YTL Power
YTL GROUP

YTL POWER INTERNATIONAL BERHAD
199601034332 (406684-H)

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Malaysia

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YTL Power
YTL GROUP

BUILDING THE RIGHT THING

ANNUAL
REPORT
2021

The Journey Continues...

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YTL POWER INTERNATIONAL BERHAD
Company No. 199601034332 (406684-H)

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Corporate Profile

YTL Power International Berhad is an international multi-utility owner and operator, active across key segments of the utilities industry, with operations and projects under development in Malaysia, Singapore, the United Kingdom, Australia, Indonesia, Jordan and the Netherlands. YTL Power has a strong track record in developing greenfield projects as well as in acquiring operational assets through competitive auctions.

The YTL Power Group owns Wessex Water Services Limited, a water and sewerage provider in the UK, YTL PowerSeraya Pte Limited, which has a total licensed generation capacity of 3,100 megawatts and multi-utility operations in Singapore, and YTL Power Generation Sdn Bhd, which was Malaysia's first independent power producer when it was awarded its licence in 1993, and successfully completed the power purchase agreement for its Paka Power Station in June 2021.

The Group holds minority stakes in PT Jawa Power, the owner of a 1,220-megawatt coal-fired power plant in Indonesia, and ElectraNet Pty Ltd, which owns and operates the power transmission grid for the state of South Australia. In Malaysia, the Group has a majority stake in YTL Communications Sdn Bhd, the operator of the YES 4G LTE wireless broadband platform.

YTL Power's projects under development include a 45% equity interest in Attarat Power Company PSC, which is developing a 554-megawatt oil shale-fired power generation project in Jordan, and the development of Brabazon, Bristol, a mixed-use residential and commercial property project in the UK.

BUILDING THE RIGHT THING
The Journey Continues...

BUSINESS SEGMENTS

Power Generation (Contracted)

Multi Utilities Business (Merchant)

Water & Sewerage

Telecommunications Business

Investment Holding Activities

KEY FINANCIAL HIGHLIGHTS

Revenue	Profit Before Tax	Total Assets	Market Capitalisation
RM10,784.7 million	RM633.8 million	RM52,074.3 million	RM5,701.5 million
FY2021	FY2021	As at 30 June 2021	As at 30 June 2021

Corporate Information

BOARD OF DIRECTORS

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

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

Directors
Tan Sri Ismail Bin Adam
PMN, PSM, SPSK, SSAP, SSIS, SMW, DPMS, DIMP, JSM
Master of Arts (Economics), Bachelor of Arts (Hons) in Economics, Diploma in Public Administration (Post Baccalaureate Diploma)

Datuk Seri Long See Wool
SMW
Bachelor of Arts (Hons) Degree, Diploma in Public Administration

Datuk Loo Took Gee
PJN, DPSM, JSM
Master Degree in Policy Science, Bachelor of Arts (Honours) Degree, Diploma in Public Administration

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

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

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

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

Faiz Bin Ishak
Fellow of the Association of Chartered Certified Accountants

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

34th Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 603 2038 0770
Fax : 603 2038 0790

REGISTRAR

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

AUDIT COMMITTEE

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

Datuk Seri Long See Wool
(Independent Non-Executive Director)

Datuk Loo Took Gee
(Independent Non-Executive Director)

NOMINATING COMMITTEE

Datuk Seri Long See Wool
(Chairman and Independent Non-Executive Director)

Datuk Loo Took Gee
(Independent Non-Executive Director)

Faiz Bin Ishak
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Datuk Seri Long See Wool
(Chairman and Independent Non-Executive Director)

Datuk Loo Took Gee
(Independent Non-Executive Director)

Faiz Bin Ishak
(Independent Non-Executive Director)

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (23.5.1997)

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

Our operational performance remained strong for the financial year under review despite the ongoing restrictions and movement controls in place in the jurisdictions where we operate, as governments and the global community endeavoured to bring the COVID-19 pandemic under control.

The Malaysian economy registered a contraction in gross domestic product (GDP) of 5.6% during the 2020 calendar year compared to growth of 4.3% in 2019. This was due to broad-based weaknesses in exports, production and domestic demand which resulted from adverse external spill overs and the imposition of strict domestic containment measures to curb the COVID-19 pandemic. The economy registered a smaller decline in GDP of 0.5% in the first quarter and growth of 16.1% in the second quarter of 2021, supported by the improvement in domestic demand and robust exports performance *(sources: Ministry of Finance Malaysia, Bank Negara Malaysia updates & reports)*.

Executive Chairman's Statement

Meanwhile, in other major economies in which the Group operates, the United Kingdom registered a decline in GDP of 9.8% during 2020, with the economy contracting by an estimated 1.6% and registering growth of 4.8%, respectively, in the first and second quarters of the 2021 calendar year. Singapore's economy contracted by 5.4% in 2020, followed by growth of 1.5% and 14.7%, respectively, in the first and second quarters of the 2021 calendar year *(sources: Ministry of Finance Malaysia, Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports)*.

Although the beginning of the financial year under review brought cautiously positive indications of containment of the pandemic, the ensuing months saw the rapid spread of the highly contagious Delta variant across the globe, leading governments to re-impose and/or tighten border controls and restrictions on movement and the provision of non-essential services.

However, our Group's business operations, due to their essential nature, continued to remain largely unaffected by these restrictions. We continued to provide water and sewerage services in the United Kingdom, power generation, transmission and other multi-utility services in Malaysia, Singapore, Indonesia and Australia, and telecommunications across Malaysia, which included free data and learning resources to support students, teachers and schools through our Learn From Home initiative.

Our ongoing measures to adapt to the changing conditions brought about by the pandemic have proven effective, driving our Group forward and enabling us to deliver on our commitment to reward our shareholders for their long-term support.

YTL Power has consistently declared dividends to shareholders every year since listing on the Kuala Lumpur stock exchange in 1997. This year was no different, becoming the 24th consecutive year in our dividend track record. The Board of Directors of YTL Power declared two interim dividends totalling 4.5 sen per share in respect of the financial year ended 30 June 2021, representing a yield of approximately 6.4% based on YTL Power's prevailing share price of 70 sen per share.

Looking ahead, we continue to work towards completion of our proposed acquisition of the power plant and associated assets of Tuaspring Pte Ltd in Singapore, which is pending a regulatory approval and completion of financing. Tuaspring, which is one of the most technologically advanced plants on Singapore's power generation grid, will thereafter be integrated into our existing operations, enabling us to consolidate our power generation capacity and improve synergies across our portfolio of utility businesses.

Our utilities have continuously demonstrated their resilience owing to the indispensable nature of the services provided, and the ongoing pandemic has further emphasised the importance and enduring strength of these businesses. We remain committed to our proven business model and will continue to make the necessary adaptations to function well in light of changing conditions at home and across the globe.

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

Managing Director's Review

DATO' YEOH SEOK HONG
Managing Director

OVERVIEW

YTL Power International Berhad ("YTL Power") and its subsidiaries ("Group") registered higher revenue of RM10,784.7 million for the financial year ended 30 June 2021, compared to RM10,637.2 million for the previous financial year ended 30 June 2020, whilst profit before tax increased by 49.1% to RM633.8 million this year compared to RM425.2 million last year.

Our Group's profit after tax was impacted by a change in the United Kingdom (UK), which passed legislation this year increasing the UK corporate tax rate from 19% to 25% with effect from 1 April 2023. As a result, all deferred tax assets and liabilities were re-measured and the higher deferred tax charge gave rise to a debit to the income statement of RM540.5 million (GBP97.3 million) leading to a loss after tax of RM103.1 million for the year under review. However, the deferred tax charge is an accounting treatment and did not impact the Group's cashflow.

As countries around the world have begun to come to grips with the expectation that the pandemic will not easily be eradicated, we made great strides this year in implementing new measures, procedures and safeguards to further insulate our business divisions and ensure our ability to operate regardless of pandemic-related restrictions. This strategy has proven effective, driving strong operational performance across our Group.

