	(5,765)
At 30.6.2022, as restated		12,226,609	9,692,115	26,060,668	2,153,486	973,926	3,419,907	1,560,120
Accumulated depreciation and impairment								
At 1.7.2021	3,712,361	934,728	15,101,093	1,191,626	725,557	1,238,734	-	22,904,099
Charge for the financial year, as restated	249,877	86,986	933,337	145,227	64,874	137,206	-	1,617,507
Currency translation differences, as restated	(126,912)	(69,497)	(283,555)	(46,214)	(9,406)	-	-	(535,584)
Disposals	-	(3)	(53,807)	(2,821)	(74,380)	-	-	(131,011)
Disposal of subsidiary	(2,270)	(6,461)	(1,894)	(83)	-	-	-	(10,708)
Transfer on commissioning		3,865	-	1,924	(1,041)	(4,748)	-	-
Transfer from/(to) right-of-use assets	12	13,876	-	-	-	(4,281)	-	9,595
Written off	7	(3,412)	(934)	(46,598)	(57,266)	(121)	228	-
At 30.6.2022, as restated		3,847,385	944,819	15,650,500	1,229,428	701,776	1,371,887	-
Net book value								
At 30.6.2022, as restated		8,379,224	8,747,296	10,410,168	924,058	272,150	2,048,020	1,560,120
								32,341,036

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Freehold land RM'000	Building on freehold land RM'000	Building on long-term leasehold land RM'000	Building on short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2023						
Cost						
At 1.7.2022, as previously reported	1,551,592	8,376,095	1,570,548	736,869	19,864	12,254,968
Purchase price allocation ("PPA") adjustment*	-	-	-	(28,359)	-	(28,359)
At 1.7.2022, as restated	1,551,592	8,376,095	1,570,548	708,510	19,864	12,226,609
Additions	3,409	7,940	4,471	930	4,199	20,949
Currency translation differences	48,119	576,309	36,600	20,313	3,481	684,822
Disposals	(9,276)	(615,001)	(706)	-	-	(624,983)
Reversal of impairment	-	23,820	-	-	-	23,820
Transfers	860	286,917	(40,220)	(3,169)	40,782	285,170
Written off	-	(1,593)	-	-	-	(1,593)
At 30.6.2023	1,594,704	8,654,487	1,570,693	726,584	68,326	12,614,794
Accumulated depreciation and impairment						
At 1.7.2022, as previously reported	40	2,759,054	728,546	351,256	8,620	3,847,516
Purchase price allocation ("PPA") adjustment*	-	-	-	(131)	-	(131)
At 1.7.2022, as restated	40	2,759,054	728,546	351,125	8,620	3,847,385
Charge for the financial year	-	193,043	37,477	18,969	1,958	251,447
Currency translation differences	-	179,353	22,475	7,290	3,474	212,592
Disposals	-	(607,235)	(12)	-	-	(607,247)
Reversal of impairment loss	(40)	-	-	-	-	(40)
Transfers	-	-	(29,018)	(4,504)	27,464	(6,058)
Written off	-	(1,093)	-	-	-	(1,093)
At 30.6.2023	-	2,523,122	759,468	372,880	41,516	3,696,986
Net book value						
At 30.6.2023	1,594,704	6,131,365	811,225	353,704	26,810	8,917,808

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Freehold land RM'000	Building on freehold land RM'000	long-term leasehold land RM'000	Building on short-term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2022						
Cost						
At 1.7.2021	946,106	8,017,784	1,789,498	1,076,247	19,018	11,848,653
Acquisition of subsidiaries, as restated	9,265	6,176	-	80,183	-	95,624
Additions	428,899	7,561	4,131	448	-	441,039
Currency translation differences, as restated	(26,126)	(482,089)	12,048	(11,154)	-	(507,321)
Disposal of subsidiary	-	(5,954)	-	-	-	(5,954)
Disposals	(258)	(25)	-	-	-	(283)
Reversal of impairment	-	10,300	-	-	-	10,300
Transfers	193,706	830,035	(235,116)	(437,015)	846	352,456
Written off	-	(7,693)	(13)	(199)	-	(7,905)
At 30.6.2022, as restated	1,551,592	8,376,095	1,570,548	708,510	19,864	12,226,609
Accumulated depreciation and impairment						
At 1.7.2021	40	2,646,802	673,704	384,104	7,711	3,712,361
Charge for the financial year, as restated	-	194,948	39,059	15,110	760	249,877
Currency translation differences, as restated	-	(145,320)	10,255	8,153	-	(126,912)
Disposal of subsidiary	-	(2,270)	-	-	-	(2,270)
Transfers	-	68,094	5,541	(56,043)	149	17,741
Written off	-	(3,200)	(13)	(199)	-	(3,412)
At 30.6.2022, as restated	40	2,759,054	728,546	351,125	8,620	3,847,385
Net book value						
At 30.6.2022, as restated	1,551,552	5,617,041	842,002	357,385	11,244	8,379,224

NOTES TO THE FINANCIAL STATEMENTS

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Company - 2023				
Cost				
At 1.7.2022		7,985	9,152	17,137
Additions		39,245	1,112	40,357
Written off		(4,000)	-	(4,000)
At 30.6.2023		43,230	10,264	53,494
Accumulated depreciation				
At 1.7.2022		7,475	5,651	13,126
Charge for the financial year	7	5,088	-	5,088
Written off		(3,966)	-	(3,966)
At 30.6.2023		8,597	5,651	14,248
Net book value				
At 30.6.2023		34,633	4,613	39,246
Company - 2022				
Cost				
At 1.7.2021		7,627	9,083	16,710
Additions		358	177	535
Disposals		-	(108)	(108)
At 30.6.2022		7,985	9,152	17,137
Accumulated depreciation				
At 1.7.2021		7,346	5,644	12,990
Charge for the financial year	7	129	93	222
Disposals		-	(86)	(86)
At 30.6.2022		7,475	5,651	13,126
Net book value				
At 30.6.2022		510	3,501	4,011

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Recognised in Income Statements	7	1,620,651	1,608,338	5,088	222
Construction contract	24(c)	6,466	9,169	-	-
		1,627,117	1,617,507	5,088	222

- (b) Assets under finance lease

The net book value of the property, plant and equipment held under finance leases as at reporting date are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Vehicles	7,476	8,156	170	170

- (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	
	2023 RM'000	2022 RM'000
Land	408,240	395,336
Buildings	1,856,854	1,877,305
	2,265,094	2,272,641

- (d) Borrowing costs

Borrowing costs of RM53,861 million (2022: RM36,306 million) arising on financing specifically entered into for the construction of property, plant and equipment were capitalised during the financial year.

The Group revised the useful lives of certain property, plant and equipment during the financial year. This revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year ended 30 June 2023 decreased by RM31.9 million. Assuming the assets are held until the end of their estimated useful lives, depreciation in relation to these assets will be decreased by approximate RM124.6 million per annum.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessment for property, plant and equipment ("PPE") of a subsidiary

The recoverable amount of the PPE assessed as part of a cash generating unit ("CGU") is determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of PPE of a subsidiary in the telecommunications business division:-

	2023	2022
Discount rate	9.2%	9.1%
Average service revenue growth rate	49.4%	18.4%
Terminal year earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin	26.7%	31.4%

The discount rate applied to the cash flow projections are derived from the cost of capital at the date of the assessment.

The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts covering a 5-year period, adjusted to reflect market participants assumptions. Cash flows beyond the 5-year period were extrapolated a further 12 (2022: 13) years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2022: 2.5%).

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

The carrying amount of the CGU as at 30 June 2023 is RM2.3 billion (2022: RM2.4 billion). No impairment charge was recognised as the recoverable amount of the CGU was in excess of its carrying amount.

If the discount rate increased by 4% (2022: 4%), the carrying value will be reduced by approximate RM68 million (2022: RM168 million). If the average service revenue growth rate reduced by 2% (2022: 2%), the carrying value will be reduced by approximate RM74 million (2022: RM150 million). And, if the terminal year EBITDA margin reduced by 7% (2022: 8%), the carrying value will be reduced by approximate RM21 million (2022: RM76 million).

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

12. RIGHT-OF-USE ASSETS

Note	Telecom- munications network		Buildings	Motor vehicles	Plant and machinery	Leasehold land	Others	Total						
	Land	site and equipment												
Group - 2023														
Net Book Value:-														
At 1.7.2022, as previously reported	89,715	356,602	481,596	1,439	1,574	621,803	200	1,552,929						
PPA adjustment*	-	-	-	-	-	(4,614)	-	(4,614)						
At 1 July 2022, as restated	89,715	356,602	481,596	1,439	1,574	617,189	200	1,548,315						
Additions	6,701	51,005	11,241	3,721	1,920	3,669	120	78,377						
Charge for the financial year	7	(18,513)	(127,866)	(42,936)	(1,688)	(911)	(21,495)	(67)						
Currency translation differences		49,707	-	(22,970)	329	270	15,233	81						
Expiry/Termination	-	(16,107)	(3,358)	(45)	-	-	-	(19,510)						
Modification	578	87,948	-	-	-	-	-	88,521						
At 30.6.2023	128,188	351,582	423,573	3,756	2,853	614,596	329	1,524,877						
At 30.6.2023														
Cost	204,119	1,333,500	553,345	6,472	10,558	962,575	435	3,071,004						
Accumulated depreciation	(75,931)	(981,918)	(129,772)	(2,716)	(7,705)	(347,979)	(106)	(1,546,127)						
Net book value	128,188	351,582	423,573	3,756	2,853	614,596	329	1,524,877						

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

12. RIGHT-OF-USE ASSETS (CONTINUED)

Note	Telecom- munications network site and equipment		Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Leasehold land RM'000	Others RM'000	Total RM'000						
	Land RM'000	Equipment RM'000												
Group - 2022														
Net Book Value:-														
At 1.7.2021	91,699	396,231	590,302	1,037	3,133	629,912	203	1,712,517						
Additions	14,716	47,276	62,838	2,081	114	1,600	-	128,625						
Acquisition of subsidiary, as restated	-	-	-	-	-	13,105	-	13,105						
Charge for the financial year, as restated	7	(19,071)	(114,833)	(31,130)	(1,128)	(166)	(20,401)	(3) (186,732)						
Currency translation differences, as restated	993	-	(16,073)	(80)	(145)	(6,398)	-	(21,703)						
Expiry/Termination	-	(18,387)	(7,408)	(471)	(1,362)	-	-	(27,628)						
Modification	1,378	39,095	-	-	-	(629)	-	39,844						
Transfer to investment properties	13	-	-	(115,734)	-	-	-	(115,734)						
Transfer from/(to) property, plant and equipment	11	-	7,220	(1,199)	-	-	-	6,021						
At 30.6.2022, as restated	89,715	356,602	481,596	1,439	1,574	617,189	200	1,548,315						
At 30.6.2022, as restated														
Cost	145,805	1,246,218	566,150	2,307	7,703	933,864	209	2,902,256						
Accumulated depreciation	(56,090)	(889,616)	(84,554)	(868)	(6,129)	(316,675)	(9)	(1,353,941)						
Net book value	89,715	356,602	481,596	1,439	1,574	617,189	200	1,548,315						

* This is in relation to a PPA adjustment on the acquisition of a power plant and associated assets of Tuaspring Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

12. RIGHT-OF-USE ASSETS (CONTINUED)

	Note	Building		
		2023 RM'000	2022 RM'000	
Company				
Net Book Value:-				
At 1 July		8,903	15,580	
Charge for the financial year	7	(6,677)	(6,677)	
At 30 June		2,226	8,903	
At 30 June				
Cost		20,031	20,031	
Accumulated depreciation		(17,805)	(11,128)	
Net book value		2,226	8,903	

The Group and the Company have lease contracts for various items of land, telecommunications network site and equipment, buildings, motor vehicles, plant and machinery, leasehold land and others used in their operations. Rental contracts duration is typically between 2 to 97 years (2022: 2 to 97 years) with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group and the Company also have certain leases with lease terms of 12 months or less and leases that have been determined to be low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases.

The right-of-use assets relating to commercial properties presented under investment properties (Note 13) is stated at fair value and has a carrying amount at reporting date of RM546.284 million (2022: RM623.163 million).

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

13. INVESTMENT PROPERTIES

	Note	Freehold land & buildings RM'000	Long-term leasehold land & buildings RM'000	Total RM'000
Group - 2023				
At beginning of the financial year		1,427,458	549,137	1,976,595
Additions		3,941	655	4,596
Changes in fair value:-				
- Per valuation	7	(33,183)	(37,085)	(70,268)
- Unbilled lease income	7	870	839	1,709
Unbilled lease income		(870)	(839)	(1,709)
Currency translation differences		55,812	-	55,812
Modification of lease liabilities		(69)	-	(69)
At end of the financial year		1,453,959	512,707	1,966,666
Group - 2022				
At beginning of the financial year		1,412,763	563,735	1,976,498
Additions		115	1,625	1,740
Changes in fair value:-				
- Per valuation	7	38,443	(16,223)	22,220
- Unbilled lease income	7	(9,190)	(9,413)	(18,603)
Unbilled lease income		9,190	9,413	18,603
Currency translation differences		(42,009)	-	(42,009)
Transfer to property, plant and equipment	11	(84,383)	-	(84,383)
Transfer from right-of-use assets	12	115,734	-	115,734
Modification of lease liabilities		(13,205)	-	(13,205)
At end of the financial year		1,427,458	549,137	1,976,595

Investment properties with carrying amount of RM482 million (2022: RM487 million) are charged as security for a borrowing granted to the Group as disclosed in Note 30 and Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

13. INVESTMENT PROPERTIES (CONTINUED)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2023				
<u>Recurring fair value measurements:-</u>				
Investment properties				
- Commercial properties	-	-	556,074	556,074
- Hotel properties	-	-	688,500	688,500
- Other properties	-	47,620	674,472	722,092
Total	-	47,620	1,919,046	1,966,666
Group - 2022				
<u>Recurring fair value measurements:-</u>				
Investment properties				
- Commercial properties	-	-	632,564	632,564
- Hotel properties	-	-	682,500	682,500
- Other properties	-	46,487	615,044	661,531
Total	-	46,487	1,930,108	1,976,595

Rental income from investment properties of the Group during the financial year amounted to RM97.214 million (2022: RM87.255 million).

Direct operating expenses from investment properties in respect of income and non-income generating properties of the Group during the financial year amounted to RM8.549 million (2022: RM9.315 million) and RM22.408 million (2022: RM16.380 million), respectively.

(a) Fair value information

The Group's investment properties are valued based on sale comparison approach and unobservable inputs and classified in Level 2 and Level 3 respectively of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 39(b) to the financial statements.

During the current financial year, there was no transfer between Level 1, Level 2 and Level 3 fair value measurements.

(b) Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square meter.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

13. INVESTMENT PROPERTIES (CONTINUED)**(c) Fair value measurements using significant unobservable inputs (Level 3)**

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

(i) Commercial properties

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow approach which involves the estimation and projection of income stream over a period and discounting the future income stream to arrive at the present value.	Discount rate from 7.00% to 8.50% (2022: 6.50% to 7.50%)	The higher the discount rate, the lower the fair value.
	Estimate rental value per square feet per month	The higher the estimate rental per square feet, the higher the fair value.

(ii) Hotel properties

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach which capitalise the estimated rental income stream, net projected operating costs, using a discount rate derived from market yield.	Discount rate of 6.25% to 7.00% (2022: 6.00% to 7.00%)	The higher the discount rate, the lower the fair value.
	Capitalisation rate of 5.25% to 5.50% (2022: 6.00% to 7.00%)	The higher the capitalisation rate, the lower the fair value.

(iii) Other properties - UK

Valuation technique	Significant unobservable input	Range	
		2023	2022
Land and buildings in United Kingdom	Income approach Unit density per acre	18-28	18-28

NOTES TO THE FINANCIAL STATEMENTS

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13. INVESTMENT PROPERTIES (CONTINUED)**(c) Fair value measurements using significant unobservable inputs (Level 3) (continued)****(iii) Other properties - UK (continued)**

In determining the fair value, the valuer 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 estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuation that may be materially different from the valuation as at reporting date. A 1.0% (2022: 0.5%) change in the discount rate would lead to a movement of RM11.4 million (2022: RM10.1 million) in the valuation.

Management is satisfied that the valuation reflected in these statements is reasonable. In making this assessment, management has reviewed the estimated cash flows for the development and the future rent roll which continue to support the valuations presented within the financial statements. Management constantly monitors market data which shows conditions have been strong despite the cost of living crisis, further justifying the valuations included in these statements.

14. DEVELOPMENT EXPENDITURES

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

Group - 2023	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development					
At beginning of the financial year		349,020	196,237	258,556	803,813
Additions		-	-	10,621	10,621
Transfer to property development costs	23	-	(7,227)	(5,934)	(13,161)
Transfer to inventory		-	(12,133)	(3,209)	(15,342)
Written down	7	-	(2,413)	-	(2,413)
At end of the financial year		349,020	174,464	260,034	783,518
(b) Project development expenditure					
At beginning of the financial year		-	-	2,540	2,540
Additions		-	-	32	32
Currency translation difference		-	-	3	3
At end of the financial year		-	-	2,575	2,575
Total development expenditures		349,020	174,464	262,609	786,093

NOTES TO THE FINANCIAL STATEMENTS

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14. DEVELOPMENT EXPENDITURES (CONTINUED)

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

Group - 2022	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development					
At beginning of the financial year		349,020	204,574	254,322	807,916
Additions		-	664	23,953	24,617
Reclassification		-	(284)	284	-
Transfer to inventory		-	-	(73)	(73)
Transfer to property development costs	23	-	(8,717)	(19,930)	(28,647)
At end of the financial year		349,020	196,237	258,556	803,813
(b) Project development expenditure					
At beginning of the financial year		-	181,401	78,111	259,512
Additions		-	-	2,593	2,593
Charge to Income Statements	7	-	-	(63,921)	(63,921)
Currency translation difference		-	3,240	1,118	4,358
Transfer to property, plant and equipment	11	-	(184,641)	(15,361)	(200,002)
At end of the financial year		-	-	2,540	2,540
Total development expenditures		349,020	196,237	261,096	806,353

Land held for property development with carrying amount of RM269.010 million (2022: RM421.746 million) are charged as security for borrowing granted to the Group as disclosed in Note 31 to the financial statements.

During the financial year, the land held for property development of the Group with carrying value amounting of RM155.773 million has been discharged as bank security.

Project development expenditure consist of land acquisition costs, professional fees and related costs was transferred to property, plant and equipment and written off accordingly during the previous financial year following a decision of the Group to achieve carbon neutrality in operations by 2050.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Quoted shares, at cost	3,470,028	3,470,028
Unquoted shares, at cost	4,931,851	4,849,175
Less: Accumulated impairment losses	(159,650)	(85,874)
	8,242,229	8,233,329
Market value		
- Quoted shares	6,060,237	3,609,909

The Group's and the Company's ownership interests in subsidiaries, their respective principal activities and country of incorporation are listed in Note 44 to the financial statements.

The country of incorporation of subsidiary is also their place of principal place of business except certain subsidiaries are different with the country of incorporation.

(a) Acquisition of significant subsidiary**(i) Taser Power Pte. Ltd.**

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

The Group reassessed the fair value of identified assets acquired and liabilities assumed on the date of acquisition via a purchase price allocation exercise. These were finalised in current financial year. Comparative figures have been adjusted. Fair values have been determined by independent, professionally qualified valuers using replacement costs or present value of expected net cash flows.

Details of consideration transferred and gain on bargain purchase recognised are as follows:

	As previously reported 2022 RM'000	PPA adjustment RM'000	As restated 2022 RM'000
Cash consideration	839,729	-	839,729
Fair value of net assets acquired	(771,915)	(338,632)	(1,110,547)
Provisional goodwill/(Gain on bargain purchase)	67,814	(338,632)	(270,818)

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15. INVESTMENT IN SUBSIDIARIES (CONTINUED)**(a) Acquisition of significant subsidiary (continued)****(i) Taser Power Pte. Ltd. (continued)**

Details of the fair value of identifiable net assets acquired were as follows:

	As previously reported 2022 RM'000	PPA adjustment RM'000	As restated 2022 RM'000
Property, plant and equipment	779,408	392,275	1,171,683
Right-of-use assets	17,658	(4,553)	13,105
Inventories	42,663	-	42,663
Deferred taxation	-	(60,035)	(60,035)
Deferred liabilities	(67,814)	10,945	(56,869)
Identifiable net assets acquired	771,915	338,632	1,110,547

(a) Acquisition-related costs

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

(b) Fair value of net assets acquired

The above fair value of identifiable assets acquired and liabilities assumed have been determined on a provisional basis in previous financial year and a provisional goodwill of RM67.8 million was recognised. The fair value of identifiable assets and liabilities were finalised during the financial year. A gain of bargain purchase of RM270.8 million was recognised and the comparative figures have been adjusted.

(c) Gain on bargain purchase

The acquisition resulted in a gain on bargain purchase of RM270.8 million because the fair value of assets acquired and liabilities assumed exceeded the consideration transferred. The gain of bargain purchase is due to the business being acquired from a receiver and manager process where the judicial manager has concluded that the sale of the business was the best possible outcome of the judicial management. The gain on bargain purchase has been recognised in "Other operating income" line of the Group's Income Statements for the year ended 30 June 2022.

(d) Revenue and profit contribution

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

(e) Deferred liabilities

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

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15. INVESTMENT IN SUBSIDIARIES (CONTINUED)**(b) Disposal of significant subsidiaries****(i) Albion Water Limited**

During the previous financial year, Wessex Water Limited, an indirect subsidiary of the Company disposed its shareholdings in Albion Water Limited.

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

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

(c) Acquisition of additional interest in a subsidiaries

During the year, the Group acquired the addition shares in the YTL Land & Development Berhad, YTL Cement Berhad, YTL Civil Engineering Sdn. Bhd. and Frog Education Group Ltd. for a total purchase consideration of RM10.02 million. There is no material impact of changes in the ownership interest of those companies during the year.

