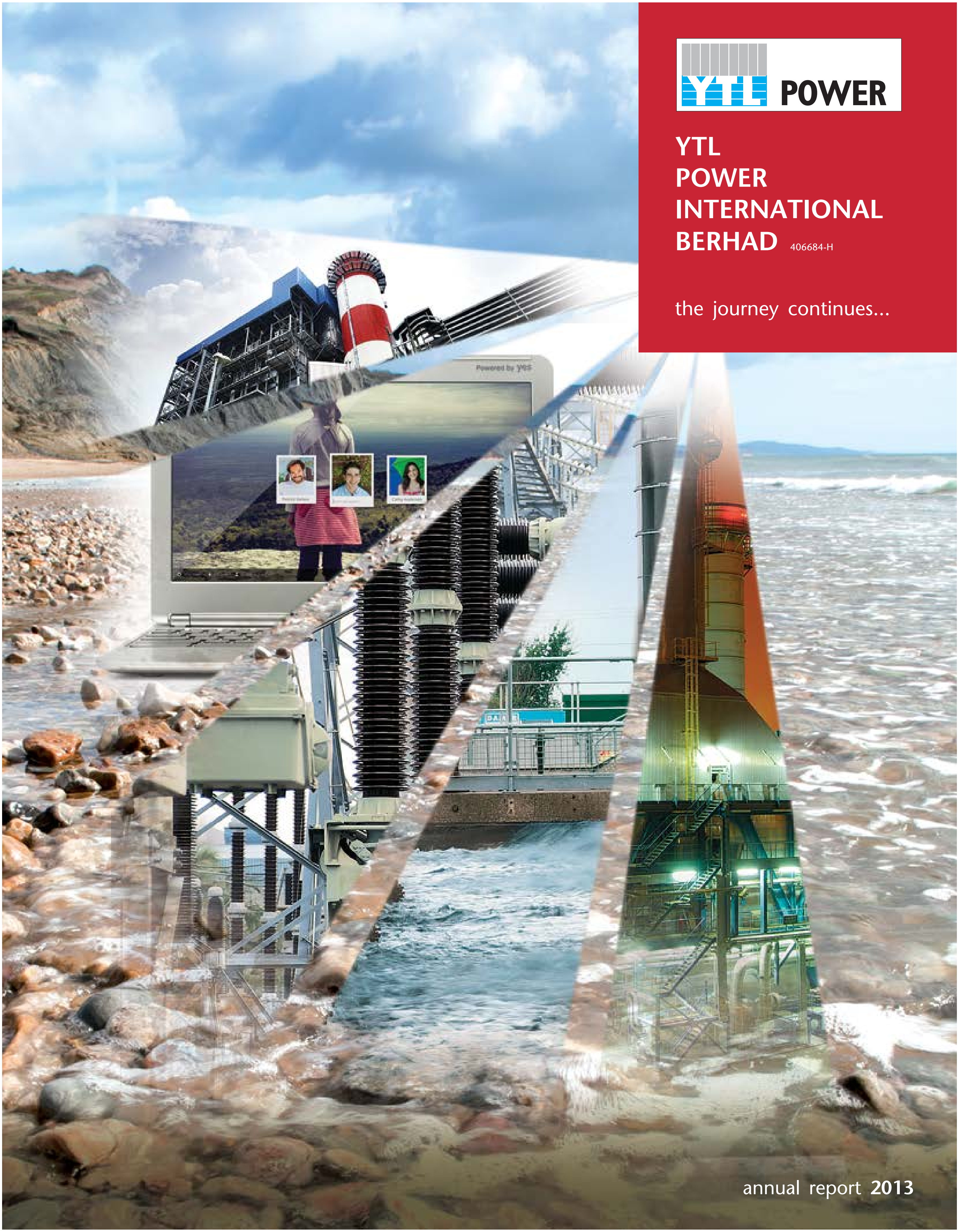
YTL POWER INTERNATIONAL BERHAD 406684-H

the journey continues...



annual report **2013**

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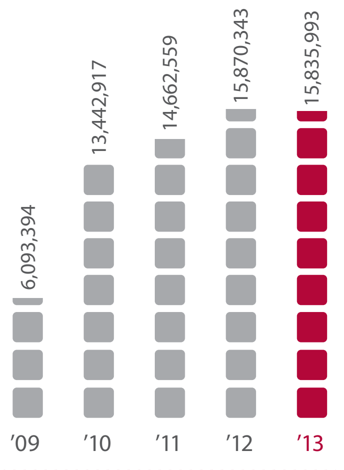
YTL POWER

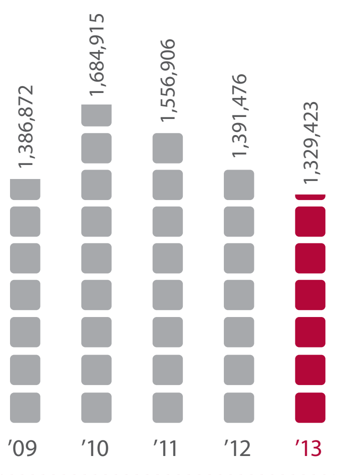
YTL
POWER
INTERNATIONAL
BERHAD 406684-H

FINANCIAL HIGHLIGHTS

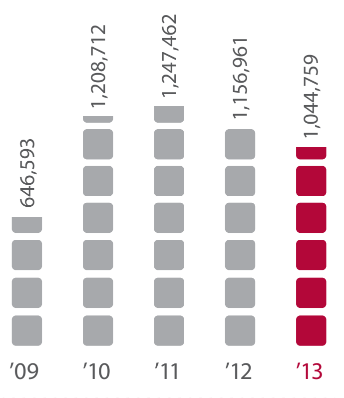
	2013	2012	2011	2010	2009
Revenue (RM'000)	**15,835,993**	15,870,343	14,662,559	13,442,917	6,093,394
Profit Before Taxation (RM'000)	**1,329,423**	1,391,476	1,556,906	1,684,915	1,386,872
Profit After Taxation (RM'000)	**1,044,759**	1,156,961	1,247,462	1,208,712	646,593
Profit for the Year Attributable to Owners of the Parent (RM'000)	**1,069,646**	1,232,211	1,364,168	1,208,838	646,605
Total Equity Attributable to Owners of the Parent (RM'000)	**10,004,044**	9,259,708	8,335,475	7,210,066	6,101,924
Earnings per Share (Sen)	**14.74**	16.99	18.93	18.60	11.35
Dividend per Share (Sen)	**1.88**	5.64	9.39	13.13	15.75
Total Assets (RM'000)	**38,926,260**	38,970,196	35,245,784	33,918,933	34,689,180
Total Equity Attributable to Owners of the Parent per Share (RM)	**1.41**	1.27	1.15	1.00	1.04



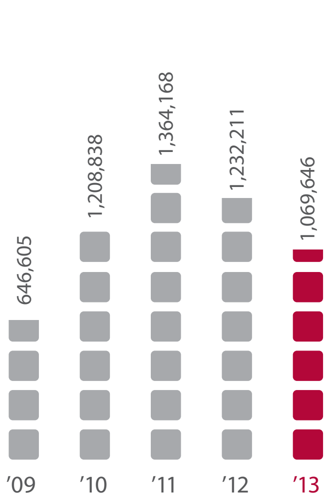
REVENUE
(RM'000)



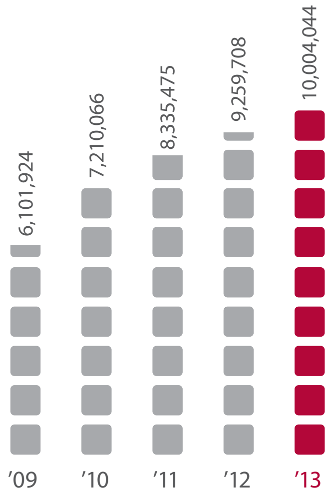
PROFIT BEFORE TAXATION
(RM'000)



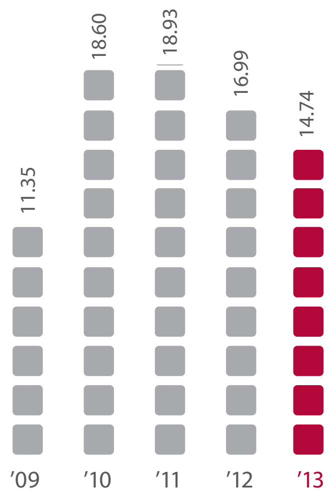
PROFIT AFTER TAXATION
(RM'000)



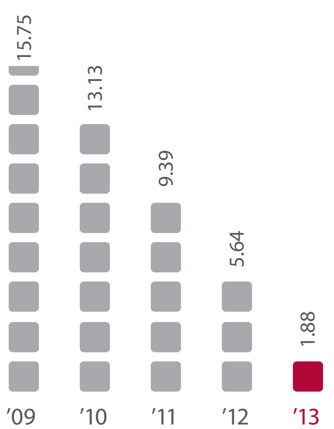
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'000)



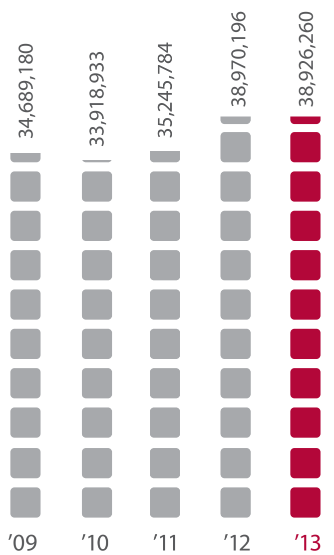
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'000)



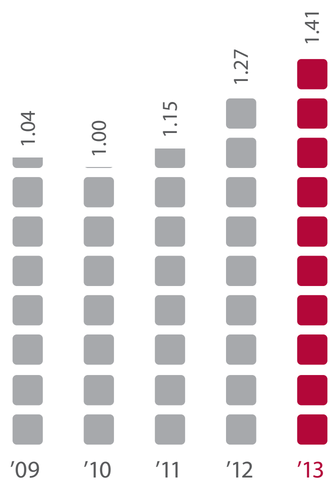
EARNINGS PER SHARE
(SEN)



DIVIDEND PER SHARE
(SEN)



TOTAL ASSETS
(RM'000)



TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE
(RM)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of YTL Power International Berhad ("YTL Power" or the "Company"), I have the pleasure of presenting to you the Annual Report and the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2013.

OVERVIEW

The Group registered another strong performance for the financial year under review. YTL Power's water and sewerage operations in the United Kingdom (UK), together with its power generation and merchant multi-utilities business in Singapore, continue to contribute the bulk of earnings, with the power generation, power transmission and communications businesses in Malaysia, Indonesia and Australia all delivering stable results for the year.

TAN SRI DATUK SERI PANGLIMA (DR) YEOH TIONG LAY
Executive Chairman

The Malaysian economy performed better during the 2012 calendar year, registering gross domestic product (GDP) growth of 5.6% on the back of resilient domestic demand, compared to 5.1% in 2011. The first half of 2013, however, has seen growth moderate to an average of 4.2%, affected by a weaker external sector. In other major economies where the Group's main operations are located, Singapore registered lower growth of 1.3% in 2012 compared to 5.2% in 2011, but GDP growth increased to 2.0% during the first half of 2013. Meanwhile, the UK economy grew by about 0.9% in the first half of 2013 following marginal growth of 0.3% in 2012 *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia, Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports).*

FINANCIAL PERFORMANCE

The Group recorded revenue of RM15,836.0 million for the financial year ended 30 June 2013 compared to RM15,870.3 million for the previous financial year ended 30 June 2012, with the decrease arising mainly due to lower fuel oil trading volumes and prices in the Group's merchant multi-utilities operations.

Profit attributable to owners of the parent, meanwhile, stood at RM1,069.6 million for the financial year under review compared to RM1,232.2 million last year, mainly as a result of impairment provisions and the absence of a one-off gain on derecognition of financial assets and a gain on the acquisition of an associate recorded last year.

In line with the Group's policy of creating value for shareholders through a sustainable dividend policy, YTL Power declared an interim dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each in respect of the financial year ended 30 June 2013, the 16th consecutive year that the Company has declared dividends since listing on the Main Market of Bursa Malaysia Securities Berhad in 1997. Therefore, the Board of Directors of YTL Power did not recommend a final dividend for the financial year under review.

REVIEW OF OPERATIONS

Power Generation, Merchant Multi-Utilities & Power Transmission

The Group's power generation (in both contracted and merchant markets), merchant multi-utilities and power transmission businesses are carried out by its wholly-owned subsidiaries in Malaysia and Singapore, and associated companies in Indonesia and Australia.

Operations in Malaysia

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

Overall plant availability remained good during the year under review with 94.75% at Paka Power Station and 99.26% at Pasir Gudang Power Station. Combined power production by both stations for the year stood at 98.54% of the scheduled quantities.

Operations in Singapore

The Group has a 100% stake in YTL PowerSeraya Pte Ltd ("YTL PowerSeraya") in Singapore, which owns 3,100 MW of installed capacity comprising steam turbine plants, combined-cycle plants and co-generation combined-cycle plants, representing about 25% of Singapore's total installed generation capacity.

YTL PowerSeraya captured a total market generation share of 24.5% and sold 10,933 gigawatt hours (GWh) of electricity during the financial year. With the co-generation and combined-cycle units now on-line, about 944,992 metric tonnes of high pressure steam was generated and sold to nearby petrochemical companies on Jurong Island.

In April 2013, YTL PowerSeraya received Singapore's first degasified liquefied natural gas (LNG) to be used for power generation. While this signals the start of supply of a new fuel source for the division, it also presents new LNG-related opportunities that YTL PowerSeraya is ready to capitalise on to grow its business.

In the same month, the company once again exported electricity to TNB in Malaysia on a short-term basis. This move is a significant milestone for the Group as it continues to be the first power generation company to facilitate and ensure the smooth cross-border export of electricity between Singapore and Malaysia.

Chairman's Statement

In a move to enhance its plant operations, YTL PowerSeraya invested SGD10.0 million to establish two additional gas compressors and improve the gas pipe infrastructure of two units of its combined-cycle power plants. This latest round of enhancements, which were completed in October 2012, led to all four combined-cycle and co-generation units being able to derive higher cost efficiency and rely less on diesel as a secondary fuel, if required.

Process improvements during the year were focused on enhancing the Customer Interface System to boost productivity within the retail team, targeted for completion in 2014.

Seraya Energy Pte Ltd ("Seraya Energy"), YTL PowerSeraya's retail arm, registered a slightly higher market share in the retail electricity sector of 25.3% for the financial year, maintaining its leading position as the top energy retailer.

Owing to the use of LNG to power its plants in April 2013, customers were able to enjoy lower costs of electricity and Seraya Energy also continued to enhance its customer services through investments in new billing and customer care systems. Seraya Energy's sustained efforts in maintaining its strong brand presence and exemplary customer service earned the company several awards to add to its list of accolades, including the Business Superbrands Award 2012.

In April 2014, the further liberalisation of the Singapore electricity market will see about 70,000 new customer accounts eligible for retail contestability. Although competition in the energy retail sector remains tight, Seraya Energy is confident that its progressive business model that moves in line with industry developments will ensure that it continues to create value for its customers.

Despite a challenging year stemming from the highly volatile oil market, PetroSeraya Pte Ltd ("PetroSeraya"), the trading and fuel management arm of YTL PowerSeraya, delivered a consistently strong performance, albeit at lower trading margins. The company supported its core business with increased oil tank leasing activities, which took up 40% of PetroSeraya's total oil tank capacity, contributing significantly to the division's performance.

As fuel oil volatility becomes a mainstay in the industry, PetroSeraya continues to upgrade and enhance its facilities to maintain its competitiveness and meet bunkering needs. Smaller jetties are being upgraded to accommodate vessels or oil tankers (otherwise known as Aframax) with size capacities of up to 120,000 metric tonnes. Existing tanks will also be retrofitted to accommodate a new blending facility, whilst pumping facilities will be upgraded to boost overall turnaround time and productivity. These enhancements are targeted to be completed by December 2014.

Operations in Indonesia

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

Jawa Power posted another year of strong operational performance with average availability of 94.76% for its financial year ended 31 December 2012 and 92.78% for the six months ended 30 June 2013. The station generated 8,450 GWh of electricity for its financial year compared to 8,163 GWh last year.

Technical improvements to the plant during the year included introduction of an automatic lubrication system for ship-unloader gantry wheels, applying ceramic lining at the abrasive zone of the transfer chutes to overcome excessive wear problems and equipment modifications to reduce coal dust and spillage.

Operations in Australia

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

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

ElectraNet's network covers approximately 200,000 square kilometres of South Australia via more than 5,700 circuit kilometres of transmission lines and 76 high voltage substations. The company also provides the important network link from South Australia to the NEM via two regulated interconnectors, one of which is owned by ElectraNet.

Water & Sewerage Services

The Group's water and sewerage operations are carried out by its wholly-owned subsidiary, Wessex Water Limited, and its subsidiaries ("Wessex Water") in the UK.

The changing climate continued to provide new challenges for Wessex Water as the year began with a drought and was followed by the wettest summer on record. Despite the early dry weather, the division maintained its record of unrestricted water supplies to customers, and it has now been 36 years since any restrictions on water use have been imposed within the Wessex Water region.

The intense summer rainfall caused a number of flooding problems but major investment in sewerage infrastructure over recent years helped to minimise the impact on customers. In 2011, the UK government transferred responsibility for private sewers to water companies, resulting in Wessex Water taking on around 11,000 miles of largely sub-standard sewers. This, together with the growing impact of climate change, will require major investment in future.

The very wet summer also affected bathing water compliance, which slipped from the 100% level of previous years to 94% compliance with mandatory standards. While bathing waters are affected by factors outside Wessex Water's control, efforts are ongoing to ensure that its sewerage and sewage treatment systems do not have an adverse impact. At Weston-super-Mare, the division completed work on a GBP26.0 million scheme to provide improved treatment and disinfection.

Wessex Water maintained 100% compliance with sewage treatment discharge consents, and compliance with drinking water standards continued to exceed 99.9%. The company has continued to become more efficient, delivering savings against both its capital investment programme and operating costs, while at the same time delivering all of the required regulatory outputs.

Wessex Water is halfway through a GBP1.0 billion, five-year investment programme. This programme includes the largest project the division has ever undertaken: the construction of a water supply grid across the Wessex Water region that will reduce abstraction at environmentally sensitive sites and ensure much greater flexibility and resilience in the supply of water to customers.

Regulatory league tables continue to identify Wessex Water as the best performing water and sewerage company in England and Wales, with the highest levels of service and efficiency, and the UK Consumer Council for Water also announced that Wessex Water had received fewer complaints than any water company.

Communications

The Group's communications operations in Malaysia are carried out by YTL Communications Sdn Bhd ("YTL Comms"), a 60% subsidiary of YTL Power, which has approval from the Malaysian Communications and Multimedia Commission to operate a 2.3 gigahertz (GHz) wireless broadband network in Malaysia. YTL Comms' Yes 4G network offers high-speed mobile Internet with voice services and interconnects with all other voice networks (both mobile and fixed line) to provide a converged voice and data service to its customers.

The Yes mobile broadband division has continued to register growth in subscriber levels, which served to partially mitigate losses arising from network implementation costs. The Yes 4G platform, which commenced commercial operations in November 2010, is being built for scale from the outset and currently covers more than 85% of the Peninsula, with ongoing network expansions in East Malaysia.

In May 2013, YTL Comms launched the Samsung 4G Chromebook, another game-changing product in Yes' innovative portfolio. Developed by Google and Samsung, the Samsung 4G Chromebook comes with a built-in 4G chipset that enables seamless and always-on Internet, designed from the ground up to work with Yes IDs, providing high-speed mobile Internet connectivity of up to 20 Mbps on the Yes 4G network.

The Samsung 4G Chromebook is a new type of computing device, designed by Google to be fast, simple and safe for all users. The device boots in seconds and is pre-installed with popular Google apps, including YouTube, Gmail and Drive, as well as seamless updates and built-in virus protection. The Chromebook comes with 100 GB of Google Drive storage that is free for two years.

YTL Comms also entered into a partnership with Konsortium Transnasional Berhad ("KTB"), Malaysia's largest and widest express bus service, to bring the Yes 4G network to passengers on all of KTB's nationwide NICE Imperial, NICE coaches, Plusliner and Transnasional bus lines, via mobile 4G Wi-Fi hotspots to be installed in KTB's buses. This will enable KTB passengers to access high-quality, high-speed mobile Internet on the Yes 4G network utilising any Wi-Fi-enabled device, including laptops, mobile phones and tablets.

YTL Comms continued to make good progress on the roll-out of its cloud-based virtual learning platform with high-speed Internet connectivity under the landmark 1BestariNet project, initiated by the Malaysian Ministry of Education. Under the project, over 10,000 primary and secondary public schools in Malaysia will be equipped with 4G Internet access and a virtual learning platform, providing both high-speed Internet connectivity and access to a world-class integrated learning solution.

CORPORATE SOCIAL RESPONSIBILITY

YTL Power undertakes initiatives and works towards improving the communities in which the Group's businesses operate through educational, environmental and social programmes, and is part of the wider network of the YTL group of companies under the umbrella of its parent company, YTL Corporation Berhad, which has a long-standing commitment to creating successful, profitable and sustainable businesses.

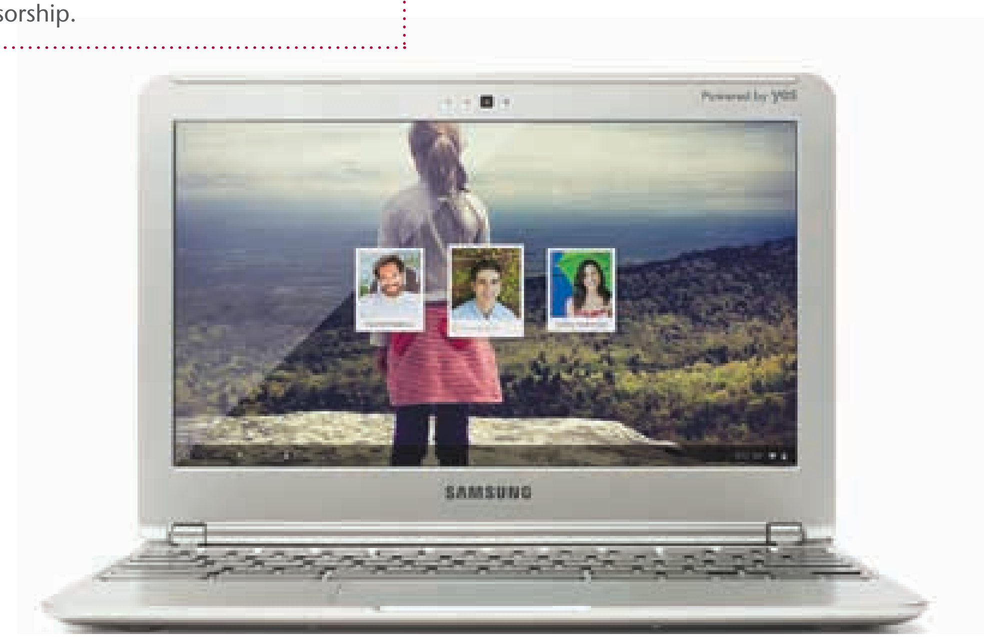
Social responsibility and environmental sustainability are key values of the Group, and YTL Power places a high priority on acting responsibly in the conduct of its businesses. As a multi-utility provider operating in Malaysia, the UK, Singapore, Indonesia and Australia, the Group works to ensure that its businesses are operated sustainably, to protect and preserve the resources on which its operations depend.

The Group's largest international operations, Wessex Water in the UK and YTL PowerSeraya in Singapore, have extensive, long-standing and long-term corporate citizenship programmes that have been integrated into their regulatory structures and business operations, for the benefit of their customers and stakeholders.

Activities in Malaysia

The Group is committed to transforming education in Malaysia through technology. YTL Comms has a vital role in positioning Malaysia as a model of educational excellence through the Malaysian Ministry of Education's 1BestariNet project. Students, teachers and parents are each given a 1BestariNet Yes ID, granting them free access the cloud-based Frog Virtual Learning Environment (VLE), developed by the Group's subsidiaries, FrogAsia Sdn Bhd and FrogTrade Ltd. Under the project, users are given 200 MB of free data to surf the Internet via the Yes 4G network, sponsored by YTL Foundation.

In May 2012, YTLPG partnered with TFM Foundation, an independent, non-profit organisation with a key objective of ending educational inequity and addressing educational challenges faced by local schools under its Teach For Malaysia programme. Under the programme, Teach For Malaysia fellows are placed in high-need schools across Malaysia for two years, working to increase achievement amongst their students and affect positive, sustainable change within the communities they serve. YTLPG has committed a sum of RM5.0 million over five years and is currently in the second year of its sponsorship.



Meanwhile, YTL Comms continues to run its Education Partner Programme which provides its converged 4G mobile Internet services to students in participating colleges and universities in Malaysia. All students can access high-speed Internet anywhere around the campus, and are also given 300 MB of free data every month, a free Yes ID and a 018 number with no contract or monthly commitment.

In April 2013, Malaysia's first Chrome Lab was launched at SRJKC Choong Wen by YTL Foundation, Eduspec Holding Berhad ("Eduspec"), SRJKC Choong Wen's Parent-Teacher Association and the school's board of directors. This initiative hopes to encourage students, teachers and school authorities to incorporate technology into every-day learning. The Chrome Lab, jointly built by the school's Parent-Teacher Association and board of directors and fitted out by Eduspec, is fully equipped with Yes 4G Chromebook units donated by YTL Foundation. The Chrome Lab is also powered by YTL Comms' Yes 4G mobile Internet with voice service.

Activities in the UK

As the prevailing economic climate has led some customers to find it difficult to pay their bills, new initiatives launched by Wessex Water during the year included a tailored assistance programme called 'tap' which involves working closely with debt agencies and special advisers to offer a range of tariffs and assistance to assist customers in difficulty. The division also expanded 'Assist', its social tariff scheme, in partnership with Citizens Advice Bureaux, which is expected to reduce the bills of a further 10,000 vulnerable households.

Wessex Water's efficiency improvements and cost management mean that its customers' water and sewerage bills represent just 1.5% of average household expenditure, which is only marginally higher than the 1.4% at privatisation in 1989, and initiatives are ongoing to continue to assist those customers with difficulties.

Wessex Water was highlighted as an industry leader in the latest UK Environment Agency assessment on environmental performance and also became the first water company to retain a Queen's Award for Enterprise, in recognition of the way Wessex Water has embedded sustainability across its business. The company achieved unparalleled performance in the industry, with no major or serious pollution incidents or prosecutions during the year. Despite the unprecedented rainfall, Wessex Water also recorded its second lowest number of minor pollution incidents during the year.

Activities in Singapore

In November 2012, YTL PowerSeraya won the Singapore Health Awards (Silver) 2012, for its efforts towards employee health and well-being, including seeking to promote work-life effectiveness among its workforce.

As part of YTL PowerSeraya's efforts to attract young talent, the company also offered, in collaboration with the Singapore Government, a full-term undergraduate scholarship scheme called the Singapore-Industry Scholarship. Sponsored scholars under this scheme will have opportunities to acquire knowledge of the power industry through internship opportunities and upon graduation, embark on their careers with the company.

Meanwhile the company continued to expand its flagship sustainability initiative, REAP (Responsible Energy Advocates Programme), which educates tertiary students on energy conservation. The achievements from REAP have been commendable with about 31% of participating households achieving energy savings of 10% or more consistently over the past 2 years. The top household in 2012 achieved an outstanding 57.6% in energy savings.

In 2012, REAP expanded its outreach beyond tertiary students to include secondary school students through a pilot called REAP Junior. This year, over 500 secondary school students from nine schools in the South West and South East districts signed up to REAP Junior. As part of the programme, students attend workshops where they are taught how to read a utility bill as well as energy saving measures that can be adopted in their homes. They are also given a self-assessment checklist to help them in their energy saving journey over a 3-month energy monitoring period.

In other energy conservation efforts, the division embarked on an Energy Makeover initiative with an investment of SGD40,000. Five customers were selected for a free energy makeover of their office premises and, collectively, they are projected to achieve more than 40,000 kilowatt hours (kWh) in annual energy savings and an annual carbon dioxide reduction of 20 tonnes.

Chairman's Statement

On the social front, YTL PowerSeraya held its first major fund raising initiative, the Charity Bowl-for-Lunch, aimed at helping its adopted charity, GROW (Goodwill, Rehabilitation and Occupational Workshop). Held in May 2013 and involving stakeholders, staff, customers and business partners, the event raised SGD70,000 to assist in providing the equivalent of more than 20,000 meals for at least a year to 87 GROW beneficiaries with cerebral palsy and other associated disabilities.

FUTURE PROSPECTS

The outlook for Malaysia's economy remains fairly stable with GDP growth for the full 2013 calendar year expected to average between 4.5% and 5.0%, anchored by the continued resilience of domestic demand and supported by a gradual improvement in the external sector. Going forward, the global economy continues to face downside risks, emanating from uncertainty surrounding fiscal and financial policy measures in major economies, including the United States, the Eurozone and China. Whilst domestic demand is expected to remain stable in emerging economies, these wider uncertainties will continue to weigh on market sentiment and growth prospects *(sources: Ministry of Finance, Bank Negara Malaysia updates).*

Whilst the past half-decade has demonstrated that operating in more volatile and uncertain economic conditions has become the norm, YTL Power's continued focus on its core multi-utility capabilities and established track record in managing investments, supported by technical know-how and O&M expertise, have combined to ensure the Group's ongoing success. Going forward, YTL Power remains committed to its proven operational strategies to continue to deliver solid results and drive the Group's future growth and development.

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

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

CORPORATE EVENTS

11 OCTOBER 2012

ElectraNet Pty Ltd Wins AIPM 2012 National Award

ElectraNet Pty Ltd, a 33.5% associated company of YTL Power International Berhad, won the 2012 national award from the Australian Institute of Project Management (AIPM) for a Construction/Engineering Project in excess of A$100 million for its Adelaide Central Reinforcement (ACR) project. The ACR project represents the most significant improvement in electricity infrastructure in South Australia into the Adelaide central business district since the 1980s. The AIPM is the highly-respected peak body for project management in Australia, which encourages national excellence through professionalism in project management.

14 NOVEMBER 2012

Singapore Business Superbrands Awards 2012

Seraya Energy Pte Ltd, a 100% subsidiary and the retail arm of YTL PowerSeraya Pte Ltd, was a winner at Singapore's Business Superbrands Awards 2012, for the second time. The award recognises top brands in Singapore's business-to-business industry based on product quality, brand reputation, market share, achievement, innovation and social responsibility.

Beginning 4th from left:- Mr Gareth Davies, Managing Director of FrogTrade Ltd, Ms Sarah Van Haazel, Finance Director of FrogTrade Ltd, and Datin Kathleen Chew Wai Lin, Group Legal Counsel of YTL Power International Berhad, at the awards presentation in London

31 JANUARY 2013

FrogTrade Ltd Wins 'ICT Company of the Year' at the BETT Awards 2013

FrogTrade Ltd, developer of the Frog Virtual Learning Platform, was named 'ICT Provider of the Year' at the prestigious BETT Awards 2013 in the United Kingdom. YTL Communications Sdn Bhd and FrogAsia Sdn Bhd, both subsidiaries of YTL Power International Berhad, are working closely with FrogTrade Ltd to deliver a holistic learning experience to over 10,000 primary and secondary schools in Malaysia, utilising the Frog Virtual Learning Environment and 4G Internet connectivity, under the 1BestariNet project.