Last year, in light of the unprecedent uncertainties in the global economy, YTL Power took the prudent step of declaring a 1-for-16 share dividend. This ensured that shareholders continued to receive a healthy dividend yield, whilst enabling us to conserve cash and providing the necessary flexibility to optimally manage our existing businesses. Our improved performance this year enabled us to continue to reward shareholders, with two interim cash dividends declared, amounting to 4.5 sen per share.

Managing Director's Review

IMPROVED OPERATIONAL PERFORMANCE

Our merchant multi-utilities activities are undertaken by YTL PowerSeraya Pte Limited, which is one of the largest power generation companies in Singapore, with a total licensed generation capacity of 3,100 megawatts and a market share of about 17%. YTL PowerSeraya saw a marked turnaround this year, successfully returning to profitability on the back of improved operating margins, the uptrend in fuel prices and better electricity volumes sold.

Our water and sewerage segment in the UK, undertaken by Wessex Water Services Limited, delivered another solid set of results this year. As our long-term stakeholders in particular would be aware, Wessex Water has a two-fold value proposition as the business provides consistent earnings and dividend income as well as a regulated asset base ("RAB") that increases in value over time.

Over the current 5-year regulatory period, Wessex Water will undertake capital investments of RM7.5 billion (GBP1.3 billion), resulting in a total RAB value in excess of RM22.4 billion (GBP3.9 billion) when the regulatory period ends in March 2025.

Also in the UK, progress on the Brabazon development in Bristol is proceeding, with construction of the first phase of 302 one and two-bedroom apartments and two, three and four-bedroom homes beginning in September 2019. The heart of the development will be the new 17,080-capacity YTL Arena Bristol: a supersonic venue that will put the city on the world stage for live music and entertainment. Planning approval was received in March 2020 and detailed design is underway ahead of the scheduled opening in 2024.

Our telecommunications business saw improved performance this year as we made excellent progress on new fronts, with the introduction of our 'Kasi-Up' plans, which are the most affordable data plans in the market, initiatives in support of the Government's Jaringan Prihatin programme, as well as highly effective new partnerships. These new developments and initiatives have proven attractive and served to significantly boost customer uptake. As at 30 June 2021, our subscriber base has grown to 2.36 million customers.

Managing Director's Review

LOOKING AHEAD

The countries with our largest operations, namely Malaysia, the UK and Singapore, have made very good progress with vaccine roll-out programmes and are nearing or have achieved the high vaccination levels seen as necessary to bring the pandemic under control and return to a semblance of normalcy.

Whilst the outlook in terms of pandemic-containment is still uncertain, with the emergence of new variants a persistent issue, the vital nature of the services we provide has driven our business divisions to successfully adapt to the changing requirements in order to ensure business continues largely uninterrupted.

With cash reserves of RM10.3 billion as at 30 June 2021, we remain on the lookout for viable new growth opportunities particularly in our core competency of regulated businesses operating under long-term concessions.

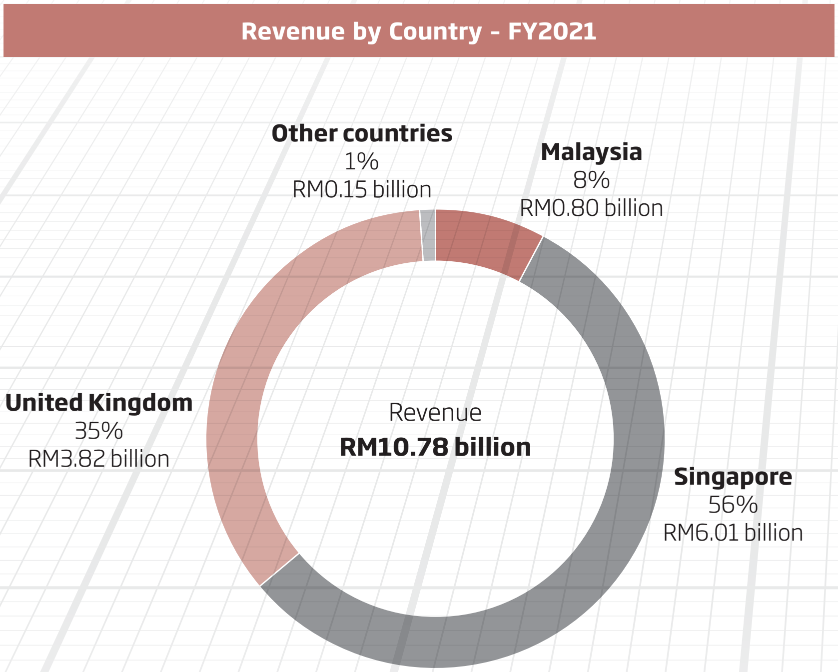
Another key area of our focus for the future is investment in renewable sources of energy. Our Group has existing renewable energy generation capacity in our operations in both Singapore and the UK, and we will continue to prioritise the development of solar farms and other renewables going forward.

We remain committed to our long-standing strategy of maintaining cash reserves and financing acquisitions on a ring-fenced, non-recourse basis that underscores the stand-alone viability of the business in order to protect and grow our assets, for the benefit of all our shareholders and stakeholders.

DATO' YEOH SEOK HONG
DPMS, DSPN, JP

Management Discussion & Analysis

GROUP OVERVIEW



OVERVIEW

The principal activities of YTL Power International Berhad ("YTL Power" or "Company") are those of an investment holding and management company. The key reporting segments of YTL Power and its subsidiaries ("YTL Power Group" or "Group") are Power Generation (Contracted), Multi Utilities Business (Merchant), Water & Sewerage, Telecommunications Business and Investment Holding Activities.

The YTL Power Group has operations and projects under development in Malaysia, Singapore, the United Kingdom (UK), Australia, Indonesia, Jordan and the Netherlands.

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

YTL Power also has minority stakes in PT Jawa Power ("Jawa Power"), the owner of a 1,220 MW coal-fired power plant in Indonesia, and ElectraNet Pty Ltd ("ElectraNet"), which owns and operates the power transmission grid for the state of South Australia, as well as a majority stake in YTL Communications Sdn Bhd ("YTL Comms"), the operator of the YES 4G platform providing high-speed mobile internet with voice services across Malaysia.

YTL Power's current projects under development comprise a 45% equity interest in Attarat Power Company PSC ("APCO"), which is developing a 554 MW oil shale-fired power generation project at Attarat um Ghudran in the Hashemite Kingdom of Jordan, as well as the development of Brabazon, Bristol, a mixed-use residential and commercial property project in the UK.

Management Discussion & Analysis

GROUP OVERVIEW

OBJECTIVES & STRATEGIES

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

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

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

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

  The YTL Power Group pursues a strategy of acquiring regulated assets operating under long-term concessions. The Group's existing overseas operations in this area continue to generate steady returns and its overseas acquisitions diversify income streams and enable the Group to avoid single-country and single-industry risks.

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

  The Group's strategy to continue to grow its businesses is to leverage its expertise in its core competencies, particularly in the areas of power generation, water and sewerage services, merchant multi-utilities and communications.

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

- **Development of superior asset quality with increasing regulatory asset value over time**

  The YTL Power Group's regulated assets such as Wessex Water and ElectraNet demonstrate ongoing growth, with the regulated asset value of these assets increasing over time.

  Wessex Water's regulatory capital value, for example, has grown from GBP1.3 billion (approximately RM7.0 billion) when it was acquired by YTL Power in 2002 to GBP3.36 billion (approximately RM19.31 billion) as at 30 June 2021, whilst ElectraNet's regulatory asset base (RAB) has grown from AUD0.75 billion (approximately RM2.2 billion) since acquisition in 2000 to AUD2.96 billion (approximately RM9.25 billion) as at 30 June 2021.

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

  The YTL Power Group maintains a balanced financial structure by optimising the use of debt and equity financing and ensuring the availability of internally generated funds and external financing to capitalise on acquisition opportunities. A key component of the Group's growth strategy is its practice of funding the debt component of its acquisitions and greenfield projects largely through non-recourse financing which has ensured that the Group only invests in projects that are commercially viable on a stand-alone basis.