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15. INVESTMENT IN SUBSIDIARIES (CONTINUED)**(d) Non-controlling interests in subsidiaries**

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

	YTL Power Group RM'000	YTL REIT Group RM'000	Malayan Cement Berhad RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
Group - 2023					
NCI effective equity interest	44.43%	43.04%	22.96%		
Carrying amount of NCI	3,594,197	691,077	963,303	398,963	5,647,540
Profit allocated to NCI	1,193,394	61,103	34,937	35,746	1,325,180

Summarised financial information before inter-company elimination are as follows:-

As at 30 June 2023

Non-current assets	44,076,406	4,903,626	8,789,809
Current assets	15,055,600	223,652	2,181,429
Non-current liabilities	(33,703,139)	(1,892,963)	(3,247,529)
Current liabilities	(9,027,996)	(326,912)	(1,769,194)
Net assets	16,400,871	2,907,403	5,954,515

Year ended 30 June**2023**

Revenue	21,890,459	486,830	3,757,046
Profit for the year	2,032,587	141,221	159,200
Total comprehensive income	2,629,046	261,518	166,529
Cash flow from operating activities	3,424,962	289,000	418,348
Cash flow used in investing activities	(2,498,047)	(14,513)	(66,014)
Cash flow from/(used in) financing activities	463,201	(176,569)	(88,318)
Net changes in cash and cash equivalents	1,390,116	97,918	264,016
Dividend paid to NCI	179,979	37,111	-

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- 30 June 2023

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)**(d) Non-controlling interests in subsidiaries (continued)**

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

	YTL Power Group RM'000 (Restated)	YTL REIT Group RM'000	Malayan Cement Berhad RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000 (Restated)
Group - 2022					
NCI effective equity interest	44.43%	43.04%	22.96%		
Carrying amount of NCI	3,031,285	667,554	926,310	77,444	4,702,593
Profit allocated to NCI	858,375	9,863	17,947	85,538	971,723

Summarised financial information before inter-company elimination are as follows:-

As at 30 June 2022

Non-current assets	39,315,172	4,758,782	8,924,332
Current assets	12,010,329	143,468	1,760,970
Non-current liabilities	(30,789,665)	(1,417,182)	(3,390,125)
Current liabilities	(6,204,409)	(712,320)	(1,516,250)
Net assets	14,331,427	2,772,748	5,778,927

Year ended 30 June 2022

Revenue	17,804,728	363,857	2,705,272
Profit for the year	1,454,687	83,872	82,085
Total comprehensive income	1,945,224	134,838	85,463
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Cash flow from operating activities	1,305,699	112,560	244,238
Cash flow used in investing activities	(336,212)	(12,164)	(1,626,940)
Cash flow (used in)/from financing activities	(2,706,341)	(119,365)	1,850,399
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Net changes in cash and cash equivalents	(1,736,854)	(18,969)	467,697
Dividend paid to NCI	161,981	30,699	-

NOTES TO THE FINANCIAL STATEMENTS

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16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quoted shares, at cost	2,176,538	2,159,384	358,780	358,780
Unquoted ordinary shares, at cost	1,162,772	1,062,871	205,241	205,241
Share of post-acquisition reserves	599,593	552,755	-	-
Accumulated impairment losses	(75,112)	(70,687)	-	-
	3,863,791	3,704,323	564,021	564,021

The Group's and the Company's ownership interests in associates, their respective principal activities and country of incorporation are listed in Note 45 to the financial statements.

Disposal of significant associated companies**ElectraNet Pty. Ltd.**

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

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

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

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16. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:-

(a) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	4,385,332	4,295,878	-	-	9,622,786	9,207,054
Current assets	1,432,204	1,256,541	-	-	250,082	281,595
Non-current liabilities	(676,942)	(636,364)	-	-	(3,694,045)	(3,117,482)
Current liabilities	(534,978)	(402,760)	-	-	(141,369)	(524,219)
Net assets	4,605,616	4,513,295	-	-	6,037,454	5,846,948
Less:						
Perpetual securities holders' funds	-	-	-	-	(343,854)	(315,357)
	4,605,616	4,513,295	-	-	5,693,600	5,531,591
Profit for the financial year	921,344	878,196	-	131,613	105,431	167,288
Other comprehensive income	-	-	-	117,306	324,223	66,128
Total comprehensive income	921,344	878,196	-	248,919	429,654	233,416
Included in the total comprehensive income is:						
Revenue	2,523,144	2,473,393	-	878,925	618,222	579,735
Other information:						
Dividends received from associates	385,646	362,742	-	-	106,901	98,026

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16. INVESTMENT IN ASSOCIATES (CONTINUED)**(b) Reconciliation of net assets to carrying amount:**

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Starhill Global Real Estate Investment Trust		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening net assets, 1 July	4,513,295	4,411,382	-	1,720,201	5,531,591	5,532,935	10,044,886	11,664,518
Management fees payable/paid in units	-	-	-	-	10,521	17,612	10,521	17,612
Distribution reinvestment plan	-	-	-	-	17,711	25,743	17,711	25,743
Profit for the financial year	921,344	878,196	-	131,613	105,431	167,288	1,026,775	1,177,097
Other comprehensive income	-	-	-	117,306	324,223	66,128	324,223	183,434
Currency translation differences	272,824	260,122	-	16,547	594	173	273,418	276,842
Dividend paid	(1,101,847)	(1,036,405)	-	-	(296,471)	(278,288)	(1,398,318)	(1,314,693)
Disposal	-	-	-	(1,985,667)	-	-	-	(1,985,667)
Closing net assets, 30 June	4,605,616	4,513,295	-	-	5,693,600	5,531,591	10,299,216	10,044,886
Interest in associates direct held by subsidiary	35.00%	35.00%	-	-	37.18%	37.17%		
Carrying amount	1,611,966	1,579,653	-	-	2,116,880	2,056,092	3,728,846	3,635,745

Goodwill amounting to RM17.089 million (2022: RM17.089 million) was included in the carrying amount of investment in associated companies.

The individually immaterial associates carrying amount is RM134.945 million (2022: RM68.578 million) and the Group's share of total comprehensive income is RM8.897 million (2022: RM5.006 million).

The Group has not recognised its share of loss of an associated company amounting to RM96.921 million because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amounted to RM221.809 million (2022: RM124.888 million) at the reporting date.

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17. INVESTMENT IN JOINT VENTURES

	Group	
	2023	2022
	RM'000	RM'000
Unquoted ordinary shares, at cost	364,761	342,721
Share of post-acquisition reserves	22,298	(60,226)
Accumulated impairment losses	(9,559)	(9,559)
	377,500	272,936

The Group's and the Company's ownership interests in joint ventures, their respective principal activities and country of incorporation are listed in Note 46 to the financial statements.

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:-

(a) Summarised financial information:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	12,039,897	10,171,057	28,320	8,874	881,650	770,153
Current assets	884,227	100,228	467,102	226,501	51,550	49,571
Non-current liabilities	(11,202,925)	(9,447,794)	-	-	(592,444)	(535,173)
Current liabilities	(1,438,944)	(555,952)	(354,176)	(201,628)	(18,086)	(15,547)
Net assets	282,255	267,539	141,246	33,747	322,670	269,004
(Loss)/Profit for the financial year	(140,291)	(78,889)	101,270	(108,701)	28,000	150,745
Other comprehensive income	138,472	312,684	-	-	-	-
Total comprehensive (loss)/income	(1,819)	233,795	101,270	(108,701)	28,000	150,745

**Included in the total
comprehensive income is:**

Revenue	1,247,632	-	535,243	37,415	77,635	70,764
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Other information:

Cash and cash equivalents	47,934	4,145	6,040	4,931	20,041	29,227
Shareholder's loan and related interests	(5,374,304)	(4,236,826)	-	-	(137,175)	(118,664)
Bank borrowings	(5,735,212)	(5,202,829)	-	-	(455,269)	(416,481)
Derivative financial instruments	174,617	28,710	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) Reconciliation of net assets to carrying amount:

	Attarat Power Holdings Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening net assets,								
1 July	267,539	22,592	33,747	138,616	269,004	-	570,290	161,208
Acquisition	-	-	-	-	-	113,500	-	113,500
(Loss)/Profit for the financial year	(140,291)	(78,889)	101,270	(108,701)	28,000	150,745	(11,021)	(36,845)
Other comprehensive income	138,472	312,684	-	-	-	-	138,472	312,684
Currency translation differences	16,535	11,152	6,229	3,832	25,666	4,759	48,430	19,743
Closing net assets,								
30 June	282,255	267,539	141,246	33,747	322,670	269,004	746,171	570,290
Interest in joint ventures direct hold by subsidiary	45.0%	45.0%	45.0%	45.0%	50.0%	50.0%		
Group's interest	127,015	120,393	63,561	15,186	161,335	134,502	351,911	270,081
Elimination of unrealised profits	(127,015)	(120,393)	-	-	-	-	(127,015)	(120,393)
Carrying amount	-	-	63,561	15,186	161,335	134,502	224,896	149,588

The individually immaterial joint ventures' carrying amount is RM152.6 million (2022: RM123.2 million), Group's share of profits is RM106.3 million (2022: RM32.4 million) and the Group's share of total comprehensive income is RM44.0 million (2022: total comprehensive loss of RM109.6 million).

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18. INVESTMENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets					
Financial assets at fair value through profit or loss	18(a)	329,466	99,978	14,182	14,153
Financial assets at fair value through other comprehensive income	18(b)	203,703	241,550	9,398	9,598
		533,169	341,528	23,580	23,751
Current assets					
Financial assets at fair value through profit or loss	18(a)	1,986,392	1,500,569	530,481	545,668

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

The investments are in relation to the following:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income funds*				
- Within Malaysia	418,660	3	-	-
- Outside Malaysia	817,539	740,820	-	-
Quoted equity investments				
- Within Malaysia	5,467	5,708	5,467	5,708
- Outside Malaysia	8,715	8,445	8,715	8,445
Unquoted equity investments				
- Outside Malaysia	65,284	85,825	-	-
Unquoted debt instrument				
- Within Malaysia	250,000	-	-	-
Unquoted unit trusts*				
- Within Malaysia	750,193	759,746	530,481	545,668
	2,315,858	1,600,547	544,663	559,821
Net fair value (loss)/gain on investments	(1,536)	(105,517)	6,894	(7,405)

* Financial assets at fair value through profit or loss consist of investment in income funds and unit trusts placed with licensed financial institutions. The income funds and unit trusts are highly liquid and readily convertible to cash.

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18. INVESTMENTS (CONTINUED)**(b) Financial assets at fair value through other comprehensive income**

The investments are in relation to the following:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quoted equity investments				
- Within Malaysia	7,492	8,059	4	4
- Outside Malaysia	9,654	7,369	-	-
Equity funds				
- Outside Malaysia	154,958	185,034	-	-
Unquoted equity investments				
- Within Malaysia	20,865	21,215	9,394	9,594
- Outside Malaysia	10,734	19,873	-	-
	203,703	241,550	9,398	9,598
Net fair value loss on investments	(61,314)	(65,685)	(200)	-

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19. INTANGIBLE ASSETS

The details of intangible assets are as follows:-

Note	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
Group - 2023					
<u>At cost</u>					
At beginning of the financial year, as previously restated PPA adjustment*	165,827 -	8,471,669 (69,035)	638,334 -	71,464 -	9,347,294 (69,035)
At beginning of the financial year, as restated Additions Currency translation differences Transfer from property, plant and equipment	165,827 163 11,236 -	8,402,634 - 780,194 -	638,334 60,532 34,539 816	71,464 6,265 1,178 -	9,278,259 66,960 827,147 816
At end of the financial year	177,226	9,182,828	734,221	78,907	10,173,182
<u>Accumulated amortisation and impairment</u>					
At beginning of the financial year Amortisation for the year 7 Currency translation differences Impairment loss	(142,455) (2,432) (9,769) -	(111,741) - (7,099) (15)	(359,296) (56,619) (5,382) (144)	(43,857) (5,526) (435) -	(657,349) (64,577) (22,685) (159)
At end of the financial year	(154,656)	(118,855)	(421,441)	(49,818)	(744,770)
Net carrying amount					
At 30 June 2023	22,570	9,063,973	312,780	29,089	9,428,412

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19. INTANGIBLE ASSETS (CONTINUED)

Note	Goodwill		Software assets RM'000	Others RM'000	Total RM'000			
	Contract rights RM'000	on consolidation RM'000						
Group - 2022								
At cost								
At beginning of the financial year	161,623	8,088,226	617,277	72,324	8,939,450			
Additions	62	-	68,738	-	68,800			
Acquisition of a subsidiary, as restated	-	975	-	-	975			
Currency translation differences, as restated	4,142	194,095	(38,617)	(860)	158,760			
Reclassification from NCI	-	119,338	-	-	119,338			
Transfer from property, plant and equipment	-	-	(9,064)	-	(9,064)			
At end of the financial year	165,827	8,402,634	638,334	71,464	9,278,259			
Accumulated amortisation and impairment								
At beginning of the financial year	(43,671)	(62,462)	(293,935)	(39,307)	(439,375)			
Amortisation for the year	7 (2,384)	-	(61,709)	(4,669)	(68,762)			
Impairment loss	7 (92,766)	(51,159)	(30,075)	-	(174,000)			
Currency translation differences	(3,634)	1,880	17,359	119	15,724			
Transfer from property, plant and equipment	-	-	9,064	-	9,064			
At end of the financial year	(142,455)	(111,741)	(359,296)	(43,857)	(657,349)			
Net carrying amount								
At 30 June 2022	23,372	8,290,893	279,038	27,607	8,620,910			

* This is in relation to a PPA adjustment on the acquisition of a power plant and associated assets of Tuaspring Pte. Ltd.

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.

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19. INTANGIBLE ASSETS (CONTINUED)

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

	Group	
	2023 RM'000	2022 RM'000 (Restated)
Power generation division ("A")	5,492,362	4,789,825
Water and sewerage division ("B")	818,770	818,770
Cement business division		
- Perak, Malaysia ("C")	963,629	963,629
- Langkawi and Pasir Gudang, Malaysia ("D")	314,356	314,356
- Vietnam ("E")	223,457	213,113
- Singapore ("F")	222,912	204,107
Management services in Singapore ("G")	336,637	308,734
Others	691,850	678,359
	9,063,973	8,290,893

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

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

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

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

	2023						
	A %	B %	C %	D %	E %	F %	G %
	6.53	2.96	7.20	7.20	8.50	7.20	6.90
Pre-tax discounts	6.53	2.96	7.20	7.20	8.50	7.20	6.90
Terminal growth rate	2.00	3.29	1.90	1.90	2.50	1.00	5.65
Revenue growth rate	3.37	4.39	13.60	10.90	3.20	0.37	1.38

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

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.

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19. INTANGIBLE ASSETS (CONTINUED)

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

For CGU "A", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated above. The growth rate did not exceed the long-term average growth rate in which the CGU operates.

The terminal growth rate indicates the expected growth of cash flows after the forecast period of five years.

The revenue growth rate is calculated using the Compound Annual Growth Rate method and applied on the current year's sales figures over the forecast period.

For CGU "B", cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a two-year (2022: three-year) period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

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

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The cement selling price and sales volume in preparing the cash flow projections were determined based on past business performance and management's expectations on the current market condition.

The terminal growth rate used is consistent with the average long-term annual growth rate for the relevant industries.

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

(b) Sensitivity to change in key assumptions

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:-

	2023						
	A %	B %	C %	D %	E %	F %	G %
Pre-tax discounts	12.60	17.40	16.94	42.89	21.07	6.43	7.42
Terminal growth rate	(8.10)	3.35	(16.70)	89.81	(31.13)	2.18	0.94
Revenue growth rate	0.80	(46.60)	7.89	5.23	(38.35)	1.74	1.18
	2022						
	A %	B %	C %	D %	E %	F %	G %
Pre-tax discounts	10.51	34.00	14.63	37.70	16.70	7.38	6.50
Terminal growth rate	(3.61)	1.12	(15.05)	(100.00)	(21.60)	1.39	4.14
Revenue growth rate	(2.49)	(12.31)	21.14	13.46	0.80	(26.57)	2.26

During the financial year, an impairment loss on goodwill amounting to RM0.015 million (2022: RM51.159 million) was recognised in the Income Statements as the carrying amount of the CGUs was in excess of its recoverable amount.

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20. TRADE AND OTHER RECEIVABLES

	Note	Group	
		2023 RM'000	2022 RM'000
Non-current			
Trade receivables		386	395
Other receivables [^]		376,101	524,744
Unbilled lease income*		6,973	10,412
		383,074	535,156
Less: Allowance for impairment		(331)	(332)
Other receivables (net)		382,743	534,824
Deposits		8,276	8,075
Prepayments		20,325	9,128
Net investment in leases	32(a)	4,837	4,306
Receivables from joint ventures ^Q		2,481,828	1,960,963
Less: Allowance for impairment		(33,919)	(27,208)
Receivables from joint ventures (net)		2,447,909	1,933,755
Other receivables, FVTPL		146,924	275,745
		3,011,400	2,766,228

[^] Other receivables include a receivable of RM358.3 million (2022: RM507.1 million) from a financial institution with an effective interest rate of 8.90% (2022: 6.08%) per annum. The receivable is repayable in full on 1 June 2027.

* The unbilled lease income of the Group are after offsetting the changes in fair value of investment properties amounting to RM1.709 million (2022: RM18.603 million). The unbilled lease income are expected to be billed from financial year 2023 to 2029.

^Q Receivables from joint ventures mainly comprise a shareholder loan with an interest rate at 15.00% (2022: 15.00%) per annum. The shareholder loan and accrued interest are repayable on demand.

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20. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Trade receivables		3,106,948	2,796,453	-	-
Shareholder amounts held by solicitors		10,313	6,261	-	-
		3,117,261	2,802,714	-	-
Less: Allowance for impairment		(581,294)	(538,098)	-	-
Total trade receivables (net)		2,535,967	2,264,616	-	-
Other receivables		670,538	458,345	8,085	8,307
Less: Allowance for impairment		(127,175)	(90,127)	(1,765)	(1,765)
Total other receivables (net)		543,363	368,218	6,320	6,542
Unbilled receivables		1,961,246	1,291,969	-	-
Less: Allowance for impairment		(6,686)	(7,997)	-	-
Total unbilled receivables (net)		1,954,560	1,283,972	-	-
Prepayments		353,881	609,980	566	171
Net investment in leases	32(a)	3,381	3,326	-	-
Deposits		118,693	197,802	1,575	1,575
		5,509,845	4,727,914	8,461	8,288

The fair value of receivables approximate their carrying amounts.

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

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21. DERIVATIVE FINANCIAL INSTRUMENTS

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

	Contractual notional amount RM'000	Fair value		
		Assets RM'000	Liabilities RM'000	
Group - 2023				
Cash flow hedges				
- Fuel oil swaps	1,961,405	9,920	95,488	
- Currency forwards	2,271,320	11,783	24,994	
Fair value through profit or loss				
- Currency forwards	247	-	*	
		21,703	120,482	
Current portion		18,824	110,828	
Non-current portion		2,879	9,654	
		21,703	120,482	
Group - 2022				
Cash flow hedges				
- Fuel oil swaps	1,616,795	390,643	8,606	
- Currency forwards	1,914,237	39,619	315	
- Electricity futures	14,404	5,352	13,425	
Fair value through profit or loss				
- Fuel oil swaps	8,543	884	745	
- Currency forwards	3,612	-	16	
		436,498	23,107	
Current portion		415,891	21,740	
Non-current portion		20,607	1,367	
		436,498	23,107	

* Less than RM1,000

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21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy:-

	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness			Weighted average hedged rate	Maturity date		
	Contractual notional amount RM'000	Assets/ (Liabilities) RM'000	Financial statement line item	Hedging instrument RM'000	Hedged item RM'000				
Group - 2023									
Cash flow hedges									
Fuel oil price risk									
- Fuel oil swap to hedge highly probable transactions (HSFO)	54,668	1,715	Derivative financial instruments	(305,288)	305,288	RM1,829.7 per metric ton	July 2023 - April 2024		
- Fuel oil swap to hedge highly probable transactions (LNG)	454,081	(17,048)	Derivative financial instruments	(25,111)	25,111	RM352.1 per bbl	July 2023 - November 2023		
- Fuel oil swap to hedge highly probable transactions (ICE BRENT)	1,452,656	(70,235)	Derivative financial instruments	(153,551)	153,551	RM345.7 per barrel	July 2023 - November 2025		
Foreign exchange risk									
- Forward contracts to hedge highly probable transactions	2,271,320	(13,211)	Derivative financial instruments	(58,793)	58,793	RM4.4: USD1.00	July 2023 - January 2026		
Electricity futures price risk									
- Electricity futures to hedge highly probable transactions	-	-	Derivative financial instruments	1,245	(1,245)	RM451.1 per MWH	July 2022 - December 2022		
Group - 2022									
Cash flow hedges									
Fuel oil price risk									
- Fuel oil swap to hedge highly probable transactions (HSFO)	808,266	351,157	Derivative financial instruments	710,406	(710,406)	RM1,764.4 per metric ton	July 2022 - April 2024		
- Fuel oil swap to hedge highly probable transactions (LNG)	331,696	21,909	Derivative financial instruments	27,195	(27,195)	RM445.3 per bbl	July 2022 - November 2022		
- Fuel oil swap to hedge highly probable transactions (ICE BRENT)	476,833	8,971	Derivative financial instruments	10,566	(10,566)	RM409.6 per barrel	July 2022 - June 2024		
Foreign exchange risk									
- Forward contracts to hedge highly probable transactions	1,914,237	39,304	Derivative financial instruments	52,602	(52,602)	RM4.2: USD1.00	July 2022 - January 2025		
Electricity futures price risk									
- Electricity futures to hedge highly probable transactions	14,404	(8,073)	Derivative financial instruments	(313,739)	313,739	RM426.0 per MWH	July 2022 - December 2022		

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21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**(a) Fuel oil swaps**

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates within 1 to 29 months (2022: 1 to 24 months) from financial year end. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently recognised in the Income Statements upon consumption of the underlying fuels.

The fair value of fuel oil swaps is determined using a benchmark fuel price index at the reporting date.

(b) Currency forwards

Currency forwards are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within 1 to 31 months (2022: 1 to 31 months) from financial year end. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Gains and losses relating to highly probable forecast fuel payments are recognised in the hedging reserve prior to the occurrence of these transactions and are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently transferred to Income Statements upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency payments of purchase of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in the Income Statements over their estimated useful lives as part of depreciation expense.

For those currency forwards used to hedge highly probable forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in Income Statements over the period of the contracts.

The fair values of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

(c) Electricity futures

During the previous financial year, electricity futures are entered into to hedge highly probable forecast sale of electricity that are expected to occur at various dates within 6 months from financial year end. The electricity futures have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the Income Statements upon sale of the electricity.

The fair value of electricity futures is determined with reference to the Uniform Singapore Energy Price monthly and quarterly base load electricity futures prices quoted on Singapore Exchange.