From left to right:- Mr Ali Tabassi, Chief Operating Officer of YTL Communications Sdn Bhd; Dato' Yeoh Soo Keng, Executive Director of YTL Power International Berhad; Dato' Yeoh Seok Hong, Executive Director of YTL Power International Berhad; Dato' Sri Mohd Nadzmi Mohd Salleh, Chairman & Managing Director of Konsortium Transnasional Berhad; Tengku Hasmadi Tengku Hashim, Executive Director of Konsortium Transnasional Berhad; Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd; and Mr Jacob Yeoh Keong Yeow, Deputy Chief Executive Officer of YTL Communications Sdn Bhd

14 MARCH 2013

Strategic Partnership between Yes & Konsortium Transnasional Berhad

Yes, one of the most advanced 4G networks in the world, and Konsortium Transnasional Berhad (KTB), Malaysia's largest and widest express bus service, launched a revolutionary partnership to bring the award-winning Yes 4G network to passengers on KTB's nationwide NICE Imperial, NICE coaches, Plusliner and Transnasional bus lines, via mobile 4G Wi-Fi hotspots installed in KTB's buses.

24 APRIL 2013

Wessex Water Services Limited Wins the Queen's Award for Enterprise

Wessex Water Services Limited retained the Queen's Award for enterprise in sustainable development, the only water firm to have won the award twice. The company was given the award for its sustainable procurement policy and waste management and recycling strategies.

Ms Jessie Holmberg, Executive Director of Cerebral Palsy Alliance Singapore, and Mr John Ng of YTL PowerSeraya Pte Ltd

9 MAY 2013

'Charity Bowl-for-Lunch' Raises SGD70,000

YTL PowerSeraya Pte Ltd raised $70,000 for GROW (Goodwill, Rehabilitation and Occupational Workshop), the company's adopted charity, through a 'Charity Bowl-for-Lunch', its first major organised fund raising event.

Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd (right), receiving the award at the ceremony

22 MAY 2013

2013 Frost & Sullivan Award for Most Promising Telecom Service Provider

YTL Communications Sdn Bhd, a global frontrunner in mobile 4G, earned another prestigious accolade by winning the 'Most Promising Telecom Service Provider of the Year' at the Frost & Sullivan 2013 Malaysia Excellence Awards for Yes, Malaysia's fastest 4G mobile Internet with voice service.

From left to right:- Mr Ian Son, IM-Business Development Director, Samsung Electronics; Mr Kwon Jae Hoon, Managing Director, Samsung Malaysia Electronics (SME) Sdn Bhd; Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd; Mr David Song, Head of Global PC Sales & Marketing, Samsung Electronics; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Power International Berhad; Mr Caesar Sengupta, Product Management Director, Google; Dato' Yeoh Seok Hong, Executive Director of YTL Power International Berhad; and Mr Felix Lin, Director of Product Management, Chrome OS, Google

22 MAY 2013

Yes-Samsung 4G Chromebook Launch

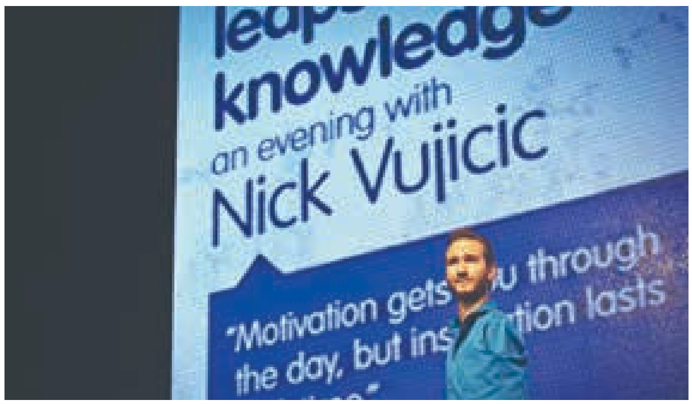
YTL Communications Sdn Bhd launched the world's first Samsung 4G Chromebook, developed by Google and Samsung and powered by the Yes 4G network. The Samsung 4G Chromebook has built-in connectivity to Malaysia's largest and widest 4G network, and is designed to work with Yes IDs.

From left to right:- Mr Mark Chang, Chief Executive Officer of JobStreet.com; team leader Dr Ong Shien Jin; medallists Mr Tham Ying Hong and Mr How Si Yu; and Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd, at the event in Brisbane, Australia

18 JULY 2013

International Olympiad in Informatics 2013

Two young Malaysians created history by winning the country's first two silver medals at the 25th International Olympiad in Informatics (IOI) 2013, the world's most prestigious algorithmic computer programming competition for students. YTL Foundation was an event sponsor and donated 5 Chromebooks for the Olympiad training program.



6 SEPTEMBER 2013

Leaps of Knowledge: An Evening with Nick Vujicic

Over 1,700 parents, teachers and students were given the special opportunity to hear world-renowned inspirational speaker Mr Nick Vujicic in person at 'Leaps of Knowledge: An Evening with Nick Vujicic', the first in a series of talks, seminars, workshops and conferences designed to inspire and enlighten Malaysians, presented by FrogAsia Sdn Bhd, a subsidiary of YTL Power International Berhad, and sponsored by YTL Foundation.

From left to right:- Mr Behnam Neekzad, VP Core Network Engineering, YTL Communications Sdn Bhd; Ms Yasmin Mahmood, Director, YTL Communications Sdn Bhd; Mr Wing K Lee, Chief Executive Officer, YTL Communications Sdn Bhd; Mr Navin Shenoy, VP in Client Platforms, Intel; Dato' Yeoh Seok Hong, Executive Director, YTL Power International Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Power International Berhad; Mr Brian Krzanich, Chief Executive Officer, Intel; Mr Erick Reid, General Manager in Application Processor Platform, Intel; Mr John Galvin, VP Sales & Marketing Group, Intel; Mr Uday Marty, Managing Director for South East Asia, Intel; and Mr Prakash Mallya, Country Manager for Malaysia & Singapore, Intel

23 SEPTEMBER 2013

Signing Ceremony with Intel Corporation

YTL Communications Sdn Bhd entered into a memorandum of understanding with Intel Corporation on future collaboration, at a meeting in San Jose, California.

From left to right:- Mr Behnam Neekzad, VP Core Network Engineering, YTL Communications Sdn Bhd; Mr Caesar Sengupta, Product Management Director, Google; Mr Wing K Lee, Chief Executive Officer, YTL Communications Sdn Bhd; Mr Felix Lin, Director of Product Management, Chrome OS, Google; Mr Sundar Pichai, Senior Vice President for Android, Chrome and Google Apps, Google; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Power International Berhad; Dato' Yeoh Seok Hong, Executive Director, YTL Power International Berhad; and Ms Yasmin Mahmood, Director, YTL Communications Sdn Bhd

23 SEPTEMBER 2013

Collaboration with Google Chrome

YTL Communications Sdn Bhd met with Google Chrome at Google's headquarters in Mountain View, California. In May 2013, YTL Communications Sdn Bhd launched the Samsung 4G Chromebook which is developed by Google and Samsung and powered by the Yes 4G network.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of YTL Power International Berhad ("the Company") will be held at The Banquet Hall, Level 3, Conference Center, The Ritz Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, the 26th day of November, 2013 at 2.30 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2013 together with the Reports of the Directors and Auditors thereon; *Please refer Explanatory Note A*

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

   (i) Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng *Resolution 1*

   (ii) Dato' Yeoh Seok Kian *Resolution 2*

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

   (iv) Syed Abdullah Bin Syed Abd. Kadir *Resolution 4*

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

   (i) "THAT Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." *Resolution 5*

   (ii) "THAT Dato' (Dr) Yahya Bin Ismail, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." *Resolution 6*

4. To approve the payment of Directors' fees amounting to RM620,000 for the financial year ended 30 June 2013; *Resolution 7*

5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. *Resolution 8*

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS:-

6. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

"THAT subject to the passing of the Ordinary Resolution 1, approval be and is hereby given to Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 9***

"THAT subject to the passing of the Ordinary Resolution 6, approval be and is hereby given to Dato' (Dr) Yahya Bin Ismail, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company." ***Resolution 10***

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

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." ***Resolution 11***

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 27 November 2012, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

(ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2013, the audited Retained Profits and Share Premium Account of the Company were RM2,190,251,000 and RM3,045,330,000 respectively; and

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

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

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

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

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR of Bursa Securities and all other relevant governmental/regulatory authorities." ***Resolution 12***

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 4 November 2013 subject to the following:-

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

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

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

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." ***Resolution 13***

10. PROPOSED ISSUE OF OPTIONS TO DATO' YUSLI BIN MOHAMED YUSOFF

"THAT the Board be and is hereby authorised at any time and from time to time to cause the offering and granting to Dato' Yusli Bin Mohamed Yusoff, an Independent Non-Executive Director of the Company, options to subscribe for up to 10% of the new ordinary shares of the Company available under the Company's Employees Share Option Scheme ("ESOS") approved by the members of the Company at the Extraordinary General Meeting held on 30 November 2010, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the By-laws governing and constituting the ESOS and the Board be and is hereby authorised to allot and issue from time to time such number of new shares to Dato' Yusli Bin Mohamed Yusoff upon his exercise of options under the ESOS." ***Resolution 14***

SPECIAL RESOLUTION:-

11. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the proposed amendments to the Articles of Association of the Company as set out in Appendix 'A' of the Statement/Circular to Shareholders dated 4 November 2013 be and are hereby approved and adopted AND THAT the Directors be and are hereby authorised to carry out all the necessary steps to give effect to the amendments." ***Resolution 15***

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
4 November 2013

NOTES:-

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

The instrument appointing a proxy, in the case of an individual, shall be signed by the appointor or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. The original instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 19 November 2013. Only a depositor whose name appears on the General Meeting Record of Depositors as at 19 November 2013 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

EXPLANATORY NOTE A

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

EXPLANATORY NOTES TO SPECIAL BUSINESS

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

In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Resolutions 9 and 10 are to enable Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng and Dato' (Dr) Yahya Bin Ismail to continue serving as Independent Directors of the Company to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The justifications of the Board of Directors for recommending and supporting the resolutions for their continuing in office as Independent Directors are set out under the Statement on Corporate Governance in the Company's Annual Report 2013.

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

Resolution 11 is a renewal of the general authority given to the Directors of the Company to allot and issue shares ("S132D Mandate") as approved by the shareholders at the Sixteenth Annual General Meeting held on 27 November 2012 ("Previous Mandate").

As at the date of this Notice, the Company has not issued any new shares pursuant to the Previous Mandate which will lapse at the conclusion of the Seventeenth Annual General Meeting to be held on 26 November 2013.

Resolution 11, if passed, will enable the Directors to allot and issue ordinary shares at any time from unissued share capital of the Company up to an amount not exceeding ten per centum (10%) of the Company's issued share capital for the time being without convening a general meeting which will be both time and cost consuming. The S132D Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

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

For Resolution 12, further information on the Share Buy-Back is set out in Part A of the Statement/Circular dated 4 November 2013 which is despatched together with the Company's Annual Report 2013.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 13, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular dated 4 November 2013 which is despatched together with the Company's Annual Report 2013.

Resolution on the Proposed Issue of Options to Dato' Yusli Bin Mohamed Yusoff ("Proposed Issue of Options")

The ESOS, which obtained shareholders' approval at the Extraordinary General Meeting of the Company held on 30 November 2010, was implemented on 1 April 2011. Under the terms of the by-laws governing the ESOS, Dato' Yusli Bin Mohamed Yusoff, who was appointed as an Independent Non-Executive Director of the Company on 4 October 2011, is eligible to participate in the ESOS subject to Resolution 14 being passed. The Proposed Issue of Options is in line with the rationale for extending the ESOS to non-executive directors of the Company as enumerated in the Circular to Shareholders dated 15 November 2010. As Dato' Yusli Bin Mohamed Yusoff is deemed interested in the Proposed Issue of Options, he has abstained and will continue to abstain from all deliberations and voting in respect of his entitlement under the ESOS at the relevant Board of Directors meetings. He will also abstain from voting in respect of his direct and indirect shareholdings in the Company, if any, on Resolution 14 and has undertaken to ensure that persons connected with him will abstain from voting on Resolution 14.

Resolution pertaining to the Proposed Amendments to Articles of Association of the Company

For Resolution 15, details of the Proposed Amendments to Articles of Association are set out in Appendix 'A' of the Statement/Circular dated 4 November 2013 which is despatched together the Company's Annual Report 2013.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Seventeenth Annual General Meeting of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

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

Managing Director

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

Deputy Managing Director

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

Directors

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
PSM, DPMT, ASM, JP

Tan Sri Datuk Dr. Aris Bin Osman @ Othman
PSM, PJN, KMN
PhD (Development Economics), MA (Development Economics), BA (Hons) (Analytical Economics)

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

Dato' Yusli Bin Mohamed Yusoff
DPMS
BA (Hons) (Economics)

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

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

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

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

7th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2117 0088
603 2142 6633
Fax : 603 2141 2703

REGISTRAR

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

SOLICITORS

Lee, Perara & Tan
Slaughter & May

AUDIT COMMITTEE

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
(Chairman and Independent Non-Executive Director)

Tan Sri Datuk Dr. Aris Bin Osman @ Othman
(Independent Non-Executive Director)

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

NOMINATION COMMITTEE

Tan Sri Datuk Dr. Aris Bin Osman @ Othman
(Chairman and Independent Non-Executive Director)

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
(Independent Non-Executive Director)

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

Dato' Yusli Bin Mohamed Yusoff
(Independent Non-Executive Director)

AUDITORS

PricewaterhouseCoopers (AF 1146)
Chartered Accountants

PRINCIPAL BANKERS OF THE GROUP

AmBank (M) Berhad
BNP Paribas
CIMB Bank Berhad
Citibank Berhad
Credit Agricole Corporate & Investment Bank
DBS Bank Ltd
European Investment Bank
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
Malayan Banking Berhad
Mizuho Bank, Ltd
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (23.5.1997)

PROFILE OF THE BOARD OF DIRECTORS

TAN SRI DATUK SERI PANGLIMA (DR) YEOH TIONG LAY

Malaysian, aged 83, was appointed to the Board on 21 October 1996 and has been the Executive Chairman since 31 October 1996. His contributions are well recognised with the conferment of the title of Doctor of Engineering by Heriot-Watt University, Edinburgh and his appointment as Honorary Life President of the Master Builders Association of Malaysia in 1988. He is the co-founder and the first Chairman of the ASEAN Constructors' Federation. On 26 October 2002, Tan Sri Yeoh Tiong Lay was conferred the Honorary Doctorate in Philosophy (Business Administration) by Universiti Malaysia Sabah. He was installed as Pro-Chancellor for Universiti Malaysia Sabah on 1 July 2005. He is the past President and Lifetime member of the International Federation of Asian and Western Pacific Contractors Association. On 19 January 2008, Tan Sri Yeoh Tiong Lay was conferred the prestigious Order of the Rising Sun, Gold Rays with Neck Ribbon by the Emperor of Japan in recognition of his outstanding contribution towards the economic co-operation and friendship between Japan and Malaysia, including his efforts as an executive member and Vice President of the Malaysia-Japan Economic Association. On 20 August 2009, Tan Sri Yeoh Tiong Lay was accorded a Lifetime Achievement Award at the Asia Pacific Entrepreneurship Awards 2009 (APEA 2009) in recognition of his outstanding entrepreneurial achievements and contribution towards the development of the nation. He is also the Honorary Chairman of Tung Shin Hospital and is on the Board of Governors for several schools. Tan Sri Yeoh Tiong Lay is also the Executive Chairman of YTL Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and a private utilities company, Wessex Water Limited in England and Wales. He also sits on the board of trustee of YTL Foundation.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 59, was appointed to the Board on 18 October 1996 as an Executive Director and has been the Managing Director of the Company since then. 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. He became the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a force comprising five listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad, and Starhill Real Estate Investment Trust.

He is presently the Managing Director of YTL Corporation Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, and is the Executive Chairman and Managing Director of YTL e-Solutions Berhad, listed on the ACE Market of Bursa Malaysia Securities Berhad, and YTL Starhill Global REIT Management Limited, which is the manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis sits on the boards of several public companies such as YTL Industries Berhad and YTL Cement Berhad, and private utilities companies including 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 trustee of YTL Foundation. Tan Sri Francis is also an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited, and is a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Invesment Trust.

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council, member of The Nature Conservancy Asia Pacific Council and the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He served as a member of the Barclays Asia-Pacific Advisory Committee from 2005 to 2012.

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

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II, and received a prestigious professional accolade when made a Fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010.

TAN SRI DATO' LAU YIN PIN @ LAU YEN BENG

Malaysian, aged 64, was appointed to the Board on 18 February 1997 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee and a member of the Nomination Committee. He obtained a Diploma in Commerce with distinction from Tunku Abdul Rahman College in 1974. In 1987, he became a graduate member of the Institute of Chartered Secretaries and Administrators, United Kingdom, and in 1981 was made a Fellow of the Chartered Association of Certified Accountants of the United Kingdom. Tan Sri Dato' Lau has been a member of the Malaysian Institute of Accountants since 1979. He was appointed to the board of the former Lembaga Letrik Negara on 1 October 1988 and served on the board of Tenaga Nasional Berhad, the successor to Lembaga Letrik Negara until 15 September 2010. Tan Sri Dato' Lau had also served as director of Nanyang Press Holdings Berhad and Chairman of Star Publication (Malaysia) Berhad. He is currently a board member of Ahmad Zaki Resources Berhad and Media Chinese International Limited, a company listed in Malaysia and Hong Kong.

TAN SRI DATUK DR. ARIS BIN OSMAN @ OTHMAN

Malaysian, aged 69, was appointed to the Board on 12 June 2006 as an Independent Non-Executive Director. He is also the Chairman of the Nomination Committee and a member of the Audit Committee. Tan Sri Datuk Dr. Aris holds a PhD in Development Economics and a MA in Political Economy from Boston University, a MA in Development Economics from Williams College, Massachusetts, U.S.A., and a Bachelor of Arts (Hons) in Analytical Economics from University of Malaya.

Tan Sri Datuk Dr. Aris had served in various positions in the Economic Planning Unit, Prime Minister's Department from 1966 to 1986. He was seconded to Bank Bumiputra Malaysia Berhad (now known as CIMB Bank Berhad), Kuala Lumpur as Chief General Manager (Corporate Planning, Financial Subsidiaries, Treasury, Human Resources) from 1986 to 1989. From 1989 to 1999, Tan Sri Datuk Dr. Aris was with the Ministry of Finance during which he served as Executive Director (South-East Asia Group) of the World Bank, Washington D.C. from 1991 to 1994 and Secretary General to the Treasury from 1998 to mid 1999. This was followed by an illustrious career in banking where he held the positions of Executive Chairman and Managing Director/Chief Executive Officer of Bank Pembangunan dan Infrastruktur Malaysia Berhad. He was the Chairman of Malaysia Airports Holdings Berhad until his retirement in June 2012. He is currently a director of AMMB Holdings Berhad and AmInvestment Bank Berhad. He also sits on the board of trustee of YTL Foundation.

DATO' YEOH SEOK KIAN

Malaysian, aged 56, was appointed to the Board on 21 October 1996 as an Executive Director. He is currently the Deputy 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. 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 is presently the Deputy Managing Director of YTL Corporation Berhad and Executive Director of YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh also serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities companies, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore as well as YTL Starhill Global REIT Management Limited, the manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

DATO' (DR) YAHYA BIN ISMAIL

Malaysian, aged 85, was appointed to the Board on 31 October 1996 as an Independent, Non-Executive Director. He is also a member of the Audit Committee and Nomination Committee. He was formerly with the Government and his last appointment was as Director General of the National Livestock Authority Malaysia. He was with the Totalisator Board Malaysia from 1982 to 1990 and served as its Chairman since 1986. Dato' Yahya is a director of YTL Corporation Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the board of Metroplex Berhad and Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

DATO' YUSLI BIN MOHAMED YUSOFF

Malaysian, aged 54, was appointed to the Board on 4 October 2011 as an Independent Non-Executive Director. Dato' Yusli is also a member of the Nomination Committee.

Dato' Yusli graduated with a Bachelor of Economics from the University of Essex, England in 1981. He is a member of the Institute of Chartered Accountants, England & Wales, the Malaysian Institute of Accountants and is also an honorary member of the Institute of Internal Auditors Malaysia.

Dato' Yusli began his career in the field of accounting and auditing in England where he held the position of audit senior and trainee accountant with Peat Marwick Mitchell, London (1981-1986) and Chief Accountant with Hugin Sweda PLC, London (1986-1990). He then held various key positions in a number of public listed and private companies in Malaysia including senior financial and general management roles within Renong Group before leaving as Chief Operating Officer/Executive Director of Renong Berhad in 1995. He was Group Managing Director of Shapadu Corporation (1995-1996) and Chief General Manager of Sime Merchant Bankers Berhad (1996-1998) and served concurrently as Executive Vice Chairman of Intria Berhad and Managing Director of Metacorp Berhad (1998-1999) before venturing into stockbroking as the Chief Executive Director of CIMB Securities Sdn Bhd (2000-2004). He was the Chief Executive Officer/Executive Director of Bursa Malaysia Berhad (February 2004 to March 2011). He sat as a board member of the Capital Market Development Fund (2004-2011) and was chairman of the Association of Stockbroking Companies Malaysia (2003-2004). He also served as exco member of the Financial Reporting Foundation of Malaysia (2004-2011).

Dato' Yusli currently sits on the Board of Directors of Mudajaya Group Berhad, Mulpha International Berhad, AirAsia X Berhad, Westports Holdings Berhad, Australasia Resources & Minerals Bhd, Asian Institute of Finance Berhad and Pelaburan MARA Berhad.

DATO' YEOH SOO MIN

Malaysian, aged 57, was appointed to the Board on 2 June 1997 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 has gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a member of the Malaysian Institute of Management. She was the past President of the Women in Travel Industry. She is currently a Fellow of the Governors of International Students House, London and is a Trustee of Yayasan Tuanku Fauziah and Women's Leadership Endowment Fund. She also holds directorships in YTL Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad.

DATO' YEOH SEOK HONG

Malaysian, aged 54, was appointed to the Board on 18 October 1996 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and is currently overseeing the building of the fourth generation (4G) Worldwide Interoperability for Microwave Access (WiMAX) network by YTL Communications Sdn Bhd. He serves as an Executive Director of YTL Corporation Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities companies, 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 trustee of YTL Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 53, was appointed to the Board on 21 October 1996 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 YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He serves as an Executive Director of YTL Corporation Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the boards of other public companies such as YTL Cement Berhad and YTL Industries Berhad, and private utilities companies, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO KENG

Malaysian, aged 50, was appointed to the Board on 2 June 1997 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She was the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. Dato' Yeoh Soo Keng is the purchasing director responsible for bulk purchases of building materials and related items for construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad and Perak-Hanjoong Simen Sdn Bhd. She is currently Chairman of Cement and Concrete Association since her appointment in August 2013. She is also a director of YTL Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, YTL Cement Berhad and World Scout Foundation.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 48, was appointed to the Board on 21 October 1996 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. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves as an Executive Director of YTL Corporation Berhad and YTL Land & Development Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He is a board member of YTL Cement Berhad and private utilities companies, Wessex Water Limited and Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of Starhill Real Estate Investment Trust.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, aged 59, was appointed to the Board on 18 February 1997 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 Corporation Berhad, YTL e-Solutions Berhad, Iris Corporation Berhad, and Versatile Creative Berhad, all listed on Bursa Malaysia Securities Berhad.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	4
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	5
Tan Sri Datuk Dr. Aris bin Osman @ Othman	5
Dato' Yeoh Seok Kian	3
Dato' (Dr) Yahya bin Ismail	5
Dato' Yusli bin Mohamed Yusoff	4
Dato' Yeoh Soo Min	4
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	3
Syed Abdullah bin Syed Abd. Kadir	5

Notes:

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

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

2. **Conflict of Interest**

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

3. **Conviction of Offences**

   None of the Directors has been convicted of any offences in the past ten (10) years.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

In preparing the financial statements for the financial year ended 30 June 2013, the Directors have:

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

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

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

AUDIT COMMITTEE REPORT

MEMBERS

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
(Chairman/Independent Non-Executive Director)

Tan Sri Datuk Dr. Aris Bin Osman @ Othman
(Member/Independent Non-Executive Director)

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

TERMS OF REFERENCE

Primary Purposes

The Committee shall:

1. Provide assistance to the Board of Directors ("Board") in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for YTL Power International Berhad and its subsidiaries ("Group").

2. Assist to improve the Company and the Group's business efficiency, the quality of the accounting function, the system of internal controls and the audit function to strengthen the confidence of the public in the Company and the Group's reported results.

3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

4. Enhance the independence of both the external and internal auditors' function through active participation in the audit process.

5. Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.

6. Act upon the Board's request to investigate and report on any issues or concerns in regard to the management of the Company and the Group.

7. Review existing practices and recommend to management to formalise an ethics code for all executives and members of the staff of the Company and the Group.

8. Instil discipline and control to reduce incidence of fraud.

Composition

1. The Committee shall be appointed by the Board from amongst their number and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.

2. At least one member of the Audit Committee:-

   (a) must be a member of the Malaysian Institute of Accountants; or

   (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

      (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
      (ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

   (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

5. In the event of any vacancy in the Committee resulting in the non-compliance of sub-paragraph 15.09(1) of the Bursa Securities Main Market Listing Requirements ("Main LR"), the Company must fill the vacancy within three (3) months.

Authority

The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:-

1. have authority to investigate any matter within its terms of reference;

2. have the resources which are required to perform its duties;

3. have full and unrestricted access to any information pertaining to the Company and the Group;

4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;

6. be able to convene meetings with the internal auditors without the presence of other directors and employees of the Company, whenever deemed necessary; and

7. to meet with the external auditors at least twice a year without the presence of the other directors and employees of the Company.

Functions And Duties

The Committee shall, amongst others, discharge the following functions:-

1. **Financial Reporting**

    (a) Review the quarterly financial results and annual financial statements prior to its recommendation to the Board for approval, focusing particularly on:-

    - changes in or implementation of major accounting policies and practices;
    - significant and unusual events;
    - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Company and the Group;
    - compliance with applicable approved accounting standards, other statutory and legal requirements and the going concern assumption.

2. **External Audit**

    (a) Review the audit plan, scope of audit and audit report with the external auditors;

    (b) Review the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Company and the Group's operations and efforts and processes taken to reduce the Company and the Group's operational risks;

    (c) Recommend the nomination of a person or persons as external auditors and the audit fee;

    (d) Review any letter of resignation from the external auditors of the Company;

    (e) Review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

    (f) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors.

3. **Internal Audit**

    (a) Review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

    (b) Review the internal audit programme, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

    (c) Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the internal auditors.

4. **Related Party Transactions**

    (a) Review any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Company/Group including any transaction, procedure or course of conduct that raises questions of management integrity.

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

    (a) Verify allocation of share options to the eligible employees pursuant to the criteria set out in the By-Laws of the ESOS in accordance to the Main LR.

6. **Other Matters**

    (a) Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company/Group and ensure the effective discharge of the Committee's duties and responsibilities;

    (b) Promptly report to Bursa Securities on any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Main LR.

Meetings

1. To form a quorum in respect of a meeting of the Committee, the majority of members present must be Independent Directors.

2. The Committee shall meet at least five (5) times a year, although additional meetings may be called at any time at the discretion of the Chairman of the Committee. An agenda shall be sent to all members of the Committee and any other persons who may be required/invited to attend. All meetings to review the quarterly financial results and annual financial statements shall be held prior to such quarterly financial results and annual financial statements being presented to the Board for approval.

3. Notwithstanding item 2 above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter which should be brought to the attention of the Directors or shareholders.

4. The external and internal auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

5. The Committee may invite any Board member or any member of the management within the Company/Group whom the Committee thinks fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.

6. The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.

7. The Committee may establish any regulations from time to time to govern its administration.

Minutes

1. The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

2. Minutes of each meeting shall also be distributed to the members of the Committee prior to each meeting.

3. Detailed minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.

4. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee or the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

SUMMARY OF ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2013 in discharging its functions:-

1. Financial Reporting

(a) Reviewed the quarterly financial results and annual financial statements to ensure compliance with the Main LR, Malaysian Financial Reporting Standards and other statutory and regulatory requirements prior to its recommendation to the Board for approval.

2. External Audit

(a) Reviewed the external auditors' scope of work and their audit plan and recommended the proposed audit fee to the Board for approval;

(b) Reviewed with the external auditors on the findings of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. Internal Audit

(a) Reviewed the internal auditors' audit plan to ensure adequate scope and coverage of activities of the Company and the Group;

(b) Reviewed with the internal auditors, the internal audit reports on their findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management. Also took note of the salient findings set out in the internal audit reports reviewed by the audit committees of Wessex Water Limited group and YTL PowerSeraya Pte Limited group;

(c) Reviewed the adequacy and competency of the internal audit function and the profiles of the internal auditors.

4. **Related Party Transactions**

(a) Reviewed the recurrent related party transactions ("RRPT") of a revenue or trading nature within the Company/Group prior to its recommendation to the Board for approval for inclusion in the circular to the shareholders in relation to the proposed renewal of shareholder mandate and new shareholder mandate for RRPT.

5. **ESOS**

(a) Verified the allocation of share options pursuant to the ESOS as being in compliance with the criteria set out in the By-Laws of the ESOS and applicable provisions of the Main LR.

6. **Annual Report**

(a) Reviewed the Audit Committee Report and Statement on Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.

INTERNAL AUDIT FUNCTION

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

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

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

2. Conducted scheduled and special internal audit engagements, focusing primarily on the effectiveness of internal controls and recommended 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 audit findings to the Committee for consideration.

5. Conducted recurrent related party transactions reviews to assess accuracy and completeness of reporting.

Costs amounting to RM1,284,974 were incurred in relation to the internal audit function for the financial year ended 30 June 2013.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	5
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	5
Dato' (Dr) Yahya Bin Ismail	5

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

The YTL Power 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 Power Group, whilst taking into account the interests of all stakeholders.

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

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code for the financial year ended 30 June 2013. This statement explains the Company's application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, including, where otherwise indicated, explanations of its alternative measures and processes.

ROLES & RESPONSIBILITIES OF THE BOARD

YTL Power 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 Power Group's operations. This broad spectrum of skills and experience ensures the YTL Power 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 Power Group. Key elements of the Board's stewardship responsibilities include those set out in Code:

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

The Managing Director and Executive Directors are accountable to the Board for the profitability and development of the YTL Power 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 Power Group.

The differing roles of Executive and Non-Executive Directors are delineated, 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 Power 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 Power Group conducts its business.

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

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

The Board believes sustainability is integral to the long-term success of the YTL Power Group. Further information on the YTL Power Group's sustainability activities can be found in the ***Chairman's Statement*** in this Annual Report.

The Board's functions are governed and regulated by the Memorandum and Articles of Association of the Company and the various applicable legislation, Listing Requirements and other regulations and codes. In accordance with the Code, a formal charter will also be drawn up for the Board's adoption at a later date.

Board meetings are scheduled with due notice in advance at least 5 times 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 Power Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2013.