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

  The Group believes that its utility assets on average operate within the highest efficiency levels of their industries and further enhances operational efficiencies where possible through the application of new technologies, production techniques and information technology, to ensure the delivery of efficient, high-quality services to its customer base.

Management Discussion & Analysis

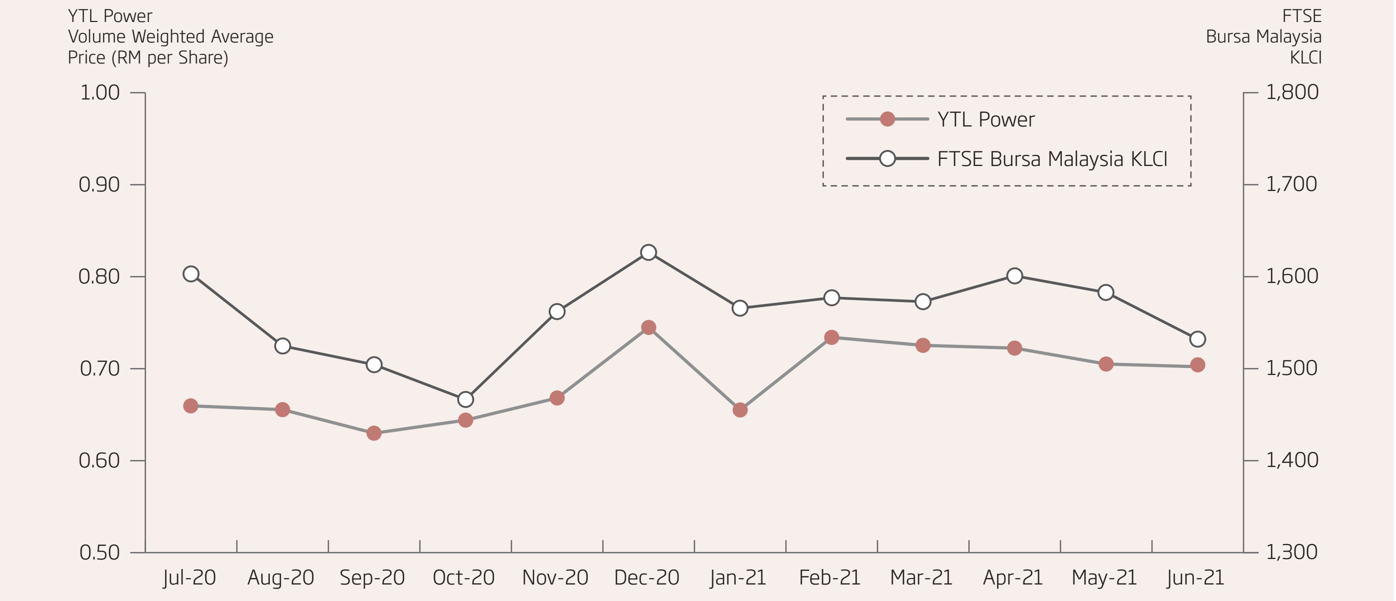
GROUP OVERVIEW

PERFORMANCE INDICATORS

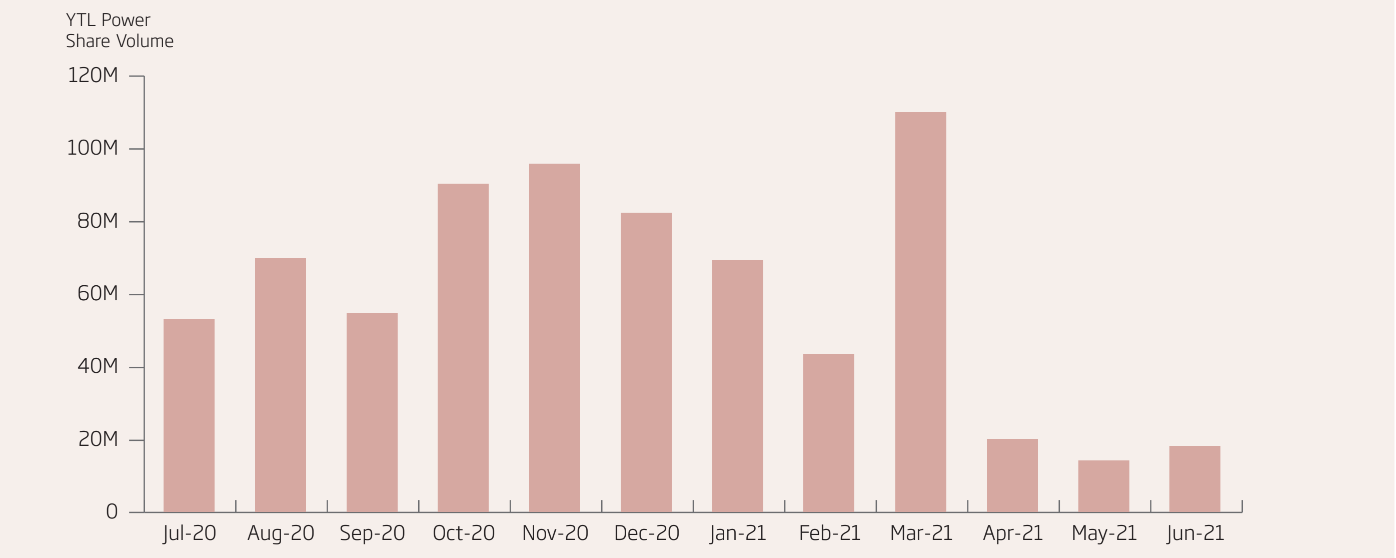
YTL Power has been listed on Bursa Malaysia Securities Berhad ("Bursa Securities") since 23 May 1997. YTL Power is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

The graph below illustrates the performance of YTL Power's share price compared with the FTSE Bursa Malaysia KLCI, the key component benchmark of Bursa Securities, during the financial year ended 30 June 2021.

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



Volume of YTL Power Shares Traded on Bursa Securities



Source: Bloomberg

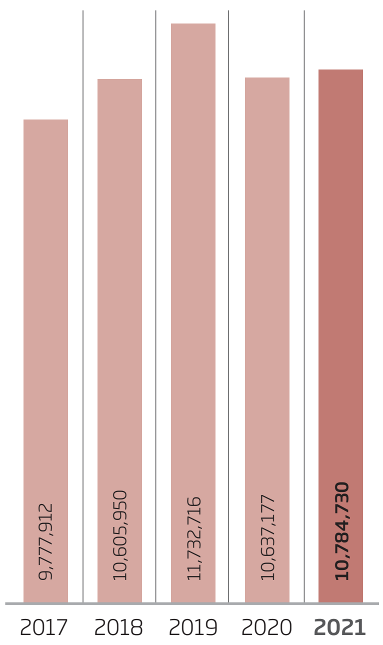
Management Discussion & Analysis

FINANCIAL REVIEW

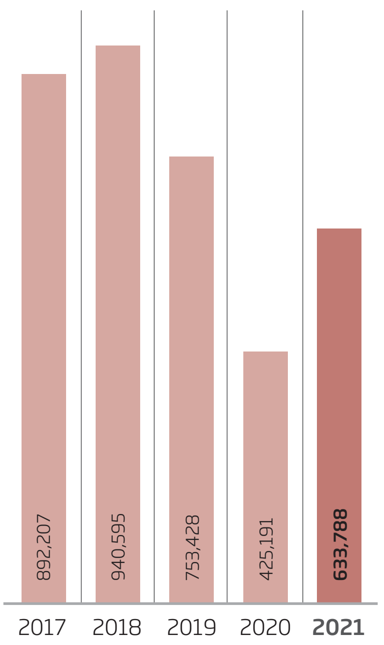
FINANCIAL HIGHLIGHTS

	2021	2020	2019	2018 *(Restated)*	2017
Revenue (RM'000)	**10,784,730**	10,637,177	11,732,716	10,605,950	9,777,912
Profit Before Taxation (RM'000)	**633,788**	425,191	753,428	940,595	892,207
(Loss)/Profit After Taxation (RM'000)	**(103,128)**	127,704	613,528	718,327	787,779
(Loss)/Profit for the Year Attributable to Owners of the Parent (RM'000)	**(146,524)**	67,638	476,751	619,685	693,813
Total Equity Attributable to Owners of the Parent (RM'000)	**13,017,642**	12,018,989	12,644,382	12,962,599	13,258,825
(Loss)/Earnings per Share (Sen)	**(1.84)**	0.88	6.20	7.88	8.96
Dividend per Share (Sen)	**4.5**	-	5.00	5.00	5.00
Total Assets (RM'000)	**52,074,335**	47,138,135	46,272,978	46,277,023	48,498,160
Net Assets per Share (RM)	**1.61**	1.57	1.65	1.65	1.71