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22. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
Consumable stores	51,665	60,210
Finished goods	242,513	241,060
Fuel	49,884	72,127
Property held for sales	92,268	87,348
Raw materials	251,136	235,352
Spare parts	408,259	370,263
Work-in-progress	123,881	183,049
	1,219,606	1,249,409

23. PROPERTY DEVELOPMENT COSTS

Note	Freehold land	Leasehold land	Development costs	Total
	RM'000	RM'000	RM'000	RM'000
Group - 2023				
Cumulative property development costs:-				
At beginning of the financial year	75,476	88,105	219,930	383,511
Cost incurred during the financial year	-	-	260,339*	260,339
Transfer from land held for property development	14(a)	-	7,227	5,934
Written down	7	-	-	(17,424)
Currency translation differences		7,927	-	35,339
At end of the financial year	83,403	95,332	504,118	682,853
Cumulative cost recognised in Income Statements:-				
At beginning of the financial year				(79,685)
Recognised during the financial year	5			(142,543)
Currency translation differences				(17,070)
At end of the financial year				(239,298)
Property development costs at end of the financial year				443,555

* Included leasehold land development right of RM46.0 million

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23. PROPERTY DEVELOPMENT COSTS (CONTINUED)

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group - 2022					
Cumulative property development costs:-					
At beginning of the financial year		81,307	80,856	71,554	233,717
Cost incurred during the financial year		-	-	139,337	139,337
Transfer to inventories		-	(1,468)	-	(1,468)
Transfer from land held for property development	14(a)	-	8,717	19,930	28,647
Currency translation differences		(5,831)	-	(10,891)	(16,722)
At end of the financial year		75,476	88,105	219,930	383,511
Cumulative cost recognised in Income Statements:-					
At beginning of the financial year					(1,468)
Recognised during the financial year	5				(82,021)
Currency translation differences					3,804
At end of the financial year					(79,685)
Property development costs at end of the financial year					303,826

24. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Non-current		
Contract assets	8,263	2,084
Contract cost assets	943	13
Contract liabilities	(35,095)	(28,638)
Current		
Contract assets	385,266	205,692
Contract cost assets	37,423	24,663
Contract liabilities	(798,709)	(914,715)

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24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

	Group	
	2023 RM'000	2022 RM'000
Representing:-		
Contract assets	393,529	207,776
Contract liabilities	(833,804)	(943,353)
	(440,275)	(735,577)
Contract cost assets	38,366	24,676

	Group	
	2023 RM'000	2022 RM'000
Contract assets and contract liabilities representing:-		
Utilities	(321,122)	(277,524)
Property development	14,788	(85,766)
Construction	(68,308)	(327,394)
Hotel	(57,396)	(38,856)
Cement	(8,631)	(6,255)
Others	394	218
	(440,275)	(735,577)
Contract cost assets representing:-		
Utilities	38,330	24,676
Property development	36	-
	38,366	24,676

(a) Utilities

Significant changes in contract assets and liabilities:-

	Group	
	2023 RM'000	2022 RM'000
Contract assets		
At beginning of the financial year	156,472	154,544
Transfer to trade receivables	(4,325)	(1,718)
Additions arising from revenue recognised during the financial year	94,339	3,916
Allowance for impairment of contract assets	(2,622)	(270)
At end of the financial year	243,864	156,472

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24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)**(a) Utilities (continued)**

	Group	
	2023 RM'000	2022 RM'000
Contract liabilities		
At beginning of the financial year	433,996	368,050
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	(431,198)	(330,183)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	515,120	425,412
Currency translation differences	47,068	(29,283)
At end of the financial year	564,986	433,996

(i) Assets recognised from costs to obtain or fulfil a contract

The Group capitalises costs to obtain or fulfil a contract which include sales commissions when they are incremental and expected to be recovered over more than a year. The Group also capitalises expenditure on assets such as water mains/ sewers or new connections relating to contracts as they are incurred to fulfil the contracts. This is presented within contract cost assets within "contract assets" in the statements of financial position.

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year		
Assets recognised from costs to obtain or fulfil a contract during the financial year	24,676	24,738
Amortisation recognised during the financial year	41,411	39,378
Charged to cost of sales during the financial year	(1,021)	(1,537)
Currency translation differences	(30,139)	(36,088)
At end of the financial year	38,330	24,676

The closing balance of contract cost assets consists of:-

	Group	
	2023 RM'000	2022 RM'000
Contract acquisition cost		
Contract fulfillment cost	188	11
At end of the financial year	38,142	24,665
At end of the financial year	38,330	24,676

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24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)**(a) Utilities (continued)****(ii) Unsatisfied performance obligations**

As at 30 June 2023, the aggregate amount of the transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM1,451.5 million (2022: RM413.8 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 8 years (2022: 1 to 9 years).

The Group applies the practical expedient in MFRS 15 and did not disclose information about unsatisfied performance obligation for certain contracts, where the transaction price corresponds directly with the Group's level of performance in the future.

(b) Property development

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

	Group	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	(85,766)	(224,212)
Revenue recognised during the financial year	141,102	488,846
Progress billings during the financial year	(32,905)	(336,553)
Cost incurred for project yet to be recognised as revenue	(234)	(14,433)
Consideration payable to customer	36	586
Consideration received from customer	(7,445)	-
At end of the financial year	14,788	(85,766)
Representing:-		
Contract assets	24,531	17,088
Contract liabilities	(9,743)	(102,854)
	14,788	(85,766)

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM103.914 million (2022: RM130.022 million), of which the Group expects to recognise as revenue in the next one to two years (2022: one to three years) from the financial year end.

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24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)**(c) Construction**

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

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	(327,394)	(555,843)
Revenue recognised during the financial year	1,203,486	1,136,228
Cost incurred for project yet to recognised revenue	13,437	21,017
Progress billings during the financial year	(957,837)	(928,796)
At end of the financial year	(68,308)	(327,394)

Construction contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

Included in aggregate costs incurred to date of the Group is the depreciation capitalised during the financial year amounting to RM6.466 million (2022: RM9.169 million).

Included in the contract liabilities is amount due to customer on contract with amount RM67.696 million (2022: RM67.696 million) represents the balance of the total purchase consideration of not less than RM105.616 million for the acquisition of the Sentul Raya Development Project Site from Keretapi Tanah Melayu Berhad ("KTMB"), which is to be settled by way of phased development, construction and completion of the Railway Village by a subsidiary, Sentul Raya Sdn. Bhd. ("SRSB") for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between SRSB and KTMB, as amended pursuant to the Supplementary Development Agreement with KTMB dated 21 December 2000.

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM2.75 billion (2022: RM1.78 billion), of which the Group expects to be recognised as revenue in the financial statements in the next one to two years (2022: one to two years).

The unsatisfied performance obligation is yet to be recognised as revenue for amount due to customer on contract as it cannot be measured reliably due to uncertain circumstances.

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24. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)**(d) Hotel operations**

The Group recognises contract liabilities when a customer pays consideration, or is contractually required to pay consideration, before the Group recognises the related revenue. The contract liabilities are expected to be recognised as revenue within a year.

	Group	
	2023	2022
	RM'000	RM'000
Contract liabilities	57,396	38,856

	Group	
	2023	2022
	RM'000	RM'000
Contract liabilities	57,396	38,856

Significant changes to contract liabilities balances during the year are as follows:-

Contract liabilities as at the beginning of the year recognised as revenue during the year	35,436	24,284
Advances received during the year	123,672	48,569

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

(e) Cement

	Group	
	2023	2022
	RM'000	RM'000
Amount received in advance of delivery of goods	8,631	6,255

Revenue is recognised when the control of the goods is transferred to the customer, being at the point the goods are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

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25. AMOUNTS DUE FROM/TO RELATED PARTIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Amounts due from related parties				
Amounts due from:-				
- Holding company	114	6	-	-
- Subsidiaries	-	-	1,096,810	946,573
- Related companies	9,054	31,195	5,462	4,535
- Associated companies	30,923	36,509	47	46
- Joint ventures	33,132	33,755	-	-
	73,223	101,465	1,102,319	951,154
(b) Amounts due to related parties				
Amounts due to:-				
- Holding company	329	329	-	-
- Subsidiaries	-	-	5,771	6,467
- Related companies	4,308	2,615	75	75
- Associated companies	854	610	-	-
- Joint ventures	32,479	31,977	-	-
	37,970	35,531	5,846	6,542

- (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 RM12.7 million (2022: RM5.5 million) which bear weighted average interest rate of 4.84% per annum (2022: 3.80% per annum).
- (d) The significant related parties' transactions of the Group and of the Company are disclosed in Note 40 to the financial statements.

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26. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks		11,195,322	8,230,733	26,742	160,328
Cash and bank balances		3,230,331	3,167,824	3,406	36,371
Cash and cash equivalents in the statements of financial position		14,425,653	11,398,557	30,148	196,699
Bank overdrafts	31	(10,818)	(101,892)	-	-
Cash and cash equivalents as per statements of cash flows		14,414,835	11,296,665	30,148	196,699

Cash and bank balances of the Group included amounts totalling RM16.985 million (2022: RM7.125 million) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966. Those amounts were restricted from use in other operations.

The range of interest rates of deposits that were effective at the reporting date were as follows:-

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Deposits with licensed banks	0.25-5.39	0.01-2.20	2.90-3.10	1.02-2.10

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2022: 1 day to 365 days). Bank balances are deposits held at call with banks.

Included in the deposits with licensed banks amounting to RM121.033 million (2022: RM100.566 million) is pledged as a security for a borrowing as disclosed in Note 31.

The Group and the Company seek to invest cash and cash equivalents safely and profitably with creditworthy local and offshore licensed banks. The local licensed banks have a credit rating of P1 as rated by RAM Rating Services Bhd.. The offshore licensed banks have a credit rating of P1 and P2 as rated by Moody's Investors Service, Inc..

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27. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:-				
At beginning/end of the financial year	11,022,762	11,022,762	3,467,555	3,467,555

Out of a total of 11,022,762,340 (2022: 11,022,762,340) ordinary shares issued and fully paid-up ordinary shares, the Company holds 58,675,950 (2022: 58,675,950) ordinary shares as treasury shares. As at 30 June 2023, the number of ordinary shares in issue and fully paid net of treasury shares are 10,964,086,390 (2022: 10,964,086,390).

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share and rank equally with regard to the Company's residual assets.

(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 6 December 2022. 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.

There was no repurchase of shares during the financial year ended 30 June 2023.

As at 30 June 2023, the Company held as treasury shares a total of 58,675,950 (2022: 58,675,950) of its 11,022,762,340 (2022: 11,022,762,340) issued ordinary shares. Such treasury shares are held at a carrying amount of RM54,451,886 (2022: RM54,451,886).

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

On 6 January 2021, the Company implemented a share issuance scheme known as the Employees' Share Option Scheme which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 December 2020. The ESOS 2021 is valid for a period of ten (10) years and is for employees and Directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation as set out in the by-laws of the ESOS 2021 ("By-Laws"). The salient terms of the ESOS 2021 are as follows:

- (i) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS 2021 shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) or such other percentage of the total number of issued shares of the Company (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time throughout the duration of the ESOS 2021.
- (ii) Any person who is a Director and/or an employee of a corporation in the Group, who meets the following criteria as at the date of offer of an option ("Offer Date") shall be eligible for consideration and selection by the Options Committee (as defined in the By-Laws) to participate in the ESOS 2021:
 - a) the person has attained the age of eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;

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27. SHARE CAPITAL (CONTINUED)

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

- b) the person, save for a non-executive Director, must be on the payroll of a company within the Group; and
 - he is employed on a full-time basis, has not served a notice to resign or received a notice of termination; or
 - he is serving in a specific designation under an employment contract for a fixed duration, excluding those who are employed on a short-term contract or any other employees under contract as may be determined by the Options Committee;
 - c) the person's employment, save for a non-executive Director, is for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service; and
 - d) the person fulfils any other criteria and/or falls within such category as may be set by the Options Committee from time to time.
- (iii) Subject to the Bursa Securities Listing Requirements and any adjustments in accordance with By-Law 13, the subscription price for shares under the ESOS 2021 shall be determined by the Board of Directors of the Company upon recommendation of the Options Committee and shall be fixed based on the 5-day volume weighted average market price of shares, as quoted on Bursa Securities, immediately preceding the Offer Date (as defined in the By-Laws) of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the scheme period.
- (iv) Subject to By-Law 13, the Options Committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period. Notwithstanding the above, and subject to By-Laws 10 and 11, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date.
- (v) Subject to By-Law 12.2, a grantee shall be prohibited from disposing of the shares allotted and issued to him through the exercise of the option(s) for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the Options Committee at its sole and absolute discretion.

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

Grant date	Number of share options over ordinary shares					
	Expiry date	Exercise price RM/share	At 1 July 2022 '000	Granted '000	Lapsed '000	At 30 June 2023 '000
Scheme						
27.01.2022	05.01.2031	0.50	315,757	-	(5,530)	310,227
23.05.2022	05.01.2031	0.53	8,790	-	(2,510)	6,280
				324,547	-	(8,040)
						316,507

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27. SHARE CAPITAL (CONTINUED)**(b) Employees' Share Option Scheme 2021 ("ESOS 2021") (continued)**

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

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

The fair value of options granted for which MFRS 2 "Share-based payment" applies, were determined using the Trinomial Valuation model.

ESOS 2021

Valuation assumptions:-	
Expected volatility	28.94%
Expected dividend yield	4.99%
Expected option life	3 years
Risk-free interest rate per annum (based on Malaysia securities bonds)	3.1%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Value of employee services received for issue of share options:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Share option expenses				
By the Company	10,691	4,370	10,691	4,370
By the subsidiaries	18,022	2,618	-	-
Allocation to subsidiaries	-	-	(5,597)	(2,253)
Total share option expenses	28,713	6,988	5,094	2,117

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

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28. OTHER RESERVES

	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Statutory reserve ¹ RM'000	FVOCI RM'000	Hedging reserve RM'000	Total other reserves RM'000
Group - 2023								
At beginning of the financial year, as previously reported	97,035	-	798,898	5,825	20,288	(186,957)	258,346	993,435
PPA adjustment*	-	-	2,697	-	-	-	-	2,697
At beginning of the financial year, as restated								
	97,035	-	801,595	5,825	20,288	(186,957)	258,346	996,132
Changes in fair value	-	-	-	-	-	(59,470)	(286,355)	(345,825)
Exchange differences	-	-	1,079,574	-	-	-	-	- 1,079,574
Total comprehensive income/ (loss) for the year	-	-	1,079,574	-	-	(59,470)	(286,355)	733,749
Changes in composition of the group	-	-	-	-	604	-	1,956	2,560
Reclassification upon disposal of investments designated at								
FVOCI	-	-	-	-	-	6,187	-	6,187
Share option expenses	-	-	-	22,652	-	-	-	22,652
Share option lapsed	-	-	-	(77)	-	-	-	(77)
Currency translation differences	(294)	-	(9,824)	-	1,352	(224)	8,990	-
At end of the financial year	96,741	-	1,871,345	28,400	22,244	(240,464)	(17,063)	1,761,203

* This is in relation to a PPA adjustment on the acquisition of a power plant and associated assets of Tuaspring Pte. Ltd.

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28. OTHER RESERVES (CONTINUED)

	Capital reserve RM'000	Equity component of ICULS RM'000	Foreign currency translation RM'000	Share options reserve RM'000	Statutory reserve ¹ RM'000	FVOCI RM'000	Hedging reserve RM'000	Total other reserves RM'000
Group - 2022								
At beginning of the financial year	97,305	27,023	803,039	-	19,096	(124,255)	70,191	892,399
Changes in fair value	-	-	-	-	-	(62,868)	161,850	98,982
Exchange differences, as restated	-	-	4,416	-	-	-	-	4,416
Realisation of cash flow hedges upon disposal of an associate	-	-	-	-	-	-	21,367	21,367
Total comprehensive income/(loss) for the year, as restated	-	-	4,416	-	-	(62,868)	183,217	124,765
Conversion of ICULS	-	(27,023)	-	-	-	-	-	(27,023)
Reclassification upon disposal of investments designated at FVOCI	-	-	-	-	-	166	-	166
Share option expenses	-	-	-	5,825	-	-	-	5,825
Currency translation differences	(270)	-	(5,860)	-	1,192	-	4,938	-
At end of the financial year, as restated	97,035	-	801,595	5,825	20,288	(186,957)	258,346	996,132

Note:-

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

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28. OTHER RESERVES (CONTINUED)

	Share options reserve RM'000	Fair value reserve RM'000	Total other reserves RM'000
Company - 2023			
At beginning of the financial year	4,370	2,864	7,234
Changes in fair value	-	(200)	(200)
Share option expenses	10,691	-	10,691
Share option lapsed	(77)	-	(77)
At end of the financial year	14,984	2,664	17,648
Company - 2022			
At beginning of the financial year	-	2,759	2,759
Share option expenses	4,370	-	4,370
Reclassification upon disposal of investments designated at FVOCI	-	105	105
At end of the financial year	4,370	2,864	7,234

29. LONG-TERM PAYABLES

	Group		
	2023		2022
	RM'000	RM'000	(Restated)
Deferred income	1,561,960		1,349,708
Deferred liabilities	59,759		57,656
Deposits	72,738		35,941
Payable to non-controlling interests	120,854		62,090
Other payables	2,168		5,441
	1,817,479		1,510,836

The deferred income is in relation to assets transferred from customers and services of the water and sewerage segment which are yet to be provided and shareholder loan interest revenue. The fair value of payables approximates their carrying values.

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30. BONDS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current:-					
Medium Term Notes	30(a)	1,059,993	2,630,000	240,000	1,000,000
3.52% Retail Price Index Guaranteed Bonds	30(b)	534,473	-	-	-
		1,594,466	2,630,000	240,000	1,000,000
Non-current:-					
Medium Term Notes	30(a)	10,155,105	7,219,623	3,200,000	2,240,000
3.52% Retail Price Index Guaranteed Bonds	30(b)	-	464,999	-	-
5.75% Guaranteed Unsecured Bonds	30(c)	2,049,479	1,853,563	-	-
5.375% Guaranteed Unsecured Bonds	30(d)	1,176,284	1,063,730	-	-
1.75% Index Linked Guaranteed Bonds	30(e)	1,521,643	1,250,886	-	-
1.369% and 1.374% Index Linked Guaranteed Bonds	30(f)	1,521,643	1,250,886	-	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	30(g)	1,417,449	1,172,833	-	-
2.186% Index Linked Guaranteed Bonds	30(h)	507,021	404,202	-	-
1.5% Guaranteed Unsecured Bonds	30(i)	1,465,791	1,325,071	-	-
1.25% Guaranteed Unsecured Bonds	30(j)	1,744,732	1,577,145	-	-
5.125% Guaranteed Unsecured Bonds	30(k)	1,759,510	-	-	-
		23,318,657	17,582,938	3,200,000	2,240,000
Total		24,913,123	20,212,938	3,440,000	3,240,000

The bonds are repayable:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Not later than 1 year	1,594,466	2,630,000	240,000	1,000,000
Later than 1 year but not later than 5 years	7,171,390	5,584,622	985,000	740,000
Later than 5 years	16,147,267	11,998,316	2,215,000	1,500,000
Total	24,913,123	20,212,938	3,440,000	3,240,000

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30. 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	
	2023 %	2022 %	2023 %	2022 %
Medium Term Notes	4.75	4.45	4.45	4.25
Bonds	5.89	4.60	-	-

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
3.52% Retail Price Index Guaranteed Bonds	295,966	277,377	-	-
5.75% Guaranteed Unsecured Bonds	2,028,964	2,150,258	-	-
5.375% Guaranteed Unsecured Bonds	1,142,522	1,164,432	-	-
1.75% Index Linked Guaranteed Bonds	1,870,211	1,616,416	-	-
1.369% and 1.374% Index Linked Guaranteed Bonds	1,954,705	1,768,908	-	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	1,946,925	1,761,868	-	-
2.186% Index Linked Guaranteed Bonds	277,970	351,131	-	-
1.5% Guaranteed Unsecured Bonds	1,183,084	920,823	-	-
1.25% Guaranteed Unsecured Bonds	1,049,294	1,106,674	-	-
5.125% Guaranteed Unsecured Bonds	1,674,673	-	-	-
Medium Term Notes	11,398,887	9,780,755	3,473,901	3,146,461
	24,823,201	20,898,642	3,473,901	3,146,461

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30. BONDS (CONTINUED)**(a) Medium term notes ("MTNs")****(i) The MTNs of the Company were issued pursuant to:-**

- (a) Commercial papers ("CPs") and MTNs Programme with a combined master limit of RM5.0 billion and a sub-limit on the CPs programme of RM500 million (collectively the "Bond Programmes") pursuant to a programme agreement dated 17 June 2019.

A nominal value of RM500 million of MTNs was issued on 25 June 2019 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.60% (2022: 4.60%) per annum, payable semi-annually in arrears and the MTNs are redeemable on 23 June 2034 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 24 July 2020 at a coupon rate 3.65% (2022: 3.65%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 24 July 2030 at nominal value.

A nominal value of RM240 million of MTNs was issued under the programme on 4 September 2020 at a coupon rate 3.10% (2022: 3.10%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 4 September 2023 at nominal value.

A nominal value of RM200 million of MTNs was issued under the programme on 10 April 2023 at a coupon rate 4.48% per annum, payable semi-annually in arrears. The MTNs are redeemable on 10 April 2026 at nominal value.

A nominal value of RM285 million of MTNs was issued under the programme on 10 April 2023 at a coupon rate 4.65% per annum, payable semi-annually in arrears. The MTNs are redeemable on 10 April 2028 at nominal value.

A nominal value of RM215 million of MTNs was issued under the programme on 10 April 2023 at a coupon rate 4.79% per annum, payable semi-annually in arrears. The MTNs are redeemable on 10 April 2029 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 10 April 2023 at a coupon rate 4.97% per annum, payable semi-annually in arrears. The MTNs are redeemable on 10 April 2031 at nominal value.

- (b) A MTNs issuance programme of up to RM2.0 billion constituted by a Trust Deed and Programme Agreement, both dated 26 March 2013.

A nominal value of RM1.0 billion of MTNs was issued under the programme on 25 April 2013 at a coupon rate 4.38% (2022: 4.38%) per annum, payable semi-annually in arrears. The MTNs had been redeemed on 25 April 2023 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 11 November 2016 at a coupon rate 5.15% (2022: 5.15%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 11 November 2036 at nominal value.

A nominal value of RM500 million of MTNs was issued under the programme on 11 November 2016 at a coupon rate 4.63% (2022: 4.63%) per annum, payable semi-annually in arrears. The MTNs are redeemable on 11 November 2026 at nominal value.