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

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

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

COMPOSITION & INDEPENDENCE OF THE BOARD

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

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

The appointment of Directors has generally been undertaken by the Board as a whole, with the Managing Director recommending candidates suitable for appointment to the Board, and the final endorsement being made by the entire Board to ensure the required mix of skills, experience and expertise of members of the Board. However, on 23 May 2013, the Board established a Nomination Committee to take responsibility for this function and will begin reporting on the activities of this committee in the next financial year.

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 Power Group successfully. In general, the remuneration of the Directors is reviewed against the performance of the individual and the YTL Power Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 7 in the ***Notes to the Financial Statements*** in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL Power Group's standards of corporate governance.

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

Together, the Directors believe that the structure of the Board satisfactorily reflects the interests of its shareholders and is able to provide clear effective leadership to the YTL Power Group. The composition of the Board reflects the wide range of business, commercial and financial experience essential in the management and direction of a corporation with global presence. A brief description of the background of each Director is presented in the ***Profile of the Board of Directors*** in this Annual Report.

The Code includes a recommendation that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Board does not have set term limits for its members and considers instead the ability of the Directors to continue to serve and act in the best interests of the YTL Power Group. The Independent Non-Executive Directors must also fulfil the criteria for independence set out in the Listing Requirements. It is the Board's view that the length of service of the Independent Directors who have served on the Board for more than 9 years does not interfere with their exercise of independent judgment or their ability to act in the best interests of the YTL Power Group. The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management or daily operations of the YTL Power Group. These Directors serve in a professional capacity and do not have executive roles or business ties to the Company.

Length of service enables the Independent Non-Executive Directors to better understand the YTL Power Group and its businesses over the long-term and, therefore, better serve the interests of the Company and its shareholders by having a long-term familiarity with and understanding of the Company, its operations and growth strategies.

The Board is satisfied with the skills, contributions and independent judgment that Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng and Dato' (Dr) Yahya Bin Ismail, who have served for 9 years or more, bring to the Board. In view thereof, the Board recommends and supports the resolutions for their re-appointment as Independent Non-Executive Directors of the Company which will be tabled for shareholders' approval at the forthcoming AGM of the Company.

BOARD COMMITMENT

In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL Power Group thereby enabling them to discharge their duties effectively. The details of each Director's attendance of Board meetings are also disclosed in the ***Profile of the Board of Directors*** in this Annual Report.

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the YTL Power Group operates, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. All Directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Throughout the financial year under review, the Directors attended various briefings, conferences, seminar programmes and speaking engagements covering areas that included corporate governance, leadership, relevant industry updates and global business developments which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

INTEGRITY IN FINANCIAL REPORTING

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors in compliance with the Listing Requirements which require all the members of the Audit Committee to be non-executive members. The Audit Committee holds quarterly meetings to review matters including the YTL Power 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 2013. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the ***Audit Committee Report*** in this Annual Report.

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

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

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

RISK MANAGEMENT

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of its shareholders and the YTL Power Group's assets. Details of the YTL Power Group's system of risk management and internal control and its internal audit function are contained in the ***Statement on Risk Management & Internal Control*** and the ***Audit Committee Report*** in this Annual Report.

CORPORATE DISCLOSURE & COMMUNICATION WITH SHAREHOLDERS

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

Accordingly, the Board ensures that shareholders are kept well-informed of any major development of the YTL Power 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.ytlpowerinternational.com** and the YTL Corporation Berhad Group's community website at **www.ytlcommunity.com**, in addition to prescribed information, including its interim financial results, announcements, circulars, prospectuses and notices, which is released through the official website of Bursa Securities.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Power Group's financial results but to provide updates on strategies and new developments to ensure better understanding of the YTL Power Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Power 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, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Power Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

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

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

The rights of shareholders, including the right to demand a poll, are found in the Articles of Association of the Company. At the 16th AGM of the Company, held on 27 November 2012, the resolutions put forth for shareholders' approval were voted on by a show of hands as there were no shareholder demands for voting to be done by way of a poll.

This Statement was approved by the Board of Directors on 3 October 2013.

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

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

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of risk management and internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL Power 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 Power 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 Power 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 POWER 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 Power Group and its staff conduct themselves. The principal features which formed part of the YTL Power Group's system of internal control can be summarised as follows:-

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

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

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

- **Internal Compliance:** The YTL Power 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 Power 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 POWER 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 Power Group's internal audit function is carried out by the Internal Audit department within the YTL Corporation Berhad Group ("YTLIA"), which provides assurance on the efficiency and effectiveness of the internal control systems implemented by management, and reports directly to the Audit Committee. A description of the activities of the internal audit function can be found in the ***Audit Committee Report*** included in this Annual Report.

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

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

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

Similarly, the companies of the YTL PowerSeraya Pte Limited group ("YTL PowerSeraya") 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 possesses its own internal audit department which reports to its audit committee. Its findings are also presented to the Audit Committee. YTL PowerSeraya's internal audit department 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 Power Group is effective to safeguard its interests.

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

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

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

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

The YTL Power 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 Power Group's strategy of acquiring regulated assets and financing acquisitions on a non-recourse basis. These include YTL Power Generation Sdn Bhd, Wessex Water and YTL PowerSeraya, as well as its interests in ElectraNet Pty Ltd and P.T. Jawa Power. These assets share common characteristics of highly predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

The Board acknowledges that all areas of the YTL Power Group's business activities involve some degree of risk. The YTL Power 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 Power Group's operations in order to enhance shareholder value.

The Board assumes overall responsibility for the YTL Power Group's risk management framework. Identifying, evaluating and managing any significant risks faced by the YTL Power Group is an ongoing process which is undertaken in various stages:- (i) by senior management at each level of operations; (ii) by YTLIA in the performance of its internal audit functions; and (iii) by the Audit Committee, which assesses and analyses these findings and reports to the Board. During the financial year under review, the Board's functions within the risk management framework were exercised primarily by the Executive Directors through their participation in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

The YTL Power 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 Power Group's overall financial risk management objective is to ensure that the YTL Power Group creates value for its shareholders. The YTL Power 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 Power Group's financial risk management policies. The Board regularly reviews these risks and approves the appropriate control environment framework. Further discussion and details on the YTL Power Group's financial risk management is contained in Note 34 of the ***Notes to the Financial Statements*** in this Annual Report.

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

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the YTL Power 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

As required under Paragraph 15.23 of the Listing Requirements, the external auditors, Messrs PricewaterhouseCoopers, have reviewed this Statement on Risk Management & Internal Control. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountants. Based on their review, they have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in reviewing the adequacy and integrity of internal control and risk management of the YTL Power Group. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the YTL Power Group.

CONCLUSION

The Board is of the view that the system of risk management and internal control being instituted throughout the YTL Power 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 Power Group's operations and that risks are at an acceptable level throughout its businesses. The Managing Director and the Executive Director primarily responsible for the financial management of YTL Power have provided assurance to the Board that the YTL Power 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 Power Group's assets.

This Statement was approved by the Board of Directors on 3 October 2013.

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

for the financial year ended 30 June 2013

At the last Annual General Meeting of YTL Power International Berhad ("YTL Power") held on 27 November 2012, the Company had obtained a mandate from its shareholders to allow YTL Power and/or its subsidiaries ("YTL Power Group") to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL Power or its subsidiaries ("Recurrent Related Party Transactions").

In accordance with Paragraph 10.09(2)(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Main LR"), details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2013 pursuant to the said shareholder mandate are as follows:-

Corporation in the YTL Power Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Extiva Communications Sdn Bhd ("**Extiva**"); FrogAsia Sdn Bhd; YTL Power; YTL PowerSeraya Pte Ltd; YTL Communications Sdn Bhd ("**YTL Comm**"); YTL Digital Sdn Bhd; YTL Power Generation Sdn Bhd	YTL Corporation(b) and its subsidiary and associate corporations(g) (**collectively, "YTL Corp Group"**)	Provision of operation and maintenance services by Related Party; Provision of hotel related services by Related Party; Provision of parking facilities by Related Party Rental of office premises at Menara ING, Kuala Lumpur and procurement of related services from Related Party; Provision of tele-communications and/or broadband services, equipment and/or related services to Related Party; Purchase of office equipment from Related Party; Rental of premises at Lot 10 Shopping Centre, and 183, Jalan Bukit Bintang, Kuala Lumpur, and procurement of related services from Related Party; Provision of hospitality and/or travel related services by Related Party;	YTLSH(a) YTL Corporation(b) Tan Sri Yeoh Tiong Lay(c) Yeoh Siblings(d) Directors' Spouses(e) Other Connected Parties(f)	^Major Shareholder/ ^Person Connected(1) ^Major Shareholder/ ^Person Connected(2) Director/^Major Shareholder/^Person Connected(1)(2)(3)(4)(5) Directors(1)(2)(3)(4)(5) ^Person Connected(4)(5) ^Person Connected(4)(5)	105,168

Corporation in the YTL Power Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
(continued from previous page)		Charges paid for use of rooftop space, office and other premises; Supply of limestone by Related Party; Purchase of gypsum by Related Party; Procurement of construction and related services, and building infrastructure/ equipment from Related Party; Rental of residential unit at Indera Putra Courts, Johor Bahru from Related Party.			
Extiva; YTL Comm	Persons Connected with Major Shareholders of Subsidiaries	Provision of telecommunications and/or broadband services, equipment and/or related services to Related Party; Provision of hotel related services by Related Party; Provision of field operations, maintenance services for base stations, microwave equipment and hubs and/or any other ancillary equipment and areas for network facilities and network services by Related Party; Procurement of construction and related services, and building infrastructure/ equipment from Related Party.	Dato' Mohd Zainal Abidin[h] Raja Dato' Wahid[i]	MS Subsidiaries[j] MS Subsidiaries[j]	210,936

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

for the financial year ended 30 June 2013

Definitions:-

(a)	YTLSH	–	Yeoh Tiong Lay & Sons Holdings Sdn Bhd
(b)	YTL Corporation	–	YTL Corporation Berhad
(c)	Tan Sri Yeoh Tiong Lay	–	Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay
(d)	Yeoh Siblings	–	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng & Dato' Mark Yeoh Seok Kah
(e)	Directors' Spouses	–	Puan Sri Datin Seri Panglima Tan Kai Yong @ Tan Kay Neong, Datin Lim Lee Lee, Dato' Tan Kim Kuan, Datin Kathleen Chew Wai Lin, Datin Sri Tan Siew Bee, Dato' Choy Wai Hin, & Datin Julie Teh Chooi Gan
(f)	Other Connected Parties	–	Tan & Yeoh Properties Sdn Bhd, Tan Chien Wen, Yeoh Keong Hann, Yeoh Pei Lou, Yeoh Keong Yuan & Yeoh Pei Tsen
(g)	Subsidiary and associate companies of YTL Corporation	–	Excluding YTL Power, YTL e-Solutions Berhad, YTL Land & Development Berhad and their subsidiary and associate companies.
(h)	Dato' Mohd Zainal Abidin	–	Dato' Hj Mohamed Zainal Abidin bin Hj Abdul Kadir, a Major Shareholder of YTL Comm and its subsidiaries ("YTL Comm Group").
(i)	Raja Dato' Wahid	–	Raja Dato' Wahid bin Raja Kamaral Zaman, a Major Shareholder of YTL Comm Group.
(j)	MS Subsidiaries	–	Major Shareholder of YTL Comm Group
^	Major Shareholder/ Person Connected	–	As defined in Paragraph 1.01 of the Main LR

Notes:-

(1) YTLSH is a Major Shareholder of YTL Power Group and YTL Corp Group. YTLSH is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(2) YTL Corporation is a Major Shareholder of YTL Power Group, and the subsidiary and associate companies of YTL Corporation. YTL Corporation is a Person Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.

(3) Tan Sri Yeoh Tiong Lay is a Major Shareholder of YTLSH, YTL Corp Group, and YTL Power Group. Tan Sri Yeoh Tiong Lay is also a Person Connected with the Yeoh Siblings.

(4) Directors' Spouses are Persons Connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings. Tan & Yeoh Properties Sdn Bhd is a Person Connected with Dato' Yeoh Soo Min and her spouse. Tan Chien Wen is the son of Dato' Yeoh Soo Min. Yeoh Keong Hann, Yeoh Pei Lou, Yeoh Keong Yuan and Yeoh Pei Tsen are the children of Dato' Yeoh Seok Hong.

(5) Tan Sri Yeoh Tiong Lay and the Yeoh Siblings are also Directors of YTL Corporation. Tan Sri Yeoh Tiong Lay, the Yeoh Siblings, Directors' Spouses and Other Connected Parties had interests in the ordinary shares of YTL Corporation as at 30 June 2013.

Class of shares : Ordinary Shares of RM0.50 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	5,336	13.32	178,490	0.00
100 – 1,000	6,518	16.27	3,421,984	0.05
1,001 – 10,000	21,198	52.92	86,024,238	1.23
10,001 – 100,000	6,115	15.27	170,444,681	2.44
100,001 to less than 5% of issued shares	886	2.21	2,533,350,222	36.22
5% and above of issued shares	4	0.01	4,199,981,519	60.06
Total	**40,057**	**100.00**	**6,993,401,134**	**100.00**

THIRTY LARGEST SHAREHOLDERS

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

	Name	No. of Shares	%#
1	YTL Corporation Berhad	2,872,346,929	41.07
2	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	470,000,278	6.72
3	Cornerstone Crest Sdn Bhd	462,184,873	6.61
4	YTL Corporation Berhad	395,449,439	5.65
5	Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	303,895,317	4.35
6	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	271,208,038	3.88
7	Valuecap Sdn Bhd	242,500,000	3.47
8	Kumpulan Wang Persaraan (Diperbadankan)	223,221,600	3.19
9	Bara Aktif Sdn Bhd	151,423,627	2.17
10	Lembaga Tabung Haji	139,180,346	1.99
11	Amanahraya Trustees Berhad – Amanah Saham Malaysia	82,500,000	1.18
12	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (WEST CLT OD67)	80,448,289	1.15
13	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	69,864,227	1.00
14	Amanahraya Trustees Berhad – Amanah Saham Didik	65,875,350	0.94
15	Amanahraya Trustees Berhad – AS 1Malaysia	57,500,000	0.82
16	Amanahraya Trustees Berhad – Amanah Saham Wawasan 2020	56,014,657	0.80

Analysis of Share/Warrant Holdings
as at 27 September 2013

	Name	No. of Shares	%#
17	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Asset Management Sdn Bhd for Malayan Banking Berhad (N14011200618)	45,005,758	0.64
18	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.A.E.)	23,413,190	0.33
19	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.K.)	20,874,124	0.30
20	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	20,152,686	0.29
21	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	15,334,274	0.22
22	HSBC Nominees (Asing) Sdn Bhd – Exempt An for The Bank of New York Mellon (Mellon Acct)	15,182,960	0.22
23	Citigroup Nominees (Asing) Sdn Bhd – Legal & General Assurance (Pensions Management) Limited (A/c 1125250001)	14,638,362	0.21
24	Dato' Yeoh Seok Hong	14,254,916	0.20
25	Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	13,380,250	0.19
26	Dato' Yeoh Seok Hong	13,255,352	0.19
27	Dato' Yeoh Soo Min	12,769,934	0.18
28	Amanahraya Trustees Berhad – Public Islamic Select Enterprises Fund	11,690,700	0.17
29	HSBC Nominees (Asing) Sdn Bhd – Exempt an for J.P. Morgan Bank (Ireland) Public Limited Company	11,357,253	0.16
30	HSBC Nominees (Asing) Sdn Bhd – Six Sis for Bank Sarasin Cie	10,000,000	0.14
	Total	**6,184,922,729**	**88.43**

SUBSTANTIAL SHAREHOLDERS
(as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	%#	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	274,583,842	3.93	3,737,624,939[1]	53.44
YTL Corporation Berhad	3,275,220,346	46.83	462,404,593[2]	6.61
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	20,380,250	0.29	4,012,208,781[3]	57.37
Cornerstone Crest Sdn Bhd	462,184,873	6.61	–	–
Employees Provident Fund Board	475,296,378	6.80	–	–

1 Deemed interests by virtue of interests held by YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

2 Deemed interests by virtue of interests held by YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

3 Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

\# Based on the issued and paid-up capital of the Company of RM3,545,528,439.50 comprising 7,091,056,879 ordinary shares net of 97,655,745 treasury shares retained by the Company as per Record of Depositors.

Type of Securities : Warrants 2008/2018
Voting rights : One vote per Warrant 2008/2018 holder on a show of hands or one vote per Warrant 2008/2018 on a poll in respect of meeting of Warrant 2008/2018 holders

DISTRIBUTION OF WARRANT 2008/2018 HOLDINGS

Size of holding	No. of Warrants 2008/2018 Holders	%	No. of Warrants 2008/2018	%#
Less than 100	371	2.58	13,300	0.00
100 – 1,000	5,712	39.66	3,059,142	0.26
1,001 – 10,000	5,878	40.81	21,347,258	1.84
10,001 – 100,000	1,955	13.58	67,680,005	5.82
100,001 to less than 5% of issued warrants	483	3.35	328,797,182	28.28
5% and above of issued warrants	3	0.02	741,893,756	63.80
Total	**14,402**	**100.00**	**1,162,790,643**	**100.00**

THIRTY LARGEST WARRANTS 2008/2018 HOLDERS

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

	Name	No. of Warrants 2008/2018	%
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	418,542,394	35.99
2	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	232,521,814	20.00
3	YTL Corporation Berhad	90,829,548	7.81
4	Citigroup Nominees (Asing) Sdn Bhd – UBS AG for APS Asia Pacific Master Hedge Fund	23,056,700	1.98
5	Lee Yoke Foong	11,683,700	1.00
6	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	10,905,769	0.94
7	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPmintl Bk Ltd)	10,648,668	0.92
8	Dato' Sri Michael Yeoh Sock Siong	6,073,302	0.52
9	UOB Kay Hian Nominees (Tempatan) Sdn Bhd – Exempt an for UOB Kay Hian Pte Ltd (A/c Clients)	5,959,100	0.51
10	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Oh Kim Sun	5,899,700	0.51
11	UOB Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Orchestral Harmony Limited	5,641,788	0.49
12	UOB Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Velvet Properties Limited	5,524,834	0.48

Analysis of Share/Warrant Holdings
as at 27 September 2013

	Name	No. of Warrants 2008/2018	%
13	Dato' Yeoh Soo Keng	5,180,386	0.45
14	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Kim Hew (E-KLG/BTG)	4,790,700	0.41
15	Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	3,889,400	0.33
16	Dato' Yeoh Seok Kian	3,698,792	0.32
17	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.K.)	3,568,542	0.31
18	Dato' Yeoh Soo Min	3,454,000	0.30
19	Bara Aktif Sdn Bhd	3,292,521	0.28
20	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Windchime Developments Limited	3,205,887	0.28
21	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	3,178,000	0.27
22	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,125,794	0.27
23	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,011,180	0.26
24	Globalised Market Traders Pte Ltd	3,000,000	0.26
25	Maybank Nominees (Asing) Sdn Bhd – DBS Bank for Lim Sim Seng (211796)	3,000,000	0.26
26	Gan Kim Leong	2,982,000	0.26
27	Puan Sri Datin Seri Panglima Tan Kai Yong @ Tan Kay Neong	2,953,000	0.25
28	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for Barclays Capital Securities Ltd (SBL/PB)	2,950,025	0.25
29	Citigroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Kian Aik (740028152)	2,921,500	0.25
30	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank AG Singapore Branch (PBD) for Water City Limited	2,894,290	0.25
	Total	**888,383,334**	**76.41**

THE COMPANY

YTL Power International Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	20,380,250	0.29	4,013,863,231(2)	57.40
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	945,040	0.01	–	–
Tan Sri Datuk' Seri Dr. Aris Bin Osman @ Othman	–	–	100,562(1)	*
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	38,853	*	–	–
Dato' Yeoh Seok Kian	6,386,760	0.09	1,940,200(1)	0.03
Dato' (Dr) Yahya Bin Ismail	270,000	*	38,610(1)	*
Dato' Yeoh Soo Min	12,769,934	0.18	3,283,424(1)(6)	0.05
Dato' Yeoh Seok Hong	27,510,268	0.39	3,281,179(1)	0.05
Dato' Sri Michael Yeoh Sock Siong	7,601,744	0.11	1,019,291(1)	0.01
Dato' Yeoh Soo Keng	8,081,777	0.12	133,500(1)	*
Dato' Mark Yeoh Seok Kah	7,665,920	0.11	1,093,601(1)	0.02
Syed Abdullah Bin Syed Abd Kadir	2,268,203	0.03	524(1)	*

Name	No. of Warrants 2008/2018 Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	6,037,432	0.52	519,265,210(4)	44.66
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,726,922	1.18	–	–
Tan Sri Datuk' Seri Dr. Aris Bin Osman @ Othman	–	–	23,200(1)	*
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	2,100	*	–	–
Dato' Yeoh Seok Kian	3,698,792	0.32	282,949(1)	0.02
Dato' Yeoh Soo Min	3,454,000	0.30	308,893(1)(6)	0.03
Dato' Yeoh Seok Hong	2,969,004	0.26	1,569,981(1)	0.14
Dato' Sri Michael Yeoh Sock Siong	6,073,302	0.52	1,587,797(1)	0.14
Dato' Yeoh Soo Keng	5,180,386	0.45	87,054(1)	0.01
Dato' Mark Yeoh Seok Kah	1,338,743	0.12	267,039(1)	0.02

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

Statement of Directors' Interests

in the Company and related corporations as at 27 September 2013

HOLDING COMPANY

YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	90,561,164	0.87	5,087,101,282(1)(3)	49.01
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	133,001,216	1.28	–	–
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	27,850	*	–	–
Dato' Yeoh Seok Kian	55,481,889	0.54	4,844,248(1)	0.05
Dato' (Dr) Yahya Bin Ismail	480,000	*	524,418(1)	0.01
Dato' Yeoh Soo Min	51,797,932	0.50	1,525,605(1)(6)	0.01
Dato' Yeoh Seok Hong	44,535,079	0.43	23,549,759(1)	0.23
Dato' Sri Michael Yeoh Sock Siong	53,652,534	0.52	19,332,622(1)	0.19
Dato' Yeoh Soo Keng	53,916,634	0.52	758,214(1)	0.01
Dato' Mark Yeoh Seok Kah	20,081,152	0.19	4,005,597(1)	0.04
Syed Abdullah Bin Syed Abd Kadir	9,304,133	0.09	19,642(1)	*

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

ULTIMATE HOLDING COMPANY

Yeoh Tiong Lay & Sons Holdings Sdn Bhd

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

RELATED CORPORATIONS

YTL Cement Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	737,551,897(5)	99.60

YTL e-Solutions Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	999,172,000(4)	74.27
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	150,000	0.01	–	–
Dato' Yeoh Soo Min	–	–	1,053,800(6)	0.08
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(1)	0.14
Dato' Yeoh Soo Keng	500,000	0.04	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

YTL Land & Development Berhad

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	497,846,293(4)	60.04
Dato' Yeoh Seok Kian	61,538	0.01	–	–
Dato' Yeoh Soo Min	–	–	625,582(6)	0.08
Dato' Yeoh Soo Keng	100,000	0.01	–	–

Name	No. of Irredeemable Convertible Unsecured Loan Stocks 2011/2021 Held Direct	%	Indirect	%
Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay	–	–	793,717,049(4)	80.03
Dato' Yeoh Seok Kian	37,000	*	–	–
Dato' Yeoh Soo Keng	60,000	0.01	–	–

Syarikat Pelancongan Seri Andalan (M) Sdn Bhd

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

Infoscreen Networks PLC

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	*

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

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

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

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

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

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM) Lowest	Purchase Price Per Share (RM) Highest	Average Cost Per Share (RM)	Total Cost (RM)
August 2012	100	1.78	1.78	2.19060	219.06
February 2013	100	1.50	1.50	1.91050	191.05
March 2013	20,623,300	1.43	1.48	1.45756	30,059,725.33
April 2013	43,427,300	1.45	1.52	1.49407	64,883,226.12
May 2013	51,272,000	1.45	1.52	1.51353	77,601,752.49
June 2013	63,773,900	1.51	1.57	1.53088	97,630,421.53
TOTAL	**179,096,700**				**270,175,535.58**

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June, 2013 a total of 235,821,645 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

LIST OF PROPERTIES
as at 30 June 2013

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2013 RM'000	Date of Acquisition
Avonmouth STW, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq. m.	Sewerage treatment works	–	–	–	394,232	21.5.2002
Poole STW, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800 sq. m.	Sewerage treatment works	–	–	–	227,071	21.5.2002
W-S-Mare STW, Accomodation Road, Bleadon, Weston Super Mare, BS24 OAP	Freehold	157,500 sq. m.	Sewerage treatment works	–	–	–	222,712	21.5.2002
Maudown Water Treatment Works, Maudown, Wiveliscombe, Tauton, TA4, 2UN	Freehold	68,500 sq. m.	Water treatment works	–	–	–	152,503	21.5.2002
Claverton Down Road, Bath BA2 7WW	Freehold	27,100 sq. m.	Head Office, Operation Centre	5,640	13	–	129,468	21.5.2002
Lot No PT2467, HS (D) 340, Mukim of Kuala Paka, Terengganu	Leasehold	16.187 hectares	Power plant	–	18	Year 2018	90,090	3.12.1995
Holdenhurst STW, Riverside Ave, Castle Lane East, Bournemouth, Dorset BH7 7ES	Freehold	102,000 sq. m.	Sewerage treatment works	–	–	–	65,534	21.5.2002
Ham Lane STW, Creech St. Michael, Taunton, Somerset TA3 5NU	Freehold	120,000 sq. m.	Sewerage treatment works	–	–	–	53,022	21.5.2002
Chilton Trinity STW, Wylds Road, Bridgwater, Somerset TA6 3JS	Freehold	34,600 sq. m.	Sewerage treatment works	–	–	–	52,585	21.5.2002
Pulau Seraya, Lot 562X, 365K and 715P	Leasehold	875,150 sq. m.	Power plant	–	–	Year 2025	52,191	6.3.2009

Financial Statements

DIRECTORS' REPORT
for the financial year ended 30 June 2013

The Directors are pleased to submit their annual report together with the audited financial statements of the Group and the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of administrative and technical support services. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and the subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	**1,044,759**	**430,385**
Attributable to:		
– Owners of the parent	**1,069,646**	**430,385**
– Non-controlling interests	**(24,887)**	**–**
	1,044,759	**430,385**

DIVIDENDS

The dividends paid by the Company since 30 June 2012 were as follows:

	RM'000
In respect of the financial year ended 30 June 2012:	
– Fourth interim tax exempt dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each paid on 31 October 2012	68,235
In respect of the financial year ended 30 June 2013:	
– Interim tax exempt dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each paid on 15 January 2013	68,261
	136,496

The Board of Directors do not recommend the payment of a final dividend for the financial year ended 30 June 2013.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

The issued and fully paid up share capital of the Company was increased from RM3,664,128,388 to RM3,669,033,631 following the exercise of 9,810,485 Warrants at an exercise price of RM1.21 per Warrant on the basis of one (1) new ordinary share for one (1) Warrant. The new ordinary shares of 50 sen each rank pari passu in all respects with the existing issued shares of the Company.

The total number of unexercised Warrants as at 30 June 2013 amounted to 1,165,780,260.

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the 16th Annual General Meeting held on 27 November 2012, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

Details of treasury shares are set out in Note 25(b) to the financial statements.

EMPLOYEES SHARE OPTION SCHEME

The Employees' Share Option Scheme for employees and Directors of the Company and its subsidiaries ("ESOS") who meet the criteria of eligibility for participation is governed by the by-laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 30 November 2010. The share issuance scheme was implemented on 1 April 2011. The salient features and terms of the ESOS are set out in Note 24(c) to the financial statement.