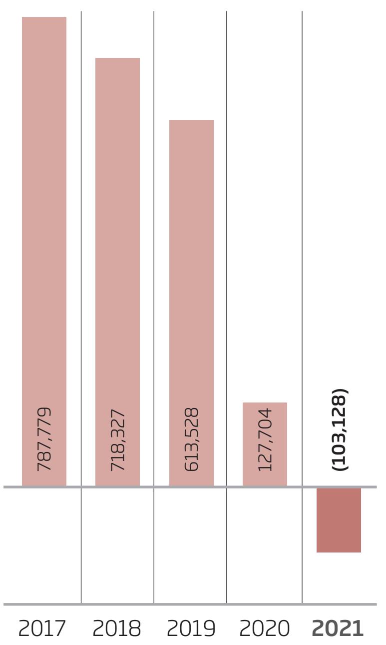
Revenue
(RM'000)



Profit Before Taxation
(RM'000)

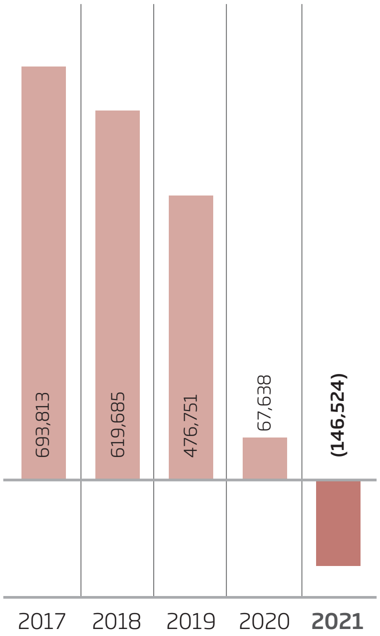


(Loss)/Profit After Taxation
(RM'000)

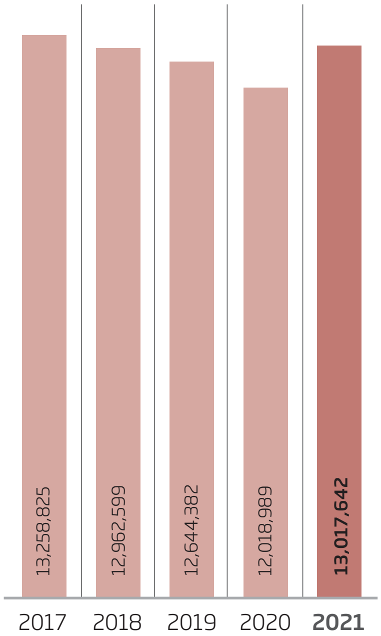


Management Discussion & Analysis
FINANCIAL REVIEW

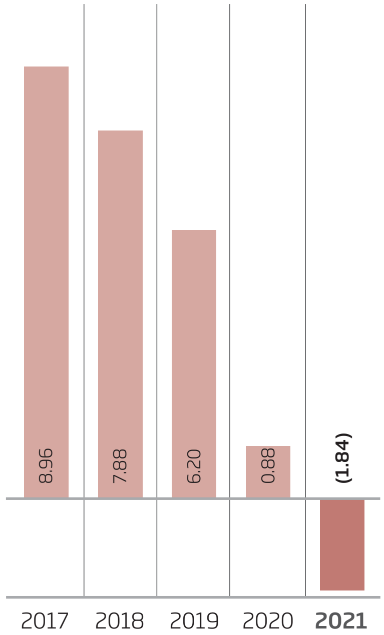
(Loss)/Profit for the Year Attributable to Owners of the Parent
(RM'000)



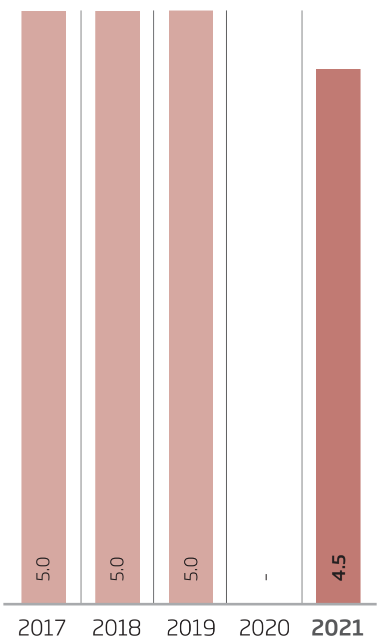
Total Equity Attributable to Owners of the Parent
(RM'000)



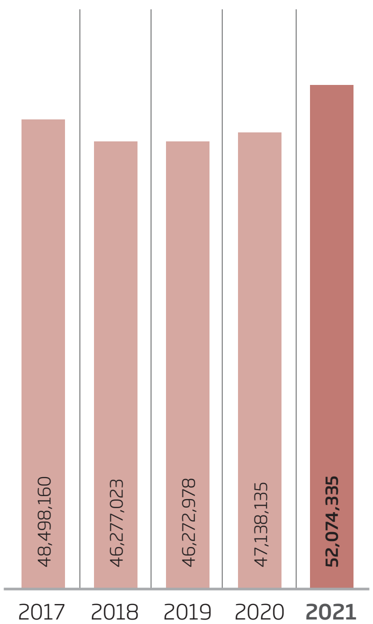
(Loss)/Earnings per Share
(Sen)



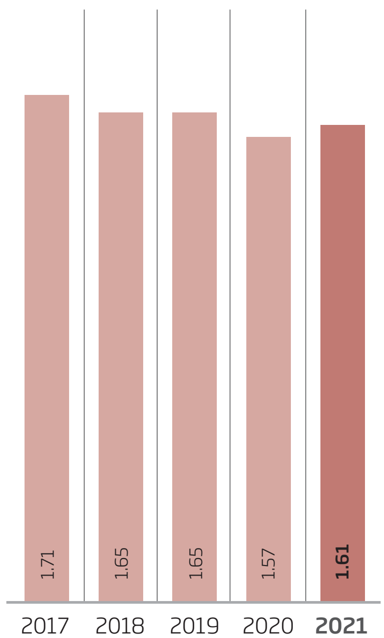
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



Management Discussion & Analysis

FINANCIAL REVIEW

REVIEW OF FINANCIAL PERFORMANCE

Group Financial Performance

The YTL Power Group recorded an increase in revenue to RM10,784.7 million for the financial year ended 30 June 2021 as compared to RM10,637.2 million for the previous financial year ended 30 June 2020. Profit before taxation for the current financial year under review increased to RM633.8 million compared to RM425.2 million recorded in the previous financial year.