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30. BONDS (CONTINUED)

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

(ii) The MTNs of YTL Power International Berhad ("YTLPI") were issued pursuant to:-

- (a) The MTNs of YTLPI were issued pursuant to a MTNs programme of up to RM5.0 billion constituted by a Trust Deed and Programme Agreement, both dated 11 August 2011. MTNs of RM2,025 million (2022: RM2.8 billion) remained outstanding as at 30 June 2023. The MTNs bear coupons ranging from 4.62% to 5.05% (2022: 4.49% to 4.99%) per annum and are repayable in full between 24 August 2023 and 24 August 2028 (2022: 24 March 2023 and 24 August 2028).
- (b) The Sukuk Murabahah of YTLPI was issued pursuant to an Islamic MTNs facility of up to RM2.5 billion in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) which constituted by a Trust Deed and Facility Agency Agreement, both dated 20 April 2017. The Sukuk Murabahah of RM2,495,666,726 (2022: RM2,494,665,968) remained outstanding as at 30 June 2023. The Sukuk Murabahah bears a profit rate of 5.05% (2022: 5.05%) per annum and is repayable in full on 3 May 2027.
- (c) The Islamic MTNs of YTLPI were issued pursuant to Islamic Commercial Papers/Islamic Medium Term Notes programme of up to RM7.5 billion constituted by a Trust Deed and Programme Agreement, both dated 13 March 2023. The Islamic MTNs of RM1.715 billion remained outstanding as at 30 June 2023. The Islamic MTNs bear profits rates ranging from 4.45% to 4.99% per annum and are repayable in full between 24 March 2026 and 24 March 2033.

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

The MTNs of YTL REIT were issued pursuant to a MTNs issuance programme of up to RM1,650 million constituted by a Trust Deed and Programme Agreement, both dated 11 May 2016.

As at end of the reporting period, RM815 million (2022: RM815 million) were issued as follows:-

- (a) 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.
- (b) A nominal value of RM265 million of MTNs was issued on 23 November 2017 to refinance the existing borrowings of the Trust. The MTNs had been redeemed on 23 November 2022, refinanced at the same nominal value and redeemable on 23 November 2027 at nominal value.
- (c) A nominal value of RM85 million of MTNs was issued on 28 June 2019 to finance the renovation costs carried out at JW Marriott Hotel Kuala Lumpur. The MTNs had been redeemed on 28 June 2023, refinanced at the same nominal value and redeemable on 28 June 2028 at nominal value.
- (d) A nominal value of RM80 million of MTNs was issued on 23 May 2022 to redeem matured MTNs totalling RM75 million and to finance the renovation costs carried out at certain properties for RM5 million. The MTNs are redeemable on 21 May 2027 at nominal value.

The MTNs bear coupon rates ranging from 3.42% to 5.46% (2022: 3.27% to 5.05%) per annum, payable semi-annually in arrears and are secured by certain properties.

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30. BONDS (CONTINUED)**(a) Medium term notes ("MTNs") (continued)****(iv) The MTNs of YTL Cement Berhad Group ("YTL Cement") were issued pursuant to:-**

In 2016, Kedah Cement Sdn. Bhd. ("KCSB"), a subsidiary of YTL Cement, had established a Sukuk Wakalah Programme ("Sukuk Wakalah") for the issuance of up to RM500 million in nominal value of Sukuk Wakalah based on the Shariah principle of Wakalah and Murabahah. It provides KCSB the flexibility to raise funds from time to time which can be utilised to finance and/or to reimburse the acquisition of property, plant and equipment/investments, to fund working capital requirements and to refinance existing bank borrowings of KCSB. The Sukuk Wakalah Programme has a tenure of 7 years from the date of first issuance of the Sukuk Wakalah which was on 13 January 2017.

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

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

On 10 July 2019, KCSB made its fifth issuance of RM120 million in nominal value of Sukuk Wakalah to fund the working capital requirements of KCSB. The Sukuk Wakalah bore profit at 4.10% per annum and has been fully settled in July 2020.

On 13 January 2020, 9 July 2020 and 11 December 2020, KCSB made its sixth, seventh and eighth issuance of RM180 million, RM120 million and RM100 million in nominal value of Sukuk Wakalah to fund the working capital requirements of KCSB. The Sukuk Wakalah are due on 13 January 2023, 7 July 2023 and 11 December 2023 and bear profit at 4.60%, 4.55% and 4.40% per annum respectively. The sixth issuance of RM180 million was fully settled on 13 January 2023.

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

During the financial year, Malayan Cement Berhad ("MCB"), a subsidiary of YTL Cement, had established a Sukuk Murabahah Programme ("Sukuk Murabahah") comprising an Islamic medium term notes ("IMTN") programme and an Islamic commercial papers ("ICP") programme with a combined aggregate limit of up to RM5.0 billion in nominal value, based on the Shariah principle of Murabahah (via Tawarruq arrangement) pursuant to a trust deed and programme agreement both dated 18 October 2022.

The tenure of the IMTN programme is thirty (30) years from the date of first issue under the IMTN programme, which was on 31 October 2022. The tenure of the ICP programme is seven (7) years from the date of first issue under the ICP programme, which was on 31 October 2022. The proceeds raised from the Sukuk Murabahah Programmes shall be utilised to refinance any existing conventional borrowings and/or existing/future Islamic financing facilities, to finance capital expenditure and/or for general corporate purposes and/or working capital requirements of the Group.

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30. BONDS (CONTINUED)

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

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

During the financial year, MCB made the following issuances of IMTNs mainly for the refinancing of one of its subsidiaries' existing financial debts:

- (a) IMTN of RM100 million in nominal value issued on 31 October 2022 and due on 31 October 2025, bearing a profit rate of 5.42% per annum, payable semi-annually.
- (b) IMTN of RM85 million in nominal value issued on 13 January 2023 and due on 13 January 2026, bearing a profit rate of 5.25% per annum, payable semi-annually.
- (c) IMTN of RM220 million in nominal value issued on 26 June 2023 and due on 26 June 2028, bearing a profit rate of 5.05% per annum, payable semi-annually.

On 31 October 2022, MCB made its first issuance of ICP of RM5 million in nominal value to fund the working capital of MCB. The ICP bore a yield to maturity of 3.15% per annum and was fully settled on 30 November 2022.

(b) 3.52% Retail Price Index Guaranteed Bonds ("RPIG Bonds")

The RPIG Bonds of Wessex Water Services Finance Plc. of GBP50.0 million 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 2023 is 7.27% (2022: 6.37%) per annum. The RPIG Bonds redeemed in full by Issuer on 30 July 2023 at their indexed value together with all accrued interest.

(c) 5.75% Guaranteed Unsecured Bonds

On 15 October 2003, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP350 million nominal value 5.75% Guaranteed Unsecured Bonds due 2033 ("5.75% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited, a subsidiary of the Group. The 5.75% GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of 5.75% GU Bonds issued amounted to GBP350 million and as at 30 June 2023 GBP347,122,247 (2022: GBP346,914,254) remained outstanding, net of amortised fees and discount. The net proceeds of the 5.75% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year. The Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest.

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30. BONDS (CONTINUED)**(d) 5.375% Guaranteed Unsecured Bonds**

On 10 March 2005, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP200 million nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ("5.375% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 5.375% GU Bonds are constituted under a Trust Deed dated 10 March 2005.

The nominal value of 5.375% GU Bonds issued amounted to GBP200 million, of which GBP199,228,418 (2022: GBP199,088,549) remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.375% per annum, payable annually on 10 March of each year. The Bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with all accrued interest.

(e) 1.75% Index Linked Guaranteed Bonds

On 31 July 2006, Wessex Water Services Finance Plc. ("Issuer") issued two (2) tranches of GBP75 million nominal value 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 1 was each constituted under a Trust Deed dated 31 July 2006 and is unsecured.

The ILG Bonds 1 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2023 is 3.24% (2022: 2.84%) per annum. The Bonds will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche at their indexed value together with all accrued interest.

(f) 1.369% and 1.374% Index Linked Guaranteed Bonds

On 31 January 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP75 million nominal value 1.369% Index Linked Guaranteed Bonds and GBP75 million nominal value 1.374% Index Linked Guaranteed Bonds, both due 2057 ("ILG Bonds 2") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 2 were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The ILG Bonds 2 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2023 is 2.54% (2022: 2.23%) per annum. The Bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest.

(g) 1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds

On 28 September 2007, Wessex Water Services Finance Plc. ("Issuer") issued GBP50 million nominal value 1.489% Index Linked Guaranteed Bonds, GBP50 million nominal value 1.495% Index Linked Guaranteed Bonds and GBP50 million nominal value 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds 3") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 3 were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The ILG Bonds 3 bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2023 is 2.69% (2022: 2.37%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

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30. BONDS (CONTINUED)

(h) 2.186% Index Linked Guaranteed Bonds

On 7 September 2009, Wessex Water Services Finance Plc. ("Issuer") issued GBP50 million nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ("ILG Bonds 4") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 4 were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The ILG Bonds 4 bear interest semi-annually on 1 December and 1 June at an interest rate of 2.186% initially, indexed up by the inflation rate every half year. The effective interest rate as at 30 June 2023 is 3.76% (2022: 3.31%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(i) 1.5% Guaranteed Unsecured Bonds

On 17 September 2019, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP250 million nominal value 1.5% Guaranteed Unsecured Bonds due 2029 (retaining GBP50 million) ("1.5% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.5% GU Bonds are constituted under a Trust Deed dated 17 September 2019. On 15 June 2020, the retained GBP50 million nominal value 1.5% Guaranteed Unsecured Bonds due 2029 was issued.

The nominal value of 1.5% GU Bonds issued amounted to GBP250 million, of which GBP248,262,420 (2022: GBP248,001,336) remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.5% per annum, payable annually on 17 September of each year. The Bonds will be redeemed in full by the Issuer on 17 September 2029 at their nominal value together with all accrued interest.

(j) 1.25% Guaranteed Unsecured Bonds

On 12 January 2021, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP300 million nominal value 1.25% Guaranteed Unsecured Bonds due 2036 ("1.25% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.25% GU Bonds are constituted under a Trust Deed dated 12 January 2021. The nominal value of 1.25% GU Bonds issued amounted to GBP300 million, of which GBP295,506,895 (2022: GBP295,179,730) remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the 1.25% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.25% per annum, payable annually on 12 January of each year. The Bonds will be redeemed in full by the Issuer on 12 January 2036 at their nominal value together with all accrued interest.

(k) 5.125% Guaranteed Unsecured Sustainable Bonds

On 24 March 2023, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP300 million nominal value 5.125% Guaranteed Unsecured Sustainable Bonds due 2032 ("5.125% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 5.125% GU Bonds are constituted under a Trust Deed dated 24 March 2023. The nominal value of 5.125% GU Bonds issued amounted to GBP300 million, of which GBP298,009,828 remained outstanding as at 30 June 2023, net of amortised fees and discount. The net proceeds of the 5.125% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 5.125% per annum, payable annually on 31 October of each year. The Bonds will be redeemed in full by the Issuer on 31 October 2032 at their nominal value together with all accrued interest.

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31. BORROWINGS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Bank overdrafts	31(a)	10,818	101,892	-	-
Hire purchase creditors	31(b)	2,294	2,281	55	53
Revolving credit	31(c)	3,044,192	3,184,041	1,116,855	1,066,855
Term loans	31(d)	3,144,988	934,142	-	-
Trade facilities	31(e)	2,485	58,929	-	-
		6,204,777	4,281,285	1,116,910	1,066,908
Non-current					
Hire purchase creditors	31(b)	4,093	5,337	-	55
Revolving credit	31(c)	2,678,146	2,348,880	-	-
Term loans	31(d)	12,654,053	15,407,742	-	-
		15,336,292	17,761,959	-	55
Total					
Bank overdrafts	31(a)	10,818	101,892	-	-
Hire purchase creditors	31(b)	6,387	7,618	55	108
Revolving credit	31(c)	5,722,338	5,532,921	1,116,855	1,066,855
Term loans	31(d)	15,799,041	16,341,884	-	-
Trade facilities	31(e)	2,485	58,929	-	-
		21,541,069	22,043,244	1,116,910	1,066,963

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

31. BORROWINGS (CONTINUED)

The borrowings of the Group and the Company are repayable as follows:-

	Not later than 1 year	Later than		Total RM'000		
		1 year but not later than	5 years			
		RM'000	RM'000			
Group						
At 30 June 2023						
Bank overdrafts	10,818	-	-	10,818		
Hire purchase creditors	2,294	4,093	-	6,387		
Revolving credit	3,044,192	2,678,146	-	5,722,338		
Term loans	3,144,988	10,599,775	2,054,278	15,799,041		
Trade facilities	2,485	-	-	2,485		
	6,204,777	13,282,014	2,054,278	21,541,069		
At 30 June 2022						
Bank overdrafts	101,892	-	-	101,892		
Hire purchase creditors	2,281	5,337	-	7,618		
Revolving credit	3,184,041	2,213,880	135,000	5,532,921		
Term loans	934,142	14,580,145	827,597	16,341,884		
Trade facilities	58,929	-	-	58,929		
	4,281,285	16,799,362	962,597	22,043,244		
Company						
At 30 June 2023						
Hire purchase creditors	55	-	-	55		
Revolving credit	1,116,855	-	-	1,116,855		
	1,116,910	-	-	1,116,910		
At 30 June 2022						
Hire purchase creditors	53	55	-	108		
Revolving credit	1,066,855	-	-	1,066,855		
	1,066,908	55	-	1,066,963		

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

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31. BORROWINGS (CONTINUED)

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

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Bank overdrafts	2.13	1.75	-	-
Revolving credit	4.72	2.52	4.29	3.00
Term loans	4.78	2.51	-	-
Trade facilities	3.90	2.75	-	-

(a) Bank overdrafts

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

(b) Hire purchase creditors

The Group's finance lease bears interest rates ranging from 1.49% to 4.38% (2022: 1.49% to 4.28%) per annum and the Company's finance lease bears interest rate at 2.15% (2022: 2.15%) per annum.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Payable not later than 1 year	2,462	2,340	56	56
Payable later than 1 year and not later than 5 years	4,288	5,808	-	57
Later than 5 years	68	-	-	-
Total minimum lease payments	6,818	8,148	56	113
Less: Finance charges	(431)	(530)	(1)	(5)
Present value of minimum lease payments	6,387	7,618	55	108

(c) Revolving credit

Save for RM654.5 million (2022: RM80.0 million) revolving credit facility of the Group which secured against properties of the subsidiaries, all the revolving credit facilities are unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

31. BORROWINGS (CONTINUED)

(d) Term loans

(i) Term loans denominated in Great British Pounds

Included in the term loans are:-

- (a) The term loans of RM1,180.840 million [GBP200 million] (2022: RM1,068.600 million [GBP200 million]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50 million was drawn down on 30 January 2015 bears an interest rate at 2.36% (2022: 2.36%) per annum, the second loan of GBP50 million was drawn down on 9 March 2015 bears interest rates ranging from 1.60% to 5.19% (2022: 0.74% to 1.60%) per annum, the third loan of GBP50 million was drawn down on 9 April 2015 bears an interest rate at 2.19% (2022: 2.19%) per annum, and the fourth loan of GBP50 million was drawn down on 25 May 2016 bears interest rates ranging from 2.19% to 5.69% (2022: 1.07% to 2.19%) per annum. All the loans are repayable in full between 30 January 2024 and 25 May 2025.
- (b) The term loans of RM1,180.840 million [GBP200 million] (2022: RM1,068.600 million [GBP200 million]) was drawn down by Wessex Water Services Limited of which RM939,984,597 [GBP159,206,090] (2022: RM934,596,379 [GBP174,919,779]) remained outstanding as at 30 June 2023, net of amortised fees. The loans bear interest rates ranging from 2.20% to 5.16% (2022: 1.09% to 2.20%) per annum and are repayable with a 60% bullet repayment on 31 January 2026 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2021.
- (c) The term loans of RM442.815 million (GBP75 million) is an unsecured loan which was drawn down by Wessex Water Services Limited on 21 July 2022 of which RM439,166,021 (GBP74,381,969) remained outstanding as at 30 June 2023, net of amortised fees. The loans bear interest rates ranging from 2.20% to 5.16% per annum and are repayable with a 60% bullet repayment on 31 January 2029 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2026.
- (d) The term loan of RM885.630 million (GBP150 million) is unsecured loan which was drawn down by Wessex Water Services Limited on 14 October 2022 of which RM882,682,706 (GBP149,500,814) remained outstanding as at 30 June 2023, net of amortised fees. The loan bears interest rates ranging from 4.55% to 5.54% per annum and is repayable in full on 30 November 2032.
- (e) The term loan of RM73,802,500 [GBP12.5 million] (2022: RM66,787,500 [GBP12.5 million]) is an unsecured loan of Wessex Water Limited. The loan bears interest rates ranging from 4.90% to 6.03% (2022: 1.54%) per annum and is repayable in full on 29 November 2024.

All the term loans are unsecured.

(ii) Term loans denominated in US Dollars

Included in the term loans are:-

- (a) The term loan of RM935.8 million [USD200 million] (2022: RM881.1 million [USD200 million]) was drawn down by YTL Utilities Finance 4 Limited on 25 November 2020 of which RM934,639,608 [USD199.752 million] (2022: RM877,320,081 [USD199.142 million]) remained outstanding as at 30 June 2023, net of amortised fees. The term loan is guaranteed by YTLPI. The borrowing bears interest rates ranging from 3.02% to 6.97% (2022: 1.44% to 2.41%) per annum and is repayable on 25 November 2023.

All the term loans are unsecured.

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- 30 June 2023

31. BORROWINGS (CONTINUED)**(d) Term loans (continued)****(iii) Term loans denominated in Ringgit Malaysia**

Save for the term loan of RM3,442.5 million (2022: RM3,380.0 million) of the Group which secured against quoted shares and properties of the subsidiaries, all the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollar

Included in the term loan are:-

- (a) The term loan of RM6,886,141,500 [SGD1,995.0 million] (2022: RM6,315,372,000 [SGD1,995.0 million]) was drawn down by YTL PowerSeraya Pte. Limited on 14 September 2017 of which RM4,234,414,406 (SGD1,226,762,003) (2022: RM5,998,315,191 [SGD1,894,843,060]) remained outstanding as at 30 June 2023, net of amortised fees. The borrowing was refinanced on 1 June 2022 and is repayable in full on 1 June 2027. The term loan is secured by charges over certain assets of RM2,292,847,407 (2022: RM2,144,752,019) and shares of YTL PowerSeraya Pte. Limited. The borrowing bears interest rates ranging from 3.51% to 5.48% (2022: 1.61% to 2.79%) per annum.
- (b) The term loan of RM793.891 million [SGD230.0 million] (2022: RM728.088 million [SGD230.0 million]) was drawn down by Taser Power Pte. Ltd. on 1 June 2022 of which RM512,213,092 [SGD148,394,441] (2022: RM725,582,165 [SGD229,208,417]) remained outstanding as at 30 June 2023, net of amortised fees. The term loan is secured by charges over certain assets of RM1,255,590,030 (2022: RM1,199,347,397) and shares of Taser Power Pte. Ltd.. The borrowing bears interest rates ranging from 3.51% to 5.48% (2022: 2.51%) per annum and is repayable on 1 June 2027.

All the term loans are unsecured.

(v) Term loans denominated in Australian Dollar

Term loans of RM1,526.7 million (2022: RM1,489.5 million) of the Group are secured by first fixed charge over the properties of the subsidiaries.

(vi) Term loans denominated in Japanese Yen

Term loan of RM336.2 million (2022: RM335.4 million) of the Group are secured by first fixed charge over the properties of the subsidiaries.

(e) Trade facilities

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

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32. LEASE LIABILITIES

The details of lease liabilities are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Presented as:				
Current	260,388	170,939	2,339	6,844
Non-current	1,094,322	1,245,678	-	2,339
	1,354,710	1,416,617	2,339	9,183

The Group's maturity profile of lease liabilities are disclosed in Note 38(e) to the financial statements.

Extension and termination options are included in a number of property and equipment leases across the Group and the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group and the Company's operations. The majority of extension and termination options held are exercisable only by the Group and the Company and not by the respective lessor.

(a) Net investment in leases

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year		
At beginning of the financial year	7,632	11,693
Additions	66	63
Interest income	433	681
Lease payments received	(2,741)	(4,805)
Reassessment/modification	2,828	-
At end of the financial year	8,218	7,632
Presented as:		
Current	3,381	3,326
Non-current	4,837	4,306
	8,218	7,632

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32. LEASE LIABILITIES (CONTINUED)**(a) Net investment in leases (continued)**

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

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

The lease payments to be received are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Less than 1 year	3,650	3,622
1 to 2 years	2,721	2,598
2 to 3 years	1,504	1,345
3 to 4 years	724	537
4 to 5 years	113	-
Total undiscounted lease payments	8,712	8,102
Unearned interest income	(494)	(470)
Net investment in leases	8,218	7,632

33. GRANTS AND CONTRIBUTIONS

	Group		
	Note	2023 RM'000	2022 RM'000
At beginning of the financial year		620,655	661,614
Currency translation differences		65,270	(40,017)
Amortisation of grants and contributions	7	(17,951)	(18,999)
Disposal of a subsidiary*		-	(14,035)
Received during the financial year		31,051	32,092
At end of the financial year		699,025	620,655

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

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

NOTES TO THE FINANCIAL STATEMENTS

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34. DEFERRED TAXATION

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

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Deferred tax assets	(353,268)	(317,506)	-	-
Deferred tax liabilities	3,773,208	3,447,423	113	113
	3,419,940	3,129,917	113	113

The gross movement on the deferred income tax account is as follows:-

At beginning of the financial year, as previously reported	3,068,801	3,060,349	113	113
PPA adjustment^	61,116	61,116	-	-
At beginning of the financial year, as restated	3,129,917	3,121,465	113	113
Charged to Income Statements	62,190	52,278	-	-
- Property, plant and equipment	106,660	40,115	-	-
- Property development	(4,405)	(1,621)	-	-
- Investment properties	4,250	2,491	-	-
- Retirement benefits	(55,937)	9,222	-	-
- Provision	(1,116)	(3,583)	-	-
- Unutilised capital allowance	18,753	18,538	-	-
- Unabsorbed tax losses	(24,818)	(37,702)	-	-
- Leases	3,374	(1,590)	-	-
- Others	15,429	26,408	-	-
Currency translation differences	311,067	(187,835)	-	-
Acquisition of subsidiary	-	1,781	-	-
(Credited)/Charged to Other Comprehensive Income*	(83,234)	142,228	-	-
At end of the financial year	3,419,940	3,129,917	113	113

[^] This is in relation to a PPA adjustment on the acquisition of a power plant and associated assets of Tuaspring Pte. Ltd.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority.