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

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Tan Sri Datuk Dr. Aris Bin Osman @ Othman
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Dato' Yeoh Seok Kian
Dato' (Dr) Yahya Bin Ismail
Dato' Yusli bin Mohamed Yusoff
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

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in shares of the Company and its related corporations are as follows:

	Number of ordinary shares of RM0.50 each in the Company			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	20,380,250	–	–	**20,380,250**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	945,040	–	–	**945,040**
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	38,853	–	–	**38,853**
Dato' Yeoh Seok Kian	6,386,760	–	–	**6,386,760**
Dato' (Dr) Yahya Bin Ismail	343,000	–	–	**343,000**
Dato' Yeoh Soo Min	12,769,934	–	–	**12,769,934**
Dato' Yeoh Seok Hong	27,510,268	–	–	**27,510,268**
Dato' Sri Michael Yeoh Sock Siong	7,601,744	–	–	**7,601,744**
Dato' Yeoh Soo Keng	8,081,777	–	–	**8,081,777**
Dato' Mark Yeoh Seok Kah	7,665,920	–	–	**7,665,920**
Syed Abdullah Bin Syed Abd. Kadir	2,268,203	–	–	**2,268,203**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,013,899,231(1)(4)	–	(18,000)	**4,013,881,231(1)(4)**
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	100,562(1)	–	–	**100,562(1)**
Dato' Yeoh Seok Kian	–	1,940,200	–	**1,940,200(1)**
Dato' (Dr) Yahya Bin Ismail	38,610(1)	–	–	**38,610(1)**
Dato' Yeoh Soo Min	3,283,424(1)(5)	–	–	**3,283,424(1)(5)**
Dato' Yeoh Seok Hong	3,281,179(1)	2,000	(2,000)	**3,281,179(1)**
Dato' Sri Michael Yeoh Sock Siong	1,019,291(1)	–	–	**1,019,291(1)**
Dato' Yeoh Soo Keng	133,500(1)	–	–	**133,500(1)**
Dato' Mark Yeoh Seok Kah	1,093,601(1)	–	–	**1,093,601(1)**
Syed Abdullah Bin Syed Abd. Kadir	524(1)	–	–	**524(1)**

DIRECTORS' INTERESTS (CONTINUED)

	Number of Warrants in the Company			
	At 1 July 2012	Acquired	(Exercised)/ (Disposed)	At 30 June 2013
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	6,037,432	–	**6,037,432**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	8,866,747	–	**13,726,922**
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	–	2,100	–	**2,100**
Dato' Yeoh Seok Kian	632,962	3,698,792	(632,962)	**3,698,792**
Dato' Yeoh Soo Min	–	3,454,000	–	**3,454,000**
Dato' Yeoh Seok Hong	–	2,969,004	–	**2,969,004**
Dato' Sri Michael Yeoh Sock Siong	1,496,502	4,576,800	–	**6,073,302**
Dato' Yeoh Soo Keng	1,585,944	3,594,442	–	**5,180,386**
Dato' Mark Yeoh Seok Kah	–	1,338,743	–	**1,338,743**
Syed Abdullah Bin Syed Abd. Kadir	–	640,275	(640,275)	–
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	869,295,557(3)	339,140,105	(689,170,452)	**519,265,210(1)(3)**
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	23,200(1)	–	–	**23,200(1)**
Dato' Yeoh Seok Kian	–	282,949	–	**282,949(1)**
Dato' Yeoh Soo Min	207,000(5)	101,893	–	**308,893(1)(5)**
Dato' Yeoh Seok Hong	–	1,569,981	–	**1,569,981(1)**
Dato' Sri Michael Yeoh Sock Siong	298,956(1)	1,288,841	–	**1,587,797(1)**
Dato' Yeoh Soo Keng	36,507(1)	50,547	–	**87,054(1)**
Dato' Mark Yeoh Seok Kah	–	267,039	–	**267,039(1)**

	Number of share options over ordinary shares of RM0.50 each in the Company				
	At 1 July 2012	Granted	(Exercised)	(Lapsed)	At 30 June 2013
Direct interests					
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	–	–	–	**7,000,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	–	**7,000,000**
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	1,000,000	–	–	–	**1,000,000**
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	1,000,000	–	–	–	**1,000,000**
Dato' Yeoh Seok Kian	5,000,000	–	–	–	**5,000,000**
Dato' (Dr) Yahya Bin Ismail	1,000,000	–	–	–	**1,000,000**
Dato' Yeoh Soo Min	3,000,000	–	–	–	**3,000,000**
Dato' Yeoh Seok Hong	5,000,000	–	–	–	**5,000,000**
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	–	**5,000,000**
Dato' Yeoh Soo Keng	3,000,000	–	–	–	**3,000,000**
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	–	**5,000,000**
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	–	–	–	**3,000,000**
Deemed interests					
Dato' Yeoh Soo Min	100,000(1)	–	–	(100,000)	–
Dato' Yeoh Seok Hong	500,000(1)	–	–	–	**500,000(1)**

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of RM0.10 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Immediate Holding Company				
YTL Corporation Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	84,901,093	5,660,071	–	**90,561,164**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	124,688,641	8,312,575	–	**133,001,216**
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	26,110	1,740	–	**27,850**
Dato' Yeoh Seok Kian	52,014,272	3,467,617	–	**55,481,889**
Dato' (Dr) Yahya Bin Ismail	510,000	34,000	–	**544,000**
Dato' Yeoh Soo Min	48,560,562	3,237,370	–	**51,797,932**
Dato' Yeoh Seok Hong	41,751,637	2,783,442	–	**44,535,079**
Dato' Sri Michael Yeoh Sock Siong	50,299,252	3,353,282	–	**53,652,534**
Dato' Yeoh Soo Keng	50,546,845	3,369,789	–	**53,916,634**
Dato' Mark Yeoh Seok Kah	18,826,080	1,255,072	–	**20,081,152**
Syed Abdullah Bin Syed Abd. Kadir	9,191,375	612,758	(500,000)	**9,304,133**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	4,769,157,454(1)(2)	317,943,828	–	**5,087,101,282(1)(2)**
Dato' Yeoh Seok Kian	3,978,983(1)	865,265	–	**4,844,248(1)**
Dato' (Dr) Yahya Bin Ismail	496,330(1)	33,088	–	**529,418(1)**
Dato' Yeoh Soo Min	1,430,255(1)(5)	95,350	–	**1,525,605(1)(5)**
Dato' Yeoh Seok Hong	22,077,900(1)	1,721,859	(250,000)	**23,549,759(1)**
Dato' Sri Michael Yeoh Sock Siong	18,124,334(1)	1,208,288	–	**19,332,622(1)**
Dato' Yeoh Soo Keng	710,826(1)	47,388	–	**758,214(1)**
Dato' Mark Yeoh Seok Kah	3,755,248(1)	250,349	–	**4,005,597(1)**
Syed Abdullah Bin Syed Abd. Kadir	18,415(1)	1,227	–	**19,642(1)**

	Number of share options over ordinary shares of RM0.10 each			
	At 1 July 2012	Granted	(Exercised)	At 30 June 2013
Immediate Holding Company				
YTL Corporation Berhad				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	7,000,000	–	**7,000,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	7,000,000	–	**7,000,000**
Dato' Yeoh Seok Kian	–	5,000,000	–	**5,000,000**
Dato' (Dr) Yahya Bin Ismail	–	1,000,000	–	**1,000,000**
Dato' Yeoh Soo Min	–	5,000,000	–	**5,000,000**
Dato' Yeoh Seok Hong	–	5,000,000	–	**5,000,000**
Dato' Sri Michael Yeoh Sock Siong	–	5,000,000	–	**5,000,000**
Dato' Yeoh Soo Keng	–	5,000,000	–	**5,000,000**
Dato' Mark Yeoh Seok Kah	–	5,000,000	–	**5,000,000**
Syed Abdullah Bin Syed Abd. Kadir	–	1,000,000	–	**1,000,000**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	5,000,000	–	**5,000,000(1)**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	2,000,000	–	**2,000,000(1)**
Dato' Yeoh Seok Hong	–	3,000,000	–	**3,000,000(1)**

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of RM1.00 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Ultimate Holding Company				
Yeoh Tiong Lay & Sons Holdings Sdn Bhd				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	–	–	**8,220,004**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	**5,000,000**
Dato' Yeoh Seok Kian	5,000,000	–	–	**5,000,000**
Dato' Yeoh Soo Min	1,250,000	–	–	**1,250,000**
Dato' Yeoh Seok Hong	5,000,000	–	–	**5,000,000**
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	**5,000,000**
Dato' Yeoh Soo Keng	1,250,000	–	–	**1,250,000**
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	**5,000,000**
Deemed interest				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,004(1)	–	–	**5,000,004**(1)

	Number of ordinary shares of RM0.50 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Company				
YTL Cement Berhad				
Deemed interest				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	479,985,819(6)	381,449,796	(123,883,718)	**737,551,897**(6)

	Number of Irredeemable Convertible Unsecured Loan Stocks 2005/2015			
	At 1 July 2012	Acquired	(Converted)/ (Disposed)	At 30 June 2013
Related Company				
YTL Cement Berhad				
Deemed interest				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	468,770,269(7)	–	(468,770,269)	–

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of RM0.10 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Company				
YTL e-Solutions Berhad				
Direct interests				
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	150,000	–	–	**150,000**
Dato' Yeoh Soo Keng	500,000	–	–	**500,000**
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	**300,000**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	999,172,000(3)	–	–	**999,172,000**(3)
Dato' Yeoh Soo Min	1,053,800(5)	–	–	**1,053,800**(5)
Dato' Sri Michael Yeoh Sock Siong	1,905,500(1)	–	–	**1,905,500**(1)

	Number of ordinary shares of RM0.50 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Company				
YTL Land & Development Berhad				
Direct interests				
Dato' Yeoh Seok Kian	61,538	–	–	**61,538**
Dato' Yeoh Soo Keng	100,000	–	–	**100,000**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	497,846,293(3)	–	–	**497,846,293**(3)
Dato' Yeoh Soo Min	625,582(5)	–	–	**625,582**(5)

	Number of Irredeemable Convertible Unsecured Loan Stocks 2011/2021			
	At 1 July 2012	Acquired	(Converted)/ (Disposed)	At 30 June 2013
Related Company				
YTL Land & Development Berhad				
Direct interests				
Dato' Yeoh Seok Kian	37,000	–	–	**37,000**
Dato' Yeoh Soo Keng	60,000	–	–	**60,000**
Deemed interest				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	793,717,049(3)	–	–	**793,717,049**(3)

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of RM1.00 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Company				
Syarikat Pelancongan Seri Andalan (M) Sdn Bhd				
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	**1**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	**1**

	Number of ordinary shares of £0.01 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Corporation				
***Infoscreen Networks Plc**				
Direct interest				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	**100**

	Number of ordinary shares of £0.25 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Corporation				
***YTL Corporation (UK) Plc**				
Direct interest				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	**1**

	Number of ordinary shares of THB100 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Corporation				
+YTL Construction (Thailand) Limited				
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	**1**
Dato' Yeoh Seok Kian	1	–	–	**1**
Dato' Yeoh Seok Hong	1	–	–	**1**
Dato' Sri Michael Yeoh Sock Siong	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of THB10 each			
	At 1 July 2012	Acquired	(Disposed)	At 30 June 2013
Related Corporation				
+Samui Hotel 2 Co, Ltd				
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

	Number of ordinary shares of CHF100 each			
	At 1 July 2012	Acquired	(Disposed)	At 24 October 2012^
Related Corporation				
@Swiss Water System AG				
Direct interest				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	12,250	–	–	**12,250**

* Incorporated in England and Wales.
\+ Incorporated in Thailand.
@ Incorporated in Switzerland.
^ Ceased to be a related corporation on 24 October 2012.

(1) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.

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

(3) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.

(4) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

(5) Deemed interests by virtue of interests held by Tan & Yeoh Properties Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

(6) Deemed interests by virtue of interests held by YTL Corporation Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act, 1965.

(7) Deemed interests by virtue of interests held by YTL Corporation Berhad, YTL Industries Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act, 1965.

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from the Company's related corporations.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate body, other than the ESOS.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements, statements of comprehensive income and statements of financial position 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 impairment of receivables 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 in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

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

(a) which would render the amounts impaired for receivables or the amount of the impairment of receivables in the financial statements of the Group and 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 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 the Company misleading or inappropriate.

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 the Company to meet its obligations when they fall due.

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

(a) any charge on the assets of the Group and 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 the Company which has arisen since the end of the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group and Company's operations 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 the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

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

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 3 October 2013.

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

Dato' Yeoh Seok Hong
Director

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	5	**15,835,993**	15,870,343	**665,750**	1,431,321
Cost of sales		**(13,372,401)**	(13,553,409)	**–**	–
Gross profit		**2,463,592**	2,316,934	**665,750**	1,431,321
Other operating income		**103,564**	125,793	**17,296**	13,492
Administrative expenses		**(519,541)**	(419,423)	**(37,343)**	(34,059)
Other operating expenses		**(272,680)**	(96,946)	**(44,048)**	(23,930)
Finance cost		**(801,406)**	(820,121)	**(170,056)**	(199,853)
Share of profits of associates	15	**355,894**	285,239	**–**	–
Profit before taxation	7	**1,329,423**	1,391,476	**431,599**	1,186,971
Taxation	8	**(284,664)**	(234,515)	**(1,214)**	78
Profit for the financial year		**1,044,759**	1,156,961	**430,385**	1,187,049
Attributable to:					
– Owners of the parent		**1,069,646**	1,232,211	**430,385**	1,187,049
– Non-controlling interests		**(24,887)**	(75,250)	**–**	–
		1,044,759	1,156,961	**430,385**	1,187,049
Earnings per share for profit attributable to the owners of the parent:					
– Basic (sen)	9	**14.74**	16.99		
– Diluted (sen)	9	**14.16**	16.08		

The notes set out on pages 74 to 163 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Profit for the financial year		**1,044,759**	1,156,961	**430,385**	1,187,049
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to income statement:					
– available-for-sale financial assets	25(a)	**(487)**	(5,472)	**11,250**	(2,991)
– cash flow hedges	25(a)	**165,728**	(244,812)	**–**	–
– currency translation differences		**(105,974)**	134,311	**–**	–
Other comprehensive income/(loss) for the financial year, net of tax		**59,267**	(115,973)	**11,250**	(2,991)
Total comprehensive income for the financial year		**1,104,026**	1,040,988	**441,635**	1,184,058
Attributable to:					
– Owners of the parent		**1,129,852**	1,129,039	**441,635**	1,184,058
– Non-controlling interests		**(25,826)**	(88,051)	**–**	–
		1,104,026	1,040,988	**441,635**	1,184,058

The notes set out on pages 74 to 163 form an integral part of these financial statements.

	Note	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000 (Restated)	Group 1.7.2011 RM'000 (Restated)	Company 30.6.2013 RM'000	Company 30.6.2012 RM'000	Company 1.7.2011 RM'000
ASSETS							
Non-current assets							
Property, plant and equipment	11	**17,283,670**	17,258,872	16,662,340	**1,007**	794	446
Intangible assets	12	**6,699,791**	6,633,773	6,484,398	–	–	–
Investment in subsidiaries	13	–	–	–	**11,271,629**	11,271,794	10,965,360
Investment in associates	15	**1,718,840**	1,641,232	1,138,020	**5**	5	5
Investments	16	**195,590**	180,857	253,271	**191,152**	160,601	182,223
Investment in preference shares	17	–	–	492,705	–	–	–
Derivative financial instruments	20	**7,850**	3,797	2,611	–	–	–
Receivables, deposits and prepayments	18	**693,974**	721,942	327,858	–	–	–
		26,599,715	26,440,473	25,361,203	**11,463,793**	11,433,194	11,148,034
Current assets							
Inventories	19	**526,325**	547,670	532,380	–	–	–
Receivables, deposits and prepayments	18	**2,138,239**	2,277,468	2,076,212	**3,711**	7,137	6,975
Derivative financial instruments	20	**37,654**	75,856	95,904	–	–	–
Amounts owing by immediate holding company and ultimate holding company	21	**9**	–	–	**9**	–	–
Amounts owing by subsidiaries	22	–	–	–	**913,284**	367,660	975,812
Amounts owing by fellow subsidiaries	33	**791**	744	1,336	–	–	–
Cash and bank balances	23	**9,623,527**	9,627,985	7,178,749	**667,153**	617,801	257,573
		12,326,545	12,529,723	9,884,581	**1,584,157**	992,598	1,240,360
TOTAL ASSETS		**38,926,260**	38,970,196	35,245,784	**13,047,950**	12,425,792	12,388,394

The notes set out on pages 74 to 163 form an integral part of these financial statements.

Statements of Financial Position

as at 30 June 2013

	Note	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000 (Restated)	Group 1.7.2011 RM'000 (Restated)	Company 30.6.2013 RM'000	Company 30.6.2012 RM'000	Company 1.7.2011 RM'000
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	24	**3,669,034**	3,664,128	3,639,497	**3,669,034**	3,664,128	3,639,497
Reserves		**6,335,010**	5,595,580	4,695,978	**5,025,031**	4,973,660	4,144,335
Equity attributable to owners of the parent		**10,004,044**	9,259,708	8,335,475	**8,694,065**	8,637,788	7,783,832
Non-controlling interests		**284,937**	373,583	(121,980)	**–**	–	–
TOTAL EQUITY		**10,288,981**	9,633,291	8,213,495	**8,694,065**	8,637,788	7,783,832
LIABILITIES							
Non-current liabilities							
Deferred taxation	26	**2,184,677**	2,374,003	2,482,397	**65**	35	26
Borrowings	27	**20,918,408**	13,687,972	14,615,594	**3,741,652**	3,188,276	3,473,984
Post-employment benefit obligations	28	**333,965**	361,850	366,722	**–**	–	–
Grants and contributions	29	**295,774**	280,011	256,834	**–**	–	–
Derivative financial instruments	20	**16,262**	45,478	19,989	**–**	–	–
Payables	30	**270,803**	273,644	25,877	**–**	–	–
		24,019,889	17,022,958	17,767,413	**3,741,717**	3,188,311	3,474,010
Current liabilities							
Payables and accrued expenses	31	**2,353,766**	2,320,328	2,324,211	**56,123**	42,269	159,378
Derivative financial instruments	20	**61,282**	284,648	94,152	**–**	–	–
Provision for liabilities and charges	32	**869**	772	20,099	**–**	–	–
Post-employment benefit obligations	28	**1,625**	1,419	932	**205**	207	208
Amounts owing to immediate holding company and ultimate holding company	21	**75**	56	35	**3**	–	–
Amounts owing to subsidiaries	22	**–**	–	–	**4,985**	241,709	49,719
Amounts owing to fellow subsidiaries	33	**71,140**	150,736	103,837	**406**	8	1,247
Taxation		**249,961**	257,605	239,337	**446**	–	–
Borrowings	27	**1,878,672**	9,298,383	6,482,273	**550,000**	315,500	920,000
		4,617,390	12,313,947	9,264,876	**612,168**	599,693	1,130,552
TOTAL LIABILITIES		**28,637,279**	29,336,905	27,032,289	**4,353,885**	3,788,004	4,604,562
TOTAL EQUITY AND LIABILITIES		**38,926,260**	38,970,196	35,245,784	**13,047,950**	12,425,792	12,388,394

The notes set out on pages 74 to 163 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2013

Group	Note	Share Capital (Note 24) RM'000	Share Premium RM'000	Merger Reserve RM'000	Currency Translation Reserve RM'000	Other Reserves (Note 25(a)) RM'000	Treasury Shares (Note 25(b)) RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		Attributable to Owners of the Parent									
At 1 July 2012		3,664,128	3,037,384	(2,138,533)	(1,088,179)	2,896	(119,972)	5,901,984	9,259,708	373,583	9,633,291
Profit for the financial year		–	–	–	–	–	–	1,069,646	1,069,646	(24,887)	1,044,759
Other comprehensive income		–	–	–	(105,035)	165,241	–	–	60,206	(939)	59,267
Total comprehensive income for the financial year		–	–	–	(105,035)	165,241	–	1,069,646	1,129,852	(25,826)	1,104,026
Transactions with owners											
Effects arising from changes in composition of the Group		–	–	–	80	–	–	(238)	(158)	(978)	(1,136)
Exercise of warrants	24	4,906	6,965	–	–	–	–	–	11,871	–	11,871
Warrant reserve	24(a)	–	981	–	–	(981)	–	–	–	–	–
Fourth interim dividend paid for the financial year ended 30 June 2012	10	–	–	–	–	–	–	(68,235)	(68,235)	–	(68,235)
Interim dividends paid for the financial year ended 30 June 2013	10	–	–	–	–	–	–	(68,261)	(68,261)	–	(68,261)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(61,842)	(61,842)
Share option expenses	25(a)	–	–	–	–	9,443	–	–	9,443	–	9,443
Share repurchased	25(b)	–	–	–	–	–	(270,176)	–	(270,176)	–	(270,176)
Exchange differences	25(a)	–	–	–	(2,085)	2,085	–	–	–	–	–
At 30 June 2013		3,669,034	3,045,330	(2,138,533)	(1,195,219)	178,684	(390,148)	6,834,896	10,004,044	284,937	10,288,981

The notes set out on pages 74 to 163 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2013

Group	Note	Attributable to Owners of the Parent: Share Capital (Note 24) RM'000	Share Premium RM'000	Merger Reserve RM'000	Currency Translation Reserve RM'000	Other Reserves (Note 25(a)) RM'000	Treasury Shares (Note 25(b)) RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 July 2011		3,639,497	2,976,340	(2,138,533)	(1,234,190)	289,162	(119,972)	5,100,975	8,513,279	(121,980)	8,391,299
MFRS 1 adoption	38(c)	–	–	–	–	–	–	(177,804)	(177,804)	–	(177,804)
At 1 July 2011 (Restated)		3,639,497	2,976,340	(2,138,533)	(1,234,190)	289,162	(119,972)	4,923,171	8,335,475	(121,980)	8,213,495
Profit for the financial year		–	–	–	–	–	–	1,232,211	1,232,211	(75,250)	1,156,961
Other comprehensive loss		–	–	–	147,112	(250,284)	–	–	(103,172)	(12,801)	(115,973)
Total comprehensive income for the financial year		–	–	–	147,112	(250,284)	–	1,232,211	1,129,039	(88,051)	1,040,988
Transactions with owners											
Disposal of interest in subsidiary		–	–	–	–	(19,991)	–	145,287	125,296	419,871	545,167
Acquisition of subsidiaries		–	–	–	–	–	–	–	–	5,696	5,696
Equity contribution in a subsidiary by a non-controlling interest		–	–	–	–	–	–	–	–	200,000	200,000
Exercise of share options	24	20,044	53,613	–	–	(7,257)	–	–	66,400	–	66,400
Exercise of warrants	24	4,587	6,514	–	–	–	–	–	11,101	–	11,101
Warrant reserve	24(a)	–	917	–	–	(917)	–	–	–	–	–
Fourth interim dividend paid for the financial year ended 30 June 2011	10	–	–	–	–	–	–	(136,209)	(136,209)	–	(136,209)
Interim dividends paid for the financial year ended 30 June 2012	10	–	–	–	–	–	–	(272,575)	(272,575)	–	(272,575)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(41,953)	(41,953)
Share option expenses	25(a)	–	–	–	–	1,181	–	–	1,181	–	1,181
Share option lapsed	25(a)	–	–	–	–	(10,099)	–	10,099	–	–	–
Exchange differences	25(a)	–	–	–	(1,101)	1,101	–	–	–	–	–
At 30 June 2012		3,664,128	3,037,384	(2,138,533)	(1,088,179)	2,896	(119,972)	5,901,984	9,259,708	373,583	9,633,291

The notes set out on pages 74 to 163 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2013

Company	Note	Share Capital (Note 24) RM'000	Share Premium RM'000	Other Reserves (Note 25(a)) RM'000	Treasury Shares (Note 25(b)) RM'000	Retained Earnings RM'000	Total RM'000
At 1 July 2012		**3,664,128**	**3,037,384**	**159,886**	**(119,972)**	**1,896,362**	**8,637,788**
Profit for the financial year		–	–	–	–	**430,385**	**430,385**
Other comprehensive income		–	–	**11,250**	–	–	**11,250**
Total comprehensive income for the financial year		–	–	**11,250**	–	**430,385**	**441,635**
Transactions with owners							
Exercise of warrants	24	**4,906**	**6,965**	–	–	–	**11,871**
Warrant reserve	24(a)	–	**981**	**(981)**	–	–	–
Fourth interim dividend paid for the financial year ended 30 June 2012	10	–	–	–	–	**(68,235)**	**(68,235)**
Interim dividends paid for the financial year ended 30 June 2013	10	–	–	–	–	**(68,261)**	**(68,261)**
Share option expenses	25(a)	–	–	**9,443**	–	–	**9,443**
Share repurchase	25(b)	–	–	–	**(270,176)**	–	**(270,176)**
At 30 June 2013		**3,669,034**	**3,045,330**	**179,598**	**(390,148)**	**2,190,251**	**8,694,065**
At 1 July 2011		3,639,497	2,976,340	179,969	(119,972)	1,107,998	7,783,832
Profit for the financial year		–	–	–	–	1,187,049	1,187,049
Other comprehensive loss		–	–	(2,991)	–	–	(2,991)
Total comprehensive income for the financial year		–	–	(2,991)	–	1,187,049	1,184,058
Transactions with owners							
Exercise of share options	24	20,044	53,613	(7,257)	–	–	66,400
Exercise of warrants	24	4,587	6,514	–	–	–	11,101
Warrant reserve	24(a)	–	917	(917)	–	–	–
Fourth interim dividend paid for the financial year ended 30 June 2011	10	–	–	–	–	(136,209)	(136,209)
Interim dividends paid for the financial year ended 30 June 2012	10	–	–	–	–	(272,575)	(272,575)
Share option expenses	25(a)	–	–	1,181	–	–	1,181
Share option lapsed	25(a)	–	–	(10,099)	–	10,099	–
At 30 June 2012		3,664,128	3,037,384	159,886	(119,972)	1,896,362	8,637,788

The notes set out on pages 74 to 163 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash flows from operating activities					
Profit for the financial year		**1,044,759**	1,156,961	**430,385**	1,187,049
Adjustments for:					
Allowance for impairment of receivables (net of reversals)		**159,676**	47,871	–	–
Allowance for inventories obsolescence		**5,175**	7,630	–	–
Allowance of fuel cost		**12,849**	3,867	–	–
Amortisation of deferred income		**(2,011)**	–	–	–
Amortisation of grants and contributions		**(9,324)**	(10,157)	–	–
Amortisation of intangible asset		**21,276**	–	–	–
Bad debts written-off		**14,982**	1,079	**239**	1,079
Depreciation of property, plant and equipment		**1,196,131**	1,161,425	**118**	93
Dividends from quoted investments in Malaysia		**(81)**	(602)	–	–
Fair value changes in derivatives		**(25,685)**	20,611	–	–
Fair value changes in investments		**(19,303)**	18,631	**(19,303)**	18,631
Gain on derecognition of preference shares		–	(87,608)	–	–
Gain on disposal of AFS investments		**(11,397)**	–	–	–
Ineffective portion on cash flow hedges		**(130)**	5,283	–	–
Interest expense		**801,406**	820,121	**170,056**	199,853
Interest income		**(20,591)**	(24,392)	–	–
Net gain on disposal of property, plant and equipment		**(18,784)**	(2,243)	–	–
Property, plant and equipment written off		**13,589**	5,901	–	–
Provision for post-employment benefit		**60,473**	79,699	–	–
Provision for/(Write back of) liabilities and charges		**1,206**	(17,279)	–	–
Share of profits of associated companies		**(355,894)**	(285,239)	–	–
Share option expenses		**9,469**	1,181	**1,706**	169
Taxation		**284,664**	234,515	**1,214**	(78)
Unrealised gain on foreign exchange		**(14,201)**	(14,247)	**(29)**	(7,058)
		3,148,254	3,123,008	**584,386**	1,399,738
Changes in working capital:					
Inventories		**2,504**	(19,038)	–	–
Receivables, deposits and prepayments		**(125,832)**	(419,903)	**(398)**	(5,520)
Payables and accrued expenses		**67,850**	443,764	**38,426**	33,643
Subsidiaries		–	–	**18,855**	168,921
Fellow subsidiaries		**(79,643)**	47,491	**398**	(1,239)
Holding company		**(16)**	–	**(9)**	–
Cash generated from operations		**3,013,117**	3,175,322	**641,658**	1,595,543
Interest paid		**(624,457)**	(612,415)	**(158,757)**	(187,249)
Payment for provision and liabilities		**(1,089)**	(2,004)	–	–
Payment to retirement benefit schemes		**(90,068)**	(93,026)	–	–
Tax (paid)/refunded		**(429,900)**	(382,669)	**1,140**	475
Net cash flows from operating activities		**1,867,603**	2,085,208	**484,041**	1,408,769

The notes set out on pages 74 to 163 form an integral part of these financial statements.

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Acquisition of subsidiaries		**(3,752)**	(957)	–	–
Additional investment in associate and joint venture		**(3,466)**	(15,751)	–	–
Additional investments in financial asset		**(1,776)**	–	–	–
Development expenditure		**(34,481)**	(2,498)	**(34,481)**	(2,498)
Disposal of interest in subsidiary		**–**	545,167	–	–
Dividends received		**165,413**	161,611	–	–
Grants received		**29,059**	27,475	–	–
Interest received		**24,630**	19,384	–	–
Net (advances)/repayment to subsidiaries		**–**	–	**(789,576)**	335,599
Proceeds from disposal of investments		**17,175**	49,422	–	–
Proceeds from disposal of property, plant and equipment		**24,145**	10,449	–	–
Purchase of property, plant and equipment		**(1,482,104)**	(1,319,289)	**(331)**	(441)
Net cash flows (used in)/from investing activities		**(1,265,157)**	(524,987)	**(824,388)**	332,660
Cash flows from financing activities					
Debt financing fee		**(95,418)**	(7,955)	–	–
Dividends paid		**(136,496)**	(544,202)	**(136,496)**	(544,202)
Dividends paid to non-controlling interests		**(61,842)**	(41,953)	–	–
Proceeds from issue of bonds		**522,211**	–	–	–
Proceeds from borrowings		**8,503,198**	15,437,930	**1,100,000**	2,670,000
Proceeds from issue of shares		**11,871**	77,501	**11,871**	77,501
Repayment of borrowings		**(9,038,936)**	(11,957,762)	**(315,500)**	(1,384,500)
Redemption of bonds		**–**	(2,200,000)	–	(2,200,000)
Repurchase of own shares		**(270,176)**	–	**(270,176)**	–
Net cash flows (used in)/from financing activities		**(565,588)**	763,559	**389,699**	(1,381,201)
Net changes in cash and cash equivalents		**36,858**	2,323,780	**49,352**	360,228
Effects of exchange rate changes		**(37,495)**	97,677	–	–
Cash and cash equivalents:					
– At beginning of the financial year		**9,552,771**	7,131,314	**617,801**	257,573
– At end of the financial year	23	**9,552,134**	9,552,771	**667,153**	617,801

The notes set out on pages 74 to 163 form an integral part of these financial statements.

1 GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of administrative and technical support services. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

The immediate holding company is YTL Corporation Berhad and the ultimate holding company is Yeoh Tiong Lay & Sons Holdings Sdn Bhd, both of which are incorporated in Malaysia. YTL Corporation Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is as follows:

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

The address of the principal place of business of the Company is as follows:

7th Floor, Yeoh Tiong Lay Plaza
55, Jalan Bukit Bintang
55100 Kuala Lumpur

2 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared under the historical cost convention except as disclosed in Note 3 to the financial statements.

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and the Company for the financial year ended 30 June 2013 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards'. Subject to certain transition elections disclosed in Note 38, the Group and the Company have consistently applied the same accounting policies in its opening MFRS statements of financial position at 1 July 2011 (transition date) and throughout all years presented, as if the policies had always been in effect. Comparatives figures for 1 July 2011 in these financial statements have been stated to give effect to these changes. Note 38 (c) discloses the impact of the transition to the MFRS on the Group.

The preparation of financial statements in conformity with MFRS and the Companies Act, 1965 requires the use of certain critical accounting 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 revenues and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Company's accounting policies. Although these estimates and assumptions 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 4 to the financial statements.

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

2 BASIS OF PREPARATION (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective for the Group and the Company's financial year beginning on or after 1 July 2012 are as follows:

MFRS, Amendments to MFRS and Interpretations	Effective for financial periods beginning on or after
• MFRS 124 (revised) 'Related Party Disclosures'	1 January 2012
• Amendments to MFRS 7 'Financial Instrument: Transfers of Financial Assets'	1 January 2012
• Amendments to MFRS 101 'Presentation of Items of Other Comprehensive Income'	1 July 2012

The revised MFRS 124 'Related Party Disclosures' remove the exemption to disclose transaction between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government-related entities:

- The name of the government and the nature of their relationship;
- The nature and amount of each individually significant transactions; and
- The extent of any collectively significant transactions, qualitatively or quantitatively.

There are also additional disclosures required on commitments to related parties. The adoption of the revised MFRS 124 does not have any impact on the financial results and financial position of the Group and the Company.

The amendments in MFRS 101 requires the entities to separate items presented in other comprehensive income in the Statement of Comprehensive Income into two groups, based on whether or not they may be recycled to Income Statement in the future.

(b) Standards, amendments to published standards and interpretations to the existing standards that are applicable to the Group and the Company but not yet effective

(i) Financial year beginning on/after 1 July 2013

- Amendment to MFRS 7, 'Financial Instruments: Disclosures' (effective from 1 January 2013) requires more extensive disclosures focusing on qualitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

- MFRS 10, 'Consolidated Financial Statements' (effective from 1 January 2013) changes the definition of control. An investor controls an investee when it 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. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It replaces all the guidance on control and consolidated in MFRS 127, 'Consolidated and Separate Financial Statements' and IC Interpretation 112, 'Consolidated – Special Purpose Entities'.

2 BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations to the existing standards that are applicable to the Group and the Company but not yet effective (continued)

(i) Financial year beginning on/after 1 July 2013 (continued)

- MFRS 11, 'Joint Arrangements' (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- MFRS 12, 'Disclosures of Interest in Other Entities' (effective from 1 January 2013) sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128, 'Investments in Associates'. It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

- MFRS 13, 'Fair Value Measurement' (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhancement disclosures requirements are similar to those in MFRS 7, 'Financial Instruments: Disclosures', but apply to all assets and liabilities measured at fair value, not just financial ones.

- The revised MFRS 127, 'Separate Financial Statements' (effective from 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10.

- The revised MFRS 128, 'Investments in Associates and Joint Ventures' (effective from 1 January 2013) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issuance of MFRS 11.

- Amendment to MFRS 116, 'Property, Plant and Equipment' (effective from 1 January 2013) clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

- Amendment to MFRS 119, 'Employee Benefits' (effective from 1 January 2013) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment. The unrecognised actuarial loss and past service cost for the financial year 2012 and 2013 as disclosed in Note 28 will be recognised to Equity and Income Statement respectively upon adoption of the standard.

- Amendment to MFRS 134, 'Interim Financial Reporting' aim to obtain consistency with MFRS 8, 'Operating Segments' requiring an entity to disclose the total assets and liabilities for a reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last financial statements.