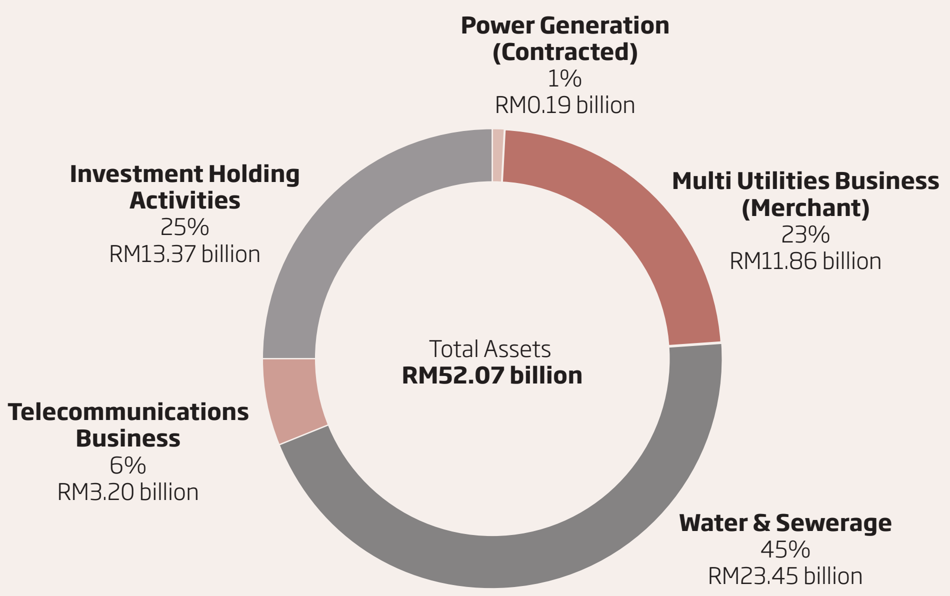
The higher profit before taxation was principally attributable to the better performance in the Multi Utilities Business (Merchant) segment.

The Group recognised deferred tax expenses arising from the increase in the UK corporation tax rate from 19% to 25% due to take effect from 1 April 2023. The higher deferred tax charge gave rise to a debit to the income statement of RM540.5 million and resulted in a loss after tax of RM103.1 million for the current financial year under review.

For the financial year ended 30 June 2021, YTL Power's overseas operations accounted for approximately 92.5% of the Group's revenue, compared to 89.6% for the previous financial year ended 30 June 2020, whilst operations in Malaysia contributed 7.5% of the Group's revenue in the current financial year compared to 10.4% for the previous financial year.

Segmental Financial Performance

Total Assets by Segment
(as at 30 June 2021)



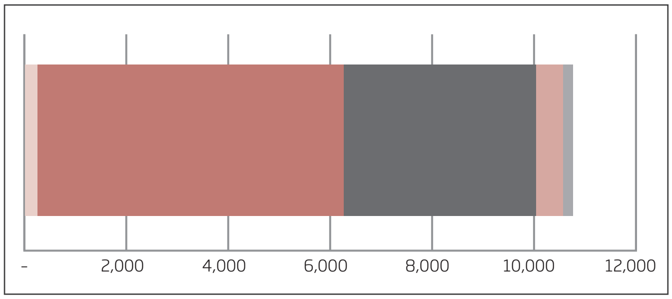
Management Discussion & Analysis

FINANCIAL REVIEW

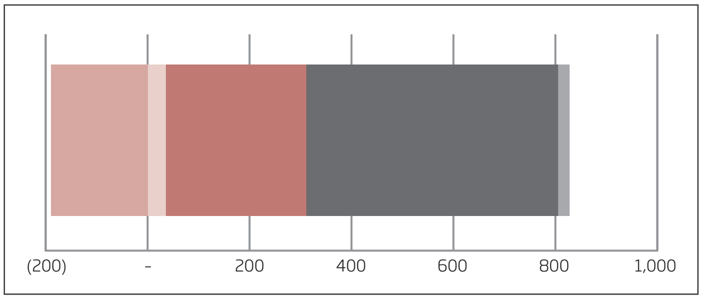
A comparison of the financial performance of each segment of the Group for the financial years ended 30 June 2021 and 30 June 2020 is set out in the following table:-

	Segment Revenue		Segment Profit/(Loss) Before Taxation	
	2021 RM million	**2020 RM million**	**2021 RM million**	**2020 RM million**
Power Generation (Contracted)	**261.1**	633.4	**35.2**	57.7
Multi Utilities Business (Merchant)	**6,014.5**	5,766.1	**275.3**	(172.4)
Water & Sewerage	**3,778.1**	3,483.5	**493.8**	610.1
Telecommunications Business	**541.4**	458.4	**(191.4)**	(264.8)
Investment Holding Activities	**189.6**	295.8	**20.9**	194.6
	10,784.7	10,637.2	**633.8**	425.2

Breakdown of Revenue by Segment - FY2021 *(RM million)*



Breakdown of Profit/(Loss) Before Taxation by Segment - FY2021 *(RM million)*



Power Generation (Contracted) | Multi Utilities Business (Merchant) | Water & Sewerage | Telecommunications Business | Investment Holding Activities

Power Generation (Contracted)

The Power Generation (Contracted) segment recorded lower revenue of RM261.1 million and lower profit before taxation of RM35.2 million for the financial year ended 30 June 2021 compared to revenue of RM633.4 million and profit before taxation of RM57.7 million for the financial year 30 June 2020.

The decrease in revenue was primarily due to the lower energy payment recorded while the capacity charge remains the same. The lower profit before taxation was mainly attributable to the one-off write-down of inventories.

Multi Utilities Business (Merchant)

The Multi Utilities Business (Merchant) segment recorded higher revenue of RM6,014.5 million and profit before taxation of RM275.3 million for the financial year ended 30 June 2021 compared to revenue of RM5,766.1 million and a loss before taxation of RM172.4 million for the financial year ended 30 June 2020.

The increase in revenue was mainly due to the higher volume of electricity sold and increase in fuel oil price. Profit before taxation was recorded during the financial year under review primarily due to the higher retail margin, higher fuel oil tank leasing rates, lower finance costs and a recovery of impairment of receivables arising from the successful appeal against a High Court decision.

Management Discussion & Analysis

FINANCIAL REVIEW

Water & Sewerage

The Water & Sewerage segment recorded higher revenue of RM3,778.1 million and lower profit before taxation of RM493.8 million for the financial year ended 30 June 2021 compared to revenue of RM3,483.5 million and profit before taxation of RM610.1 million for the financial year ended 30 June 2020.

The higher revenue was mainly due to the growth in the segment's unregulated business, whilst the segment recorded lower profit before taxation primarily due to the price reset as determined by the regulator.

Telecommunications Business

The Telecommunications Business segment recorded higher revenue of RM541.4 million and a reduction in loss before taxation of RM191.4 million for the financial year ended 30 June 2021 compared to revenue of RM458.4 million and a loss before taxation of RM264.8 million for the financial year ended 30 June 2020.

The increase in revenue and reduction in loss before taxation was mainly attributable to the growth of the subscriber base resulting from the launch of affordable data plans bolstered by partnerships and collaborations.

Investment Holding Activities

The Investment Holding Activities segment recorded lower revenue of RM189.6 million and lower profit before taxation of RM20.9 million for the financial year ended 30 June 2021 compared to revenue of RM295.8 million and profit before taxation of RM194.6 million for the financial year ended 30 June 2020.

The lower revenue was primarily the result of lower interest income whilst the lower profit before taxation was mainly due to a lower share of profits of investments accounted for using the equity method, partially offset by higher fair value gains on investment properties.

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2021:-	
- Interim dividend of 2 sen per ordinary share paid on 29 June 2021	**162,043**

On 8 September 2021, the Board of Directors of YTL Power ("Board") declared a second interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021 for payment on 12 October 2021. The book closure date for the aforesaid dividend was 24 September 2021.

The Board did not recommend a final dividend for the financial year ended 30 June 2021.

Dividend Policy

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

Distribution of Treasury Shares

On 28 August 2020, YTL Power announced a distribution of treasury shares on the basis of one (1) treasury share for every sixteen (16) ordinary shares held. The book closure date for the distribution was 28 October 2020 and the treasury shares were credited into the CDS accounts of entitled shareholders on 12 November 2020.

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FINANCIAL REVIEW

CAPITAL MANAGEMENT

The Group's objectives when managing its capital are to safeguard the ability of the Group to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There are external debt covenants, such as gearing ratios applicable to the Group, which are not onerous and these obligations can be fulfilled. As part of its capital management, the Group rigorously monitors compliance with these covenants.

In addition, consistent with others in the industry, the Group 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 bank balances. Total capital is calculated as equity, as shown in the Statement of Financial Position, plus net debt.