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34. DEFERRED TAXATION (CONTINUED)

The following amounts determined after appropriate offsetting are shown in the Statements of Financial Position (continued):-

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Deferred tax assets provided are in respect of:-				
Deferred tax assets before offsetting				
Unutilised capital allowances	(118,690)	(128,747)	-	-
Retirement benefits	(8,736)	(8,433)	-	-
Unabsorbed tax losses	(382,272)	(279,239)	-	-
Provision	(36,876)	(23,663)	-	-
Leases	(5,031)	(3,530)	-	-
Others	(10,869)	(45,759)	-	-
	(562,474)	(489,371)	-	-

Deferred tax liabilities provided are in respect of:-

Deferred tax liabilities before offsetting				
Property, plant and equipment				
- capital allowances in excess of depreciation	3,822,173	3,549,079	113	113
Land held for property development	72,654	48,931	-	-
Others	87,587	21,278	-	-
	3,982,414	3,619,288	113	113
Total	3,419,940	3,129,917	113	113

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

	Group	
	2023 RM'000	2022 RM'000 (Restated)
Unabsorbed tax losses		
Unutilised capital allowances	1,760,458	1,615,292
Deductible temporary differences	3,123,089	2,905,532
Taxable temporary differences - property, plant and equipment	294,284	372,950
	(1,547,572)	(1,423,336)
	3,630,259	3,470,438

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34. DEFERRED TAXATION (CONTINUED)

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses in Malaysia tax entities with no expiry period will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. The Malaysia Finance Act 2021 has subsequently extended the utilisation period to 10 years.

The Group has undistributed earnings from subsidiaries incorporated outside Malaysia, could be subject to tax if distributed. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Defined contribution plans - Current					
- Malaysia	35(a)	6,837	6,620	326	326
Defined benefit plans - Non-current					
- Malaysia	35(b)	21,169	21,734	-	-
- United Kingdom	35(c)	(64,314)	(174,802)	-	-
- Indonesia	35(d)	17,257	15,225	-	-
		(25,888)	(137,843)	-	-

(a) Defined contribution plans

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(b) Defined benefit plans - Malaysia

The defined benefit plans typically exposes the Group to actuarial risks such as longevity risk and salary risk.

(i) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(b) Defined benefit plans - Malaysia (continued)**

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out on 28 August 2020 by the external actuary.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal actuarial assumptions at the end of the reporting period are as follows:-

	Group	
	2023	2022
	%	%
Discount rate	3.9	3.9
Future salary increase rate	5.0	5.0

Sensitivity analysis:

Significant actuarial assumption for the determination of the defined benefit obligation is the discount rate. The sensitivity analysis below has been determined based on reasonably possible change of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increase/(decrease) by 0.5%, the defined benefit obligation would decrease by RM0.80 million/increase by RM0.84 million (2022: decrease by RM0.90 million/increase by RM0.95 million).

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

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	21,734	21,764
Charge for the financial year	947	921
Benefits paid/payables	(1,512)	(951)
At end of the financial year	21,169	21,734

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

	Group	
	2023 RM'000	2022 RM'000
Present value of unfunded obligation	21,169	21,734

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(b) Defined benefit plans - Malaysia (continued)**

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

	Group	
	2023 RM'000	2022 RM'000
At beginning of the financial year	21,734	21,764
Benefits paid/payables	(1,512)	(951)
Current service cost	73	72
Interest cost	874	849
At end of the financial year	21,169	21,734

The amounts recognised in the Income Statements are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Current service cost	73	72
Interest cost	874	849
	947	921

(c) Defined benefit plans - United Kingdom

A subsidiary of the Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken by a qualified actuary as at 30 September 2022. This valuation has been adjusted to the reporting date as at 30 June 2023 taking account of experience over the period since 30 September 2022, changes in market conditions, and differences in the financial and demographic assumptions by the qualified actuary.

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 24% of the liabilities are attributable to current employees, 14% to former employees and 62% 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 13-14 years reflecting the approximate split of the defined benefit obligation between current employees (duration of c18-19 years), deferred members (duration of c17-18 years) and current pensioners (duration of c10-11 years).

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(c) Defined benefit plans - United Kingdom (continued)****(ii) Funding requirements**

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2022 showed a deficit of GBP35.3 million (RM208.4 million).

The subsidiary is due to pay deficit contributions of up to GBP20.2 million (RM119.3 million) by 1 July 2024, with the amount falling due dependent upon the scheme's funding position ahead of the payment date which, along with investment returns from return-seeking assets, are expected to make good this shortfall by 1 July 2024.

The subsidiary also pays contributions of 15.5% of pensionable salaries in respect of current accrual and non-investment related expenses. A contribution of GBP18.4 million (RM108.6 million) was paid on 30 June 2023.

(iii) Risks associated with the scheme

Asset volatility - The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities including a diversified growth fund and a global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

Changes in bond yields - A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk - The majority of the scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy - The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The trustees insure certain benefits payable on death before retirement.

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	(174,802)	437,922
Pension cost	20,117	64,258
Contributions and benefits paid	(233,955)	(134,094)
Currency translation differences	(7,724)	(589)
Re-measurement loss/(gain)	332,050	(542,299)
At 30 June	(64,314)	(174,802)

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(c) Defined benefit plans - United Kingdom (continued)****(iii) Risks associated with the scheme (continued)**

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

	Group	
	2023 RM'000	2022 RM'000
Present value of funded obligations	3,289,483	3,207,024
Fair value of plan assets	(3,353,797)	(3,381,826)
Asset in the Statements of Financial Position	(64,314)	(174,802)

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	3,207,024	4,722,344
Currency translation differences	315,847	(275,586)
Interest cost	122,420	88,320
Current service cost	31,492	52,444
Past service credit	(6,500)	-
Net benefits paid	(151,670)	(153,576)
Re-measurement loss/(gain):-		
- Actuarial loss arising from demographic assumptions	66,627	-
- Actuarial gain arising from financial assumptions	(516,221)	(1,294,428)
- Actuarial loss arising from experience adjustments	220,464	67,506
Present value of defined benefit obligations, at 30 June	3,289,483	3,207,024

Changes in fair value of plan assets are as follows:-

	Group	
	2023 RM'000	2022 RM'000
At 1 July	3,381,826	4,284,422
Currency translation differences	323,571	(274,997)
Interest income	133,254	82,132
Contributions by employer	233,955	134,094
Net benefits paid	(151,670)	(153,576)
Administration expenses	(5,959)	(5,626)
Re-measurement loss:-		
- Return on plan assets excluding interest income	(561,180)	(684,623)
Fair value of plan assets, at 30 June	3,353,797	3,381,826

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(c) Defined benefit plans - United Kingdom (continued)****(iii) Risks associated with the scheme (continued)**

The pension cost recognised is analysed as follows:-

	Group	
	2023 RM'000	2022 RM'000
Interest (income)/cost	(10,834)	6,188
Current service cost	31,492	52,444
Past service credit	(6,500)	-
Administration expenses	5,959	5,626
Total charged to Income Statements	20,117	64,258

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

	Group	
	2023 RM'000	2022 RM'000
Cost of sales	24,992	53,887
Administration expenses	5,959	4,183
Interest (income)/cost	(10,834)	6,188
Total charged to Income Statements	20,117	64,258

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

	Group	
	2023 %	2022 %
Discount rate	5.20	3.80
Rate of increase in pensions	2.10-3.00	2.10-2.90
Rate of increase in salaries - long-term	1.90	1.90
Inflation - RPI	3.20	3.00
Inflation - CPI	2.70	2.50

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(c) Defined benefit plans - United Kingdom (continued)****(iii) Risks associated with the scheme (continued)**Mortality assumptions:-

The mortality assumptions are based upon the recent actual mortality experience of scheme members and allow for expected future improvements in mortality rates.

	2023 Male Years	2023 Female Years	2022 Male Years	2022 Female Years
Life expectancy - current age 60	25.6	28.3	25.9	28.5
Life expectancy - current age 40	46.8	49.4	47.2	49.7

The mortality table adopted is based upon 111% of standard tables S3P(M/F)A adjusted to allow for individual years of birth. Future improvements are assumed to be in line with the CMI 2021 core projection, with a long-term improvement rate of 1.0% p.a. for all members.

Sensitivity analysis:-

The key assumptions used for MFRS 119 "Employee Benefits" are: discount rate, inflation and mortality. If different assumptions are used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions are set out below. For the purposes of these sensitivities, it has been assumed that the change in the discount rate and inflation has no impact on the value of scheme assets.

Key assumptions	Scheme liabilities			Scheme (surplus)/deficit	
	Increase by RM'000	Increase from RM'000	Increase to RM'000	Decrease from RM'000	Decrease to RM'000
A reduction in the discount rate of 0.1% (from 5.2% to 5.1%)	42,510	3,289,483	3,331,993	(64,314)	(21,804)
An increase in the inflation assumption of 0.1% (from 2.7% to 2.8% for CPI and 3.2% to 3.3% for RPI)	41,920	3,289,483	3,331,403	(64,314)	(22,394)
An increase in life expectancy of 1 year	93,286	3,289,483	3,382,769	(64,314)	28,972

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(c) Defined benefit plans - United Kingdom (continued)****(iii) Risks associated with the scheme (continued)**

The plan assets comprised the following:-

	2023		2022	
	RM'000	%	RM'000	%
Equity instrument	934,044	27.9	1,073,409	31.7
Debt instrument	2,073,555	61.8	1,892,491	56.0
Property	195,429	5.8	249,518	7.4
Others	150,769	4.5	166,408	4.9
	3,353,797	100.0	3,381,826	100.0

	2023 RM'000	2022 RM'000
Actual return on plan assets	(427,926)	(602,491)

(d) Defined benefit plans - Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are presented as below:-

	Group	
	2023 RM'000	2022 RM'000
Obligation relating to post-employment benefits	14,346	12,254
Obligation relating to other long-term employee benefits	2,911	2,971
Total	17,257	15,225

A subsidiary of the Group has a defined contribution pension plan covering its qualified permanent national employees in Indonesia. The subsidiary's contribution is 6% of employee basic salary, while the employees' contribution ranges from 3% to 14%.

The contributions made to the defined contribution plan are acceptable for funding the post-employment benefits under the labour regulations.

The obligations for post-employment and other long-term employee benefits were recognised with reference to actuarial reports prepared by an independent actuary. The latest actuarial report was dated 30 June 2023.

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(d) Defined benefit plans - Indonesia (continued)****(i) Post-employment benefit obligations**

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	12,254	19,310
Pension cost/(credit)	1,690	(4,756)
Contributions and benefits paid	(1,306)	(675)
Currency translation differences	699	465
Re-measurement loss/(gain)	1,009	(2,090)
At 30 June	14,346	12,254

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

	Group	
	2023 RM'000	2022 RM'000
Present value of obligations	14,346	12,254

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	12,254	19,310
Currency translation differences	699	465
Interest cost	858	1,219
Current service cost	832	1,203
Past service credit	-	(6,197)
Net benefits paid	(1,306)	(675)
Adjustment due to change in benefit attribution method	-	(981)
Re-measurement loss/(gain):-		
- Actuarial loss/(gain) arising from financial assumptions	533	(654)
- Actuarial loss/(gain) arising from experience adjustments	476	(1,436)
Present value of defined benefit obligations, at 30 June	14,346	12,254

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(d) Defined benefit plans - Indonesia (continued)****(i) Post-employment benefit obligations (continued)**

The pension cost recognised can be analysed as follows:-

	Group	
	2023 RM'000	2022 RM'000
Current service cost	832	1,203
Interest cost	858	1,219
Past service credit	-	(6,197)
Adjustment due to change in benefit attribution method	-	(981)
Total charged/(credited) to Income Statements	1,690	(4,756)

(ii) Other long-term employee benefit obligations

The obligations relating to other long-term employee benefits (i.e. long leave service benefits) recognised in the Statements of Financial Position are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Present value of obligations	2,911	2,971

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	2,971	2,686
Pension cost	605	659
Contributions and benefits paid	(810)	(76)
Currency translation differences	145	(298)
At 30 June	2,911	2,971

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35. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)**(d) Defined benefit plans - Indonesia (continued)****(ii) Other long-term employee benefit obligations (continued)**

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

	Group	
	2023 RM'000	2022 RM'000
At 1 July	2,971	2,686
Currency translation differences	145	(298)
Current service cost	605	659
Net benefits paid	(810)	(76)
At 30 June	2,911	2,971

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

	Group	
	2023 RM'000	2022 RM'000
Current service cost	605	659

The charge above was included in the cost of sales.

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

	Group	
	2023 %	2022 %
Discount rate	6.0	7.3
Future salary increase rate	8.5	9.0

At 30 June 2023, the weighted-average duration of the defined benefit obligations was 5.52 years (2022: 6.90 years).

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

(d) Defined benefit plans - Indonesia (continued)

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

Sensitivity analysis:-

Reasonably possible changes to the key assumptions, would have affected the defined benefit obligations at the reporting date by the following amounts:-

	2023		2022	
	RM'000 Increase	RM'000 Decrease	RM'000 Increase	RM'000 Decrease
Discount rate (1% movement)	(819)	901	(723)	794
Future salary increase rate (1% movement)	1,260	(1,169)	1,134	(1,055)

This analysis depicts the approximate sensitivity of the benefits obligation to a reasonable possible change in assumptions, but does not take account of the variability in the timing of distribution of benefit payments expected under the plan.

36. PROVISION FOR LIABILITIES AND CHARGES

Note	Affordable housing 36(a)	Rectification works 36(b)	Restructuring 36(c)	Damages claims 36(d)	Total RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2023					
At beginning of the financial year	22,343	190	40,604	99,480	162,617
Accretion of interests	-	-	854	-	854
Currency translation differences	-	17	929	3,419	4,365
Charged to Income Statements	7	300	-	6,704	463
Utilised		(17,424)	-	-	(17,424)
Payments	-	-	(16,230)	(1,580)	(17,810)
At end of the financial year	5,219	207	32,861	101,782	140,069
Presented as follows:					
Current	5,219	207	10,378	101,782	117,586
Non-current	-	-	22,483	-	22,483
	5,219	207	32,861	101,782	140,069

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36. PROVISION FOR LIABILITIES AND CHARGES (CONTINUED)

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

(a) Affordable housing

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

(b) Rectification works

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

(c) Restructuring

This represents a provision for scaling down of operations, environmental liabilities and asset retirement obligation.

(d) Damages claims

This represents a provision for projects undertaken by subsidiaries and are recognised for expected damages claims based on the term of the applicable agreements.

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37. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Trade payables	3,001,331	2,286,487	-	-
Other payables	654,721	575,044	1,693	511
Deferred income	100	100	-	-
Security deposits	211,227	196,604	-	-
Accrued expenses*	1,763,644	1,466,864	32,196	27,406
	5,631,023	4,525,099	33,889	27,917

* Accrued expenses mainly comprise interest payables, regulatory costs and capital expenditure

The credit terms of trade payables granted to the Group vary from 30 days to 180 days (2022: 30 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

38. FINANCIAL RISK MANAGEMENT

The Group's and the Company's operations are subject to foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. It is not the Group's and the Company's policy to engage in speculative transactions.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below:-

(a) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to risks arising from various currency exposures primarily with respect to the Great British Pounds ("GBP") and Singapore Dollars ("SGD"). The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency exchange risk (continued)

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

There is no significant exposure to foreign currency exchange risk for the Group and the Company.

Hedge of a net investment in Australia and Japan

At the reporting date, the Group's investment in its Australian and Japanese subsidiaries are hedged by part of the AUD term loan with a total carrying amount of RM862.022 million [AUD278 million] (2022: RM844.036 million [AUD278 million]) and the JPY term loan with a carrying amount of RM174.563 million [JPY5,401.250 million] (2022: RM174.190 million [JPY5,401.250 million]), respectively with the purpose to mitigate the currency risk arising from the subsidiary's net assets. The foreign currency loans are designated as net investment hedges.

The Group determines the existence of an economic relationship between the above hedging instrument and hedged items based on the currencies and amounts. The Group has established a hedge ratio of 1 : 1.01 (2022: 1 : 1.13) for Australia and 1 : 0.87 (2022: 1 : 0.87) for Japan as the underlying risk of the hedging instruments are identical to the hedged risk components and has no significant changes to the ratios. The Group has assessed the effectiveness of the above hedging relationships at the reporting date by comparing changes in the part of the carrying amount of the loans that are attributable to changes in the exchange rates with the changes in the net investment in the foreign operations due to movements in the exchange rate.

(b) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arise primarily from their floating rate bonds and borrowings, which is partially offset by the deposits and short-term investments held at variable rates. The Group and the Company manage their cash flow interest rate risk by using a mix of fixed and variable rate debts. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on their carrying amounts as at the reporting date, are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Financial liabilities	24,183,123	18,897,981	3,440,000	3,240,000
Variable rate instruments				
Financial assets	15,175,845	8,990,479	557,223	705,996
Financial liabilities	22,271,069	23,358,201	1,116,910	1,066,963
	37,446,914	32,348,680	1,674,133	1,772,959

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Interest rate risk (continued)**

At the reporting date, if the interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit before tax and equity would be higher/lower by approximately RM111.4 million (2022: RM116.8 million) and RM5.5 million (2022: RM5.3 million), respectively, as a result of lower/higher interest expense on borrowings.

The Group and the Company do not account for any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect their profit before tax.

The excess funds of the Group and the Company are invested in bank deposits and other short-term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short-term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income of the Group and the Company for the financial year would increase/decrease by RM15.2 million (2022: RM9.0 million) and RM0.6 million (2022: RM0.7 million), respectively.

(c) Price risk***Investments***

The Group and the Company are exposed to equity securities and income funds price risk arising from investments held which are classified on the Statements of Financial Position either as financial assets at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL").

To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio. For income funds and unit trusts, the Group and the Company mainly invest in AAA rated bonds and Money Market Funds. This investment is meant to achieve better yield as compared to fixed deposits. At the reporting date, if the prices of the income funds and unit trusts at FVTPL increased/decreased by 1% (2022: 1%) with all other variables including tax rate being held constant, the Group's and the Company's profit after tax and equity will be lower/higher by RM19.9 million (2022: RM15.0 million) and RM5.3 million (2022: RM5.5 million), respectively.

At the reporting date, the Group's and the Company's exposure to quoted equity investments at fair value are RM1,267.528 million (2022: RM770.404 million) and RM14.182 million (2022: RM14.153 million), respectively.

The following table demonstrates the indicative effects on the Group's and the Company's equity applying reasonably foreseeable market movements in the quoted market prices at the reporting date, assuming all other variables remain constant.

	Carrying amounts RM'000	Increase/ Decrease in quoted market prices %	Effect on equity RM'000
Group - 2023			
Local equities	431,620	+/- 10	43,162
Foreign equities	835,908	+/- 10	83,591
Group - 2022			
Local equities	13,770	+/- 10	1,377
Foreign equities	756,634	+/- 10	75,663

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Price risk (continued)***Investments (continued)*

	Carrying amounts RM'000	Increase/ Decrease in quoted market prices %	Effect on equity RM'000
Company - 2023			
Local equities	5,467	+/- 10	547
Foreign equities	8,715	+/- 10	872
Company - 2022			
Local equities	5,708	+/- 10	571
Foreign equities	8,445	+/- 10	845

Fuel commodity

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

The Group has contracts for the sale of electricity to the Singapore electricity pool at prices that are fixed in advance every three months and to retail customers at prices that are either fixed in amount or in pricing formula for periods up to a number of years. The fixing of the prices under the contracts is based largely on the price of fuel oil required to generate the electricity. The Group enters into fuel oil swaps to hedge against adverse price movements of fuel oil prices. The Group typically enters into a swap to pay a fixed price and receive a variable price indexed to a benchmark fuel price index.

Exposure to price fluctuations arising from the purchase of fuel oil and natural gas are substantially managed via swaps where the price is indexed to a benchmark fuel price index, for example 180 CST fuel oil and Dated Brent. The Group's exposure to the fluctuation of forward price curve is immaterial.

(d) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle their obligations to the Group and the Company.

The Group's exposure to credit risk arises primarily from trade and other receivables. Meanwhile, the Company's exposures to credit risk arise from other receivables. For other financial assets (including investment securities, cash and cash equivalents and derivative financial instruments), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Credit risk (continued)*****Concentration of credit risk***

Due to the nature of the Group's business, customers are mainly segregated according to business segments. In the Group's multi utilities business in Singapore, credit reviews are performed on all customers with established credit limits and generally supported by collateral in the form of guarantees. For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In the Group's telecommunications business, the credit risk is monitored on an ongoing basis through a credit policy. The Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

Trade receivables, unbilled receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables, unbilled receivables and contract assets. To measure the ECL, trade receivables, unbilled receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on 1 year to 13 years of historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Some of the factors which the Group has identified include unemployment rate, economic trends, and annual Gross Domestic Product ("GDP") growth and has adjusted the historical loss rates based on expected changes in such factors.

On that basis, the loss allowance was determined as follows for trade receivables, unbilled receivables, contract assets and related parties:

	----- Past due -----				Total RM'000
	Current RM'000	1 - 90 days RM'000	91 - 120 days RM'000	> 120 days RM'000	
Group - 2023					
Gross carrying amount	1,984,367	215,297	30,352	887,245	3,117,261
- Trade receivables					
- Unbilled receivables	1,961,246	-	-	-	1,961,246
- Contract assets	396,212	19	7	202	396,440
	4,341,825	215,316	30,359	887,447	5,474,947
Allowance for impairment					
- Trade receivables	(63,955)	(12,050)	(5,464)	(499,825)	(581,294)
- Unbilled receivables	(6,686)	-	-	-	(6,686)
- Contract assets	(2,911)	-	-	-	(2,911)
	(73,552)	(12,050)	(5,464)	(499,825)	(590,891)
Net carrying amount	4,268,273	203,266	24,895	387,622	4,884,056

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Credit risk (continued)*****Trade receivables, unbilled receivables and contract assets (continued)***

	Past due			Total RM'000
	Current RM'000	1 - 90 days RM'000	91 - 120 days RM'000	
Group - 2022				
Gross carrying amount				
- Trade receivables	1,619,984	185,254	18,925	978,551
- Unbilled receivables	1,291,969	-	-	-
- Contract assets	208,065	-	-	-
	3,120,018	185,254	18,925	978,551
				4,302,748
Allowance for impairment				
- Trade receivables	(45,608)	(9,171)	(2,862)	(480,457)
- Unbilled receivables	(7,997)	-	-	-
- Contract assets	(289)	-	-	-
	(53,894)	(9,171)	(2,862)	(480,457)
				(546,384)
Net carrying amount	3,066,124	176,083	16,063	498,094
				3,756,364

At the reporting date, the maximum exposure to credit risk of the financial assets of the Group and the Company are represented by the carrying amounts in the Statements of Financial Position, except for the Group's trade receivables on electricity and steam sales where the Group will assess each customer individually and typically require collateral in the form of bankers' guarantees or deposits from selected customers.

Cash and bank balances

The Group and the Company place its cash and bank balances with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Derivative financial instruments

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group and the Company consider the risk of material loss on the event of non-performance by a financial counter party to be unlikely.