2 BASIS OF PREPARATION (CONTINUED)

(b) Standards, amendments to published standards and interpretations to the existing standards that are applicable to the Group and the Company but not yet effective (continued)

(ii) Financial year beginning on/after 1 July 2014

- Amendment to MFRS 10, MFRS 12 and MFRS 127 (effective 1 January 2014) introduce an exception to consolidation of investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.

- Amendment to MFRS 132, 'Financial Instruments: Presentation' (effective from 1 January 2014) does not change the current offsetting model in MRFS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

- Amendment to MFRS 136, 'Impairment of Assets' (effective 1 January 2014) addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The requirement to disclose recoverable amount when a cash generating unit contains goodwill or indefinite lived intangible assets but there is no impairment has been removed.

- IC Interpretation 21, 'Levies' (effective 1 January 2014) sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

(iii) Financial year beginning on/after 1 July 2015

- MFRS 9, 'Financial Instruments-Classification and Measurement of Financial Assets and Financial Liabilities' (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories; amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments had been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit and loss ('FVTPL'). Entities with financial liabilities that are designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in OCI. There is no subsequent recycling of the amounts in OCI to Income Statement, but accumulated gains or losses may be transferred within equity.

  The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply. MFRS 7 requires disclosure on transition from MFRS 139 to MFRS 9.

The Group and the Company have started a preliminary assessment on the effects of the above standards, amendments to published standards and IC Interpretations. Except for MFRS 119, the adoption of the above standards, amendments to published standards and IC Interpretations are not expected to have any material impact on the Group and the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs incurred for assets under construction. The cost of certain property, plant and equipment includes the costs of dismantling, removal and restoration, the obligation 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 Company 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 period in which they are incurred.

Where items of property, plant and equipment are transferred to the Group from customer/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 30 and released to the Income Statement over the expected useful lives of the assets.

Infrastructure assets comprise a network of system of mains and sewers, impounding and pumped raw water storage reservoirs, dams, sludge pipelines, sea outfalls and infrastructure investigations and studies. It is amortised in equal instalments over a period of one hundred and ten (110) years. Freehold land is not depreciated as it has an infinite life. All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over its estimated years of useful lives, summarised as follows:

	Years
Buildings	10 – 50
Plant and machinery	3 – 30
Mains and lines	20
Office equipment	3 – 10
Computers	3 – 5
Furniture and fittings	3 – 10
Motor vehicles and aircraft	5 – 10
Telecommunications equipment	5 – 25

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. Depreciation on property, plant and equipment under construction commences when the property, plant and equipment are ready for their intended use. Depreciation of property, plant and equipment ceases at the earlier of derecognition and classification as held-for-sale.

At each reporting date, the Group and the Company assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amounts exceed the recoverable amounts. See accounting policy Note 3(d) to the financial statements on impairment of non-financial assets.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the Income Statement.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Leases

(i) Accounting by lessee

Finance lease

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

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

Operating lease

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

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

(ii) Accounting by lessor

Operating lease

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

(c) Intangible assets

(i) Intangible assets – Customer acquisition costs

Customer acquisition costs pertains to commission payment made to a dealer intermediary as consideration for signing up a new customer and the expenditures incurred in providing the customer a free or subsidised device, provided the customer signs a non-cancellable contract for a predetermined contractual period, are capitalised as intangible assets and amortised over the contractual period on a straight line method. Customer acquisition costs are assessed at each reporting date whether there is any indication that the customer acquisition costs may be impaired. See accounting policy Note 3(d) on impairment of non-financial assets.

(ii) Intangible assets – Goodwill

Goodwill arises on the acquisitions of subsidiaries and it represents the excess of the cost of the acquisition over the Group's share in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree at the date of acquisition.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill acquired in a business combination is allocated to cash-generating units for the purpose of impairment testing and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. See accounting policy Note 3(d) to the financial statements on impairment of non-financial assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or as and when events or circumstances occur indicating that impairment may exist. Assets that are subject to amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment 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 costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment is charged to the Income Statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. In respect of these assets, any subsequent increase in recoverable amount is recognised in the Income Statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(e) Subsidiaries

Subsidiaries are all entities in which the Group has power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the acquisition method of accounting except for certain business combinations which were accounted for using the merger method as follows:

- Subsidiaries that were consolidated prior to 1 July 2002 in accordance with Malaysian Accounting Standard 2 'Accounting for Acquisitions and Mergers', the generally accepted accounting principles prevailing at that time.

- The Group has taken advantage of the exemption provided by MFRS 1 to apply this Standard prospectively. Accordingly, business combinations entered prior to the respective effective dates have not been restated to comply with MFRS.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiaries is recognised in the Income Statement.

(i) Acquisition method

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date of which control is transferred to the Group and are de-consolidated from the date that control ceased. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Subsidiaries (continued)

(i) Acquisition method (continued)

The excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If this consideration is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain, the gain is recognised in the Income Statement (refer to Significant accounting policies Note 3 (c) (ii) on goodwill).

(ii) Merger method

Acquisition of a subsidiary, YTL Power Generation Sdn Bhd, was accounted for using merger accounting principles.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between the carrying values of the investment in the subsidiary over the nominal value of the shares acquired is taken to merger reserve.

On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

(iii) 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 share 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.

(iv) Change in control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other component of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Income Statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(f) Associated companies

Associated companies are entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not control over those policies.

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Associated companies (continued)

The Group's share of post-acquisition profit or loss is recognised in the Income Statement and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying value of investment. When the Group's share of losses in the associated company equals or exceeds its interest in the associated company, including any other unsecured obligations, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

The results of associated companies are taken from the most recent financial statements of the associated companies' concerned, made up to dates not more than three months prior to the end of the financial year 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. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies used for equity accounting purposes to ensure consistency of accounting policies with those of the Group.

(g) Joint ventures

(i) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control. The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising in the Income Statement of the Group's share of the results of jointly controlled entities for the financial year. The Group's investments in jointly controlled entities are carried in the Statement of Financial Position at an amount that reflects its share of the net assets of the jointly controlled entities and includes goodwill on acquisition.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, adjustments have been made to the financial statements of jointly controlled entities used for equity accounting purposes to ensure consistency of accounting policies with those of the Group.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

(ii) Jointly controlled operations

When the Group and the Company is party to a joint arrangement, the Group and the Company accounts directly for its part of income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Investments in subsidiaries, jointly controlled entities and associated companies

Investments in subsidiaries, jointly controlled entities and associated companies are stated at cost less accumulated impairment losses if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(i) Development expenditure

Development expenditure is generally expensed when incurred otherwise it 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 benefit will flow to the enterprise.

(j) Trade and other receivables

Trade receivables are amount due from customers for which services are performed in ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest methods less provision for impairment if any.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Inventories comprise primarily of raw material, work-in-progress, fuel and spare parts. The cost of work-in-progress comprises raw materials, direct labour, other direct costs and related overheads. It excludes borrowing costs. Fuel and diesel oil held for generation of electricity are not written down below cost if the electricity generated is expected to obtain a gross margin at or above cost. Cost for this purpose includes the applicable costs required to enable the fuel and diesel oil to be used for the generation of electricity.

Inventories for oil trading are acquired with the purpose of selling in the near future and generating a profit from fluctuations in price. These are at fair value less costs to sell, with changes in fair value less costs to sell recognised in the Income Statement in the period of change.

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

(l) Financial assets and financial liabilities

Financial assets

(i) Classification

Financial assets are classified in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. Management determines the classification of its financial assets at initial recognition based on the nature of the asset and the purpose for which the asset was acquired.

(a) Financial Assets at Fair Value through Profit or Loss (‘FVTPL’)

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it was acquired principally for the purpose of selling. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

To reduce the accounting mismatch, the fair value option is applied to investments that include embedded derivatives.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial assets and financial liabilities (continued)

Financial assets (continued)

(i) Classification (continued)

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting date. These are classified as non-current assets. The Group and the Company's loans and receivables comprise non-current receivables, receivables, deposits and cash and bank balances in the Statement of Financial Position.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in the Income Statement.

(c) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months from the end of the reporting date.

(ii) Measurement

(a) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group and the Company commits to purchase or sell the assets.

Financial assets are initially recognised at fair value plus transaction costs for all assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Available-for-sale financial assets and financial assets at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement.

(b) Subsequent measurement – Gains and losses

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the Income Statement in the financial period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in the Income Statement, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in the Income Statement. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in the Income Statement. Dividend income on available-for-sale equity instruments are recognised in the Income Statement when the Group and the Company's right to receive payments is established.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expires or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the Income Statement.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Statement 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.

(v) Impairment of financial assets

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

(a) Assets carried at amortised cost

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

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

(b) Assets classified as available-for-sale

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial assets and financial liabilities (continued)

<u>**Financial liabilities**</u>

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

Financial liabilities, within the scope of MFRS 139, are recognised in the Statement of Financial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities include trade payables, other liabilities and borrowings (see Note 3(q)).

Trade and other liabilities are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

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

(m) Derivative 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:

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

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

(c) hedges of a net investment in a foreign operation (net investment hedge).

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 financial instruments used for hedging purposes are disclosed in Note 20 to the financial statements. Movements on the hedging reserve in other comprehensive income are shown in Note 25(a) to the financial statements. The full fair value of a hedging derivative is classified as non-current asset or liability when the remaining hedged item is more than 12 months, and as current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current asset or liability.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Derivative financial instruments and hedging activities (continued)

(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 the Income Statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the Income Statement. 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.

(ii) Cash flows hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flows hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

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

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the 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 the Income Statement.

(n) Financial guarantee

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

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137, 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less cumulative amortisation, where appropriate.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents are presented net of bank overdrafts.

(p) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity. Dividends to shareholders are recognised in equity in the financial period in which they are declared.

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

Purchase of own shares

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

(q) 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 interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the term of the bonds and borrowings.

Interest relating to a financial instrument classified as a liability is reported within finance cost in the Income Statement.

Bonds and borrowings are classified as current liabilities unless the Group and the Company has 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 are capitalised as part of the cost of the assets during the period of time that is required to complete and prepare the asset for its intended use.

(r) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Deferred income

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

(t) Provisions

The Group and the Company recognise 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 and the Company's current best estimate.

(u) Revenue recognition

(i) Sale of electricity

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

(ii) Sale of fuel oil

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

(iii) Supply of clean water and treatment and disposal of waste water

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

(iv) Broadband and telecommunications revenue

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

(v) Sale of steam

Revenue relating to sale of steam is recognised when the steam is delivered to the customer.

(vi) Investment income

Investment income earned by the Group and the Company are recognised on the following bases:

Dividend income	–	When the shareholders' right to receive payment is established.
Interest income	–	On an effective interest basis.

(vii) Other income

Other incomes earned by the Group and the Company are recognised on the following bases:

Management fees	–	When services are rendered and invoiced, net of service taxes.
Operation and maintenance fees	–	When services are rendered and invoiced.
Tank leasing fees	–	Tank leasing fees from operating leases are recognised on a straight line basis over the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial period in which the associated services are rendered by employees of the Group and the Company.

(ii) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices in the countries in which they operates.

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

(iii) 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 financial periods.

The Group and the Company's contributions to defined contribution plan are charged to the Income Statement in the financial period to which they relate. Once the contributions have been paid, the Group and the Company has no further payment obligations.

(iv) Defined benefit plan

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

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

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

Plan assets in excess of the defined benefit obligation are subject to the asset limitation specified in MFRS 119.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses recognised in the Income Statement is determined by the corridor method in accordance with MFRS 119 and is charged or credited to the Income Statement over the average remaining service lives of the related employees participating in the defined benefit plan.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits (continued)

(v) Share-based compensation

The Group operates an 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 to subsidiaries, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

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

(w) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associated company or joint venture on distributions of retained earnings to companies in the Group.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed 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 other than a business combination that at that time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised 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 recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group's share of income taxes of jointly controlled entities and associated companies are included in the Group's share of results of jointly controlled entities and associated companies.

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

(x) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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, which is the Company's functional and presentation currency.

(ii) Transactions and balances

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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Foreign currencies (continued)

(iii) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the 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 Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component 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 other comprehensive income 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 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2006, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions.

(y) Contingent liabilities and contingent asset

The Group and the Company does not recognise a contingent liability but discloses 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 does not recognise contingent assets but discloses 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.

(z) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments. The Company identified the Executive Director primarily responsible for the financial statements for the Group as chief operating decision-maker.

4 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) Impairment 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 estimates as set out in Note 12 to the financial statements.

(b) Estimated residual value and useful lives of property, plant and equipment

The residual value and the useful lives of property, plant, and equipment are reviewed at each financial year end. The review is based on factors such as business plans and strategies, expected level of usage and future regulatory changes. It is possible that the future results of operations could be materially affected by changes in this estimate.

(c) Deferred tax assets

Deferred tax asset is 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 a particular entity in which the deferred tax asset has been recognised. The deferred tax assets not recognised is set out in Note 8 to the financial statements.

(d) Estimated pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each financial year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 28 to the financial statements.

(e) Estimated impairment of property, plant and equipment and investments

Management applies its accounting policy set out in Note 3(d) to the financial statements in determining when property, plant and equipment and investments 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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(f) Allowance for impairment of receivables

At each reporting date, the Group and the Company assesses whether there is objective evidence that receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collection expenses. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

5 REVENUE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sale of electricity	**11,006,805**	11,288,179	–	–
Sale of clean water and treatment and disposal of waste water	**2,507,191**	2,398,553	–	–
Sale of fuel oil	**1,523,348**	1,632,803	–	–
Sale of steam	**188,451**	185,076	–	–
Broadband and telecommunications revenue	**438,061**	218,752	–	–
Investment income	**53,710**	66,174	**642,643**	1,406,321
Other revenue	**118,427**	80,806	**23,107**	25,000
	15,835,993	15,870,343	**665,750**	1,431,321

6 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company. The key management compensation is disclosed below:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Key management compensation:				
– Wages, salaries and bonuses	**23,101**	22,239	**10,150**	10,032
– Defined contribution plan	**2,676**	2,645	**1,193**	1,181
– Fees	**620**	610	**620**	610
– Share options expenses	**3,398**	283	**1,477**	139
– Allowances	**38**	84	**38**	84

Included in key management compensation is the Directors' remuneration (whether executive or otherwise) as disclosed in Note 7 to the financial statements.

Whenever it exists, related party transactions also include transaction with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members.

6 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties stated in Note 33.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sale of goods and services:				
– Subsidiaries	–	–	**20,000**	25,000
– Fellow subsidiaries	**9,684**	9,253	–	–
Dividend income:				
– Subsidiaries	–	–	**595,253**	1,354,167
– Fellow subsidiaries	**18,207**	–	**18,207**	4,046
Interest income:				
– Subsidiaries - in respect of loan and advances	–	–	**18,071**	37,919
– Fellow subsidiaries	**574**	–	**574**	1,456
Other income:				
– Fellow subsidiaries	**3,107**	–	**3,107**	–
Purchases of goods and services from subsidiaries and fellow subsidiaries:				
– Advertising and promotional	**11,744**	–	–	–
– Hotel and accommodation	**9,080**	6,102	**1,043**	1,170
– Limestone	**3,269**	–	–	–
– Operating and maintenance	**78,000**	88,000	–	–
– Rental of land and building	**8,394**	7,101	–	–
– Telecommunications related charges	**75,000**	75,000	–	–
– Travelling fares and motor vehicle maintenance	**5,590**	4,653	**3,474**	3,095
– Building infrastructure	**11,300**	18,700	–	–
Expenses paid on behalf of:				
– Subsidiaries	–	–	**23,303**	44,625
– Fellow subsidiaries	**2,110**	–	**1,905**	–
Expenses paid on behalf by:				
– Subsidiaries	–	–	**46,346**	37,006
– Fellow subsidiaries	**17,548**	39,648	**6,817**	–
– Immediate holding company and ultimate holding company	**2,796**	–	**1,009**	–
Year-end balances owing by:				
– Fellow subsidiaries	**791**	744	–	–
– Subsidiaries	–	–	**913,284**	367,660
– Immediate holding company and ultimate holding company	**9**	–	**9**	–
Year-end balances owing to:				
– Fellow subsidiaries	**(71,140)**	(150,736)	**(406)**	(8)
– Subsidiaries	–	–	**(4,985)**	(241,709)
– Immediate holding company and ultimate holding company	**(75)**	(56)	**(3)**	–

6 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The movement in advances to subsidiaries during the financial year is as follows:

	Company	
	2013 RM'000	2012 RM'000
Advances to subsidiaries		
At 1 July	**84,064**	681,744
Advances during the financial year	**1,030,028**	564,401
Repayments during the financial year	**(183,300)**	(900,000)
Capitalisation of intercompany balances	–	(300,000)
Interest charged	**18,071**	37,919
Payment of interest	**(57,152)**	–
At 30 June	**891,711**	84,064

7 PROFIT BEFORE TAXATION

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation is stated after charging/(crediting):				
Allowance for impairment of receivables (net of reversals)	**159,676**	47,871	–	–
Allowance for inventories obsolescence	**5,175**	7,630	–	–
Allowance for fuel cost	**12,849**	3,867	–	–
Amortisation of deferred income	**(2,011)**	–	–	–
Amortisation of grants and contributions	**(9,324)**	(10,157)	–	–
Amortisation of intangible asset	**21,276**	–	–	–
Auditors' remuneration				
– Statutory audit fees payable/paid to PwC Malaysia:				
– current year	**620**	500	**550**	430
– (over)/under accrual in prior year	**(6)**	112	**(6)**	112
– Payable/paid to member firms of an organisation which are separate and independent legal entities from PwC Malaysia	**626**	530	–	–
– Statutory audit fees payable/paid to other audit firms	**1,720**	1,716	–	–
Bad debts written-off	**14,982**	1,079	**239**	1,079
Depreciation of property, plant and equipment	**1,196,131**	1,161,425	**118**	93
Development expenditure	**34,481**	2,498	**34,481**	2,498
Directors' remuneration	**29,833**	25,861	**13,478**	12,046
Dividends from quoted investments in Malaysia	**(81)**	(602)	–	–
Energy cost	**10,549,333**	10,828,729	–	–
Fair value changes in derivatives	**(25,685)**	20,611	–	–
Fair value changes on investments in FVTPL	**(19,303)**	18,631	**(19,303)**	18,631
Gain on acquisition of an associate (included in share of profits of associates)	–	(69,445)	–	–
Gain on derecognition of preference shares	–	(87,608)	–	–
Gain on disposal of investments	**(11,397)**	–	–	–

7 PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation is stated after charging/(crediting): (continued)				
Ineffective portion on cash flow hedges	**(130)**	5,283	**–**	–
Interest income	**(20,591)**	(24,392)	**–**	–
Interest expense – borrowings	**772,142**	814,252	**170,056**	199,853
Interest expense – discounting on non-current receivables	**18,105**	–	**–**	–
Interest expense – post-employment benefit	**11,159**	5,869	**–**	–
Net gain on disposal of property, plant and equipment	**(18,784)**	(2,243)	**–**	–
Property, plant and equipment written off	**13,589**	5,901	**–**	–
Provision for/(Write back of) liabilities and charges	**1,206**	(17,279)	**–**	–
Realised loss on foreign exchange	**766**	14,604	**2,268**	–
Rental of land and building	**123,871**	105,897	**326**	340
Rental of plant, equipment and machinery	**13,129**	2,722	**–**	–
Staff costs:				
– Wages, salaries and bonus	**349,900**	293,234	**12,777**	9,423
– Defined contribution plan	**20,305**	18,794	**1,263**	915
– Defined benefit plan	**60,473**	79,699	**–**	–
– Share options expenses	**6,071**	898	**229**	30
Unrealised gain on foreign exchange	**(14,201)**	(14,247)	**(29)**	(7,058)

The aggregate remuneration of Directors categorised into appropriate components are as follows:

	Salaries RM'000	Fees RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Financial year ended 30 June 2013					
Group					
Executive Directors	**13,794**	**360**	**9,307**	**5,852**	**29,313**
Non-executive Directors	**–**	**260**	**–**	**260**	**520**
Company					
Executive Directors	**6,188**	**360**	**3,962**	**2,485**	**12,995**
Non-executive Directors	**–**	**260**	**–**	**223**	**483**
Financial year ended 30 June 2012					
Group					
Executive Directors	12,931	360	9,308	2,957	25,556
Non-executive Directors	–	250	–	55	305
Company					
Executive Directors	6,071	360	3,961	1,352	11,744
Non-executive Directors	–	250	–	52	302

* Included in the remuneration of Directors of the Group and the Company are contributions to a defined contribution plan and share options expenses charged to the Income Statement amounting to RM2,675,745 and RM3,397,867 (2012: RM2,645,394 and RM283,156) and RM1,193,385 and RM1,477,333 (2012: RM1,180,674 and RM138,500) respectively.

7 PROFIT BEFORE TAXATION (CONTINUED)

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands for the financial year ended 30 June 2013 is as follows:

	Group		Company	
	No. of Directors		No. of Directors	
Range of remuneration	Executive	Non-executive	Executive	Non-executive
Below RM50,000	–	1	3	1
RM50,001 – RM100,000	–	–	–	1
RM100,001 – RM150,000	–	2	–	1
RM200,001 – RM250,000	–	1	1	1
RM250,001 – RM300,000	–	–	1	–
RM400,001 – RM450,000	1	–	–	–
RM550,001 – RM600,000	1	–	–	–
RM1,000,001 – RM1,150,000	1	–	1	–
RM2,650,001 – RM2,700,000	–	–	1	–
RM2,900,001 – RM2,950,000	–	–	1	–
RM3,000,001 – RM3,050,000	1	–	–	–
RM3,100,001 – RM3,150,000	1	–	–	–
RM4,450,001 – RM4,500,000	1	–	–	–
RM4,850,001 – RM4,900,000	1	–	–	–
RM5,700,001 – RM5,750,000	–	–	1	–
RM5,850,001 – RM5,900,000	1	–	–	–
RM5,950,001 – RM6,000,000	1	–	–	–

8 TAXATION

Taxation charge for the financial year:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax:				
– Malaysian income tax	**118,846**	133,600	**1,184**	(87)
– Foreign income tax	**314,249**	257,988	**–**	–
Deferred taxation (Note 26)	**(148,431)**	(157,073)	**30**	9
	284,664	234,515	**1,214**	(78)
Current tax:				
– Current year	**441,703**	449,267	**930**	81
– (Over)/Under provision in prior years	**(8,608)**	(57,679)	**254**	(168)
Deferred taxation:				
– Originating and reversal of temporary differences	**(148,431)**	(157,073)	**30**	9
	284,664	234,515	**1,214**	(78)

8 TAXATION (CONTINUED)

The explanation of the relationship between tax expenses and profit before taxation is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	**1,329,423**	1,391,476	**431,599**	1,186,971
Tax calculated at the Malaysian tax rate 25% (2012: 25%)	**332,356**	347,869	**107,900**	296,743
Tax effects of:				
– Share of results of associated companies	**(84,640)**	(71,310)	**–**	–
– Different tax rates in other countries including remeasuring of deferred tax	**(115,097)**	(155,232)	**–**	–
– Non-deductible expenses	**117,746**	164,176	**46,717**	42,792
– Income not subject to tax	**(24,353)**	(45,493)	**(153,657)**	(339,445)
– Temporary differences not recognised*	**67,260**	52,184	**–**	–
– (Over)/Under provision in prior years in relation to current tax	**(8,608)**	(57,679)	**254**	(168)
Tax expenses	**284,664**	234,515	**1,214**	(78)

* A subsidiary of the Group was granted pioneer status for a period of 10 years commencing November 2010. The tax effects of temporary differences not recognised as shown below in respect of this subsidiary, is expected to be reversed during the pioneer period.

	30.6.2013 RM'000	30.6.2012 RM'000
– Property, plant and equipment	**48,415**	24,188
– Unutilised tax losses	**161,487**	124,189
– Others	**6,321**	5,074

The tax effects of temporary differences not recognised in respect of other subsidiaries are as follows:

	30.6.2013 RM'000	30.6.2012 RM'000
– Property, plant and equipment	**720**	88
– Unutilised tax losses	**4,418**	562

The remeasuring of deferred tax during the financial year is due to a reduction in corporation tax rate from 24% to 23% in Wessex Water Limited and its subsidiary (incorporated in England and Wales) with effect from 1 April 2013.

9 EARNINGS PER SHARE ('EPS')

(a) Basic EPS

	Group 2013	Group 2012
Profit attributable to owners of the parent (RM'000)	**1,069,646**	1,232,211
Weighted average number of ordinary shares in issue ('000)	**7,256,596**	7,253,079
Basic EPS (sen)	**14.74**	16.99

Basic EPS of the Group is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary share in issue during the financial year, excluding the number of ordinary shares bought back during the financial year.

(b) Diluted EPS

	Group 2013	Group 2012
Profit attributable to owners of the parent (RM'000)	**1,069,646**	1,232,211
Profit used to determine diluted EPS (RM'000)	**1,069,646**	1,232,211
Weighted average number of ordinary shares in issue ('000)	**7,256,596**	7,253,079
Adjustments for:		
– Conversion of Warrants ('000)	**289,635**	389,698
– ESOS ('000)	**6,037**	21,319
Weighted average number of ordinary shares for diluted earnings per share ('000)	**7,552,268**	7,664,096
Diluted EPS (sen)	**14.16**	16.08

As at 30 June 2013, the Company had 1,165,780,260 (2012: 1,175,590,745) Warrants, whose terms of conversion are set out in Note 24(a) to the financial statements, still unexercised. MFRS 133 'Earnings per share' prescribes that Warrants are dilutive when they are issued for no consideration or when they would result in the issue of ordinary shares for less than its fair value.

For the diluted EPS calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

10 DIVIDENDS

	Group and Company 2013		Group and Company 2012	
	Gross dividends per share Sen	Amount of dividends RM'000	Gross dividends per share Sen	Amount of dividends RM'000
Dividends paid in respect of the financial year ended 30 June 2011:				
– Fourth interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 24 November 2011	–	–	1.88	136,209
Dividends paid in respect of the financial year ended 30 June 2012:				
– First interim tax exempt dividend of 3.75% or 1.875 sen per ordinary share of 50 sen each paid on 13 January 2012	–	–	1.88	136,269
– Second interim tax exempt dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each paid on 30 March 2012	–	–	0.94	68,135
– Third interim tax exempt dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each paid on 27 June 2012	–	–	0.94	68,171
Dividends paid in respect of the financial year ended 30 June 2012:				
– Fourth interim tax exempt dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each paid on 31 October 2012	**0.94**	**68,235**	–	–
Dividends paid in respect of the financial year ended 30 June 2013:				
– Interim tax exempt dividend of 1.875% or 0.9375 sen per ordinary share of 50 sen each paid on 15 January 2013	**0.94**	**68,261**	–	–
	1.88	**136,496**	5.64	408,784

The Board of Directors do not recommend the payment of a final dividend for the financial year ended 30 June 2013.

11 PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

Group	Land and buildings RM'000	Infra-structure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
2013											
Cost											
At 1 July 2012	4,014,075	5,131,844	11,654,936	22,699	605,709	29,997	12,333	120,083	1,314,973	849,361	23,756,010
Exchange differences	(73,898)	(130,430)	(115,178)	–	(14,979)	42	7	(346)	–	(13,610)	(348,392)
Additions	42,298	255,064	247,056	–	22,354	2,737	1,855	4,484	12,624	928,129	1,516,601
Disposals	(435)	–	(19,125)	–	(1,335)	(2,638)	(5)	(2,327)	(14)	–	(25,879)
Written off	–	–	(40,056)	–	(29)	(54)	(22)	(6,425)	(2)	–	(46,588)
Transfer on commissioning	135,219	43,364	229,510	–	12,602	2,087	3,850	–	270,609	(697,241)	–
At 30 June 2013	4,117,259	5,299,842	11,957,143	22,699	624,322	32,171	18,018	115,469	1,598,190	1,066,639	24,851,752
Accumulated depreciation											
At 1 July 2012	1,260,547	237,992	4,587,372	19,263	239,851	20,454	4,005	29,677	97,977	–	6,497,138
Exchange differences	(15,344)	(6,034)	(44,417)	–	(5,758)	31	7	(155)	–	–	(71,670)
Charge for the financial year	169,619	48,717	838,008	1,057	33,947	4,233	1,872	8,923	89,755	–	1,196,131
Disposals	(279)	–	(14,748)	–	(1,335)	(2,046)	(5)	(2,104)	(1)	–	(20,518)
Written off	–	–	(28,490)	–	(22)	(24)	(1)	(4,461)	(1)	–	(32,999)
At 30 June 2013	1,414,543	280,675	5,337,725	20,320	266,683	22,648	5,878	31,880	187,730	–	7,568,082
Net book value											
At 30 June 2013	2,702,716	5,019,167	6,619,418	2,379	357,639	9,523	12,140	83,589	1,410,460	1,066,639	17,283,670

Borrowing cost of RM6,421,710 (2012: RM5,221,738) arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year 2013.

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The details of property, plant and equipment are as follows: (continued)

Group	Land and buildings RM'000	Infra-structure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
2012											
Cost											
At 1 July 2011	3,914,322	4,682,550	11,109,930	22,699	539,705	29,221	9,659	116,996	923,898	635,386	21,984,366
Exchange differences	70,945	117,386	191,648	–	13,419	254	(75)	596	–	11,570	405,743
Additions	21,987	300,771	235,475	–	42,891	1,751	4,191	4,887	14,537	829,556	1,456,046
Disposals	(240)	–	(2,370)	–	(27)	(3,444)	(2,008)	(2,396)	(193)	–	(10,678)
Written off	(4,240)	–	(74,756)	–	(71)	(321)	(21)	–	(58)	–	(79,467)
Transfer on commissioning	11,301	31,137	195,009	–	9,792	2,536	587	–	376,789	(627,151)	–
At 30 June 2012	4,014,075	5,131,844	11,654,936	22,699	605,709	29,997	12,333	120,083	1,314,973	849,361	23,756,010
Accumulated depreciation											
At 1 July 2011	1,079,521	188,732	3,768,446	18,206	203,341	16,830	2,636	21,890	22,424	–	5,322,026
Exchange differences	14,601	5,298	64,161	–	5,100	156	30	379	–	–	89,725
Charge for the financial year	167,711	43,962	826,859	1,057	31,484	4,565	1,507	8,813	75,467	–	1,161,425
Disposals	(20)	–	(112)	–	(3)	(861)	(162)	(1,405)	91	–	(2,472)
Written off	(1,266)	–	(71,982)	–	(71)	(236)	(6)	–	(5)	–	(73,566)
At 30 June 2012	1,260,547	237,992	4,587,372	19,263	239,851	20,454	4,005	29,677	97,977	–	6,497,138
Net book value											
At 30 June 2012	2,753,528	4,893,852	7,067,564	3,436	365,858	9,543	8,328	90,406	1,216,996	849,361	17,258,872

Borrowing cost of RM5,221,738 (2011: nil) arising on financing specifically entered into for the construction of property, plant and equipment was capitalised during the financial year 2012. The Group has revised the useful life and residual value of certain property, plant and equipment. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year 2012 increased by RM104,941,176.