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Total bonds and borrowings	**30,355,977**	27,464,864	**7,399,572**	8,282,206
Less: Cash and bank balances	**(8,592,632)**	(7,484,725)	**(12,094)**	(16,563)
Net debt	**21,763,345**	19,980,139	**7,387,478**	8,265,643
Total equity	**12,907,425**	12,042,754	**12,942,383**	12,733,803
Total capital	**34,670,770**	32,022,893	**20,329,861**	20,999,446
Gearing ratio	**63%**	62%	**36%**	39%

All borrowings of subsidiaries are undertaken on a non-recourse basis to the Company save and except for those borrowings guaranteed by the Company, which amounted to RM1,135,360,000 (2020: RM304,500,000). Further details are set out in *Note 27* of the *Financial Statements* in this Annual Report.

Under Practice Note 17 of the Main Market Listing Requirements of Bursa Securities, the Company is required to maintain consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement with total consolidated equity attributable to owners of the parent as at 30 June 2021 of RM13.0 billion.

Management Discussion & Analysis

SIGNIFICANT CORPORATE DEVELOPMENTS

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

As reported last year, the Company and Taser Power Pte Ltd, entered into a put and call option agreement on 12 March 2020 for the proposed acquisition of the power plant and associated assets of Tuaspring Pte Ltd ("Tuaspring") by YTL PowerSeraya, from the receivers and managers of Tuaspring for a total purchase consideration of SGD331.45 million to be settled as to SGD230.00 million in cash and SGD101.45 million comprising ordinary shares and loan notes amounting to 7.54% of the post-acquisition equity in YTL Utilities (S) Pte Ltd, the immediate holding company of YTL PowerSeraya.

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

ESTABLISHMENT OF NEW EMPLOYEES SHARE OPTION SCHEME

As reported last year, the Company announced on 29 April 2020 the proposed establishment and implementation of a new employees share option scheme ("ESOS") for eligible employees and directors of the Company and/or its subsidiaries.

The Company received shareholders' approval for the proposed ESOS at an extraordinary general meeting held on 1 December 2020 and the ESOS was implemented on 6 January 2021.

Management Discussion & Analysis

SEGMENTAL REVIEW

POWER GENERATION (CONTRACTED)

SEGMENT OVERVIEW

YTLPG, a 100%-owned subsidiary of YTL Power, owns Paka Power Station in Terengganu, Malaysia, with an installed capacity of 808 MW. The Group also has a 45% equity interest in APCO in Jordan.

OPERATIONAL REVIEW

YTLPG

YTLPG was the first IPP (independent power producer) in Malaysia when it was awarded its licence in 1993, operating under a 21-year power purchase agreement, which was completed on 30 September 2015. YTLPG was subsequently awarded the project for the supply of power from Paka Power Station under a short term capacity bid called by the Malaysian Energy Commission.

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

Paka Power Station continued to fulfil all performance guarantees under the PPA and produced a net generation output of 0.892 gigawatt hours ("GWh") of electricity during the financial year ended 30 June 2021. For the period under review, the station's two generating blocks, GB1 and GB2, achieved reliability factors of 96.08% and 99.28% and load factors of 27.56% and 12.71%, respectively. The lower load factor was mainly due to measures introduced to control the COVID-19 pandemic resulting in the national electricity demand dropping more than 30%.

The PPA was successfully completed on 30 June 2021.

Management Discussion & Analysis

SEGMENTAL REVIEW

APCO

YTL Power owns a 45% equity interest in APCO, which is developing a 554 MW oil shale-fired mine-mouth power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project's second unit).

Construction commenced on the project with commercial operations for the first unit scheduled to commence in the middle of the 2020 calendar year and the second unit in the last quarter of the 2020 calendar year. However, the global COVID-19 pandemic has led to a delay in the project due to travel and movement restrictions imposed by the Government of Jordan with commercial operations for both units now expected to be in the latter part of the second half of the 2021 calendar year. APCO has invoked the *force majeure* provisions under the Power Purchase Agreement with NEPCO. As the effects of the pandemic are still on-going, the *force majeure* provisions are still in effect.

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

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

Management Discussion & Analysis

SEGMENTAL REVIEW

MULTI UTILITIES BUSINESS (MERCHANT)

SEGMENT OVERVIEW

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

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

OPERATIONAL REVIEW

For the financial year under review, YTL PowerSeraya sold 8,766 GWh of electricity, while generation market share saw an increase of 9.2%, to approximately 17%, as compared to the last financial year. As Singapore exited the COVID-19 'Circuit Breaker' on 1 June 2020 and progressively reopened the economy, the country's electricity demand rose during the year under review.

Navigating under the backdrop of challenges posed by tight COVID-19 restrictions on the availability of specialist manpower and resources, the Group continued to achieve major milestones such as the timely completion of the major and minor maintenance inspection activities on its combined cycle and co-generation power plant units. Overall plant performance for these units showed significant improvements with a higher reliability and availability percentage improvements of 1.0% and 4.6% respectively as compared to last year.

Making efforts towards better energy efficiency and sustainability, the Group participated in the Singapore Energy Market Authority's Energy Efficiency Grant for Power Generation Companies. The project will look into optimising the performance of YTL PowerSeraya's power plants by installing variable speed drives (VSDs) on its co-generation power plant unit's boiler feedwater pumps. Upon completion, annual power consumption savings of about 6,800 MWh are expected. This amount of energy savings could power an estimated 1,300 households for an entire year in Singapore.

Supporting the health and mental well-being of employees during the pandemic was a top priority in the past financial year. In addition to annual health screening and audiometric examination sessions

Management Discussion & Analysis

SEGMENTAL REVIEW

held for colleagues at the plant, the division rolled out a series of programmes and initiatives focused on aiding employees to cope with any challenges that they might be experiencing during the pandemic.

Learning and development continued to be a key focus for the year with the development of learning roadmaps for every function in YTL PowerSeraya via a myriad of online and on-site seminars, workshops, share and learn sessions by in-house commercial and technology experts, as well as on the job functional training. At the plant level, experienced technical specialists were deployed to focus on technical engineering training development and execution to further enhance organisational capability building and ensure transfer of technical skills by retiring engineers.

Retail

YTL PowerSeraya's retail brand, Geneco, held a market share of approximately 13.8% in the electricity retail market for the financial year ended 30 June 2021, comprising customers from the residential, commercial and industrial sectors. Correspondingly, sales volume was 7,134 GWh for the financial year under review, an increase of 8.4% compared to last year.

Geneco launched a comprehensive suite of sustainable energy solutions for its customers during the financial year. These included collaborations with various solar panel installation partners to provide rooftop solar panel installation services for commercial and industrial customers, as well as the BizSunny Plan to enable this group of customers to choose the level of renewable solar energy (i.e. 1.0%, 5.0% or 10.0%) to incorporate into their electricity price plan.

Geneco also launched the Power Eco Total Solution for residential customers. This solution comprises three key elements to enable these customers to reach 100% carbon-neutrality for their electricity consumption, namely, to engage Geneco to install solar panels on their rooftop, take up a competitive loan to fund the solar panel investment and purchase Carbon Credits (CC) or Renewable Energy Certificates (REC) to offset the carbon emission for their balance electricity consumption. These customised energy options highlight Geneco's continued commitment in moving towards a sustainable energy future, alongside the Singapore Green Plan 2030.

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SEGMENTAL REVIEW

Fuel Management

PetroSeraya Pte Ltd, the Group's fuel management arm, managed to pull in a steady performance despite continuous challenges in the oil industry and the COVID-19 pandemic. The division handled 7.48 million metric tonnes of fuel oil and diesel during the year under review, whilst the number of berthings for bunkering and cargo vessels saw 552 vessels berthed at the terminal in this year, compared to 656 vessels last year, with the drop in average berth utilisation rate attributed mainly to challenging economic conditions fuelled by the pandemic.