Other receivables

The Group and the Company use the 3-stages approach for the ECL on the other receivables and amount due from related parties. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Credit risk (continued)**

A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:-

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due.	Lifetime ECL
Non-performing	Debtors and repayments are more than 365 days past due.	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:-

- PD ('probability of default') - the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') - the percentage of contractual cash flows will not be collected if default happens; and
- EAD ('exposure at default') - the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical date by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Credit risk (continued)**

Movement on the Group's and the Company's loss allowances is as follows:-

	Trade receivables RM'000	Unbilled receivables RM'000	Contract assets RM'000	Related parties RM'000	Other receivables RM'000	Total RM'000
Group - 2023						
At 1 July 2022	538,098	7,997	289	963	117,667	665,014
Allowance for impairment of receivables	117,712	-	2,622	150	38,472	158,956
Write back of impairment of receivables	(6,156)	(1,974)	-	-	(80)	(8,210)
Written off during the financial year as uncollectible	(99,576)	663	-	(1,068)	5,366	(94,615)
Currency translation differences	31,216	-	-	-	-	31,216
At 30 June 2023	581,294	6,686	2,911	45	161,425	752,361
Group - 2022						
At 1 July 2021	537,206	8,191	19	757	90,456	636,629
Allowance for impairment of receivables	116,166	413	270	206	31,028	148,083
Write back of impairment of receivables	(25,398)	-	-	-	(94)	(25,492)
Written off during the financial year as uncollectible	(68,597)	-	-	-	(4,911)	(73,508)
Currency translation differences	(21,279)	(607)	-	-	1,188	(20,698)
At 30 June 2022	538,098	7,997	289	963	117,667	665,014

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Credit risk (continued)**

Movement on the Group's and the Company's loss allowances is as follows (continued):-

	Related parties RM'000	Other receivables RM'000	Total RM'000
Company - 2023			
At 1 July 2022	41,609	1,765	43,374
Write back of impairment of receivables	(11,802)	-	(11,802)
At 30 June 2023	29,807	1,765	31,572
Company - 2022			
At 1 July 2021	121,289	1,765	123,054
Write back of impairment of receivables	(79,680)	-	(79,680)
At 30 June 2022	41,609	1,765	43,374

(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.

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Liquidity risk (continued)**

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:-

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2023				
Non-derivative:				
Trade and other payables	5,630,923	195,760	-	5,826,683
Bonds and borrowings	9,208,380	26,111,950	30,982,723	66,303,053
Lease liabilities	275,231	933,402	778,735	1,987,368
Related parties	37,970	-	-	37,970
	15,152,504	27,241,112	31,761,458	74,155,074
Derivative:				
Fuel oil swaps	88,643	6,845	-	95,488
Currency forwards	22,185	2,809	-	24,994
	110,828	9,654	-	120,482
Company - 2023				
Non-derivative:				
Trade and other payables	33,889	-	-	33,889
Bonds and borrowings	1,508,141	1,522,399	2,689,474	5,720,014
Lease liabilities	2,358	-	-	2,358
Related parties	5,846	-	-	5,846
	1,550,234	1,522,399	2,689,474	5,762,107

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38. FINANCIAL RISK MANAGEMENT (CONTINUED)**(e) Liquidity risk (continued)**

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:- (continued)

	On demand or within 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group - 2022				
Non-derivative:				
Trade and other payables	4,524,999	103,472	-	4,628,471
Bonds and borrowings	8,696,349	26,457,760	21,652,692	56,806,801
Lease liabilities	258,765	742,219	1,122,104	2,123,088
Related parties	35,531	-	-	35,531
	13,515,644	27,303,451	22,774,796	63,593,891
Derivative:				
Fuel oil swaps	8,053	1,298	-	9,351
Currency forwards	262	69	-	331
Electricity futures	13,425	-	-	13,425
	21,740	1,367	-	23,107
Company - 2022				
Non-derivative:				
Trade and other payables	27,917	-	-	27,917
Bonds and borrowings	2,208,298	1,092,800	1,956,625	5,257,723
Lease liabilities	7,074	2,358	-	9,432
Related parties	6,542	-	-	6,542
	2,249,831	1,095,158	1,956,625	5,301,614

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39. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:-

Financial Assets						
	Note	Amortised cost RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
Group - 2023						
Non-current						
Investments	18	-	329,466	-	203,703	533,169
Trade and other receivables	20	2,844,151	146,924	-	-	2,991,075
Derivative financial instruments	21	-	-	2,879	-	2,879
Current						
Investments	18	-	1,986,392	-	-	1,986,392
Derivative financial instruments	21	-	-	18,824	-	18,824
Trade and other receivables	20	5,155,964	-	-	-	5,155,964
Amount due from related parties	25	73,223	-	-	-	73,223
Fixed deposits	26	11,195,322	-	-	-	11,195,322
Cash and bank balances	26	3,230,331	-	-	-	3,230,331
Total		22,498,991	2,462,782	21,703	203,703	25,187,179

Financial Liabilities				
	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Amortised cost RM'000
Group - 2023				
Non-current				
Long-term payables	29	-	-	195,760
Bonds	30	-	-	23,318,657
Borrowings	31	-	-	15,336,292
Lease liabilities	32	-	-	1,094,322
Derivatives financial instruments	21	-	9,654	-
Current				
Trade and other payables	37	-	-	5,630,923
Derivatives financial instruments	21	-	110,828	-
Amount due to related parties	25	-	-	37,970
Bonds	30	-	-	1,594,466
Borrowings	31	-	-	6,204,777
Lease liabilities	32	-	-	260,388
Total		-	120,482	53,673,555
				53,794,037

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39. 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				Total RM'000					
		Amortised cost RM'000	Fair value through profit or loss RM'000		FVOCI RM'000						
Company - 2023											
Non-current											
Investments	18	-	14,182	9,398	23,580						
Current											
Trade and other receivables	20	7,895	-	-	7,895						
Amount due from related parties	25	1,102,319	-	-	1,102,319						
Investments	18	-	530,481	-	530,481						
Fixed deposits	26	26,742	-	-	26,742						
Cash and bank balances	26	3,406	-	-	3,406						
Total		1,140,362	544,663	9,398	1,694,423						
Financial Liabilities											
Amortised cost RM'000											
Total RM'000											
Company - 2023											
Non-current											
Bonds	30	3,200,000	3,200,000								
Current											
Trade and other payables	37	33,889	33,889								
Amount due to related parties	25	5,846	5,846								
Bonds	30	240,000	240,000								
Borrowings	31	1,116,910	1,116,910								
Lease liabilities	32	2,339	2,339								
Total		4,598,984	4,598,984								

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39. FINANCIAL INSTRUMENTS (CONTINUED)**(a) Categories of financial instruments (continued)**

Financial Assets						
	Note	Amortised cost RM'000	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	FVOCI RM'000	Total RM'000
Group - 2022						
Non-current						
Investments	18	-	99,978	-	241,550	341,528
Trade and other receivables	20	2,481,355	275,745	-	-	2,757,100
Derivative financial instruments	21	-	-	20,607	-	20,607
Current						
Investments	18	-	1,500,569	-	-	1,500,569
Derivative financial instruments	21	-	884	415,007	-	415,891
Trade and other receivables	20	4,117,934	-	-	-	4,117,934
Amount due from related parties	25	101,465	-	-	-	101,465
Fixed deposits	26	8,230,733	-	-	-	8,230,733
Cash and bank balances	26	3,167,824	-	-	-	3,167,824
Total		18,099,311	1,877,176	435,614	241,550	20,653,651
Financial Liabilities						
	Note	Fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Amortised cost RM'000	Total RM'000	
Group - 2022						
Non-current						
Long-term payables	29	-	-	103,472	103,472	
Bonds	30	-	-	17,582,938	17,582,938	
Borrowings	31	-	-	17,761,959	17,761,959	
Derivatives financial instruments	21	761	606	-	1,367	
Lease liabilities	32	-	-	1,245,678	1,245,678	
Current						
Trade and other payables	37	-	-	4,524,999	4,524,999	
Derivatives financial instruments	21	-	21,740	-	21,740	
Amount due to related parties	25	-	-	35,531	35,531	
Bonds	30	-	-	2,630,000	2,630,000	
Borrowings	31	-	-	4,281,285	4,281,285	
Lease liabilities	32	-	-	170,939	170,939	
Total		761	22,346	48,336,801	48,359,908	

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39. 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				Total RM'000		
		Amortised cost RM'000	Fair value through profit or loss RM'000	FVOCI RM'000				
Company - 2022								
Non-current								
Investments	18	-	14,153	9,598	23,751			
Current								
Trade and other receivables	20	8,117	-	-	8,117			
Amount due from related parties	25	951,154	-	-	951,154			
Investments	18	-	545,668	-	545,668			
Fixed deposits	26	160,328	-	-	160,328			
Cash and bank balances	26	36,371	-	-	36,371			
Total		1,155,970	559,821	9,598	1,725,389			
Financial Liabilities								
Amortised cost RM'000								
Total RM'000								
Company - 2022								
Non-current								
Bonds	30	2,240,000	2,240,000					
Borrowings	31	55	55					
Lease liabilities	32	2,339	2,339					
Current								
Trade and other payables	37	27,917	27,917					
Amount due to related parties	25	6,542	6,542					
Bonds	30	1,000,000	1,000,000					
Borrowings	31	1,066,908	1,066,908					
Lease liabilities	32	6,844	6,844					
Total		4,350,605	4,350,605					

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39. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Fair value measurement**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:-

- (i) Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2023				
Assets				
Financial assets at fair value through profit or loss:-				
- Income/equity funds	-	1,986,392	-	1,986,392
- Debt instrument	-	-	250,000	250,000
- Equity investments	14,182	65,284	-	79,466
Derivatives used for hedging	-	21,703	-	21,703
Financial assets at fair value through other comprehensive income	17,146	10,734	175,823	203,703
Total	31,328	2,084,113	425,823	2,541,264
Liabilities				
Derivative used for hedging	-	120,482	-	120,482
Total	-	120,482	-	120,482

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39. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Fair value measurement (continued)**

At the reporting date, the Group and the Company held the following financial instruments carried at fair value on the Statements of Financial Position:- (continued)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group - 2022				
Assets				
Financial assets at fair value through profit or loss:-				
- Trading derivatives	-	884	-	884
- Income/equity funds	-	1,500,569	-	1,500,569
- Equity investments	14,153	85,825	-	99,978
Derivatives used for hedging	5,352	430,262	-	435,614
Financial assets at fair value through other comprehensive income	15,428	19,873	206,249	241,550
Total	34,933	2,037,413	206,249	2,278,595
Liabilities				
Financial liabilities at fair value through profit or loss:-				
- Trading derivatives	-	761	-	761
Derivative used for hedging	13,425	8,921	-	22,346
Total	13,425	9,682	-	23,107
Company - 2023				
Assets				
Financial assets at fair value through profit or loss	14,182	530,481	-	544,663
Financial assets at fair value through other comprehensive income	4	-	9,394	9,398
Total	14,186	530,481	9,394	554,061
Company - 2022				
Assets				
Financial assets at fair value through profit or loss	14,153	545,668	-	559,821
Financial assets at fair value through other comprehensive income	4	-	9,594	9,598
Total	14,157	545,668	9,594	569,419

During the current financial year, there were no transfers between Level 1 and Level 2 fair value measurements.

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40. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

(a) Significant related party transactions

- (i) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Dividend income:				
- Subsidiaries	-	-	350,093	358,418
Interest income:				
- Associate companies	-	13,240	-	-
- Joint ventures	222,695	158,277	-	-
Civil engineering and construction works:				
- Associate companies	24,044	21,311	-	-
Sale of cement and concrete and related services:				
- Joint ventures	133,238	136,128	-	-
Lease income and related services:				
- Fellow subsidiaries	35,710	20,026	-	-
- Associate companies	7,255	3,249	-	-
Lease expense:				
- Associate companies	95,055	79,661	-	-
Management, operation and maintenance fees:				
- Associate companies	71,777	65,918	-	-
- Joint ventures	93,144	-	-	-
Management and other related service:				
- Associate companies	66,658	63,158	-	-
Rental of premises:				
- Subsidiary	-	-	7,496	7,418

NOTES TO THE FINANCIAL STATEMENTS

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40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**(a) Significant related party transactions (continued)**

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Progress billing of construction works:				
- Associate companies	-	12,657	-	-
Purchase of goods and services from joint venture companies:				
- Billing and debt collection	76,605	60,001	-	-
- Information technology consultancy and related services	10,826	18,102	-	-
- IT Consultancy & related services expenses	17,029	26,252	-	-

(b) Related party balances

The significant related party balance as at financial year ended except disclosed in other notes to the financial statements as follows:-

	Group	
	2023 RM'000	2022 RM'000
Associates		
- Tenant deposits	7,140	7,140
- Progress billings	-	100,094
Company related to key management personnel		
- Trade receivables	1,175	2,335

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40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)**(c) Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key management personnel of the Group and the Company includes the Directors of the Company.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' and key management personnel's remuneration				
- short-term employee benefits	71,884	64,322	2,372	2,157
- defined contribution plans	5,823	5,011	171	146
- benefits-in-kind	770	661	140	168
	78,477	69,994	2,683	2,471

41. COMMITMENTS**(a) Capital commitments**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Authorised but not contracted for	-	512,861	-	-
Contracted but not provided for	1,733,369	1,751,039	2,688	2,688

The above commitments mainly comprise purchase of spare parts and property, plant and equipment.

	Group	
	2023 RM'000	2022 RM'000
Capital commitments in relation to addition investment	67,245	36,668

NOTES TO THE FINANCIAL STATEMENTS

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41. COMMITMENTS (CONTINUED)**(b) Operating lease commitments****(i) The Group as lessor**

The Group leases out its land and building, telecommunications equipment, plant and machinery. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2023 RM'000	2022 RM'000
Less than 1 year	241,259	207,302
Between 1 to 2 years	154,278	143,414
Between 2 to 3 years	132,838	121,392
Between 3 to 4 years	105,224	109,328
Between 4 to 5 years	65,477	91,716
Later than 5 years	6,932	7,367
Total undiscounted lease payments to be received	706,008	680,519

Those leases classified as finance leases are disclosed in Note 32(a).

42. SEGMENTAL INFORMATION

The Group has six reportable segments as described below:-

- (a) Construction
- (b) Hotel operations
- (c) Cement and building materials industry
- (d) Management services & others
- (e) Property investment & development
- (f) Utilities

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

The Utilities segment comprises Power generation, Water and sewerage and Telecommunications. These sub-segments have similar economic characteristics. Details of these sub-segments are disclosed in YTL Power International Berhad's annual report which is available to the public.

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42. SEGMENTAL INFORMATION (CONTINUED)

The segment information for the reportable segments is as follows:-

			Cement and building materials				Management & others	Property investment & development	Utilities	Total
	Construction	Hotel operations	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2023										
Revenue										
Total revenue	1,419,247	1,326,254	4,882,369	1,101,738	584,487	21,083,329	30,397,424			
Inter-segment revenue	(215,761)	(12,434)	(61,162)	(298,703)	(177,366)	(15,913)	(781,339)			
External revenue	1,203,486	1,313,820	4,821,207	803,035	407,121	21,067,416	29,616,085			
Results										
Interest income	6,421	1,174	50,890	48,945	6,516	25,639	139,585			
Finance costs	-	(25,506)	(232,670)	(768,473)	(184,757)	(1,105,337)	(2,316,743)			
Share of results of associated companies and joint ventures	-	12,097	36,393	334,269	34,553	2,733	420,045			
Segment profit/(loss) before tax	9,984	160,183	383,235	114,856	(71,843)	2,132,698	2,729,113			
Segment assets										
Investment in associated companies and joint ventures	-	55,052	79,123	1,927,756	2,132,627	46,733	4,241,291			
Other segment assets	834,978	2,513,391	10,891,952	15,789,638	7,010,867	40,178,252	77,219,078			
Segment liabilities										
Bonds and borrowings	350,283	819,205	4,497,692	15,093,773	2,907,434	22,785,805	46,454,192			
Other segment liabilities	626,269	478,176	1,567,116	1,519,691	1,245,010	9,456,682	14,892,944			
Other segment information										
Capital expenditure	2,618	11,431	151,972	519,044	56,704	1,453,587	2,195,356			
Impairment/(write back)	-	135	9,103	11,600	(22,493)	131,908	130,253			
Depreciation and amortisation	21,449	65,538	356,790	24,001	150,656	1,286,736	1,905,170			

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42. SEGMENTAL INFORMATION (CONTINUED)

The segment information for the reportable segments is as follows:- (continued)

	Construction RM'000	Hotel operations RM'000	Cement and building materials industry RM'000	Management & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
Group - 2022 (Restated)							
Revenue							
Total revenue	1,191,901	703,561	3,909,865	509,346	892,622	17,518,522	24,725,817
Inter-segment revenue	(55,673)	(9,890)	(18,890)	(205,124)	(175,254)	(19,483)	(484,314)
External revenue	1,136,228	693,671	3,890,975	304,222	717,368	17,499,039	24,241,503
Results							
Interest income	8,870	457	39,050	6,322	13,835	2,989	71,523
Finance costs	(11,758)	(23,064)	(204,715)	(536,129)	(152,194)	(658,706)	(1,586,566)
Share of results of associated companies and joint ventures	-	4,518	38,625	332,577	62,362	3,969	442,051
Segment profit/(loss) before tax	62,279	(58,364)	264,158	479,392	192,514	878,376	1,818,355
Segment assets							
Investment in associated companies and joint ventures	-	41,543	80,617	1,752,963	2,071,862	30,274	3,977,259
Other segment assets	726,271	2,422,411	10,277,894	13,416,230	6,880,443	35,284,066	69,007,315
Segment liabilities							
Bonds and borrowings	385,719	857,431	4,264,718	13,104,356	2,929,795	20,714,163	42,256,182
Other segment liabilities	491,819	356,016	1,407,604	1,530,573	1,359,429	7,789,417	12,934,858
Other segment information							
Capital expenditure	6,204	9,247	124,018	434,453	67,137	1,395,025	2,036,084
Impairment/(write back)	7,577	(195)	(15,873)	174,033	(190)	131,474	296,826
Depreciation and amortisation	14,294	70,062	357,931	21,325	149,841	1,259,548	1,873,001

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42. SEGMENTAL INFORMATION (CONTINUED)

(a) Geographical information

The Group's six business segments operate in three main geographical areas:-

- (i) Malaysia
 - Construction
 - Hotel operations
 - Cement and building materials industry
 - Management services & others
 - Property investment & development
 - Utilities
- (ii) United Kingdom
 - Utilities
 - Hotel operations
 - Property investment & development
- (iii) Singapore
 - Utilities
 - Cement and building materials industry
 - Property investment & development

	Revenue		Non-current assets	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000 (Restated)
Malaysia	6,205,801	5,570,614	11,600,913	11,777,165
United Kingdom	4,623,496	4,387,341	23,354,594	20,297,664
Singapore	16,925,544	13,200,534	10,354,262	9,481,322
Other countries	1,861,244	1,083,014	3,726,934	3,737,058
	29,616,085	24,241,503	49,036,703	45,293,209

Non-current assets information presented above consist of the followings items as presented in the Statements of Financial Position.

	Non-current assets	
	2023 RM'000	2022 RM'000 (Restated)
Property, plant and equipment	35,330,655	32,341,036
Right-of-use assets	1,524,877	1,548,315
Investment properties	1,966,666	1,976,595
Development expenditures	786,093	806,353
Intangible assets	9,428,412	8,620,910
	49,036,703	45,293,209

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42. 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:-

	2023 RM'000	2022 RM'000	Segment
Energy Market Company	9,242,263	7,946,821	Utilities

43. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that it maintains healthy capital ratios in order to support its existing business and maximise shareholders' value.

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

The Group and the Company monitors capital using a debt-to-capital ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, total borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the parent.