At 1 July 2011

Group	Land and buildings RM'000	Infra-structure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles and aircraft RM'000	Telecom-munications equipment RM'000	Assets under construction RM'000	Total RM'000
Cost	3,914,322	4,682,550	11,109,930	22,699	539,705	29,221	9,659	116,996	923,898	635,386	21,984,366
Accumulated depreciation	(1,079,521)	(188,732)	(3,768,446)	(18,206)	(203,341)	(16,830)	(2,636)	(21,890)	(22,424)	–	(5,322,026)
Net book value	2,834,801	4,493,818	7,341,484	4,493	336,364	12,391	7,023	95,106	901,474	635,386	16,662,340

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings of the Group are as follows:

Group	Leasehold Land RM'000	Freehold Land RM'000	Buildings RM'000	Total RM'000
2013				
Cost				
At 1 July 2012	79,219	62,561	3,872,295	4,014,075
Exchange differences	299	(1,471)	(72,726)	(73,898)
Additions	6,529	1,927	33,842	42,298
Disposals	–	–	(435)	(435)
Transfer on commissioning	–	–	135,219	135,219
At 30 June 2013	86,047	63,017	3,968,195	4,117,259
Accumulated depreciation				
At 1 July 2012	20,416	–	1,240,131	1,260,547
Exchange differences	87	–	(15,431)	(15,344)
Charge for the financial year	5,001	–	164,618	169,619
Disposals	–	–	(279)	(279)
At 30 June 2013	25,504	–	1,389,039	1,414,543
Net book value				
At 30 June 2013	60,543	63,017	2,579,156	2,702,716
2012				
Cost				
At 1 July 2011	75,771	59,485	3,779,066	3,914,322
Exchange differences	3,448	1,344	66,153	70,945
Additions	–	1,732	20,255	21,987
Disposals	–	–	(240)	(240)
Written off	–	–	(4,240)	(4,240)
Transfer on commissioning	–	–	11,301	11,301
At 30 June 2012	79,219	62,561	3,872,295	4,014,075
Accumulated depreciation				
At 1 July 2011	15,149	–	1,064,372	1,079,521
Exchange differences	596	–	14,005	14,601
Charge for the financial year	4,671	–	163,040	167,711
Disposals	–	–	(20)	(20)
Written off	–	–	(1,266)	(1,266)
At 30 June 2012	20,416	–	1,240,131	1,260,547
Net book value				
At 30 June 2012	58,803	62,561	2,632,164	2,753,528

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings of the Group are as follows: (continued)

Group	Leasehold Land RM'000	Freehold Land RM'000	Buildings RM'000	Total RM'000
At 1 July 2011				
Cost	75,771	59,485	3,779,066	3,914,322
Accumulated depreciation	(15,149)	–	(1,064,372)	(1,079,521)
Net book value	60,622	59,485	2,714,694	2,834,801

The net book value of assets of the Group held under finance lease amounted RM194,050,227 (2012: RM232,048,535).

The property, plant and equipment of the Company are as follows:

Company	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
2013					
Cost					
At 1 July 2012	35	288	20	1,279	1,622
Additions	–	7	–	324	331
At 30 June 2013	35	295	20	1,603	1,953
Accumulated depreciation					
At 1 July 2012	35	253	20	520	828
Charge for the financial year	–	15	–	103	118
At 30 June 2013	35	268	20	623	946
Net book value					
At 30 June 2013	–	27	–	980	1,007

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The property, plant and equipment of the Company are as follows: (continued)

Company	Office equipment RM'000	Computers RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
2012					
Cost					
At 1 July 2011	35	288	20	838	1,181
Additions	–	–	–	441	441
At 30 June 2012	35	288	20	1,279	1,622
Accumulated depreciation					
At 1 July 2011	35	239	20	441	735
Charge for the financial year	–	14	–	79	93
At 30 June 2012	35	253	20	520	828
Net book value					
At 30 June 2012	–	35	–	759	794
At 1 July 2011					
Cost	35	288	20	838	1,181
Accumulated depreciation	(35)	(239)	(20)	(441)	(735)
Net book value	–	49	–	397	446

12 INTANGIBLE ASSETS

The details of intangible assets are as follows:

		Group	
	30.6.2013 RM'000	**30.6.2012 RM'000**	**1.7.2011 RM'000**
Customer acquisition costs	**40,201**	–	–
Goodwill on consolidation	**6,659,590**	6,633,773	6,484,398
At 30 June	**6,699,791**	6,633,773	6,484,398

12 INTANGIBLE ASSETS (CONTINUED)

(a) Customer acquisition costs

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	–	–
Additions	**61,477**	–
Amortisation charge for the financial year	**(21,276)**	–
At 30 June	**40,201**	–

(b) Goodwill on consolidation

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**6,633,773**	6,484,398
Exchange differences	**20,465**	114,429
Acquisition of subsidiaries	**5,352**	34,946
At 30 June	**6,659,590**	6,633,773

Impairment test for goodwill

The Group undertakes an annual test for impairment of its cash-generating units ('CGUs').

Goodwill is allocated for impairment test to the individual entity which is also the CGUs identified according to the respective companies.

The following CGUs, being the lowest level of asset for which there are separately identifiable cash flows, have carrying amounts of goodwill that are considered significant in comparison with the Group's total goodwill:

		Group	
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
YTL PowerSeraya Pte. Limited ('Singapore')	**6,170,830**	6,149,467	6,035,038
Wessex Water Limited (United Kingdom ('UK'))	**440,700**	440,700	440,700
Others	**48,060**	43,606	8,660
Total goodwill	**6,659,590**	6,633,773	6,484,398

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.

12 INTANGIBLE ASSETS (CONTINUED)

Impairment test for goodwill (continued)

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

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

	30.6.2013		30.6.2012	
	Singapore	UK	Singapore	UK
	%	%	%	%
Pre-tax discount	**6.0**	**7.1**	6.0	5.5
Terminal growth rate	**2.0**	**1.5**	2.0	0.2
Revenue growth	**1.2**	**2.7**	2.1	4.0

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management.

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.

(b) Impact of possible change in key assumption

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's result. The Group's review includes the sensitivity of key assumptions to the cash flow projections.

The circumstances where a reasonable possible 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:

	30.6.2013		30.6.2012	
	Singapore	UK	Singapore	UK
	%	%	%	%
Pre-tax discount	**9.4**	**14.7**	9.1	17.4
Terminal growth rate	**(5.5)**	**(0.3)**	(6.1)	(1.0)
Revenue growth	**(0.2)**	**(13.1)**	0.3	(10.8)

No impairment was recognised for the financial year ended 30 June 2013 and 30 June 2012 for the goodwill of the respective CGUs as their recoverable amounts were in excess of their carrying amounts.

13 SUBSIDIARIES

Investment in subsidiaries

	Company 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Unquoted shares, at cost	**11,271,629**	11,271,794	10,965,360

The subsidiaries are as follows:

Name of company/ corporation	Country of incorporation	Group's effective interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal activities
YTL Communications Sdn Bhd*	Malaysia	**60**	60	60	Provision of wired line and wireless broadband access and other related services
Extiva Communications Sdn Bhd*Ω	Malaysia	**60**	60	60	Developing and marketing VoIP telephony and other advanced network media appliances for the service provider and enterprise telephony market
YTL Power Generation Sdn Bhd	Malaysia	**100**	100	100	Developing, constructing, completing, maintaining and operating power plants
YTL Power International Holdings Limited*	Cayman Islands	**100**	100	100	Investment holding
YTL Power Australia Limited*	Cayman Islands	**100**	100	100	Investment holding
YTL Power Finance (Cayman) Limited&	Cayman Islands	**100**	100	100	Dormant
YTL-CPI Power Limited±	Hong Kong	–	51	51	Dormant
YTL Power Trading (Labuan) Ltd*	Malaysia	**100**	100	–	Dormant
YTL Seraya Limited*	Cayman Islands	**100**	100	100	Investment holding
YTL Utilities Holdings (S) Pte. Limited*	Singapore	**100**	100	100	Investment holding
YTL Utilities (S) Pte. Limited*	Singapore	**100**	100	100	Investment holding
YTL PowerSeraya Pte. Limited**	Singapore	**100**	100	100	Own and operate energy facilities and services (full value chain of electricity generation including trading of physical fuels and fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process)

13 SUBSIDIARIES (CONTINUED)

Investment in subsidiaries (continued)

The subsidiaries are as follows: (continued)

Name of company/ corporation	Country of incorporation	Group's effective interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal activities
PowerSeraya Limited (In Voluntary Liquidation)‡	Singapore	**100**	100	100	Dormant
Seraya Energy Pte Ltd**‡	Singapore	**100**	100	100	Sale of electricity
Seraya Energy and Investment Pte Ltd**‡	Singapore	**100**	100	100	Investment holding
PetroSeraya Pte Ltd**‡	Singapore	**100**	100	100	Oil trading and oil tank leasing
YTL Utilities Limited*@	Cayman Islands	**100**	100	100	Investment holding
YTL Utilities Finance Limited*@	Cayman Islands	**100**	100	100	Investment holding
YTL Utilities Finance 2 Limited*@	Cayman Islands	**100**	100	100	Investment holding
YTL Utilities Finance 3 Limited*@	Cayman Islands	**100**	100	100	Investment holding
YTL Utilities Finance 4 Limited*@	Cayman Islands	**100**	100	100	Financial services
YTL Utilities Finance 5 Limited*@	Cayman Islands	**100**	100	100	Financial services
YTL Utilities Finance 6 Limited*@	Cayman Islands	**100**	100	100	Investment holding
YTL Utilities Finance 7 Limited*@	Cayman Islands	**100**	100	100	Financial services
YTL Utilities Holdings Limited*@	Cayman Islands	**100**	100	100	Investment holding
Wessex Water International Limited@&	Cayman Islands	**100**	100	100	Dormant
YTL Utilities (UK) Limited*@	England and Wales	**100**	100	100	Investment holding
YTL Events Limited*@	England and Wales	**100**	100	100	Providing public entertainment, events and public relations services
Wessex Water Limited*@	England and Wales	**100**	100	100	Investment holding
Wessex Water Services Limited*#@	England and Wales	**100**	100	100	Water supply and waste water services
SC Technology GmbH*#@	Switzerland	**100**	100	100	Waste treatment processes

13 SUBSIDIARIES (CONTINUED)

Investment in subsidiaries (continued)

The subsidiaries are as follows: (continued)

Name of company/ corporation	Country of incorporation	Group's effective interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal activities
SC Technology Nederlands B.V.*#@	Netherlands	**100**	100	100	Waste treatment processes
SC Technology Deutschland GmbH*#@	Germany	**100**	100	100	Waste treatment processes
Sword Bidco Limited&	England and Wales	**100**	–	–	Dormant
Sword Bidco (Holdings) Limited&	England and Wales	**100**	–	–	Dormant
Sword Holdings Limited&	Cayman Islands	**100**	–	–	Dormant
Sword Midco Limited&	England and Wales	**100**	–	–	Dormant
Enterprise Laundry Services Limited*#@	England and Wales	**100**	–	–	Dormant
Geneco Limited*#@	England and Wales	**100**	100	–	Dormant
Water 2 Business Limited*#@	England and Wales	**100**	–	–	Dormant
Wessex Electricity Utilities Limited*#@	England and Wales	**100**	100	100	Dormant
Wessex Water Utility Solutions Limited*#@	England and Wales	**100**	100	100	Dormant
Wessex Water Services Finance Plc*#@	England and Wales	**100**	100	100	Issue of bonds
Wessex Water Enterprises Limited*#@	England and Wales	**100**	100	100	Water supply and waste water services
Wessex Engineering & Construction Services Limited*#@	England and Wales	**100**	100	100	Engineering and construction services
Wessex Promotions Limited*#@	England and Wales	**100**	100	100	Entertainment promotion
Wessex Water Pension Scheme Trustee Limited*#@	England and Wales	**100**	100	100	Management of Wessex Water Pension Scheme
Wessex Water Commercial Limited*#@	England and Wales	**100**	100	100	Dormant
Wessex Property Services Limited*#@	England and Wales	**100**	100	100	Dormant

13 SUBSIDIARIES (CONTINUED)

Investment in subsidiaries (continued)

The subsidiaries are as follows: (continued)

Name of company/ corporation	Country of incorporation	Group's effective interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal activities
Wessex Water Trustee Company Limited*#@	England and Wales	**100**	100	100	Dormant
Wessex Water Engineering Services Limited*#@	England and Wales	**100**	100	100	Dormant
Wessex Spring Water Limited*#@	England and Wales	**100**	100	100	Dormant
Wessex Logistics Limited*#@	England and Wales	**100**	100	100	Dormant
YTL ECOGreen Pte Ltd*	Singapore	**100**	100	100	Dormant
YTL Engineering Limited*#@	England and Wales	**100**	100	100	Dormant
YTL Infrastructure Limited&	Cayman Islands	**100**	–	–	Dormant
YTL Services Limited*#@	England and Wales	**100**	100	100	Dormant
YTL Communications International LtdΩ&	Cayman Islands	**60**	60	60	Investment holding
YTL Global Networks LtdΩ&	Cayman Islands	**60**	60	60	Dormant
YTL Communications (S) Pte Ltd*Ω	Singapore	**60**	60	–	Dormant
YTL Digital Sdn Bhd*Ω	Malaysia	**60**	60	–	Sales and marketing of telecommunication devices
YTL Jawa Power Holdings Limited*	Cyprus	**100**	100	100	Investment holding
YTL Jawa Power Finance Limited*^	Cayman Islands	**100**	100	100	Investment holding
YTL Jawa Power Holdings B.V.*^	Netherlands	**57.1**	57.1	100	Investment holding
YTL Jawa Power B.V.*^	Netherlands	**57.1**	57.1	100	Investment holding
YTL Jawa O & M Holdings Limited*	Cyprus	**100**	100	100	Investment holding
YTL Jawa O & M Holdings B.V.*°	Netherlands	**100**	100	100	Investment holding

13 SUBSIDIARIES (CONTINUED)

Investment in subsidiaries (continued)

The subsidiaries are as follows: (continued)

Name of company/ corporation	Country of incorporation	Group's effective interest 30.6.2013 %	30.6.2012 %	1.7.2011 %	Principal activities
YTL Jawa Power Services B.V.*°	Netherlands	**100**	100	100	Investment holding
P.T. YTL Jawa Timur*°	Indonesia	**100**	100	100	Construction management, consultancy services and power station operation services
YTL Power Investments Limited*	Cayman Islands	**100**	100	–	Investment holding
YTL Power (Thailand) Limited&	Cayman Islands	**100**	–	–	Dormant
FrogAsia Sdn Bhd*+	Malaysia	**100**	100	–	Education licence provider
Frogtrade Limited*+	England and Wales	**57.6**	57.6	–	Sales into the education market and further development of its web environment product
Granite Investments (Cayman Islands) Limited+&	Cayman Islands	**100**	100	–	Dormant
I Education Limited*+	England and Wales	**29.37**	–	–	Educational media and IT software consultancy
Pagabo Limited+&	England and Wales	**29.37**	–	–	Inactive
Swiss Water System AG«	Switzerland	–	59	–	Inactive
YTL Education (UK) Limited*+	England and Wales	**100**	100	–	Providing advisory and management services to educational institutions in the UK and abroad

* *Audited by a firm other than member firm of PricewaterhouseCoopers International Limited*
** *Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia*
& *These entities are either exempted have no statutory requirement to prepare financial statements*
# *Subsidiaries of Wessex Water Limited*
° *Subsidiaries of YTL Jawa O & M Holdings Limited*
^ *Subsidiaries of YTL Jawa Power Holdings Limited*
‡ *Subsidiaries of YTL PowerSeraya Pte. Limited*
Ω *Subsidiaries of YTL Communications Sdn Bhd*
+ *Subsidiaries of YTL Power Investments Limited*
@ *Subsidiaries of YTL Power Generation Sdn Bhd*
« *Ceased to be a related corporation on 24.10.2012*
± *Dissolved during the financial year*

14 JOINT VENTURE

Bristol Wessex Billing Services Limited ("BWWSL") – Jointly controlled operation

The Group has a 50% interest in a joint arrangement, Bristol Wessex Billing Services Limited, which is incorporated in England and Wales. On 28 June 2001, Wessex Water Limited and Wessex Water Services Limited entered into a joint arrangement with a third party, under which the billing and customer services of both groups were transferred to Bristol Wessex Billing Services Limited.

The Group's share of the assets, liabilities and expenses of the jointly controlled operation has been accounted for as follows:

	Group	
	30.6.2013 RM'000	30.6.2012 RM'000
Non-current assets	**155**	259
Current assets	**4,019**	3,535
Current liabilities	**(4,174)**	(3,794)
Net assets	**–**	–
Expenses	**51,035**	51,879

15 INVESTMENT IN ASSOCIATES

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Unquoted shares, at cost	**900,805**	934,515	574,044	**5**	5	5
Group's share of post-acquisition reserves	**818,035**	706,717	563,976	**–**	–	–
Group's share of net assets	**1,718,840**	1,641,232	1,138,020	**5**	5	5

(a) The Group's share of results of associates is as follows:

	Group	
	30.6.2013 RM'000	30.6.2012 RM'000
Revenue	**1,120,209**	799,087
Profit after taxation	**355,894**	285,239

15 INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The Group's share of the assets and liabilities of the associated companies are as follows:

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Non-current assets	**3,754,125**	3,429,365	1,331,631
Current assets	**471,408**	465,688	417,810
Current liabilities	**(203,888)**	(475,683)	(186,190)
Non-current liabilities	**(2,302,805)**	(1,778,138)	(425,231)
Net assets	**1,718,840**	1,641,232	1,138,020

(c) The associated companies are as follows:

Name of associated company	Country of incorporation	Group's effective interest 2013 %	2012 %	Principal activities
P.T. Jawa Power	Indonesia	**20.0**	20.0	Operating a coal-fired thermal power station
Teknologi Tenaga Perlis (Overseas) Consortium Sdn Bhd©	Malaysia	**30.0**	30.0	Dormant
Enefit Jordan B.V.	Netherlands	**30.0**	30.0	Investment holding
ElectraNet Pty. Ltd.	Australia	**33.5**	33.5	Principal electricity transmission
ElectraNet Transmission Services Pty Ltd^^	Australia	-	33.5	Dormant
Jimah Power Generation Sdn Bhd	Malaysia	**49.0**	49.0	Dormant

^^ *Deregistered during the financial year*
© *Under striking off process*

16 INVESTMENTS

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	Company 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Available-for-sale financial assets	**195,590**	116,521	170,304	**191,152**	96,265	99,256
Financial assets at fair value through profit or loss	–	64,336	82,967	–	64,336	82,967
	195,590	180,857	253,271	**191,152**	160,601	182,223

16 INVESTMENTS (CONTINUED)

(a) Available-for-sale financial assets

The investments are in relation to the following:

	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000	Group 1.7.2011 RM'000	Company 30.6.2013 RM'000	Company 30.6.2012 RM'000	Company 1.7.2011 RM'000
Equity investments (quoted in Malaysia)	**53,786**	113,559	118,718	**53,786**	96,265	99,256
Equity investments (quoted outside Malaysia)	**16**	–	–	–	–	–
Equity investments (unquoted outside Malaysia)	**4,372**	2,912	51,586	–	–	–
Equity investments (unquoted in Malaysia)	**137,416**	50	–	**137,366**	–	–
	195,590	116,521	170,304	**191,152**	96,265	99,256

A gain arising from the changes in fair value of available-for-sale financial assets during the financial year of RM11.2 million (2012: loss of RM5.5 million) at Group and a gain of RM11.2 million (2012: loss of RM2.9 million) at Company was recognised as other comprehensive income in the Statement of Comprehensive Income of the Group and the Company respectively.

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

The investment is in relation to the following:

	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000	Group 1.7.2011 RM'000	Company 30.6.2013 RM'000	Company 30.6.2012 RM'000	Company 1.7.2011 RM'000
Equity investments (in Malaysia)	–	64,336	82,967	–	64,336	82,967

The financial assets at fair value through profit or loss is in relation to the Group's and Company's investment in Irredeemable Convertible Unsecured Loan Stocks ('ICULS') of RM1.00 each in a related company, YTL Cement Berhad. These are ten (10) years ICULS issued on 10 November 2005.

These ICULS bear a step–up coupon rate ranging from 4% to 6% per annum until its maturity date. The interest is payable semi–annually. The conversion price of the ICULS is fixed at a step down basis, in the first four (4) years. The ICULS has been removed from Official List of Bursa Malaysia Securities Berhad on 16 April 2012.

The ICULS were converted into ordinary shares in YTL Cement Berhad on 21 December 2012, now classified to available-for-sale financial assets.

A gain arising from the changes of financial assets at fair value through profit or loss during the financial year of RM19.3 million (2012: loss of RM18.6 million) was recognised in the Group's and Company's Income Statement.

17 INVESTMENT IN PREFERENCE SHARES

	Group 30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Investment in preference shares	–	–	492,705

The investment of unquoted preference shares was previously held by a foreign subsidiary. In June 2012, the holder exercised the convertible option of preference shares to ordinary shares. As a result of the conversion, the preference shares were derecognised.

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Non-current						
Prepayments	**147,762**	72,646	41,367	–	–	–
Receivables in associate#	**289,541**	317,039	–	–	–	–
Deposits	**879**	877	861	–	–	–
Accrued income	**1,162**	–	–	–	–	–
Amount recoverable from supplier*	**254,630**	331,380	285,630	–	–	–
	693,974	721,942	327,858	–	–	–
Current						
Trade receivables	**1,782,758**	1,687,010	1,642,921	–	–	–
Less: Allowance for impairment of trade receivables	**(185,125)**	(163,916)	(112,187)	–	–	–
Total trade receivables (net)	**1,597,633**	1,523,094	1,530,734	–	–	–
Other receivables	**65,093**	65,251	134,703	**979**	4,533	5,153
Accrued income	**316,127**	305,592	273,750	–	–	–
Deposits	**27,651**	67,424	31,199	**1,080**	342	342
Interest receivable	**4,811**	7,527	1,871	**339**	154	146
Prepayments	**126,924**	308,580	103,955	**1,313**	2,108	1,334
	2,138,239	2,277,468	2,076,212	**3,711**	7,137	6,975

Receivables from associate comprises of three loan notes to the associate. The notes have been issued by the associate in accordance to a loan note facility agreement. These receivables will mature in October 2030. Contingent interests are receivable on loan notes to the extent that there is sufficient available cash. In the event that cash is insufficient, interest will be accrued.

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

* A subsidiary of the Group had entered into a Gas Supply Agreement ('GSA') on 15 March 1993. Under this agreement, the price of gas to be supplied is calculated by reference to a market price-related formula. However, since 1 May 1997, the Government of Malaysia has fixed the price of gas and accordingly, the market price-related formula applicable under the GSA has not been used by the gas supplier. As a consequence, a dispute arose over whether a discount provided for under the market price-related formula was applicable under the GSA. The Government of Malaysia had on 12 May 2005 informed the subsidiary that the discount should be reinstated with effect from 1 January 2002. However, contrary to the decision of the Government, the gas supplier advised the subsidiary that effective from 1 January 2002 the discount has been withdrawn.

Consequently, as at 30 June 2013, the amount paid to the gas supplier which was made under protest is due and owing to the subsidiary. The Directors have obtained legal advice on the matter and based on the advice received believe that the amounts are fully recoverable. Appropriate action has been and will continue be taken to recover the said sum.

Credit terms of trade receivables average at 30 days (2012: 30 days). The Group's historical experience in collecting trade receivables falls largely within this period. On this basis, the Directors believe that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

The ageing analysis of the Group's receivables (excluding prepayments) is as follows:

	30.6.2013 RM'000	**30.6.2012 RM'000**	**1.7.2011 RM'000**
Neither past due nor impaired	**1,963,206**	1,967,304	1,735,879
1 to 90 days past due not impaired	**140,117**	125,443	112,702
91 to 120 days past due not impaired	**75,432**	104,893	31,688
More than 120 days past due not impaired	**378,772**	420,544	378,479
Total past due not impaired	**594,321**	650,880	522,869
	2,557,527	2,618,184	2,258,748

The ageing analysis of the Company's receivable (excluding prepayments) is as follows:

	30.6.2013 RM'000	**30.6.2012 RM'000**	**1.7.2011 RM'000**
Neither past due nor impaired	**2,398**	5,029	5,641

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit ratings (where available) as follows:

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
With credit ratings (Moody's/RAM):						
– AAA	**134,637**	114,012	115,202	–	–	–
– P1	**4,168**	7,527	1,871	**339**	154	146
Without external credit ratings	**1,824,401**	1,845,765	1,618,806	**2,059**	4,875	5,495
	1,963,206	1,967,304	1,735,879	**2,398**	5,029	5,641

Receivables without external rating reflect the economic prosperity of the commercial and domestic counterparties across their respective region. These receivables are generally due from counterparties with good payment history.

Receivables amounting to RM116.5 million (2012: RM123.8 million) are secured by financial guarantees given by banks and RM11.9 million (2012: RM39.4 million) are secured by cash collateral.

Movements on the Group's and Company's allowance for impairment of receivables are as follows:

	Group Trade receivables		Group Other receivables	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**163,916**	112,187	–	33,412
Exchange differences	**(4,160)**	3,858	–	–
Written off during the year as uncollectible	**(31,702)**	–	–	(33,412)
Allowance for impairment of receivables (net of reversals)	**57,071**	47,871	**102,605**	–
At 30 June	**185,125**	163,916	**102,605**	–

	Company Other receivables	
	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	–	33,412
Written off during the financial year as uncollectible	–	(33,412)
Allowance for impairment of receivables (net of reversals)	–	–
At 30 June	–	–

The impaired receivables are from counterparties in financial difficulties. These receivables are not secured by collateral or credit enhancements.

The fair value of receivables approximate their carrying amounts.

19 INVENTORIES

Inventories comprise:

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
At cost			
Finished goods	**31,798**	33,669	30,155
Spare parts	**141,871**	138,166	135,875
Raw materials	**14,368**	15,576	14,322
Work in progress	**30,873**	35,170	25,190
Fuel	**270,278**	323,167	324,808
At fair value less cost to sell			
Fuel	**37,137**	1,922	2,030
	526,325	547,670	532,380

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RM1,498 million (2012: RM1,788 million).

20 DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	Contract/ Notional amount RM'000	fair value Assets RM'000	fair value Liabilities RM'000
30.6.2013			
Cash flows hedges:			
– Fuel oil swaps	**1,889,283**	**5,140**	**(60,069)**
– Currency forwards	**1,955,169**	**35,088**	**(1,828)**
– Interest rate swaps	**431,922**	**–**	**(12,653)**
Fair value through profit or loss:			
– Fuel oil swaps	**376,657**	**4,208**	**(2,937)**
– Currency forwards	**109,795**	**1,068**	**(57)**
		45,504	**(77,544)**
Current portion		**37,654**	**(61,282)**
Non-current portion		**7,850**	**(16,262)**
		45,504	**(77,544)**

20 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Group	Contract/ Notional amount RM'000	fair value Assets RM'000	fair value Liabilities RM'000
30.6.2012			
Cash flows hedges:			
– Fuel oil swaps	2,275,887	40,734	(235,311)
– Currency forwards	2,349,746	25,649	(15,483)
– Interest rate swaps	508,686	–	(42,545)
Fair value through profit or loss:			
– Fuel oil swaps	477,935	13,129	(36,785)
– Currency forwards	39,085	141	(2)
		79,653	(330,126)
Current portion		75,856	(284,648)
Non-current portion		3,797	(45,478)
		79,653	(330,126)
1.7.2011			
Cash flows hedges:			
– Fuel oil swaps	1,152,633	78,646	(6,193)
– Currency forwards	1,484,390	734	(30,503)
– Interest rate swaps	614,425	–	(55,527)
Fair value through profit or loss:			
– Fuel oil swaps	1,013,275	18,193	(19,121)
– Currency forwards	520,488	942	(2,797)
		98,515	(114,141)
Current portion		95,904	(94,152)
Non-current portion		2,611	(19,989)
		98,515	(114,141)

The changes in fair value that arose from fair value through profit or loss and the ineffective portion of cash flows hedges during the financial year that were recognised in the Income Statement amounted to a gain of RM25.7 million (2012: loss of RM20.6 million) and a gain of RM0.1 million (2012: loss of RM5.3 million) respectively.

20 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Financial period when the cash flows on cash flow hedges are expected to occur or affect the Income Statement:

(a) Fuel oil swaps

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of fuels upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently recognised in the Income Statement upon consumption of the underlying fuels.

The fair values of fuel oil swaps are determined using the active market rate.

(b) Forward foreign currency exchange

Forward foreign currency exchange are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Gains and losses 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 included in the fuel oil inventory are subsequently transferred to Income Statement upon consumption of the underlying fuels.

For those currency forwards used to hedge highly probable forecast foreign currency purchases of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in the Income Statement over their estimated useful lives as part of depreciation expense.

For those currency forwards used to hedge highly probably forecast foreign currency transactions for maintenance contracts, the gains and losses are included in payments and recognised in the Income Statement over the period of the contracts.

The fair values of forward currency contracts are determined using actively quoted forward currency rates.

(c) Interest rate swaps

Interest rate swaps are entered into to hedge floating semi-annual interest payments on borrowings. Since the borrowings are obtained specifically for the construction of property, plant and equipment, the interest on these borrowings along with the net interest on the interest swaps are capitalised. The interest payments are included in the cost of the assets and recognised in the Income Statement over their estimated useful lives as part of depreciation expense.

The fair values of interest rate swaps are calculated using the present value of the estimated future cash flows discounted at actively quoted interest-rates.

21 AMOUNTS OWING BY/(TO) IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The amounts owing by/(to) the immediate holding company and ultimate holding company relate to expenses paid on behalf of/by the Group. The outstanding amounts are unsecured, payable on demand and are interest-free.

22 AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries within 12 months are interest-free, unsecured, and payable on demand except for RM891,711,495 which bears interest rate ranging from 3.91% to 4.56% (2012: 3.86% to 3.92%). In addition, the amounts receivable within 12 months are also in respect of interests receivable on advances and operational expense payments made on behalf of subsidiaries.

The amounts payable within 12 months are in respect of advances and operational expense payments made by a subsidiary on behalf of the Company.

As at 30 June 2013, Company has given corporate guarantees of RM145,918,990 to financial institutions for letter of credit facilities utilised by its subsidiaries.

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statement of Cash Flows of the Group and the Company comprise the followings:

	Note	30.6.2013 RM'000	Group 30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	Company 30.6.2012 RM'000	1.7.2011 RM'000
Deposits with licensed banks		**9,253,613**	9,309,973	6,768,272	**665,655**	605,354	250,951
Cash and bank		**369,914**	318,012	410,477	**1,498**	12,447	6,622
Cash and bank balances		**9,623,527**	9,627,985	7,178,749	**667,153**	617,801	257,573
Bank overdrafts	27 (a)	**(71,393)**	(75,214)	(47,435)	**–**	–	–
Cash and cash equivalents		**9,552,134**	9,552,771	7,131,314	**667,153**	617,801	257,573

The range of interest rates of deposits that was effective as at the reporting date is as follows:

	Group 30.6.2013 %	Group 30.6.2012 %	Company 30.6.2013 %	Company 30.6.2012 %
Deposits with licensed banks	**0.05 – 3.7**	0.06 – 4.68	**3.0 – 3.38**	2.50 – 3.40

Deposits of the Group and the Company have maturity ranging from 1 day to 30 days (2012: 1 day to 30 days).

Bank balances are deposits held at call with banks.