Since the inception of IMO2020 (by the International Maritime Organisation) to cap sulphur content of bunker fuel at 0.5%, the division has been handling both HSFO (high sulphur fuel oil) and LSFO (low sulphur fuel oil). As even a very minor contamination will render the LSFO (<0.5% sulphur fuel oil) out of specifications, it was imperative that the team exercised extreme caution and care in handling the fuel.

Due to COVID-19, the Maritime and Port Authority of Singapore also introduced more stringent requirements on contactless operations. Despite these challenges, the team managed to overcome these requirements with no delays in operations. In light of the on-going economic disruptions, the division continues to look into strengthening its tank leasing and fuel management activities, as well as optimising its jetty and oil terminal operations.

Technology

To support YTL PowerSeraya's digital transformation, the division focused on three key areas during the financial year: Analytics, Automation and Digitisation. This involved streamlining business processes and workflows, managing to map more than 90% of these, alongside the various business groups, enabling the division to gain more visibility into its operations. Its documentation also allows for process institutionalisation, thereby encouraging a company-wide commitment and consistency to achieve greater operational efficiencies.

Through various initiatives implemented throughout the year, a more robust digital culture was created, with improved productivity from smoother process workflows. As various business groups gained traction in digital adaptation, employees also increasingly acquired the ability to make data-driven informed decisions.

Going forward, efforts continue to intensify in the three key focus areas, with the aim of increasing employee and organisational capabilities and equipping employees with the knowledge of turning data into actionable insights, as well as achieving higher productivity and efficiencies through process automation.

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WATER & SEWERAGE

SEGMENT OVERVIEW

In the UK, YTL Power owns a 100% equity interest in Wessex Water, a regional water and sewerage business serving 2.8 million customers across a geographic area of approximately 10,000 square kilometres in the south west of England, including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire.

Wessex Water is regulated by the Water Services Regulation Authority (known as Ofwat), the economic regulator for the UK water industry, and holds a license from the UK government under an instrument of appointment to supply clean water and treat and dispose of waste water from its operating region in the south west of England.

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OPERATIONAL REVIEW

Challenges posed by COVID-19 made it more important than ever for Wessex Water to provide excellent customer service. The division has given extra support to those financially affected by the pandemic and those shielding or with additional needs, awarding more than 4,000 payment breaks and setting up more than 2,000 flexible plans linked to the ongoing pandemic.

The division launched a GBP50 rebate on metered bills for National Health Service (NHS) workers to cover the cost of additional uniform washing, benefitting more than 14,500 customers, and reviewed the delivery of its community programmes in order to be COVID-safe and to keep providing connection and support to local communities.

Wessex Water remains one of the top performers in the water sector for customer service, first of the water and sewerage companies in C-MeX, which is Ofwat's measure of customer experience. CCW, the independent voice for water consumers in the UK, confirmed that Wessex Water continues to have the lowest number of complaints of all the water and sewerage companies and 78% of customers rated its service as good or very good value for money.

This year, Wessex Water introduced its new customer feedback strategy, aimed at gathering a greater number of views on its service, rapidly spotting any dissatisfied customers and ensuring continuous improvement, with 94% customers being satisfied and with 87% giving the company a five-star rating on Trustpilot.

Wessex Water again received the Customer Service Excellence award and achieved the Service Mark with distinction from the Institute of Customer Service, one of only 15 companies to hold the accreditation to this level. The division has set itself the challenge of being in the top 20 UK service providers on the institute's survey by 2025.

In 2020, the Wessex Water Foundation was launched to provide funding for projects that bring people together and build stronger communities. Working with community foundations across its operating region, the foundation has already supported a variety of groups in local communities and engaged extensively with customers and stakeholders, in day-to-day business and for specific programmes of work.

Wessex Water's tailored assistance programme (tap) continues to offer customers financial support through a range of schemes and low-rate tariffs, to help them afford their ongoing charges and repay their debt. Just over 15,000 customers are receiving discounts of up to 90% through its Assist tariff and more than 22,000 low-income pensioners are receiving at least GBP60 off their bill.

Wessex Water is committed to providing the highest quality drinking water to customers and the division's compliance with drinking water standards is very high, with more than 99.9% of tests meeting the required standards. In 2020, Wessex Water was rated as 'leading' in the UK Environment Agency's annual environmental performance assessment and discharges from its water recycling centres were assessed as 99.1% compliant with the agency's quality permits.

The division's biggest ongoing sewerage project is construction of a 6.5km long tunnel in West Bristol, which will cater for significant property development in this area as well as reducing discharges from storm overflows to the River Trym.

Wessex Water's net greenhouse gas emissions fell to 109 kilotonnes of carbon dioxide equivalent in 2020-21, continuing a 10-year trend. This is the division's lowest annual operational carbon footprint since reporting began in 1997, achieved through a combination of energy efficiency improvements, renewable energy generation and the rapidly falling carbon dioxide intensity of UK grid electricity. Electricity use fell in 2020-21 from the previous year and 28% of the division's electricity demand came from renewable energy generation on its sites.

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SEGMENTAL REVIEW

TELECOMMUNICATIONS BUSINESS

SEGMENT OVERVIEW

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

OPERATIONAL REVIEW

While Malaysia's fight against the pandemic was a tumultuous one in 2021, YTL Comms bolstered its advocacy efforts to democratise data for all Malaysians, leading the way in the local telecommunications industry despite being one of the younger players. This year, forming strategic partnerships to level up ongoing initiatives became YES' key focus in helping all walks of life thrive – not just survive – in an increasingly digital economy.

The Learn From Home initiative, formed with YTL Foundation in response to the implementation of the movement control order (MCO) in March 2020, furthered its impact in the education landscape in 2021. In addition to the 180,000 mobile phones and 400,000 SIM cards given away for free to students in national schools, children from B40 families and university undergraduates, YTL Foundation partnered with the National Union of the Teaching Profession (NUTP) in April to extend free SIM cards with 40GB of data to 230,000 educators.

Keeping abreast of the effects from a prolonged lockdown, YTL Comms also announced an extension to the Learn From Home initiative in August. The move enabled B40 families to continue enjoying free 5GB of monthly data until 31 August 2022, upon the expiry of their existing 12-month plan.

In May, YTL Comms heeded with a resounding 'yes' to the Government's Jaringan Prihatin initiative, offering 8 million B40 individuals and families a free smartphone, year-long data, free access to the FrogPlay learning platform and cashback vouchers in partnership with Shopee. With its no-strings-attached accessibility, YES' take on the Prihatin plans stood out from its competitors. B40 individuals were able to sign up with "no deposit, contract, or payment" – in other words, focus on learning, working and building their businesses without worries. Working with the Government compounded the impact of the Learn From Home programme, creating long-term relief for the B40 group.

The e-commerce boom during the pandemic flung open the doors for YES to partner with Malaysia's #1 platform Shopee, making it the first and only telco to be present in an online marketplace. Launched in December 2020 as part of YES' Kasi Up campaign, the YES DATABACK initiative rewarded shoppers with 5GB of free data with every RM50 spent on Shopee.

Staying true to its purpose of adding value to consumers and stretching their every ringgit, YTL Comms announced a giveaway of 150 million GB of data just one month later, following the movement restriction order that kicked in nationwide. By empowering the people with the data they needed, YES also enjoyed a growth of subscribers. These new initiatives garnered new YES subscribers, bringing the Group's total subscriber base to 2.36 million customers at the end of the year under review.

As a brand with a mission to enrich the lives of Malaysians with the power of data, staying attuned to the economic climate and needs of the people is only one piece of the puzzle. YTL Comms' agile attitude and proactive efforts, coupled with a sense of urgency, will continue to meaningfully impact the underserved community, ensuring no one is left behind in the new normal within this digital age.

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SEGMENTAL REVIEW

INVESTMENT HOLDING ACTIVITIES

SEGMENT OVERVIEW

The YTL Power Group has a 33.5% indirect investment in ElectraNet, which is the owner and operator of the South Australian electricity transmission network, and an effective interest of 20% in Jawa Power, which owns a 1,220 MW coal-fired power station in Java, Indonesia. The Group is also undertaking the Brabazon development in the UK.