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bonds	30	24,913,123	20,212,938	3,440,000	3,240,000
Borrowings	31	21,541,069	22,043,244	1,116,910	1,066,963
Bonds and borrowings		46,454,192	42,256,182	4,556,910	4,306,963
Less: Cash and cash equivalents	26	(14,425,653)	(11,398,557)	(30,148)	(196,699)
Net debt		32,028,539	30,857,625	4,526,762	4,110,264
Equity attributable to owners of the parent		14,465,693	13,090,941	5,950,063	6,192,757
Capital and net debt		46,494,232	43,948,566	10,476,825	10,303,021
Debt-to-capital ratio (%)		69	70	43	40

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

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44. LIST OF SUBSIDIARIES

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Held by the Company:				
Arah Asas Sdn. Bhd.	Malaysia	Property development	100.00	100.00
Business & Budget Hotels Sdn. Bhd.	Malaysia	Management and 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 and investment holding	100.00	100.00
Intellectual Mission Sdn. Bhd.	Malaysia	Education and training using advanced technology	100.00	100.00
Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	100.00	100.00
Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	Malaysia	Civil engineering works, construction, property development and real estate investment, investment holding and related services	100.00	100.00
Titiwangsa Development Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
YTL Cayman Limited [†]	Cayman Islands	Investment holding, ownership and chartering of yachts and vessels	100.00	100.00
YTL Cement Berhad	Malaysia	Investment holding, management company and hiring of vehicles	98.04	98.04
YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships and vehicles	100.00	100.00
YTL Corporation (UK) Plc*	England & Wales	Inactive	100.00	100.00
YTL Corp Finance (Cayman) Limited [†]	Cayman Islands	Inactive	100.00	100.00
YTL Corp Finance (Labuan) Limited [†]	Malaysia	Special purpose vehicle for issuance of securities and 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

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Held by the Company: (continued)				
YTL Energy Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
YTL (Guernsey) Limited [‡]	Guernsey	Investment and property holding	100.00	100.00
YTL Hospitality REIT ("YTLREIT")	Malaysia	Investment in real estate	56.96	56.96
YTL Hotel Management Saint Tropez SARL [‡]	France	Hotel operator and management services	100.00	100.00
YTL Hotels & Properties Sdn. Bhd.	Malaysia	Investment holding and 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 and provision of management, financial, treasury and secretarial services	93.19	93.17
YTL Power International Berhad ("YTL Power")*	Malaysia	Investment holding and provision of administrative and technical support services	55.57	55.57
YTL Singapore Pte. Ltd.*	Singapore	Investment holding and management company	100.00	100.00
YTL-SV Carbon Sdn. Bhd.	Malaysia	Provision of consultancy services	90.00	90.00
Held through Business & Budget Hotels Sdn. Bhd.:				
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel operator	51.00	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd. (In liquidation) [¶]	Malaysia	Inactive	51.00	51.00
Held through Cane Creations Sdn. Bhd.:				
Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts, accessories and related services	100.00	100.00
Niche Retailing Sdn. Bhd.	Malaysia	Retailing of fashion apparels and related accessories	100.00	100.00
PP Refined Venture Sdn. Bhd.	Malaysia	Retailing of fashion apparels and related accessories	51.00	100.00

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Held through Cane Creations Sdn. Bhd.: (continued)				
Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture, accessories and related services	100.00	100.00
Star Hill Living.Com Sdn. Bhd.	Malaysia	Project management services, trading of painting, furniture, accessories, florists, confectioneries, gifts and related services	100.00	100.00
Starplus Reward Sdn. Bhd. (formerly known as Natural Adventure Sdn. Bhd.)	Malaysia	Provision of loyalty program and rewards management system	100.00	100.00
Trendy Retailing Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Held through Divine View Sdn. Bhd.:				
SCI YTL Hotels Saint Tropez [†]	France	Acquisition, management, renting and administration and/or resale of real estate	100.00	100.00
Held through Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.:				
Austasia Metal Sdn. Bhd.*	Malaysia	Inactive	100.00	100.00
Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	93.80	93.80
Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase and credit	100.00	100.00
Dayang Bay Development Sdn. Bhd.	Malaysia	Property investment and development	100.00	100.00
Dayang Bunting Resorts Sdn. Bhd.	Malaysia	Property investment and development	100.00	100.00
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building and construction materials	100.00	100.00
First Commercial Development Sdn. Bhd.	Malaysia	Property investment	100.00	100.00
Hotel 25 Sdn. Bhd.	Malaysia	Hotel operator	100.00	100.00
Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	70.00	70.00
Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	100.00	100.00
Northwestern Water Sdn. Bhd.	Malaysia	Property investment and development	100.00	100.00
Permai Property Management Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing and other related services	100.00	100.00

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest			
			2023 %	2022 %		
Held through Syarikat Pembinaan						
Yeoh Tiong Lay Sdn. Bhd.:						
(continued)						
Transportable Camps Sdn. Bhd.	Malaysia	Trading and rental of transportable cabins and 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 and 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 and real estate developer	100.00	100.00		
YTL Civil Engineering Sdn. Bhd.	Malaysia	Civil engineering works and construction	100.00	90.00		
YTL Damansara 3 Sdn. Bhd.	Malaysia	Property investment and development	100.00	100.00		
YTL Development Sdn. Bhd.	Malaysia	Property development	70.00	70.00		
YTL High Speed Rail Sdn. Bhd.	Malaysia	Inactive	100.00	100.00		
YTL Project Management Services Sdn. Bhd.	Malaysia	Provision of management services for construction projects	100.00	100.00		
YTL Technologies Sdn. Bhd.	Malaysia	Servicing and hiring of equipment	99.22	99.22		
Held through YTL Cayman Limited:						
Just Heritage Sdn. Bhd.*	Malaysia	Management services	100.00	100.00		
Starhill Global REIT Investments Limited [†]	Cayman Islands	Investment holding	100.00	100.00		
Starhill Global REIT Management Limited [†]	Cayman Islands	Investment holding	100.00	100.00		
YTL Construction (Thailand) Limited*	Thailand	Construction activities	74.89	74.89		
YTL Power Services Sdn. Bhd.	Malaysia	Operation and 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		

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Held through YTL Cement Berhad:				
Associated Pan Malaysia Cement Sdn. Bhd.	Malaysia	Manufacture and sale of cement and clinker	77.04	77.04
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business and trading of granite aggregates	98.04	98.04
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
Beijing Dama Sinosource Trading Co., Ltd.*	The People's Republic of China	Trading of mechanical, electrical equipment and parts	98.04	98.04
Bentara Gemilang Industries Sdn. Bhd.	Malaysia	Quarry business and related services	49.02	49.02
Ben Tre Fico-YTL Cement Limited*^	Vietnam	Dormant	-	68.63
Binh Duong Fico Cement Single Member Limited Liability Company*	Vietnam	Manufacturing and sale of cement	68.63	68.63
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and related services	77.04	77.04
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	98.04	98.04
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and related services	77.04	77.04
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete	77.04	77.04
CDL Sdn. Bhd. (formerly known as Buildcon Concrete (KL) Sdn. Bhd.)	Malaysia	Conducts research and development activities, provides consultancy services and technical trainings to improve the quality, productivity and effectiveness of construction materials	98.04	98.04
CMCM Perniagaan Sdn. Bhd.	Malaysia	Distribution of cement and building materials	77.04	77.04
Competent Teamwork Sdn. Bhd.	Malaysia	Investment holding	98.04	98.04
Concrete Industries Pte. Ltd.*	Singapore	Dormant	98.04	98.04
Concrete Star Limited†	Cayman Islands	Investment holding	98.04	98.04
Equity Corporation Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
Fico Tay Ninh Cement Joint Stock Company*	Vietnam	Manufacture and sale of cement	68.63	68.63

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Fico-YTL Cement Sales and Marketing Company Limited*	Vietnam	Sale and marketing of cementitious products	68.63	68.63
Gemilang Pintar Sdn. Bhd.	Malaysia	Quarry business and trading of granite aggregates	68.63	68.63
Geo Alam Environmental Sdn. Bhd.	Malaysia	Waste management in supplying, delivering of alternative fuels and raw materials for use in cement manufacturing activities	77.04	77.04
Geo Alam Sdn. Bhd.	Malaysia	Trading of any type of cementitious materials usable in the production of cement or concrete for use in the construction industry	77.04	77.04
Green Enable Technologies Sdn. Bhd.	Malaysia	Operation and maintenance of power plant and provision of project management and consultancy services including municipal solid waste and scheduled waste disposal in cement plant	98.04	98.04
H Cement (Malaysia) Sdn. Bhd.	Malaysia	Manufacture and sale of cement	77.04	77.04
Hopefield Enterprises Limited*	Hong Kong	Investment holding	98.04	98.04
Industrial Procurement Limited†	Cayman Islands	Investment holding	98.04	98.04
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
Jumewah Shipping Sdn. Bhd.	Malaysia	Shipping of bulk cement and vessels chartering	77.04	77.04
Jurong Cement Limited*	Singapore	Investment holding and that of importers and dealers of ready-mix concrete and dry-mix mortar products and business of owners of storage terminal facilities and sales of cement	98.04	98.04
Kedah Cement Holdings Sdn. Bhd.	Malaysia	Investment holding	77.04	77.04
Kedah Cement Sdn. Bhd.	Malaysia	Manufacture and sale of cement, clinker and related products	77.04	77.04
Kedah Cement Jetty Sdn. Bhd.	Malaysia	Licensed jetty operator	77.04	77.04

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	98.04	98.04
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling and distribution of premix products, construction and building materials	98.04	98.04
LA Stones (Kota Tinggi) Sdn. Bhd.	Malaysia	Quarrying and trading of granite and quarry products	77.04	77.04
LA Stones (Pantai Remis) Sdn. Bhd.	Malaysia	Trading and quarrying of aggregates and related products and leasing of quarrying rights of aggregates and related materials	77.04	77.04
LA Stones Sdn. Bhd.	Malaysia	Investment holding, trading and quarrying of aggregates and related products	77.04	77.04
LCS Cement Marketing Pte. Ltd.*	Singapore	Investment holding	77.04	77.04
LCS Pte. Ltd.*	Singapore	Bulk import and sale of cement and trading of other building materials	77.04	77.04
LCS Shipping Pte. Ltd.*	Singapore	Shipping of bulk cement and chartering of vessels	77.04	77.04
LMCB Holding Pte. Ltd.*	Singapore	Investment holding	77.04	77.04
Madah Seloka Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
Malayan Cement Berhad	Malaysia	Investment holding	77.04	77.04
M-Cement Sdn. Bhd.	Malaysia	Investment holding	77.04	77.04
Mini-Mix Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete and hiring of vehicles	77.04	77.04
Mobijack Sea Sdn. Bhd.	Malaysia	Business of granite quarrying and related services	98.04	98.04
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
Nanyang Aggregates Pte. Ltd. (formerly known as YTL Cement Marketing Singapore Pte. Ltd.)*	Singapore	Sale and marketing of cement, cementitious products and other related construction products	98.04	98.04
Nanyang Cement Pte. Ltd.*	Singapore	Cement terminal operations, bulk breaking activities and trading in cement	98.04	98.04

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Nhu Anh Investment Joint Stock Company*	Vietnam	Investment holding	98.04	98.04
Oasis Vision Sdn. Bhd.	Malaysia	Production, selling and distribution of construction and building materials	35.00	35.00
Pahang Cement Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement, clinker and related products	77.04	77.04
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement, clinker and related products	77.04	77.04
Permodalan Hitec Sdn. Bhd.	Malaysia	Quarry business and related services	98.04	98.04
PHS Trading Sdn. Bhd.	Malaysia	Management of plant	77.04	77.04
PMCWS Enterprises Pte. Ltd.*	Singapore	Investment holding	77.04	77.04
P.T. YTL Semen Indonesia*	Indonesia	Inactive	98.04	98.04
Quickmix Solutions Sdn. Bhd.	Malaysia	Manufacture and sale of cement and drymix products	77.04	77.04
RC Aggregates Sdn. Bhd.	Malaysia	Handling of construction waste materials and sales of the recycled concrete aggregates	98.04	98.04
Simen Utama Marketing Sdn. Bhd.	Malaysia	Marketing, trading and manufacturing of cement and related products	77.04	77.04
Sino Mobile and Heavy Equipment Sdn. Bhd.	Malaysia	Trading and maintenance of trucks and parts and heavy equipment	98.04	98.04
Slag Cement Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement and blended cement and transportation services	77.04	77.04
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture and sale of ordinary portland cement and blended cement	77.04	77.04
SMC Mix Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mixed concrete	77.04	77.04
Solaris Concept Sdn. Bhd.	Malaysia	Production, selling and distribution of construction and building materials	50.00	50.00
Straits Cement Sdn. Bhd.	Malaysia	Production and sale of cement	77.04	77.04
Supermix Concrete Pte. Ltd.*	Singapore	Investment holding	77.04	77.04

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Supermix Industries Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mix concrete	71.85	71.85
Supermix (Malaysia) Sdn. Bhd.	Malaysia	Manufacture and sale of ready-mix concrete	71.85	71.85
YTL Cement (Cambodia) Holdings Pte. Ltd.*	Singapore	Dormant	98.04	98.04
YTL Cement Enterprise Sdn. Bhd.	Malaysia	Investment holding	98.04	98.04
YTL Cement (Hong Kong) Limited*	Hong Kong	Investment holding	98.04	98.04
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sale and marketing of cementitious products	77.04	77.04
YTL Cement Myanmar Company Limited*	Myanmar	Inactive	98.04	98.04
YTL Cement (Myanmar) Holdings Pte. Ltd.*	Singapore	Investment holding	98.04	98.04
YTL Cement (Philippines) Holdings Pte. Ltd.*	Singapore	Dormant	98.04	98.04
YTL Cement Rewards Sdn. Bhd.	Malaysia	Management of loyalty programmes	98.04	98.04
YTL Cement (Sabah) Sdn. Bhd.	Malaysia	Investment holding, manufacture and sale of ordinary portland cement and blended cement	98.04	98.04
YTL Cement Shared Services Sdn. Bhd.	Malaysia	Accounting shared services, and management consulting services	77.04	77.04
YTL Cement Singapore Pte. Ltd.*	Singapore	Investment holding and rent collection from its investment properties	98.04	98.04
YTL Cement Terminal Services Pte. Ltd.*	Singapore	Operation of port terminals and handling of cementitious products	98.04	98.04
YTL Cement (Vietnam) Pte. Ltd.*	Singapore	Investment holding	98.04	98.04
YTL Concrete (S) Pte. Ltd.*	Singapore	Manufacture of ready-mixed concrete, wholesale of structural clay and concrete products and mixed construction activities	98.04	98.04
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials and related services	98.04	98.04

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023	2022
			%	%
YTL Technical Services Sdn. Bhd. (formerly known as Tugas Sejahtera Sdn. Bhd.)	Malaysia	Provision of technical support, preventive maintenance, plant audit, training, project management, and due diligence for cement plant, plaining, design and development of strategies for construction, modification, and upgrading of cement plant and provision of recommendation and solution on service improvement and process optimisation	98.04	98.04
Zhejiang YTL Cement Marketing Co., Ltd.*	The People's Republic of China	Management service	98.04	98.04
Held through YTL Charters Sdn. Bhd.:				
Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	80.00	80.00
Nusantara Sakti Sdn. Bhd.	Malaysia	Carriage of passengers and air carriers	80.00	80.00
Held through YTL e-Solutions Berhad:				
Airzed Services Sdn. Bhd.	Malaysia	Inactive	56.00	56.00
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wired line and wireless broadband internet access services and developing, producing, marketing, selling and maintaining software applications, research and development, consultancy and related services	70.00	70.00
Bizsurf MSC Sdn. Bhd.	Malaysia	Inactive	60.00	60.00
Infoscreen Networks Ltd.*	England & Wales	Investment holding	100.00	100.00
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing advertising content, media, web media and 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 and related information technology services	60.00	60.00

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Held through YTL Hospitality REIT ("YTL REIT") :				
Starhill Hospitality (Australia) Pty. Ltd.*	Australia	Trustee company	56.96	56.96
Starhill Hospitality REIT (Australia) Trust*	Australia	Real estate investment	56.96	56.96
Starhill Hospitality REIT (Brisbane) Trust*	Australia	Real estate investment	56.96	56.96
Starhill Hospitality REIT (Melbourne) Trust*	Australia	Real estate investment	56.96	56.96
Starhill Hospitality REIT (Sydney) Trust *	Australia	Real estate investment	56.96	56.96
Starhill Hospitality REIT (Australia) Sdn. Bhd.	Malaysia	Investment holding	56.96	56.96
Starhill Hotel (Australia) Sdn. Bhd.	Malaysia	Investment holding	56.96	56.96
Starhill Hotel (Brisbane) Pty. Ltd.*	Australia	Hotel operator	56.96	56.96
Starhill Hotel (Melbourne) Pty. Ltd.*	Australia	Hotel operator	56.96	56.96
Starhill Hotel (Sydney) Pty. Ltd.*	Australia	Hotel operator	56.96	56.96
Starhill REIT (Australia) Pty. Ltd.*	Australia	Trustee company	56.96	56.96
Starhill REIT Niseko G.K.*	Japan	Purchase, possession, disposal, lease and management of real properties	56.96	56.96
YTL REIT MTN Sdn. Bhd.	Malaysia	To undertake the issuance of medium term notes	56.96	56.96
Held through YTL Hotels & Properties Sdn. Bhd.:				
Autodome Sdn. Bhd.	Malaysia	Operator of food and beverage outlets and sub-letting of premises	100.00	100.00
Bath Colonnade Properties Limited (THE)*	England & Wales	Letting of premises	100.00	100.00
Bath Hotel & SPA B.V.*	Netherlands	Investment holding	100.00	100.00
Bath Hotel and SPA Limited*	England & Wales	Hotel developer and operator	100.00	100.00
Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	90.00	90.00
Borneo Island Villas Sdn. Bhd.	Malaysia	Dormant	80.00	80.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel and resort operator	100.00	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food and beverage outlet	100.00	100.00
Gainsborough Hotel (Bath) Limited*	England & Wales	Hotel operations	100.00	100.00
Glasshouse Hotel (Cayman) Limited*	Cayman Islands	Investment holding	100.00	100.00

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Glasshouse Hotel Limited*	England & Wales	Investment holding	100.00	100.00
Happy Steamboat Sdn. Bhd.^	Malaysia	Inactive	-	100.00
Magna Boundary Sdn. Bhd.	Malaysia	Hotel and resort operator	90.00	90.00
Marble Valley Sdn. Bhd.	Malaysia	Management and investment holding	80.00	80.00
Marble Valley Two Sdn. Bhd.	Malaysia	Hotel operator	64.00	64.00
Monkey Island Properties Limited*	England & Wales	Investment and property holding	100.00	100.00
New Architecture (Bray) Limited*	England & Wales	Hotel operator	100.00	100.00
Niseko Village K.K. [†]	Japan	Owning, managing, maintaining and developing the Niseko Village Resort	100.00	100.00
Niseko Village (S) Pte. Ltd.*	Singapore	Investment holding	100.00	100.00
N.V. Land G.K. [†]	Japan	Construction, development, sale and purchase of real properties	100.00	100.00
P.T. Jepun Bali [†]	Indonesia	Managing and operating a hotel	100.00	100.00
Restoran Kisap Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
RW Gower Street Limited*	England & Wales	Hotel operator	100.00	100.00
RW Greenside Place Limited*	England & Wales	Hotel operator	100.00	100.00
RW Threadneedle Street Limited*	England & Wales	Hotel operator	100.00	100.00
Samui Hotel 2 Co., Ltd.*	Thailand	Hotel operator	100.00	100.00
Starhill Hotel (Perth) Pty. Ltd. [‡]	Australia	Trustee company	100.00	100.00
Starhill Hotel (Perth) Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Starhill Hotel (Perth) Trust*	Australia	Real estate investment	100.00	100.00
Starhill Hotel Operator (Perth) Pty. Ltd.*	Australia	Hotel operator	100.00	100.00
Starhill Office (Perth) Pty. Ltd. [‡]	Australia	Trustee company	100.00	100.00
Starhill Retail (Perth) Pty. Ltd. [‡]	Australia	Trustee company	100.00	100.00
Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	100.00	100.00
Thermae Development Company Limited*	England & Wales	Licence to operate the Thermae Bath Spa complex	100.00	100.00
Threadneedles Hotel Limited*	England & Wales	Investment holding	100.00	100.00
YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
YTL Hotels B.V. [‡]	Netherlands	Investment holding	100.00	100.00
YTL Hotels (Cayman) Limited [‡]	Cayman Islands	Hotel operator and hotel management services	100.00	100.00

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
YTL Hotels Central Services Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
YTL ICHM Sdn. Bhd.	Malaysia	Providing professional and commercial education and training in hospitality	70.00	70.00
YTL Hotels (Singapore) Pte. Ltd.*	Singapore	Travel and hospitality related business	100.00	100.00
YTL Majestic Hotel Sdn. Bhd.	Malaysia	Hotel operator	100.00	100.00
Held through YTL Industries Berhad:				
Yeoh Tiong Lay Brickworks Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Yeoh Tiong Lay Management Sdn. Bhd.	Malaysia	Management and other services	100.00	100.00
Held through YTL Land Sdn. Bhd. :				
Katagreen Development Sdn. Bhd.	Malaysia	Property leasing and management	100.00	100.00
Heritage Journey Sdn. Bhd.	Malaysia	Operator of food and beverage	100.00	100.00
Pintar Projek Sdn. Bhd.	Malaysia	Management of real estate investment trust funds, licensing of trademarks and brand management	70.00	70.00
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers and distributors of koi fish	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	93.19	93.17
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	93.19	93.17
Budaya Bersatu Sdn. Bhd.	Malaysia	Property development	93.19	93.17
Emerald Hectares Sdn. Bhd.	Malaysia	Dormant	65.23	65.22
Lakefront Pte. Ltd.*	Singapore	Real estate development	93.19	93.17
Lot Ten Security Sdn. Bhd. ^o	Malaysia	Inactive	93.19	93.17
Mayang Sari Sdn. Bhd.	Malaysia	Inactive	93.19	93.17
Noriwasa Sdn. Bhd.	Malaysia	Dormant	93.19	93.17
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	93.19	93.17
Pinnacle Trend Sdn. Bhd.	Malaysia	Property development and property investment	93.19	93.17
PYP Sendirian Berhad	Malaysia	Property development	93.19	93.17

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Sandy Island Pte. Ltd.*	Singapore	Real estate development	93.19	93.17
Satria Sewira Sdn. Bhd.	Malaysia	Dormant	93.19	93.17
Sentul Raya Sdn. Bhd.	Malaysia	Property development and property investment	93.19	93.17
Sentul Raya Golf Club Berhad	Malaysia	Inactive	93.19	93.17
Sentul Raya City Sdn. Bhd.	Malaysia	Property development	93.19	93.17
Sentul Park Management Sdn. Bhd.	Malaysia	Park management	93.19	93.17
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	93.19	93.17
SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	93.19	93.17
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	93.19	93.17
Trend Acres Sdn. Bhd.	Malaysia	Property development	93.19	93.17
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	93.19	93.17
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	93.19	93.17
YTL Land & Development Management Pte. Ltd.*	Singapore	Provision of financial and management consultancy services	93.19	93.17
Held through YTL Power International Berhad ("YTL Power"):				
Bel Air Den Haag Beheer B.V.*	Netherlands	Investment holding	46.04	46.04
Brabazon Estates Limited†	England & Wales	Dormant	55.57	55.57
B.V. Hotel Bel Air Den Haag*	Netherlands	Hotel business	46.04	46.04
Cellular Structures Sdn. Bhd.*	Malaysia	Inactive	33.34	33.34
Dials At Brabazon Management Company Limited†	England & Wales	Dormant	55.57	55.57
Entrade Limited†	England & Wales	Dormant	55.57	55.57
Equinox Solar Farm Sdn. Bhd.	Malaysia	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services	55.57	55.57

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Extiva Communications Sdn. Bhd. (In liquidation) ^o	Malaysia	Inactive	33.34	33.34
Flipper Limited ^{†^}	England & Wales	Utility switching services	-	55.57
FrogAsia Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning education platform	55.57	55.57
Frog Education Limited*	England & Wales	Sales into the education market and further development of the web environment product	38.30	38.30
Frog Education Group Limited*	England & Wales	Investment holding	38.30	38.30
Frog Education Sdn. Bhd.	Malaysia	License reseller focused on providing virtual learning educational platform	38.30	38.30
Geneco EV (S) Pte. Ltd.*	Singapore	Electric vehicle charging station	55.57	55.57
Geneco Limited [‡]	England & Wales	Food waste treatment	55.57	55.57
Geneco (South West) Limited [‡]	England & Wales	Food waste treatment	55.57	55.57
Global Infrastructure Assets Sdn. Bhd.	Malaysia	Investment holding	38.90	38.90
Granite Investments (Cayman Islands) Limited [‡]	Cayman Islands	Dormant	55.57	55.57
ITS Mobility Sdn. Bhd. [†]	Malaysia	Investment holding	33.34	-
ITS Synergy Sdn. Bhd. [†]	Malaysia	Investment holding	17.00	-
KJS Alunan Sdn. Bhd.*	Malaysia	Investment holding	23.34	23.34
Konsortium Jaringan Selangor Sdn. Bhd.*	Malaysia	Planning, implementation and maintenance of telecommunication towers and telecommunication related services	33.34	33.34
MLFF Technologies Sdn. Bhd. [†]	Malaysia	Construction, installation, integration, commissioning, operation, management and maintenance of all digital infrastructures and related services	17.00	-
Navigator At Brabazon Management Company Limited [‡]	England & Wales	Dormant	55.57	55.57