The Group seeks to invest cash and cash equivalents safely and profitably with creditworthy local and offshore licensed banks. The local and offshore licensed banks have a credit rating of P1 as rated by RAM Rating Services Bhd and Moody's Investors Service, Inc respectively.

24 SHARE CAPITAL

	Group and Company	
	30.6.2013 RM'000	30.6.2012 RM'000
Authorised:		
At the beginning and end of the financial year: – 22,730,000,000 ordinary shares of RM0.50 each	**11,365,000**	11,365,000
Issued and fully paid:		
At the beginning of the financial year: – 7,328,256,777 (2012: 7,278,994,236) ordinary shares of RM0.50 each	**3,664,128**	3,639,497
Exercise of share options: – nil (2012: 40,087,750) ordinary shares of RM0.50 each	–	20,044
Exercise of share warrants: – 9,810,485 (2012: 9,174,791) ordinary shares of RM0.50 each	**4,906**	4,587
At the end of the financial year: – 7,338,067,262 (2012: 7,328,256,777) ordinary shares of RM0.50 each	**3,669,034**	3,664,128

The issued and fully paid up share capital of the Company was increased from RM3,664,128,388 to RM3,669,033,631 following the exercise of 9,810,485 Warrants at an exercise price of RM1.21 per Warrant on the basis of one (1) new ordinary share for every one (1) Warrant. The new ordinary shares of 50 sen each rank pari passu in all respects with the existing issued shares of the Company.

Of the total 7,338,067,262 (2012: 7,328,256,777) issued and fully paid ordinary shares at 30 June 2013, the Company holds 235,821,645 (2012: 56,724,945) shares as treasury shares. As at 30 June 2013, the number of ordinary shares in issue and fully paid after offsetting treasury shares are 7,102,245,617 (2012: 7,271,531,832).

(a) Warrants 2008/2018

On 18 April 2008, the Company issued 1,776,371,304 detachable warrants ('Warrant') to its registered shareholders.

The Warrants were constituted under a Deed Poll dated 5 May 2008 and each Warrant entitles its registered shareholder to subscribe for one (1) new ordinary share of RM0.50 each in the Company at the exercise price of RM1.25 payable in cash. The exercise price is subject to adjustments in accordance with the basis set out in the deed poll.

Effective from 22 September 2008, the exercise price of Warrant was adjusted from RM1.25 to RM1.21 pursuant to the share dividend of one (1) treasury share for every forty (40) existing ordinary shares of 50 sen each.

The Warrants may be exercised at any time commencing on the date of issue of Warrants on 12 June 2008 but not later than 11 June 2018. Any Warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

24 SHARE CAPITAL (CONTINUED)

(a) Warrants 2008/2018 (continued)

The total numbers of Warrants that remain unexercised are as follows:

	Group and Company '000
At 1 July 2011	1,184,765
Exercise of Warrants	(9,175)
At 30 June 2012	1,175,590
At 1 July 2012	**1,175,590**
Exercise of Warrants	**(9,810)**
At 30 June 2013	**1,165,780**

(b) Employees' Share Option Scheme 2001 ("ESOS")

The Company implemented an Employees' Share Option Scheme 2001 ("ESOS 2001") which came into effect on 30 November 2001 for a period of ten (10) years. The ESOS 2001 is governed by the By-Laws which were approved by the shareholders on 16 October 2011. The ESOS 2001 has expired during last financial year.

Value of employee services received for issue of share options:

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Share option expenses	–	385	–	385
Allocation to subsidiaries	–	–	–	(385)
Total share option expenses	–	385	–	–

(c) Employees' Share Option Scheme 2011 ("ESOS")

On 1 April 2011, the Company implemented a new share issuance scheme known as the Employees Share Option Scheme which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 30 November 2010. The ESOS is 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 ("By-Laws"). The salient terms of the ESOS are as follows:

(i) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under the ESOS shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at the point of time throughout the duration of the ESOS.

24 SHARE CAPITAL (CONTINUED)

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

(ii) Any employee (including the Directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer of an option ('Offer Date'), the person:

(a) has attained the age of eighteen (18) years;

(b) is a Director or an employee employed by and on payroll of a company within the Group; and

(c) in the case of employees, has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The Options Committee (as defined in the By-Laws) may, at its discretion, nominate any employee (including Directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 3.1(iii) of the By-Laws not being met, at any time and from time to time.

(iii) The subscription price for shares under the ESOS shall be determined by the Board of Directors of the Company upon recommendation of the Options Committee and shall be fixed based on the higher of the following:

(a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) market days immediately preceding the Offer Date (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 Malaysia Securities Berhad, or any other relevant authorities as amended from time to time; or

(b) the par value of the shares (or such other par value as may be permitted by the provision of the Companies Act, 1965).

(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 financial period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to By-Laws 10 and 11, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date or such other period as may be determined by the Options Committee at its absolute discretion, by notice in writing to the Options Committee, provided however that the Options Committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(v) A grantee shall be prohibited from disposing of the new ordinary shares of the Company allotted and issued to him for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the Options Committee at its absolute discretion.

(vi) The person to whom the option has been granted has no right to participate by virtue of the option in any share of any other company.

24 SHARE CAPITAL (CONTINUED)

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

The movement during the financial year in the number of share option of the Company are as follows:

Financial year ended 30 June 2013

			Number of share options				
Grant date	Expiry date	Exercise price RM/share	At start of the financial year '000	Granted '000	(Exercised) '000	(Lapsed) '000	At end of the financial year '000
01.06.2012	31.03.2021	1.49	107,914	–	–	(10,171)	97,743
01.06.2012	31.03.2021	1.65	47,577	–	–	(6,478)	41,099
			155,491	**–**	**–**	**(16,649)**	**138,842**

The fair value of options granted in which MFRS 2 applies, were determined using the Trinomial Valuation model.

Value of employee services received for issue of share options:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Share option expenses	**9,443**	796	**9,443**	796
Allocation to subsidiaries	**–**	–	**(7,741)**	(627)
Total share option expenses	**9,443**	796	**1,702**	169

	Group 2013
Valuation assumptions:	
Weighted average share price at date of grant (per share)	**RM1.63**
Expected volatility	**21.21%**
Expected dividend yield	**5.56%**
Expected option life	**3 years**
Risk-free interest rate per annum (based on Malaysian securities bonds)	**3.14%**

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

There were no grants vested during the financial year.

25 RESERVES

(a) Other reserves (Group)

	Capital redemption reserve[1] RM'000	Capital reserve RM'000	Available-for-sale reserve RM'000	Hedging reserve RM'000	Statutory reserve[2] RM'000	Share option reserve RM'000	Warrant reserve RM'000	Total other reserves RM'000
At 1 July 2012	**20,000**	**912**	**53,280**	**(216,887)**	**27,235**	**796**	**117,560**	**2,896**
Exchange differences	**–**	**(3)**	**–**	**2,182**	**(94)**	**–**	**–**	**2,085**
Fair value gain	**–**	**–**	**11,248**	**65,276**	**–**	**–**	**–**	**76,524**
Reclassification	**–**	**–**	**(11,735)**	**100,452**	**–**	**–**	**–**	**88,717**
Share option expenses	**–**	**–**	**–**	**–**	**–**	**9,443**	**–**	**9,443**
Conversion of warrants	**–**	**–**	**–**	**–**	**–**	**–**	**(981)**	**(981)**
At 30 June 2013	**20,000**	**909**	**52,793**	**(48,977)**	**27,141**	**10,239**	**116,579**	**178,684**
At 1 July 2011	20,000	1,512	58,752	28,315	45,135	16,971	118,477	289,162
Exchange differences	–	48	–	(390)	1,443	–	–	1,101
Fair value loss	–	–	(5,472)	(350,494)	–	–	–	(355,966)
Reclassification	–	–	–	105,682	–	–	–	105,682
Share option expenses	–	–	–	–	–	1,181	–	1,181
Share options exercised	–	–	–	–	–	(7,257)	–	(7,257)
Share option lapsed	–	–	–	–	–	(10,099)	–	(10,099)
Conversion of warrants	–	–	–	–	–	–	(917)	(917)
Dilution of interest in subsidiary	–	(648)	–	–	(19,343)	–	–	(19,991)
At 30 June 2012	20,000	912	53,280	(216,887)	27,235	796	117,560	2,896

(a) Other reserves (Company)

	Available-for-sale reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Total other reserves RM'000
At 1 July 2012	**41,530**	**796**	**117,560**	**159,886**
Fair value gain	**11,250**	**–**	**–**	**11,250**
Share option expenses	**–**	**9,443**	**–**	**9,443**
Conversion of warrants	**–**	**–**	**(981)**	**(981)**
At 30 June 2013	**52,780**	**10,239**	**116,579**	**179,598**
At 1 July 2011	44,521	16,971	118,477	179,969
Fair value loss	(2,991)	–	–	(2,991)
Share options exercised	–	(7,257)	–	(7,257)
Share option expenses	–	1,181	–	1,181
Share option lapsed	–	(10,099)	–	(10,099)
Conversion of warrants	–	–	(917)	(917)
At 30 June 2012	41,530	796	117,560	159,886

Note:
[1] Capital redemption reserve has been set up for purposes of redemption of preference shares in a subsidiary.
[2] This represents reserves which need to be set aside pursuant to local statutory requirement of a foreign associated company.

25 RESERVES (CONTINUED)

(b) Treasury shares

The shareholders of the Company, by a resolution passed in the 16th Annual General Meeting held on 27 November 2012, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 179,096,700 (2012: 200) of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.51 per share (2012: RM2.29 per share). The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

26 DEFERRED TAXATION

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

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Deferred tax liabilities, net	**2,184,677**	2,374,003	2,482,397	**65**	35	26

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Deferred tax liabilities	**2,184,677**	2,374,003	**65**	35
At 1 July	**2,374,003**	2,482,397	**35**	26
Exchange differences	**(40,895)**	48,679	**–**	–
(Credited)/Charged to Income Statement	**(148,431)**	(157,073)	**30**	9
At 30 June	**2,184,677**	2,374,003	**65**	35

26 DEFERRED TAXATION (CONTINUED)

The gross movement on the deferred income tax account is as follows: (continued)

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Subject to income tax				
Deferred tax assets before offsetting:				
– Retirement benefits	**75,536**	85,423	–	–
– Provision	**31,654**	45,346	–	–
– Others	**16**	–	–	–
	107,206	130,769	–	–
Offsetting	**(107,206)**	(130,769)	–	–
Deferred tax assets after offsetting	–	–	–	–
Deferred tax liabilities before offsetting:				
– Property, plant and equipment	**2,278,148**	2,491,114	**65**	35
– Others	**13,735**	13,658	–	–
	2,291,883	2,504,772	**65**	35
Offsetting	**(107,206)**	(130,769)	–	–
Deferred tax liabilities after offsetting	**2,184,677**	2,374,003	**65**	35

27 BORROWINGS

		Group			Company		
	Note	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Current							
Bank overdrafts	27(a),23	**71,393**	75,214	47,435	–	–	–
Bonds	27(b)	**850,000**	615,500	470,000	**550,000**	315,500	470,000
Commercial papers		–	–	150,000	–	–	150,000
Committed bank loans	27(c)	**17,434**	22,620	26,943	–	–	–
Finance lease	27(d)	**39,845**	37,304	159,035	–	–	–
Revolving credit	27(e)	**900,000**	1,150,430	1,882,725	–	–	300,000
Term loans	27(f)	–	7,397,315	3,746,135	–	–	–
		1,878,672	9,298,383	6,482,273	**550,000**	315,500	920,000

27 BORROWINGS (CONTINUED)

	Note	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000	Group 1.7.2011 RM'000	Company 30.6.2013 RM'000	Company 30.6.2012 RM'000	Company 1.7.2011 RM'000
Non-current							
Bonds	27(b)	**11,457,982**	10,730,773	10,046,014	**3,741,652**	3,188,276	3,473,984
Committed bank loans	27(c)	–	–	11,506	–	–	–
Finance lease	27(d)	**211,924**	260,367	165,210	–	–	–
Revolving credit	27(e)	–	–	983,080	–	–	–
Term loans	27(f)	**9,248,502**	2,696,832	3,409,784	–	–	–
		20,918,408	13,687,972	14,615,594	**3,741,652**	3,188,276	3,473,984
Total							
Bank overdrafts	27(a),23	**71,393**	75,214	47,435	–	–	–
Bonds	27(b)	**12,307,982**	11,346,273	10,516,014	**4,291,652**	3,503,776	3,943,984
Commercial papers		–	–	150,000	–	–	150,000
Committed bank loans	27(c)	**17,434**	22,620	38,449	–	–	–
Finance lease	27(d)	**251,769**	297,671	324,245	–	–	–
Revolving credit	27(e)	**900,000**	1,150,430	2,865,805	–	–	300,000
Term loans	27(f)	**9,248,502**	10,094,147	7,155,919	–	–	–
		22,797,080	22,986,355	21,097,867	**4,291,652**	3,503,776	4,393,984

All borrowings of the subsidiaries are on a non-recourse basis to the Company save and except for borrowings totalling RM2,163,122,353 (2012: RM2,920,580,000), for which the Company has provided corporate guarantees to the financial institutions.

All borrowings of subsidiaries are unsecured save and except for term loans of RM6,511,180,000 (SGD2,600,000,000) in the previous financial year which was subsequently repaid during this financial year.

The weighted average annual effective interest rate of the Group and the Company for the financial year is as follows:

	Group 30.6.2013 %	Group 30.6.2012 %	Company 30.6.2013 %	Company 30.6.2012 %
Weighted average annual effective interest rate				
Bank overdrafts	**2.25**	1.90	–	–
Bonds	**4.74**	5.28	**3.96**	4.52
Committed bank loans	**1.78**	3.14	–	–
Finance lease	**1.04**	1.62	–	–
Revolving credit	**5.07**	1.30	–	–
Term loans	**1.52**	0.89	–	–

27 BORROWINGS (CONTINUED)

The financial periods in which the borrowings of the Group attain maturity are as follows:

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2013				
Bank overdrafts	**71,393**	**–**	**–**	**71,393**
Bonds	**850,000**	**299,973**	**11,158,009**	**12,307,982**
Committed bank loans	**17,434**	**–**	**–**	**17,434**
Finance lease	**39,845**	**198,226**	**13,698**	**251,769**
Revolving credit	**900,000**	**–**	**–**	**900,000**
Term loans	**–**	**6,325,817**	**2,922,685**	**9,248,502**
	1,878,672	**6,824,016**	**14,094,392**	**22,797,080**
At 30 June 2012				
Bank overdrafts	75,214	–	–	75,214
Bonds	615,500	1,118,192	9,612,581	11,346,273
Committed bank loans	22,620	–	–	22,620
Finance lease	37,304	191,039	69,328	297,671
Revolving credit	1,150,430	–	–	1,150,430
Term loans	7,397,315	1,875,066	821,766	10,094,147
	9,298,383	3,184,297	10,503,675	22,986,355
At 1 July 2011				
Bank overdrafts	47,435	–	–	47,435
Bonds	470,000	4,373,809	5,672,205	10,516,014
Commercial papers	150,000	–	–	150,000
Committed bank loans	26,943	11,506	–	38,449
Finance lease	159,035	44,455	120,755	324,245
Revolving credit	1,882,725	983,080	–	2,865,805
Term loans	3,746,135	2,728,712	681,072	7,155,919
	6,482,273	8,141,562	6,474,032	21,097,867

27 BORROWINGS (CONTINUED)

The financial periods in which the borrowings of the Company attain maturity are as follows:

Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2013				
Bonds	**550,000**	**–**	**3,741,652**	**4,291,652**
At 30 June 2012				
Bonds	315,500	1,020,000	2,168,276	3,503,776
At 1 July 2011				
Bonds	470,000	3,473,984	–	3,943,984
Commercial papers	150,000	–	–	150,000
Revolving credit	300,000	–	–	300,000
	920,000	3,473,984	–	4,393,984

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

The fair value of the bonds of the Group and the Company as at the reporting date is as set out below:

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Medium Term Notes	**5,027,271**	4,545,984	2,302,404	**4,412,033**	3,623,911	1,384,468
3.52% Retail Price Index Guaranteed Bonds	**313,440**	361,453	325,083	**–**	–	–
5.75% Guaranteed Unsecured Bonds	**1,973,643**	2,075,365	1,790,521	**–**	–	–
5.375% Guaranteed Unsecured Bonds	**1,090,743**	1,153,092	990,999	**–**	–	–
1.75% Index Linked Guaranteed Bonds	**1,272,083**	1,312,950	1,029,909	**–**	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,134,892**	1,117,075	927,299	**–**	–	–
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,128,934**	1,117,477	918,046	**–**	–	–
2.186% Index Linked Guaranteed Bonds	**273,911**	282,521	268,359	**–**	–	–
3.00% Redeemable Non-Guaranteed Unsecured Bonds	**–**	–	2,310,553	**–**	–	2,310,553
4% Guaranteed Unsecured Bonds	**1,507,729**	1,053,733	–	**–**	–	–
	13,722,646	13,019,650	10,863,173	**4,412,033**	3,623,911	3,695,021

27 BORROWINGS (CONTINUED)

(a) Bank overdrafts

Bank overdrafts of RM71,392,782 (GBP14,708,940) (2012: RM75,214,133 (GBP15,102,027)) are unsecured loans of Wessex Water Services Limited, Wessex Water Limited and SC Technology Nederlands B.V.. The overdrafts are repayable in full on demand. All the bank overdrafts bear interest rate of 1.5% per annum.

(b) Bonds

(i) Medium Term Notes ('MTN')

The MTN of the Company were issued pursuant to:

(a) A Commercial Papers and/or Medium Term Notes issuance programme of up to RM2,000,000,000 ('CP/MTN Programme') constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007.

(b) A Medium Term Notes issuance programme of up to RM5,000,000,000 constituted by a Trust Deed and MTN Agreement, both dated 11 August 2011.

During the current financial year, the Company issued a new RM1,100,000,000 of the MTN bearing interest payable semi-annually. The facility bears interest rates ranging from 3.80% to 5.55% (2012: 3.80% to 5.55%) per annum. The MTN repaid during the financial year was RM315,500,000 (2012: RM934,500,000).

The MTN of a subsidiary were issued pursuant to a Medium Term Notes programme of up to RM1,300,000,000 constituted by a Trust Deed and Facility Agreement, both dated 9 July 2003. Interest is payable semi-annually. The facility bears interest rates ranging from 4.00% to 4.05% (2012: 3.93% to 4.05%) per annum. During the financial year MTN of RM300,000,000 has been repaid (2012: nil).

(ii) 3.52% Retail Price Index Guaranteed Bonds ('RPIG Bonds')

The RPIG Bonds 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 2013 is 6.50%, (2012: 8.68%) per annum. The RPIG Bonds will be redeemed in full by Issuer on 30 July 2023 at their indexed value together with all accrued interest.

(iii) 5.75% Guaranteed Unsecured Bonds

On 15 October 2003, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP350,000,000 nominal value 5.75% Guaranteed Unsecured Bonds due 2033 ('5.75% GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited, a subsidiary of the Group. The 5.75% GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of 5.75% GU Bonds issued amounted to GBP350,000,000, and as at 30 June 2013 GBP345,490,751 (2012: GBP345,375,188) 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.

27 BORROWINGS (CONTINUED)

(b) Bonds (continued)

(iv) 5.375% Guaranteed Unsecured Bonds

On 10 March 2005, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP200,000,000 nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ('5.375% GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The 5.375% GU Bonds are constituted under a Trust Deed dated 10 March 2005. The nominal value of 5.375% GU Bonds issued amounted to GBP200,000,000, of which GBP198,116,716 (2012: GBP198,036,108) remained outstanding as at 30 June 2013, 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.

(v) 1.75% Index Linked Guaranteed Bonds

On 31 July 2006, Wessex Water Services Finance Plc ('Issuer') issued two (2) tranches of GBP75,000,000 nominal value 1.75% Index Linked Guaranteed Bonds ('ILG Bonds 1') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds 1 were each constituted under a Trust Deed dated 31 July 2006 and are unsecured.

The ILG Bonds 1 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2013 is 4.73% (2012: 6.91%) 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.

(vi) 1.369% and 1.374% Index Linked Guaranteed Bonds

On 31 January 2007, Wessex Water Services Finance Plc ('Issuer') issued GBP75,000,000 nominal value 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value 1.374% Index Linked Guaranteed Bonds, both due 2057 ('ILG Bonds 2') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds 2 were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The ILG Bonds 2 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2013 is 4.35% (2012: 6.53%) 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.

(vii) 1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds

On 28 September 2007, Wessex Water Services Finance Plc ('Issuer') issued GBP50,000,000 nominal value 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value 1.499% Index Linked Guaranteed Bonds, all due 2058 ('ILG Bonds 3') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds 3 were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The ILG Bonds 3 bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2013 is 4.78% (2012: 5.06%) 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.

27 BORROWINGS (CONTINUED)

(b) Bonds (continued)

(viii) 2.186% Index Linked Guaranteed Bonds

On 7 September 2009, Wessex Water Services Finance Plc ('Issuer') issued GBP50,000,000 nominal value 2.186% Index Linked Guaranteed Bonds due 2039 ('ILG Bonds 4') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). The ILG Bonds 4 were constituted under a Trust Deed dated 7 September 2009 and are unsecured.

The ILG Bonds 4 bear interest semi-annually on 1 December and 1 June at an interest rate of 2.186% initially, indexed up by the inflation rate every half year. The effective interest rate as at 30 June 2013 is 4.03% (2012: 3.40%) per annum. The ILG Bonds are redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(ix) 4% Guaranteed Unsecured Bonds

On 24 January 2012, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP200,000,000 nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ('4% GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 24 January 2012. The nominal value of 4% GU Bonds issued amounted to GBP200,000,000, of which GBP197,803,224 (2012: GBP197,536,948) remained outstanding as at 30 June 2013, net of amortised fees and discount. The net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 30 August 2012, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP100,000,000 nominal value 4.00% Guaranteed Unsecured Bonds due 2021 ('4% GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 30 August 2012. The nominal value of 4% GU Bonds issued amounted to GBP100,000,000 of which GBP107,634,926 remained outstanding as at 30 June 2013, net of amortised fees and discount. The net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 4.00% per annum, payable annually on 24 September of each year. The bonds will be redeemed in full by the Issuer on 24 September 2021 at their nominal value together with all accrued interest.

The 4% GU Bonds GBP100,000,000 due 24 September 2021 were consolidated to form a single series with the 4% GU Bonds GBP200,000,000 which was issued on 24 January 2012.

(c) Committed bank loans

Committed bank loans amounted to RM17,433,971 (EUR3,591,893) (2012: RM22,620,143 (EUR5,700,000)) and are a direct obligation of Wessex Water Limited and bears an interest rate between 1.02% to 2.28% per annum.

27 BORROWINGS (CONTINUED)

(d) Finance lease

The Group finance lease of RM251,769,051 (2012: RM291,671,046) is repayable in instalments until 30 June 2019. The finance lease bears interest rates ranging from 0.91% to 3.62% per annum.

	Group		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Minimum finance lease payments:			
– Not later than 1 year	**51,901**	51,719	219,532
– Later than 1 year but not later than 5 years	**225,831**	224,046	111,135
– Later than 5 years	**14,357**	78,540	63,986
Future finance charges on finance lease	**(40,320)**	(56,634)	(70,408)
Present value of finance lease	**251,769**	297,671	324,245

(e) Revolving credit

(i) Revolving credit denominated in SGD Dollar

SGD100,000,000 Revolving Credit
YTL Utilities Holdings (S) Pte. Limited has entered into a SGD100,000,000 revolving credit facility which matures on 16 May 2013 and is guaranteed by the Company. The subsidiary has a choice to select an interest period of one, two, three or six months on the facility.

The borrowings bear an annual interest rate between 1.30% to 1.49% and are subject to annual renewal by the bank. As of 30 June 2013, this loan has been fully repaid.

(ii) Revolving credit denominated in Ringgit Malaysia

RM900,000,000 Revolving Credit
Revolving credit facilities of RM900,000,000 was obtained by a subsidiary of the Company which is guaranteed by the Company. The revolving credit bears an interest rate between 3.74% to 4.06% (2012: 3.74% to 4.06%) per annum.

(f) Term loans

(i) Term loans denominated in Great Britain Pounds

GBP175,000,000 Unsecured Term Loan
The term loans of RM849,397,500 (GBP175,000,000) (2012: RM871,570,000 (GBP175,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates between 0.76% to 1.20% per annum of the GBP100,000,000 loans and 1.13% to 1.52% per annum on the GBP75,000,000.

GBP140,000,000 Unsecured Term Loan
The term loans of RM679,518,000 (GBP140,000,000) (2012: RM697,256,000 (GBP140,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear an interest rate between 0.78% to 1.23% per annum.

27 BORROWINGS (CONTINUED)

(f) Term loans (continued)

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

GBP50,000,000 Unsecured Term Loan

The term loans of RM242,685,000 (GBP50,000,000) (2012: RM249,020,000 (GBP50,000,000)) was drawn by Wessex Water Services Limited. The loan bore an interest rate of 1.98% per annum and was fully repaid on 8 October 2012.

GBP100,000,000 Unsecured Term Loan

The term loan of RM498,040,000 (GBP100,000,000) was drawn by the subsidiary. The term loan was unsecured and guaranteed by the Company. The loan bore an interest rate between 1.17% to 1.34% per annum and was fully repaid on 19 April 2013.

(ii) Term loans denominated in US Dollar

USD400,000,000 Unsecured Term Loan

Term loans of RM1,263,122,353 (USD397,395,738) (2012: RM1,270,428,039 (USD398,315,736)) were drawn by the subsidiaries. The term loans are unsecured and are guaranteed by the Company. On 17 December 2012, the loan of USD200.0 million was fully repaid at maturity and a new loan of the same amount was drawn by the subsidiary. The loans of USD200.0 million each are repayable on 30 June 2015 and 17 December 2015 respectively. These loans bear interest rate between 1.34% to 1.90% per annum.

(iii) Term loans denominated in SGD Dollar

SGD2,600,000,000 Secured Term Loan

Term loans of SGD2,600,000,000 is secured loan of YTL PowerSeraya Pte. Limited. As at 30 June 2013, this amount has been fully repaid.

SGD380,000,000 Unsecured Term Loan

Term loans of RM947,674,351 (SGD377,108,775) is unsecured loan of YTL PowerSeraya Pte. Limited. The borrowings bear interest rate between 0.98% to 1.12% per annum and is repayable in full on 14 September 2015.

SGD1,460,000,000 Unsecured Term Loan

Term loans of RM3,629,649,778 (SGD1,444,349,295) is unsecured loan of YTL PowerSeraya Pte. Limited. The borrowings bear interest rate between 1.28% to 1.42% per annum plus swap rate per annum and is repayable in full on 14 September 2017.

SGD760,000,000 Unsecured Term Loan

Term loans of RM1,879,139,738 (SGD747,767,504) is unsecured loan of YTL PowerSeraya Pte. Limited. The borrowings bear interest rate between 1.38% to 1.52% per annum plus swap rate per annum and is repayable in full on 14 September 2019.

28 POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Group			Company		
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Defined contribution plan – Current						
Malaysia	**1,625**	1,419	932	**205**	207	208
Defined benefit plan – Non-current						
Overseas						
– United Kingdom	**326,024**	354,527	360,560	–	–	–
– Indonesia	**7,941**	7,323	6,162	–	–	–
	333,965	361,850	366,722	–	–	–

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plan – United Kingdom

A subsidiary of the Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken at 31 December 2010. This valuation was updated as at 30 June 2013 using revised assumptions.

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**354,527**	360,560
Exchange differences	**(9,027)**	2,846
Pension cost	**70,280**	83,616
Contributions and benefits paid	**(89,756)**	(92,495)
At 30 June	**326,024**	354,527

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

	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Present value of funded obligations	**2,607,480**	2,579,100	2,110,915
Fair value of plan assets	**(2,048,746)**	(1,896,536)	(1,750,355)
Status of funded plan	**558,734**	682,564	360,560
Unrecognised actuarial loss	**(232,710)**	(328,037)	–
Liability in the Statement of Financial Position	**326,024**	354,527	360,560

28 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

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

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**2,579,100**	2,110,915
Exchange differences	**(65,573)**	52,198
Interest cost	**109,649**	117,386
Current service cost	**51,258**	45,297
Contributions by scheme participants	**970**	1,467
Past service cost	**970**	1,467
Net benefits paid	**(81,994)**	(78,747)
Actuarial loss on obligation	**13,100**	329,117
Present value of defined benefit obligations, at 30 June	**2,607,480**	2,579,100

Changes in fair value of plan assets are as follows:

	2013 RM'000	2012 RM'000
At 1 July	**1,896,536**	1,750,355
Exchange differences	**(48,165)**	43,468
Expected return on plan assets	**98,490**	111,517
Contributions by employer	**89,756**	92,442
Contributions by scheme participants	**970**	1,467
Net benefits paid	**(81,994)**	(78,747)
Actuarial gain/(loss) on plan assets	**93,153**	(23,966)
Fair value of plan assets, at 30 June	**2,048,746**	1,896,536

The pension cost recognised is analysed as follows:

	2013 RM'000	2012 RM'000
Interest cost	**109,649**	117,386
Current service cost	**51,258**	45,297
Expected return on plan assets	**(98,490)**	(111,517)
Past service cost	**970**	1,467
Actuarial loss recognised	**6,893**	30,983
Total charge to income statement	**70,280**	83,616

28 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

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

	2013 RM'000	2012 RM'000
Cost of sales	**46,064**	66,056
Administrative expenses	**13,057**	11,691
Interest cost	**11,159**	5,869
Total charge to income statement	**70,280**	83,616

The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	30.6.2013 %	30.6.2012 %
Discount rate	**4.60**	4.40
Expected rate of increase in pension payment	**2.20 – 3.20**	2.10 – 2.90
Expected rate of salary increases	**4.20**	3.80
Price inflation	**3.40**	3.00

The plan assets are comprised as follows:

	30.6.2013 RM'000	30.6.2013 %	30.6.2012 RM'000	30.6.2012 %	1.7.2011 RM'000	1.7.2011 %
Equity instrument	**916,379**	44.7	857,625	45.2	829,935	47.4
Debt instrument	**911,039**	44.5	901,453	47.5	803,178	45.9
Property	**219,387**	10.7	132,478	7.0	115,296	6.6
Others	**1,941**	0.1	4,980	0.3	1,946	0.1
	2,048,746	100.0	1,896,536	100.0	1,750,355	100.0

	30.6.2013 RM'000	30.6.2012 RM'000
Actual return on plan assets	**144,448**	132,486

	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Experience adjustments on plan assets	**93,153**	(23,966)	121,203
Experience adjustments on plan liabilities	**970**	(15,162)	3,926

28 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are as presented below:

	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Obligation relating to post-employment benefits	**6,389**	5,444	4,453
Obligation relating to other long-term employee benefits	**1,552**	1,879	1,709
	7,941	7,323	6,162

The Group has a defined contribution pension fund program for its permanent national employees in Indonesia. The Group's contribution is 6% of employee basic salary, while the employees' contribution ranges from 3% to 14%.

The obligation for post-employment and other long-term employee benefits were recognised with reference to actuarial report prepared by an independent actuary. The latest actuarial report was dated 30 June 2013.