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
PetroSeraya Pte. Ltd.*	Singapore	Tank leasing and sale of fuel oil	55.57	55.57
P.T. YTL Harta Indonesia†	Indonesia	Industrial estate	55.54	55.54
P.T. YTL Jawa Timur*	Indonesia	Construction management, consultancy services and power station operation services	55.01	55.01
P.T. YTL Power Services Indonesia‡	Indonesia	Dormant	52.79	52.79
P.T. Tanjung Jati Power Company*	Indonesia	Design and construction of power generating facility	44.46	44.46
Seraya Energy and Investment Pte. Ltd.*	Singapore	Investment holding	55.57	55.57
Seraya Energy Pte. Ltd.*	Singapore	Sale of electricity	55.57	55.57
SC Technology Deutschland GmbH*	Germany	Waste treatment	55.57	55.57
SC Technology GmbH*	Switzerland	Investment holding	55.57	55.57
SC Technology Nederland B.V.*	Netherlands	Waste treatment	55.57	55.57
SIPP Power Sdn. Bhd.	Malaysia	Development, construction, completion, maintenance and operation of a large scale solar power facility and investment holding	38.90	38.90
Suria Solar Farm Sdn. Bhd.	Malaysia	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering procurement, construction and commissioning services	38.90	55.57
Taser Power Pte. Ltd.*	Singapore	Generation and sale of electricity	55.57	55.57
Turnbull Infrastructure & Utilities Limited*	England & Wales	Engineering services	55.57	55.57
Water 2 Business Limited*	England & Wales	Non-household water retailer	38.90	38.90
Wessex Concierge Limited† ^⑩	England & Wales	Investment holding	55.57	55.57
Wessex Water Engineering Services Limited† ^⑩	England & Wales	Dormant	55.57	55.57
Wessex Water Enterprises Limited*	England & Wales	Power generation and waste treatment	55.57	55.57
Wessex Water International Limited†	Cayman Islands	Dormant	55.57	55.57

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Wessex Water Limited*	England & Wales	Investment holding	55.57	55.57
Wessex Water Pension Scheme Trustee Limited†	England & Wales	Dormant	55.57	55.57
Wessex Water Services Finance Plc.*	England & Wales	Issue of bonds	55.57	55.57
Wessex Water Services Limited*	England & Wales	Water supply and waste water services	55.57	55.57
Wessex Water Trustee Company Limited†	England & Wales	Dormant	55.57	55.57
Wessex Utility Solutions Limited†	England & Wales	Engineering services	55.57	55.57
Yakin Telesel Sdn. Bhd.*	Malaysia	Planning, development, implementation and management of telecommunication infrastructure and information communication technologies services	16.34	16.34
YesLinc Sdn. Bhd.^	Malaysia	Inactive	-	33.34
YTL Arena Holdings Limited†	England & Wales	Investment holding	55.57	55.57
YTL Arena Limited*	England & Wales	Dormant	55.57	55.57
YTL Broadband Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	33.34	33.34
YTL Communications International Limited†	Cayman Islands	Investment holding	33.34	33.34
YTL Communications Sdn. Bhd.	Malaysia	Provision of wired line and wireless broadband access and other related services	33.34	33.34
YTL Communications (S) Pte. Ltd.*	Singapore	Computer systems integration activities and system integration services	33.34	33.34
YTL Construction (UK) Limited†	England & Wales	Dormant	55.57	-
YTL Data Center Holdings Pte. Ltd.*	Singapore	Investment holding in companies that own and operate data centers	55.57	55.57
YTL DC Holdings Sdn. Bhd.†	Malaysia	Investment holding	55.57	-

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44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
YTL DC No.1 Pte. Ltd.*	Singapore	Investment holding in companies that own and operate data centers	55.57	55.57
YTL DC South Sdn. Bhd.	Malaysia	Development, operation and marketing of data center projects and related infrastructure, services and activities	55.57	55.57
YTL Developments (UK) Limited*	England & Wales	Housing development	55.57	55.57
YTL Digital Capital Sdn. Bhd.	Malaysia	Investment holding	55.57	55.57
YTL Digital Payments Sdn. Bhd.	Malaysia	Processing of digital payments via e-money platform	55.57	55.57
YTL Digital Sdn. Bhd.	Malaysia	Inactive	33.34	33.34
YTL Education (UK) Limited†	England & Wales	Dormant	55.57	55.57
YTL Energy Holdings Sdn. Bhd.	Malaysia	Investment holding	55.57	55.57
YTL Engineering Limited‡	England & Wales	Dormant	55.57	55.57
YTL Events Limited‡	England & Wales	Dormant	55.57	55.57
YTL Finance (Cyprus) Ltd*	Cyprus	Financial services	55.57	55.57
YTL Global Networks Limited‡	Cayman Islands	Dormant	33.34	33.34
YTL Homes Ltd.*	England & Wales	Housing development	55.57	55.57
YTL Infrastructure Holdings Sdn. Bhd.	Malaysia	Investment holding	55.57	55.57
YTL Infrastructure Limited‡	Cayman Islands	Investment holding	55.57	55.57
YTL Jawa Energy B.V.	Netherlands	Investment holding, financing and management services	55.57	55.57
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding and management services	55.57	55.57
YTL Jawa O & M Holdings Limited*	Cyprus	Investment holding	55.57	55.57
YTL Jawa Power B.V.	Netherlands	Investment holding and management services	31.75	31.75
YTL Jawa Power Finance Limited	Cayman Islands	Financial services	55.57	55.57
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	31.75	31.75
YTL Jawa Power Holdings Limited*	Cyprus	Investment holding and financing activities	55.57	55.57
YTL Jordan Power Holdings Limited*	Cyprus	Investment holding and financing activities	55.57	55.57
YTL Jordan Services Holdings Limited*	Cyprus	Investment holding	55.57	55.57
YTL Land and Property (UK) Ltd.‡	England & Wales	Investment holding	55.57	55.57

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
YTL Places Limited [†]	England & Wales	Dormant	55.57	55.57
YTL Power Australia Limited	Cayman Islands	Investment holding	55.57	55.57
YTL Power Finance (Cayman) Limited [†]	Cayman Islands	Dormant	55.57	55.57
YTL Power Generation Sdn. Bhd.*	Malaysia	Developing, constructing, completing, maintaining and operating power plants	55.57	55.57
YTL Power Holdings Sdn. Bhd.	Malaysia	Dormant	55.57	55.57
YTL Power Investments Limited	Cayman Islands	Investment holding	55.57	55.57
YTL Power International Holdings Limited [†]	Cayman Islands	Investment holding	55.57	55.57
YTL Power Resources Sdn. Bhd.	Malaysia	Investment holding	55.57	55.57
YTL PowerSeraya Pte. Limited.*	Singapore	The full value chain involved in the generation and sale of electricity. This includes the trading of fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process	55.57	55.57
YTL Power (Thailand) Limited [†]	Cayman Islands	Dormant	55.57	55.57
YTL Power Trading (Labuan) Ltd. ^{†,^}	Malaysia	Dormant	-	55.57
YTL Property Holdings (UK) Limited*	England & Wales	Housing development	55.57	55.57
YTL RE Holdings Sdn. Bhd.	Malaysia	Investment holding	55.57	55.57
YTL Renewables Pte. Ltd.*	Singapore	Transmission, distribution and sale of electricity, engineering design and consultancy services in energy management and clean energy system	55.57	55.57
YTL Seraya Limited	Cayman Islands	Investment holding	55.57	55.57
YTL Services Limited [†]	England & Wales	Dormant	55.57	55.57
YTL SIPP Power Holdings Sdn. Bhd.	Malaysia	Investment holding	38.90	38.90
YTL Southern Solar Sdn. Bhd.	Malaysia	Investment holding, development, commissioning, operation and maintenance of solar photovoltaic power plant and transmission infrastructure and generation of electricity from green energy sources	55.57	55.57

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

44. LIST OF SUBSIDIARIES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
YTL Utilities Limited	Cayman Islands	Investment holding	55.57	55.57
YTL Utilities Finance Limited [†]	Cayman Islands	Investment holding	55.57	55.57
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	55.57	55.57
YTL Utilities Finance 3 Limited [†]	Cayman Islands	Financial services	55.57	55.57
YTL Utilities Finance 4 Limited [†]	Cayman Islands	Investment holding	55.57	55.57
YTL Utilities Finance 5 Limited	Cayman Islands	Investment holding	55.57	55.57
YTL Utilities Finance 6 Limited [†]	Cayman Islands	Financial services	55.57	55.57
YTL Utilities Finance 7 Limited [†]	Cayman Islands	Inactive	55.57	55.57
YTL Utilities Holdings Limited [†]	Cayman Islands	Investment holding	55.57	55.57
YTL Utilities Holdings (S) Pte. Limited*	Singapore	Investment holding	55.57	55.57
YTL Utilities (S) Pte. Limited*	Singapore	Investment holding	55.57	55.57
YTL Utilities (UK) Limited*	England & Wales	Investment holding	55.57	55.57
Held through YTL Power Services Sdn. Bhd.:				
YTL Power Services (Cayman) Ltd. [†]	Cayman Islands	Inactive	100.00	100.00
YTL Power Services (Leb) SARL*	Lebanon	Operation and maintenance of power station	100.00	100.00
YTL Power Services (S) Pte. Ltd.*	Singapore	Operation and maintenance of power station	100.00	100.00
Held through YTL Singapore Pte. Ltd.:				
Guangzhou Autodome Food & Beverage Management Co., Ltd.*	The People's Republic of China	Inactive	100.00	100.00
Shanghai Autodome Food & Beverage Co., Ltd.*	The People's Republic of China	Inactive	100.00	100.00

* Subsidiaries not audited by HLB Ler Lum Chew PLT

^ Dissolved during the financial year

† Entities are either exempted or not statutorily required to be audited

‡ First audited financial statements in 2024

□ Dissolved after financial year end

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

45. LIST OF ASSOCIATES

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
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 Pembinaan Yeoh Tiong Lay Sdn. Bhd.:				
North South Development Sdn. Bhd.	Malaysia	Realty, investment & management services	49.00	49.00
Held through YTL Cayman Limited:				
YTL (Thailand) Limited*	Thailand	Investment holding	49.90	49.90
Starhill Global Real Estate Investment Trust*	Singapore	Investment in prime real estate	37.18	37.17
Held through YTL Cement Berhad:				
Cementitious Products Pte. Ltd.*	Singapore	Investment holding	49.02	49.02
Hangzhou Linan Herun Construction Materials Co., Ltd*#	The People's Republic of China	Dormant	-	29.41
Superb Aggregates Sdn. Bhd.	Malaysia	Trading of construction & building materials	49.02	49.02
Tan Son Company Limited*	Vietnam	Inactive	20.59	20.58

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

45. LIST OF ASSOCIATES (CONTINUED)

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

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023	2022
Held through YTL e-Solutions Berhad:				
Endless Momentum Sdn. Bhd. ^Q	Malaysia	Investment holding	30.00	30.00
Held through YTL Hotels & Properties Sdn. Bhd.:				
Surin Bay Company Ltd. ^{2*}	Thailand	Hotel operator	49.00	49.00
Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	50.00	50.00
Held through YTL Power International Berhad:				
Enefit Jordan B.V.	Netherlands	Investment holding and financing activities	16.67	16.67
P.T. Jawa Power ^{**}	Indonesia	Operating a coal-fired thermal power station	11.11	11.11
Sea Capital Services Berhad*	Malaysia	Financial services activities, except insurance/takaful and pension funding, including but not limited to online digital financial services and other relevant services	22.24	-
Strides YTL Pte. Ltd.*	Singapore	Provision of electric vehicle charging services	27.73	-

* Companies not audited by HLB Ler Lum Chew PLT

Q Companies with financial year end of 31 December

† Entities are either exempted or not statutorily required to be audited

+ The Group's direct interest in P.T. Jawa Power is 35.0%

Dissolved during the financial year

As indicated above, the financial year end of certain associated companies are not co-terminous with the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 December as the case may be.

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

46. LIST OF JOINT VENTURES

Details of the joint ventures are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2023 %	2022 %
Held through YTL Cement Berhad:				
Alliance Concrete Singapore Pte. Ltd.	Singapore	Production and sale of ready-mix concrete	38.52	38.52
Held through YTL Hotels & Properties Sdn. Bhd.:				
Elite Dining Sdn. Bhd.	Malaysia	Operation of a restaurant	50.00	50.00
Held through YTL Land & Development Berhad:				
Shorefront Development Sdn. Bhd.	Malaysia	Property development	46.60	46.59
Held through YTL Power International Berhad:				
AP1 Pte. Ltd.	Singapore	Investment holding and operations of data centers	27.79	27.79
Attarat Mining Company B.V.	Netherlands	Mining & supply of oil shale	25.01	25.01
Attarat Operation and Maintenance Company B.V.	Netherlands	Operation & maintenance of power plant	25.01	25.01
Attarat Power Holding Company B.V.	Netherlands	Investment holding and financing activities	25.01	25.01
Bristol Wessex Billing Services Limited	England & Wales	Billing services	27.79	27.79
Xchanging Malaysia Sdn. Bhd.	Malaysia	Mobile internet and cloud-based technology solutions	16.67	16.67

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

47. COMPARATIVES FIGURES

During the previous financial year, pursuant to the Put and Call Option Agreement dated 31 May 2022 entered into between the Group and Tuaspring Pte. Ltd. ("TPL") (Receivers and Managers Appointed over the Relevant Charged Property), the Group acquired the power plant and associated assets of TPL on 1 June 2022. The fair values of identifiable assets acquired and liabilities assumed were determined on a provisional basis as at 30 June 2022 and were finalised during the financial year. Comparative figures have been adjusted as below:-

	As previously reported RM'000	PPA	
		adjustments RM'000	As restated RM'000
30 June 2022			
Effect on Income Statements:-			
Cost of sales	(20,618,658)	(1,359)	(20,620,017)
Gross profit	3,622,845	(1,359)	3,621,486
Other operating income	1,666,990	270,818	1,937,808
Administrative expenses	(1,205,583)	(47)	(1,205,630)
Finance costs	(1,586,572)	6	(1,586,566)
Profit before taxation	1,548,937	269,418	1,818,355
Profit for the year	1,179,934	269,418	1,449,352
Attributable to:-			
Owners of the parent	545,394	149,715	695,109
Non-controlling interests	634,540	119,703	754,243
	1,179,934	269,418	1,449,352
Effect on Statements of Comprehensive Income:-			
Items that will not be reclassified subsequently to income statement:-			
- foreign currency translation	(106,903)	2,155	(104,748)
Items that will be reclassified subsequently to income statement:-			
- foreign currency translation, net of investment hedges of foreign operations	5,333	2,697	8,030
Total comprehensive income attributable to:-			
Owners of the parent	894,368	152,412	1,046,780
Non-controlling interests	849,865	121,858	971,723
	1,744,233	274,270	2,018,503

NOTES TO THE FINANCIAL STATEMENTS

- 30 June 2023

47. COMPARATIVES FIGURES (CONTINUED)

30 June 2022	As previously reported RM'000	PPA adjustments RM'000	As restated RM'000
Effect on Statement of Financial Position:-			
Non-current assets			
Property, plant and equipment	31,943,103	397,933	32,341,036
Right-of-use assets	1,552,929	(4,614)	1,548,315
Intangible assets	8,689,945	(69,035)	8,620,910
Equity			
Retained earnings	8,531,991	149,715	8,681,706
Non-controlling interests	4,580,735	121,858	4,702,593
Other reserves	993,435	2,697	996,132
Non-current liabilities			
Long term payables	1,521,938	(11,102)	1,510,836
Deferred tax liabilities	3,386,307	61,116	3,447,423
Effect on Statements of Cash Flows:-			
Depreciation of property, plant and equipment	1,606,957	1,381	1,608,338
Depreciation of right-of-use assets	186,754	(22)	186,732
Gain on a bargain purchase	-	(270,818)	(270,818)
Interest expense	1,586,572	(6)	1,586,566
Payables	1,024,720	47	1,024,767

48. 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 2023.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of YTL Corporation Berhad (the "Company") will be held on Tuesday, the 5th day of December, 2023 at 1.30 p.m. or at any adjournment thereof and will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System ("TIIH Online") at <https://tiih.com.my> ("Meeting Platform") to transact the following business:-

AS ORDINARY BUSINESS

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. 2. To re-elect the following Directors who retire pursuant to Article 86 of the Company's Constitution:- <ol style="list-style-type: none"> (i) Tan Sri (Sir) Francis Yeoh Sock Ping (ii) Dato' Yeoh Soo Min (iii) Dato' Yeoh Seok Kian (iv) Dato' Yeoh Seok Hong 3. To re-elect the following Directors who retire pursuant to Article 85 of the Company's Constitution:- <ol style="list-style-type: none"> (i) Mr Choo Yoo Kwan @ Choo Yee Kwan (ii) Mr Tang Kin Kheong 4. To approve the payment of fees to the Non-Executive Directors amounting to RM897,560 for the financial year ended 30 June 2023. 5. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2024 to December 2024. 6. To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | <i>Please refer
Explanatory Note A</i> |
| | Resolution 1
Resolution 2
Resolution 3
Resolution 4 |
| | Resolution 5
Resolution 6 |
| | Resolution 7 |
| | Resolution 8 |
| | Resolution 9 |

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS:-

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

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND THAT in connection with the above, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares in the Company, such new shares when issued, to rank pari passu with existing issued shares in the Company."

Resolution 10

NOTICE OF ANNUAL GENERAL MEETING

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company's Constitution and Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

- (i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 6 December 2022, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own shares; and
- (iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
 - (a) the shares so purchased may be cancelled; and/or
 - (b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - (c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled; and/or
 - (d) transfer the shares, or any of the shares for the purposes of or under an employees' shares scheme; and/or
 - (e) transfer the shares, or any of the shares as purchase consideration; and/or
 - (f) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

NOTICE OF ANNUAL GENERAL MEETING

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

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

Resolution 11

By Order of the Board,

HO SAY KENG
Company Secretary

Kuala Lumpur
31 October 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

REMOTE PARTICIPATION AND VOTING

- The Annual General Meeting ("AGM") will be conducted on a fully virtual basis **without a physical meeting venue** through live streaming, online remote participation and voting via the Remote Participation and Voting ("RPV") facilities provided by the appointed share registrar and poll administrator for the AGM, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at <https://tiih.com.my>. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at <https://www.ytl.com/meetings> to register, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities.

MEETING PLATFORM

- The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021.

PROXY

- A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.
- Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.
- The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **3 December 2023 at 1.30 p.m.**:

(i) In hardcopy form

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

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

(ii) Electronically via TIIH Online

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

- For the purpose of determining a member who shall be entitled to attend the AGM via the RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 28 November 2023. Only a depositor whose name appears on the General Meeting Record of Depositors as at 28 November 2023 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.

APPOINTMENT OF REPRESENTATIVE BY CORPORATE MEMBERS

- For a corporate member who has appointed an authorised representative to participate and vote remotely via the RPV facilities, please deposit the original certificate of appointment of corporate representative with Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,
or alternatively,
at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,
before the time appointed for holding the AGM or adjourned meeting.

Explanatory Notes to Ordinary Business

Note A

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

Payment of Directors' Benefits

In accordance with the requirements of Section 230(1) of the Companies Act, 2016, approval of the members is sought for the payment of meeting attendance allowance (a benefit) to the Non-Executive Directors of the Company. If Resolution 8 is passed, the meeting attendance allowance will be payable for such period at the quantum specified.

Explanatory Notes to Special Business

Resolutions on re-election of Directors pursuant to Article 85 of the Company's Constitution

Mr Choo Yoo Kwan @ Mr Choo Yee Kwan and Mr Tang Kin Kheong were appointed on 18 May 2023 and 11 October 2023, respectively, they will be retiring under Article 85 of the Company's Constitution. They, being eligible for re-election have given their consent for re-election. The Board concurred with the Nominating Committee's recommendation that they are eligible to stand for re-election.

The profile of Mr Choo Yoo Kwan @ Mr Choo Yee Kwan and Mr Tang Kin Kheong are set out in the Profile of the Board of Directors.

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-Ninth Annual General Meeting held on 6 December 2022 ("Previous Mandate").

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

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

By voting in favour of Resolution 10, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act, 2016 over all new shares to be allotted and issued by the Directors pursuant to this mandate.

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

For Resolution 11, further information on the Share Buy-Back is set out in the Statement to Shareholders dated 31 October 2023 which is available on the Company's website at <https://www.ytl.com/meetings>.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

No individual is seeking election as a Director at the Fortieth 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 Fortieth Annual General Meeting.

NOTES

FORM OF PROXY

CDS Account No.	
(only for nominee companies)	
Number of shares held	

[Company No. 198201012898 (92647-H)]
(Incorporated in Malaysia)

I/We (full name in block letters) _____

Tel. No. _____

NRIC (new & old)/Passport/Company No. _____

of (full address) _____

being a member of **YTL Corporation Berhad** hereby appoint

Full name of proxy in block letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

* and/or (delete as appropriate)

Full name of proxy in block letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Fortieth Annual General Meeting ("AGM") of the Company which will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System ("TIIH Online") at <https://tiih.com.my> ("Meeting Platform") on **Tuesday, 5 December 2023 at 1.30 p.m.** or at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

No.	Resolution	For	Against
1.	Re-election of Tan Sri (Sir) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Yeoh Soo Min		
3.	Re-election of Dato' Yeoh Seok Kian		
4.	Re-election of Dato' Yeoh Seok Hong		
5.	Re-election of Mr Choo Yoo Kwan @ Choo Yee Kwan		
6.	Re-election of Mr Tang Kin Kheong		
7.	Approval of the payment of fees to the Non-Executive Directors		
8.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
9.	Re-appointment of HLB Ler Lum Chew PLT as Auditors of the Company		
10.	Proposed authorisation for Directors to allot and issue shares		
11.	Proposed renewal of share buy-back authority		

Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2023.

Signature(s)/Common Seal of Member

IMPORTANT NOTICE

The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at the Meeting Platform.

Notes:-

1. A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.
2. Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
3. A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **3 December 2023** at **1.30 p.m.**:

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(i) In hardcopy form

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

(ii) Electronically via TIIH Online

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

6. Only members whose names appear on the General Meeting Record of Depositors as at 28 November 2023 shall be entitled to attend the AGM via the RPV facilities or appoint proxy(ies) to attend and/or vote in his stead.
7. For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Tricor at either of the addresses stated in Note 5(i) above, before the time appointed for holding the AGM or adjourned meeting.

AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd

Share Registrar for the 40th Annual General Meeting of

YTL Corporation Berhad

Unit 32-01, Level 32, Tower A, Vertical Business Suite

Avenue 3, Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur

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Fold this flap for sealing