(i) Post-employment benefits obligation

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**5,444**	4,453
Exchange differences	**(316)**	(191)
Pension cost	**1,376**	1,445
Contributions and benefits paid	**(115)**	(263)
At 30 June	**6,389**	5,444

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

	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Present value of obligations	**6,025**	7,992	7,088
Unrecognised actuarial loss	**637**	(2,223)	(2,261)
Unrecognised past service cost	**(273)**	(325)	(374)
Liability in the Statement of Financial Position	**6,389**	5,444	4,453

28 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia (continued)

(i) Post-employment benefits obligation (continued)

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

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**5,444**	4,453
Exchange differences	**(316)**	(191)
Interest cost	**519**	592
Current service cost	**720**	704
Past service cost	**33**	35
Net benefits paid	**(115)**	(263)
Actuarial loss on obligation	**104**	114
Present value of defined benefit obligations, at 30 June	**6,389**	5,444

The pension cost recognised can be analysed as follows:

	2013 RM'000	2012 RM'000
Interest cost	**519**	592
Current service cost	**720**	704
Past service cost	**33**	35
Net actuarial losses	**104**	114
Total charge to Income Statement	**1,376**	1,445

(ii) Other long-term employee benefits obligation

The obligations relating to other long-term employee benefits (i.e. long leave service benefits) recognised in the Statement of Financial Position are as follows:

	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Present value of obligations	**1,552**	1,879	1,709

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**1,879**	1,709
Exchange differences	**(106)**	(69)
Pension cost	**(24)**	507
Contributions and benefits paid	**(197)**	(268)
At 30 June	**1,552**	1,879

28 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(c) Defined benefit plan – Indonesia (continued)

(ii) Other long-term employee benefits obligation (continued)

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

	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**1,879**	1,709
Exchange differences	**(106)**	(69)
Interest cost	**118**	137
Current service cost	**200**	209
Net benefits paid	**(197)**	(268)
Actuarial (gain)/loss on obligation	**(342)**	161
At 30 June	**1,552**	1,879

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

	2013 RM'000	2012 RM'000
Current service cost	**200**	209
Interest cost	**118**	137
Net actuarial (gain)/loss	**(342)**	161
	(24)	507

All of the charges above were included in the cost of sales.

The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	30.6.2013 %	30.6.2012 %
Discount rate	**7.8**	7.0
Expected rate of return on plan assets	**6.0**	8.0
Expected rate of salary increase	**8.0**	8.0

29 GRANTS AND CONTRIBUTIONS

	Group	
	30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**280,011**	256,834
Exchange differences	**(3,972)**	5,859
Received during the financial year	**29,059**	27,475
Amortisation	**(9,324)**	(10,157)
At 30 June	**295,774**	280,011

This balance represents government grant in foreign subsidiaries in respect of specific qualifying expenditure on infrastructure assets, non-infrastructure assets and a cogeneration plant.

30 PAYABLES (NON-CURRENT)

		Group	
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Deposits	**31,656**	30,170	25,877
Loan from non-controlling interest	**79,145**	79,419	–
Deferred income	**160,002**	164,055	–
	270,803	273,644	25,877

Non-current payables comprises of deposits collected from retail customers in relation to the provision of electricity, deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure and deferred income in relation to assets transferred from customers.

31 PAYABLES AND ACCRUED EXPENSES (CURRENT)

		Group			Company	
	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000	30.6.2013 RM'000	30.6.2012 RM'000	1.7.2011 RM'000
Trade payables	**1,012,139**	1,054,824	966,277	–	–	–
Duties and taxes payable	**15,768**	42,490	14,778	–	–	–
Accrued expenses	**747,222**	572,567	487,710	**1,050**	920	23,960
Receipts in advance	**193,536**	182,903	161,533	–	–	–
Dividends payable	–	–	135,418	–	–	135,418
Other payables	**192,668**	265,818	441,510	**55,073**	41,349	–
Security deposits	**59,267**	112,884	116,985	–	–	–
Deferred income	**133,166**	88,842	–	–	–	–
	2,353,766	2,320,328	2,324,211	**56,123**	42,269	159,378

Credit terms of trade payables granted to the Group range from 30 to 60 days (2012: 30 to 60 days).

32 PROVISION FOR LIABILITIES AND CHARGES

	Group 30.6.2013 RM'000	30.6.2012 RM'000
At 1 July	**772**	20,099
Exchange differences	**(20)**	(44)
Charge/(Credited) during the financial year	**1,206**	(17,279)
Payment	**(1,089)**	(2,004)
At 30 June	**869**	772

The provision for liabilities and charges relate to the scaling down of operations of certain subsidiaries of the Group.

33 AMOUNTS OWING BY/(TO) FELLOW SUBSIDIARIES

The amounts owing by/(to) fellow subsidiaries are unsecured, interest-free and payable on demand. The amounts owing by/(to) fellow subsidiaries principally relate to operation and maintenance expenses of power plant of a subsidiary and expenses paid on behalf of the Company.

34 FINANCIAL RISK MANAGEMENT

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

(a) Market risk

(i) 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 Britain Pounds and Singapore Dollars. The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables and on cash flows generated from anticipated transactions denominated in foreign currencies.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign currency exchange risk (continued)

The following table illustrates the effects on the Group's net assets resulting from currency fluctuations (on the basis all other variables remain constant).

Group	Increase/(Decrease) in Net assets 30.6.2013 RM'000	30.6.2012 RM'000
5% changes on GBP exchange rate	**166,894**	85,553
5% changes on SGD exchange rate	**320,466**	228,227

There is no significant exposure to foreign currency exchange risk at the Company level.

(ii) Interest rate risk

Interest rate exposure arises from the Group's and the Company's borrowings, deposits, short-term investments, and the interest-bearing advances to subsidiaries of the Company. It is managed through the use of fixed and floating rate debts and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

Borrowings issued at variable rates expose the Group to cash flows interest rate risk. However, it is partially offset by the interest income accruing on fixed deposits.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date, were:

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Fixed rate instruments				
Financial liabilities	**12,311,475**	11,383,901	**4,291,652**	3,503,776
Variable rate instruments				
Financial assets	**9,253,613**	9,309,973	**1,557,366**	784,911
Financial liabilities	**10,485,605**	11,602,454	**–**	–

At the reporting date, if annual interest rates had been 50 basis points higher/lower respectively, with all other variables in particular foreign exchange rates and tax rates being held constant, the profit after tax will be lower/higher by RM52.4 million (2012: RM57.4 million) as a result of increase/decrease in interest expense on these variable rate borrowings.

The excess funds of the Group are invested in bank deposits and other short-term instruments. The Group manages its 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 for the financial year would increase/decrease by RM9.3 million (2012: RM3.7 million).

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Price risk

Investments
The Group is exposed to equity securities price risk arising from investments held by the Group and classified on the Statement of Financial Position as available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The Group's investments are measured at fair value. The impact of an increase/decrease on the fair value to the Group's net assets is approximately RM5.4 million (2012: RM11.4 million). This analysis is based on a 10% increase or decrease in the fair value of these investments as at the reporting date, with all other variables remaining constant.

Fuel commodity price risk
The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

Exposure to price fluctuations arising from the purchase of fuel is managed via fuel oil swaps where the price of fuel is indexed to a benchmark fuel price index, for example 180 CST fuel oil. As at 30 June 2013, if the forward fuel oil price curve increased/decreased by 1% (2012: 2%), the profit before taxation would be lower/higher by RM0.2 million (2012: RM2.7 million) for the Group.

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counter party to settle their obligations to the Group. Credit risk of the Group arises mainly from trade receivables, fixed deposits, short-term investments and derivative financial instruments.

The Group seeks to invest cash assets safely and profitably with creditworthy institutions. All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

In the Group's power generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counterparty risk is considered to be minimal. As for the Group's power generation business in Singapore, credit reviews are performed on all customers with established credit limits and supported by collateral in the form of guarantees. For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In addition, the Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

At the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the Statement of Financial Position.

Intercompany balances
The Company provides unsecured advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Company monitors the results of the subsidiaries regularly. As at 30 June 2013, the maximum exposure to credit risk is represented by their carrying amounts in the Statement of Financial Position.

Management has taken reasonable steps to ensure that intercompany receivables are stated at the realisable values. As at 30 June 2013, there was no indication that the advances extended to the subsidiaries are not recoverable.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient bank deposits and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual payments:

Group	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
30.6.2013				
Non-derivative financial liabilities				
Bonds and borrowings	**2,592,319**	**9,708,400**	**27,189,251**	**39,489,970**
Trade and other payables	**2,082,511**	**110,801**	**–**	**2,193,312**
Derivative financial liabilities				
Net – Interest rate swaps	**9,532**	**3,121**	**–**	**12,653**
Gross – Fuel oil swaps	**50,262**	**12,744**	**–**	**63,006**
Gross – Currency forwards	**1,488**	**397**	**–**	**1,885**
	4,736,112	**9,835,463**	**27,189,251**	**41,760,826**
30.6.2012				
Non-derivative financial liabilities				
Bonds and borrowings	9,987,911	5,711,598	34,490,528	50,190,037
Trade and other payables	2,156,885	109,589	–	2,266,474
Derivative financial liabilities				
Net – Interest rate swaps	14,803	27,742	–	42,545
Gross – Fuel oil swaps	255,426	16,670	–	272,096
Gross – Currency forwards	14,419	1,066	–	15,485
	12,429,444	5,866,665	34,490,528	52,786,637
1.7.2011				
Non-derivative financial liabilities				
Bonds and borrowings	7,029,346	10,242,862	33,922,698	51,194,906
Trade and other payables	2,251,772	25,877	–	2,277,649
Derivative financial liabilities				
Net – Interest rate swaps	36,934	10,227	8,366	55,527
Gross – Fuel oil swaps	25,314	–	–	25,314
Gross – Currency forwards	31,904	1,386	10	33,300
	9,375,270	10,280,352	33,931,074	53,586,696

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Company	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
30.6.2013				
Non-derivative financial liabilities				
Bonds and borrowings	**727,745**	**752,260**	**4,042,301**	**5,522,306**
Trade and other payables	**61,517**	**–**	**–**	**61,517**
	789,262	**752,260**	**4,042,301**	**5,583,823**
30.6.2012				
Non-derivative financial liabilities				
Bonds and borrowings	468,353	1,146,567	2,769,430	4,384,350
Trade and other payables	283,986	–	–	283,986
	752,339	1,146,567	2,769,430	4,668,336
1.7.2011				
Non-derivative financial liabilities				
Bonds and borrowings	1,103,028	3,700,320	–	4,803,348
Trade and other payables	210,344	–	–	210,344
	1,313,372	3,700,320	–	5,013,692

(d) Capital risk

The Group and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There are external debt covenants applicable to the Group and the Company which are not onerous and the obligation can be fulfilled. As part of its capital management, the Group monitors that these covenants have been complied with. In addition, consistent with others in the industry, the Group and the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Statement of Financial Position plus net debt.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Total bonds and borrowings (Note 27)	**22,797,080**	22,986,355	**4,291,652**	3,503,776
Less: Fixed deposits, cash and bank balances	**(9,623,527)**	(9,627,985)	**(667,153)**	(617,801)
Net debt	**13,173,553**	13,358,370	**3,624,499**	2,885,975
Total equity	**10,288,981**	9,633,291	**8,694,065**	8,637,788
Total capital	**23,462,534**	22,991,661	**12,318,564**	11,523,763
Gearing ratio	**56%**	58%	**29%**	25%

To strengthen the capital structure of the Company, all borrowings of subsidiaries are on a non-recourse basis to the Company save and except for those borrowings guaranteed by the Company as set out in Note 27 to the financial statements.

(e) Fair value measurement

The Group measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

(a) Level 1 – quoted price (unadjusted) in active market for identical assets or liabilities;

(b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and

(c) Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurement (continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30.6.2013				
Assets				
Financial assets at fair value through profit and loss:				
– Trading derivatives	**–**	**5,276**	**–**	**5,276**
Available-for-sale	**53,802**	**137,366**	**4,422**	**195,590**
Derivatives used for hedging	**–**	**40,228**	**–**	**40,228**
Total assets	**53,802**	**182,870**	**4,422**	**241,094**
Liabilities				
Financial liabilities at fair value through profit or loss:				
– Trading derivatives	**–**	**2,994**	**–**	**2,994**
Derivatives used for hedging	**–**	**74,550**	**–**	**74,550**
Total liabilities	**–**	**77,544**	**–**	**77,544**
30.6.2012				
Assets				
Financial assets at fair value through profit and loss:				
– Trading derivatives	–	13,270	–	13,270
– Trading equity securities	64,336	–	–	64,336
Available-for-sale	113,559	–	2,962	116,521
Derivatives used for hedging	–	66,383	–	66,383
Total assets	177,895	79,653	2,962	260,510
Liabilities				
Financial liabilities at fair value through profit or loss:				
– Trading derivatives	–	36,787	–	36,787
Derivatives used for hedging	–	293,339	–	293,339
Total liabilities	–	330,126	–	330,126

35 FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides an analysis of the Group's financial instruments categorised as follows:

Group	Loans and receivables RM'000	Assets at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Available-for-sale RM'000	Total RM'000
30.6.2013					
Assets as per Statement of Financial Position					
Available-for-sale financial assets	–	–	–	**195,590**	**195,590**
Derivative financial instruments	–	**5,276**	**40,228**	–	**45,504**
Trade and other receivables[1]	**2,557,484**	–	–	–	**2,557,484**
Cash and bank balances	**9,623,527**	–	–	–	**9,623,527**
	12,181,011	**5,276**	**40,228**	**195,590**	**12,422,105**
30.6.2012					
Assets as per Statement of Financial Position					
Available-for-sale financial assets	–	–	–	116,521	116,521
Financial assets at fair value through profit or loss	–	64,336	–	–	64,336
Derivative financial instruments	–	13,270	66,383	–	79,653
Trade and other receivables[1]	2,616,836	–	–	–	2,616,836
Cash and bank balances	9,627,985	–	–	–	9,627,985
	12,244,821	77,606	66,383	116,521	12,505,331
1.7.2011					
Assets as per Statement of Financial Position					
Available-for-sale financial assets	–	–	–	170,304	170,304
Financial assets at fair value through profit or loss	–	82,967	–	–	82,967
Investment in preference shares	492,705	–	–	–	492,705
Derivative financial instruments	–	19,135	79,380	–	98,515
Trade and other receivables[1]	2,259,398	–	–	–	2,259,398
Cash and bank balances	7,178,749	–	–	–	7,178,749
	9,930,852	102,102	79,380	170,304	10,282,638

35 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Group's financial instruments categorised as follows: (continued)

Group	Liabilities at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
30.6.2013				
Liabilities as per Statement of Financial Position				
Bonds and borrowings excluding finance lease liabilities	**–**	**–**	**22,545,311**	**22,545,311**
Derivative financial instruments	**2,994**	**74,550**	**–**	**77,544**
Trade and other payables[2]	**–**	**–**	**2,193,312**	**2,193,312**
	2,994	**74,550**	**24,738,623**	**24,816,167**
30.6.2012				
Liabilities as per Statement of Financial Position				
Bonds and borrowings excluding finance lease liabilities	–	–	22,688,684	22,688,684
Derivative financial instruments	36,787	293,339	–	330,126
Trade and other payables[2]	–	–	2,266,474	2,266,474
	36,787	293,339	24,955,158	25,285,284
1.7.2011				
Liabilities as per Statement of Financial Position				
Bonds and borrowings excluding finance lease liabilities	–	–	20,773,622	20,773,622
Derivative financial instruments	21,918	92,223	–	114,141
Trade and other payables[2]	–	–	2,277,649	2,277,649
	21,918	92,223	23,051,271	23,165,412

35 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Company's financial instruments categorised as follow:

Company	Loans and receivables RM'000	Assets at fair value through profit or loss RM'000	Available-for-sale RM'000	Total RM'000
30.6.2013				
Assets as per Statement of Financial Position				
Available-for-sale financial assets	**–**	**–**	**191,152**	**191,152**
Trade and other receivables[1]	**915,691**	**–**	**–**	**915,691**
Cash and bank balances	**667,153**	**–**	**–**	**667,153**
	1,582,844	**–**	**191,152**	**1,773,996**
30.6.2012				
Assets as per Statement of Financial Position				
Available-for-sale financial assets	–	–	96,265	96,265
Financial assets at fair value through profit or loss	–	64,336	–	64,336
Trade and other receivables[1]	370,865	–	–	370,865
Cash and bank balances	617,801	–	–	617,801
	988,666	64,336	96,265	1,149,267
1.7.2011				
Assets as per Statement of Financial Position				
Available-for-sale financial assets	–	–	99,256	99,256
Financial assets at fair value through profit or loss	–	82,967	–	82,967
Trade and other receivables[1]	981,453	–	–	981,453
Cash and bank balances	257,573	–	–	257,573
	1,239,026	82,967	99,256	1,421,249

35 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Company's financial instruments categorised as follow: (continued)

Company	Liabilities at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
30.6.2013				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	–	–	**4,291,652**	**4,291,652**
Trade and other payables[2]	–	–	**61,517**	**61,517**
	–	–	**4,353,169**	**4,353,169**
30.6.2012				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	–	–	3,503,776	3,503,776
Trade and other payables[2]	–	–	283,986	283,986
	–	–	3,787,762	3,787,762
1.7.2011				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	–	–	4,393,984	4,393,984
Trade and other payables[2]	–	–	210,344	210,344
	–	–	4,604,328	4,604,328

[1] *Prepayments and tax recoverable are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments*

[2] *Statutory liabilities, deferred income and receipts in advance are excluded from the trade and other payables balance, as this analysis is required only for financial instruments*

36 COMMITMENTS

(a) Capital commitments

	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000
Contracted, but not provided for	**1,558,025**	1,473,538

The above commitments comprise purchase of spare parts and property, plant and equipment.

(b) Operating lease arrangements

(i) The Group as lessee

The future minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are analysed as follows:

	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000
Lease rental on sublease of office space:		
– Not later than 1 year	**81,771**	68,836
– Later than 1 year but not later than 5 years	**230,361**	178,201
– Later than 5 years	**129,729**	136,455

(ii) The Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables are analysed as follows:

	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000
Lease rental income:		
Not later than 1 year	**11,871**	23,576

In addition, the payments receivables under the PPA which are classified as operating lease are as follows:

	Group 30.6.2013 RM'000	Group 30.6.2012 RM'000
Not later than 1 year	**420,960**	444,510
Later than 1 year but not later than 5 years	**532,894**	953,855

The future minimum lease receivables are an estimate as they include minimum lease payments and other elements.

37 SEGMENTAL INFORMATION

The Group has five reportable segments as described below:

(i) Power generation (Contracted)
(ii) Multi utilities business (Merchant)
(iii) Water and sewerage
(iv) Mobile broadband network
(v) Investment holding activities

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

At 30 June 2013	Power generation (Contracted) RM'000	Multi utilities business (Merchant)#1 RM'000	Water and sewerage RM'000	Mobile broadband network RM'000	Investment holding activities RM'000	Group RM'000
Revenue						
Total revenue	1,118,904	11,656,915	2,507,191	465,719	191,988	15,940,717
Inter segment elimination	–	–	–	(1,831)	(102,893)	(104,724)
External revenue	1,118,904	11,656,915	2,507,191	463,888	89,095	15,835,993
Results						
Dividend income	81	–	–	–	–	81
Share of profits of associates	–	–	–	–	355,894	355,894
Interest income	7,266	989	10,863	1,465	8	20,591
Finance cost	42,700	87,677	414,510	46,240	210,279	801,406
Segment profit/(loss)	157,788	727,968	671,774	(277,183)	49,076	1,329,423
Other segment items						
Capital expenditures	1,243	18,273	1,022,683	473,712	690	1,516,601
Depreciation	332,950	331,500	433,905	97,476	300	1,196,131
Segment assets						
Investment in associates and joint venture	–	–	–	1,739	1,717,101	1,718,840
Other segment assets	1,890,700	11,071,968	13,405,226	2,210,122	8,629,404	37,207,420
	1,890,700	11,071,968	13,405,226	2,211,861	10,346,505	38,926,260
Segment liabilities						
Borrowings	599,973	6,456,464	9,282,376	903,493	5,554,774	22,797,080
Other segment liabilities	296,732	1,807,136	3,030,718	537,270	168,343	5,840,199
	896,705	8,263,600	12,313,094	1,440,763	5,723,117	28,637,279

37 SEGMENTAL INFORMATION (CONTINUED)

At 30 June 2012	Power generation (Contracted) RM'000	Multi utilities business (Merchant)[#1] RM'000	Water and sewerage RM'000	Mobile broadband network RM'000	Investment holding activities RM'000	Group RM'000
Revenue						
Total revenue	1,159,108	11,999,044	2,396,160	222,976	235,680	16,012,968
Inter-segment revenue	(3,691)	–	–	(1,596)	(137,338)	(142,625)
External revenue	1,155,417	11,999,044	2,396,160	221,380	98,342	15,870,343
Results						
Dividend income	602	–	–	–	–	602
Share of profits of associates	–	–	–	–	285,239	285,239
Interest income	13,281	1,261	8,281	1,558	11	24,392
Finance costs	58,829	112,005	414,119	1,244	233,924	820,121
Segment profit/(loss)	288,167	726,259	597,201	(307,687)	87,536	1,391,476
Other segment items						
Capital expenditures	41,955	47,815	1,005,610	358,041	2,625	1,456,046
Depreciation	331,660	332,520	417,061	79,885	299	1,161,425
Segment assets						
Investment in associates and joint venture	–	–	–	–	1,641,232	1,641,232
Other segment assets	2,117,139	11,578,708	13,268,909	1,763,794	8,600,414	37,328,964
	2,117,139	11,578,708	13,268,909	1,763,794	10,241,646	38,970,196
Segment liabilities						
Borrowings	899,915	6,761,610	9,150,027	905,905	5,268,898	22,986,355
Other segment liabilities	458,834	2,236,525	3,084,504	386,889	183,798	6,350,550
	1,358,749	8,998,135	12,234,531	1,292,794	5,452,696	29,336,905

[#1] This segment encompasses a large portion of the value chain involved in the generation of electricity. This includes the generation and sale of electricity to both wholesale and retail markets, as well as oil trading and oil tanking leasing.

37 SEGMENTAL INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Malaysia	**1,589,389**	1,388,404	**3,237,185**	3,231,033
Singapore	**11,656,915**	11,999,044	**9,123,365**	9,331,900
United Kingdom	**2,507,191**	2,396,160	**11,974,980**	11,688,966
Other countries	**82,498**	86,735	**341,905**	362,688
	15,835,993	15,870,343	**24,677,435**	24,614,587

Non-current assets information presented above consist of the following items as presented in the Statement of Financial Position.

	Non-current assets	
	30.6.2013 RM'000	30.6.2012 RM'000
Property, plant and equipment	**17,283,670**	17,258,872
Intangible assets	**6,699,791**	6,633,773
Receivables, deposits and prepayments	**693,974**	721,942
	24,677,435	24,614,587

Major customers

The following are major customers with revenue equal or more than 10 per cent of Group's revenue:

	Revenue		
	2013 RM'000	2012 RM'000	Segment
– Tenaga Nasional Berhad	**1,118,904**	1,155,417	Power generation (Contracted)
– Energy Market Company	**5,703,228**	6,139,438	Multi utilities business (Merchant)

38 TRANSITION FROM FRS TO MFRS

Subsequent to the last financial year end, the Group and the Company have adopted the Malaysian Financial Reporting Standard Framework (MFRS) issued by MASB. The adoption of MFRS Framework enables entities to assert that their financial statements are in full compliance with International Financial Reporting Standards (IFRS) because the MFRS is fully an IFRS compliant framework and its standards are equivalent to IFRS.

As disclosed in Note 2, this set of financial statements of the Group and the Company are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 'First-time Adoption of MFRS'. The MFRS is generally required to be applied retrospectively with certain mandatory exceptions and optional exceptions applied to IFRS.

(a) MFRS 1 mandatory exceptions

(i) MFRS estimates

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with the previous Financial Reporting Standards (FRS).

(ii) Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to a hedging relationship that qualifies for hedge accounting under MFRS 139, 'Financial Instrument: Recognition and Measurement' at that date. Hedging relationship cannot be designated retrospectively.

(b) MFRS 1 exemption options

(i) Exemption for business combination

MFRS 1 provides the option to apply MFRS 3, 'Business Combination' prospectively for business combination that occurred from that transition date or from a designated prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 July 2011. Business combination that occurred prior to 1 July 2011 have not been restated. The Group has also applied MFRS 127 'Consolidated and Separate Financial Statements' from the same date.

(ii) Exemption for employee benefits

MFRS 1 provides retrospective relief from applying MFRS 119 'Employee benefits', in respect of the recognition of actuarial gains and losses. The Group elected to recognise all cumulative actuarial losses that existed at its transition date as liability in opening retained earnings for all its employee benefit plans. The effect of this election is an increase to the post-employment benefits provision of RM233,952,000 as at the date of transition.

(iii) Exemption for property, plant and equipment

In accordance with the exemption in MFRS 1, the Group has elected to continue to measure all its property, plant and equipment at cost in accordance with MFRS.

(iv) Designation of previously recognised financial instruments

MFRS 1 permits a previously recognised financial instrument to be designated as available-for-sale or fair value through profit and loss on the transition date provided that criteria in MFRS 139, 'Financial Instrument: Recognition and Measurement' are met. The Group and the Company have elected not to designate the previously recognised financial assets and liabilities as a financial asset or financial liability as at fair value profit or loss or designate a financial asset as available-for-sale at the transition date.

38 TRANSITION FROM FRS TO MFRS (CONTINUED)

(c) Explanation of transition from FRSs to MFRSs

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior financial periods.

(i) The following table represents the reconciliations from FRSs to MFRSs for the respective periods noted for equity of the Group. The transition from FRSs to MFRSs has had no effect on equity of the Company.

- Reconciliation of equity of the Group

	1.7.2011 (Date of transition) RM'000	30.6.2012 RM'000
Equity as previously reported under FRS	8,391,299	9,811,095
Less: MFRS transitional adjustments		
– Recognition of previously unrecognised actuarial losses (net of tax of RM56,148,000)	(177,804)	(177,804)
Equity on transition to MFRS	8,213,495	9,633,291

- Reconciliations of statement of financial positions of the Group

1.7.2011 (Date of transition)	FRS RM'000	Transitioning adjustments RM'000	MFRS RM'000
Deferred taxation	2,538,545	(56,148)	2,482,397
Post-employment benefit obligations	132,770	233,952	366,722

30.6.2012	FRS RM'000	Transitioning adjustments RM'000	MFRS RM'000
Deferred taxation	2,430,151	(56,148)	2,374,003
Post-employment benefit obligations	127,898	233,952	361,850

(ii) The transition from FRSs to MFRSs has had no effect on total comprehensive income of the Group and the Company and on the reported cash flows generated by the Group and the Company.

39 COMPARATIVES

The Group has re-assessed the current and non-current classifications of other receivables and investment in associates. As a consequence of the reassessment, reclassifications have been recognised in the financial statements as at 1 July 2011 and 30 June 2012 respectively.

The effect of this change has been applied retrospectively and the comparatives have been restated as follows:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Financial Position as at 1 July 2011			
Receivables, deposits and prepayments			
– Current	2,361,842	(285,630)	2,076,212
– Non-current	42,228	285,630	327,858
Statement of Financial Position as at 30 June 2012			
Receivables, deposits and prepayments			
– Current	2,608,848	(331,380)	2,277,468
– Non-current	507,026	214,916	721,942
Investment in associates	1,524,768	116,464	1,641,232

40 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 3 October 2013.

41 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

The following analysis of realised and unrealised retained earnings/(accumulated losses) at the legal entity level is prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group and the Company are based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Group		Company	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Retained earnings/(Accumulated losses) of the Company and its subsidiaries:				
– Realised	**7,531,622**	6,820,903	**2,190,287**	1,856,759
– Unrealised	**(1,608,902)**	(1,646,345)	**(36)**	39,603
	5,922,720	5,174,558	**2,190,251**	1,896,362
Retained earnings/(Accumulated losses) from associated companies:				
– Realised	**664,665**	516,005	–	–
– Unrealised	**(121,383)**	(41,533)	–	–
	543,282	474,472	–	–
Add: Consolidation adjustments	**368,894**	252,954	–	–
Total retained earnings	**6,834,896**	5,901,984	**2,190,251**	1,896,362

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE and Dato' Yeoh Seok Hong, two of the Directors of YTL Power International Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 65 to 163 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2013 and of the results and the cash flows of the Group and the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965.

The information set out in Note 41 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 3 October 2013.

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

Dato' Yeoh Seok Hong
Director

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, Dato' Yeoh Seok Hong, the Director primarily responsible for the financial management of YTL Power International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 65 to 163 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Dato' Yeoh Seok Hong
Director

Subscribed and solemnly declared by the above named Dato' Yeoh Seok Hong at Kuala Lumpur on 3 October 2013, before me.

Tan Seok Kett
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of YTL Power International Berhad
(Incorporated in Malaysia) (Company No. 406684 H)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL Power International Berhad on pages 65 to 163 which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of income, comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 40.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and 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, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 on page 164 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

As stated in Note 38 to the financial statements, YTL Power International Berhad adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 July 2011, and the statement of income, comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the year then ended.

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LOH LAY CHOON
(No. 2497/03/14 (J))
Chartered Accountant

Kuala Lumpur
3 October 2013

NOTES

FORM OF PROXY

I/We *(full name as per NRIC/company name in block letters)* ______________________________

____

NRIC/Company No. *(New)* ______________________ *(Old)* ______________________

CDS Account No. *(for nominee companies only)* ______________________________

of *(full address)* ______________________________

____

being a member of **YTL Power International Berhad** hereby appoint *(full name as per NRIC in block letters)* ______________________

____

NRIC No. *(New)* ______________________ *(Old)* ______________________

of *(full address)* ______________________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held at The Banquet Hall, Level 3, Conference Center, The Ritz Carlton Kuala Lumpur, 168 Jalan Imbi, 55100 Kuala Lumpur on Tuesday, 26 November 2013 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng		
2.	Re-election of Dato' Yeoh Seok Kian		
3.	Re-election of Dato' Yeoh Seok Hong		
4.	Re-election of Syed Abdullah Bin Syed Abd. Kadir		
5.	Re-appointment of Tan Sri Datuk Seri Panglima (Dr) Yeoh Tiong Lay		
6.	Re-appointment of Dato' (Dr) Yahya Bin Ismail		
7.	Approval of the payment of Directors' fees		
8.	Re-appointment of Messrs PricewaterhouseCoopers as Company Auditors		
9.	Approval for Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng to continue in office as Independent Non-Executive Director		
10	Approval for Dato' (Dr) Yahya Bin Ismail to continue in office as Independent Non-Executive Director		
11.	Authorisation for Directors to Allot and Issue Shares		
12.	Proposed Renewal of Share Buy-Back Authority		
13.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
14.	Proposed Issue of Options to Dato' Yusli Bin Mohamed Yusoff		
15.	Proposed Amendments to the Articles of Association of the Company		

Number of shares held

Signed this __________ day of ____________________ 2013 Signature ______________________

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Notes:-

1. *A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. Where a member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
2. *This original form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting. Facsimile transmission of such documents will not be accepted.*
3. *In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.*
4. *Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.*
5. *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 19 November 2013. Only a depositor whose name appears on the General Meeting Record of Depositors as at 19 November 2013 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.*

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AFFIX
STAMP

The Company Secretary

YTL POWER INTERNATIONAL BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

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www.ytlpowerinternational.com
www.ytlcommunity.com

YTL POWER INTERNATIONAL BERHAD 406684-H

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