OPERATIONAL REVIEW

ElectraNet

ElectraNet owns and operates the high voltage electricity transmission system throughout South Australia under a 200-year lease, transmitting power from regional generators and interstate sources over long distances to metropolitan and regional areas including large, direct-connect industrial customers. The South Australian transmission network is one of the most extensive regional transmission systems in Australia and consists of 97 high-voltage substations and approximately 5,900 circuit kilometres of transmission lines covering a total area of 200,000 square kilometres.

ElectraNet is in the fourth year of its current 5-year regulatory period and has received approval from the Australian Energy Regulator (AER) to recover approximately AUD1.6 billion of revenue on its regulated electricity transmission network over the current regulatory period. ElectraNet is currently undertaking a consultation exercise with consumer advisory groups and the AER in relation to its preliminary revenue proposal for the next regulatory period. The final revenue proposal will be submitted to the AER in January 2022.

System security and reliability are critically important as Australia's energy supply transitions to a lower carbon emissions future and South Australia is at the forefront of this energy transformation with world-leading levels of intermittent renewable energy compared to energy demand. ElectraNet has been exploring options to support this energy transformation, while helping to lower electricity prices and improve system security. ElectraNet has been successful in receiving full regulatory approval for the following projects:-

- Constructing a new, high capacity interconnector between South Australia and New South Wales. The proposed 920km 330kV transmission line will deliver economic benefits to customers by better sharing of energy resources in the National Electricity Market (NEM). The project is called Project EnergyConnect, and is being delivered in conjunction with TransGrid, the owner and operator of the New South Wales electricity transmission network. ElectraNet is responsible for constructing the infrastructure in South Australia and TransGrid is responsible for constructing the infrastructure in New South Wales.
- Installing four large synchronous condensers to raise the existing cap on non-synchronous generation and ensure ongoing system security with adequate levels of system strength, system inertia and voltage control for South Australia's electricity transmission system. The synchronous condensers are in the final stages of commissioning, with two units currently commissioned and the remaining units to be fully commissioned by late 2021.
- Building a new transmission line to improve reliability for the towns and communities on the Eyre Peninsula in South Australia. The Project is called EP Link and is being undertaken with Downer as the principal contractor. Construction works commenced in early 2021 and energisation is expected in late 2022.

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SEGMENTAL REVIEW

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

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

Jawa Power

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

Jawa Power achieved average availability of 85.2% for its financial year ended 31 December 2020 and 91.8% availability for the six months ended 30 June 2021. The station generated 7,263 GWh of electricity for its financial year compared to 8,029 GWh for its previous financial year, for its sole offtaker, PLN.

Brabazon

As the birthplace of Concorde, the former Filton Airfield in North Bristol is steeped in history. The Group is transforming this historic local landmark into Brabazon, a thriving new neighbourhood that is setting new standards for modern city living. Brabazon will be an urban, master-planned, mixed-use development designed to live up to the former Airfield's legacy of ambition and achievement. Having acquired the 380-acre brownfield site in 2015, Brabazon is the Group's first UK property development project.

Located at the centre of North Bristol's world-leading cluster of engineering, aerospace and technology businesses, over 20,000 high-skilled employees already work within 1.5 miles of Brabazon. Both of Bristol's renowned universities are within easy reach in a city where over 50% of the working age population is educated to degree-level.

Brabazon will also be Bristol's best connected new neighbourhood. A train station – scheduled to open in 2024 – will connect to Bristol Temple Meads in less than 15 minutes, while London Paddington is only a 70-minute journey from Bristol Parkway. A dedicated Metrobus, as well as a network of walking routes and cycle paths, will link Brabazon to both the city centre and to Cribbs Causeway – a major regional shopping complex with 13 million visitors per year.

Brabazon will build on this incredible strategic position to offer the space, the connectivity and the opportunity to take the local eco-system of trail-blazing businesses and talented people to the next level.

Set out around a series of distinctive districts, this new urban community will have architecturally-designed homes a short walk away from innovative workplaces, cutting-edge research centres and advanced manufacturing facilities. Residents, visitors and employees alike will be able to wander around independent stores, discover new restaurants or relax in the largest new urban public park built in the region for 50 years.

And at its heart, in the former aircraft hangars where Concorde was built, will be the new 17,080-capacity YTL Arena Bristol, which will put the city on the world stage for live music and entertainment. Having received planning approval in March 2020, detailed design is underway ahead of the scheduled opening in 2024.

Construction of the first phase of 302 one and two-bedroom apartments and two, three and four-bedroom homes at Brabazon began in September 2019. Designed by globally renowned local architects Feilden Clegg Bradley Studios, the distinctive new homes – featuring generous rooms, over-sized windows and soaring double-height spaces in selected properties – have already been recognised through a number of awards.

In 2020, before the first homes went on sale, Brabazon was shortlisted for a Housing Design Award. Supported by all five major institutions for property professionals, including The Royal Institute of Chartered Surveyors (RICS), The Royal Institute of British Architects (RIBA) and the Royal Town Planning Institute (RTPI), the Housing Design Awards are amongst the most prestigious accolades available for residential developments in the UK.

Brabazon has also been recognised locally with nominations for the SW Insider, Bristol Life and Bristol Property Awards, with the winners set to be announced later this year. This commitment to quality has ensured that Brabazon is already setting new market benchmarks for both sales rates and values achieved.

Management Discussion & Analysis

RISK MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

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

Further details on the Group's financial risk management can be found in *Note 35* of the *Financial Statements* in this Annual Report.

OPERATIONAL RISK MANAGEMENT

Concessions and key contracts

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

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

Management Discussion & Analysis

RISK MANAGEMENT

Industry risk

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

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

Dependence on key management

The continued success of YTL Power is, to a significant extent, dependent on the abilities and continued efforts of the Board and senior management of YTL Power. The loss of any key member of the Board or senior management personnel could affect YTL Power's ability to compete in the sectors in which it operates.

The future success of YTL Power also depends on its ability to attract and retain skilled personnel for smooth business operations of the Group to continue without undue disruption. Therefore, appropriate measures are taken which include the provision of training programmes, the offering of attractive incentives such as employees' share option schemes and competitive remuneration packages, and efforts to ensure smooth succession in the management team.

Political, economic, environmental and regulatory considerations

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

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

Management Discussion & Analysis

OUTLOOK

Global growth is expected to continue on a gradual and uneven recovery path in 2021, dependent on major developments surrounding the COVID-19 pandemic, especially the implementation of vaccine rollout programmes, ongoing global structural shifts and the extent of economic scarring. The recovery of the Malaysian economy is expected to be uneven and subject to several factors, including the course of pandemic and vaccination levels, the extent of spill over effects, sector-specific developments and the degree of improvement in labour market conditions. Private consumption is also expected to recover, supported by improvement in overall income and employment growth, along with the relatively less stringent mobility restrictions compared to 2020 *(source: Bank Negara Malaysia updates).*

In Singapore, YTL PowerSeraya has seen a marked turnaround and, as power generation is an essential service, electricity demand is expected to remain stable going forward despite the continuous control measures implemented by the Singapore government to curb the COVID-19 pandemic. In addition, the proposed acquisition of Tuaspring, the newest combined cycle power plant in Singapore, is a logical extension of the Group's existing multi utilities operations and, upon completion, is expected to contribute positively to future earnings.

On the UK front, Wessex Water has entered the second year of its 5-year regulatory period and will continue to work towards delivering the investment commitments agreed with the regulator. By the end of the current price review in 31 March 2025, Wessex Water will have delivered RM7.5 billion (GBP1.3 billion) of capital investment with a resulting RAB value in excess of RM22.4 billion (GBP3.9 billion). Wessex Water continues to explore low risk opportunities for organic growth within the wider UK group.

Meanwhile, with the first phase of homes in the Brabazon development successfully launched, the project is off to a good start on delivery of its master plan, and the Group will continue to ensure development proceeds in line with market demand.

The outlook for the Group's main operations in Malaysia remains stable. YTL Comms is well positioned to continue to grow its subscriber base with innovative, competitive and affordable products and services, as well as successful collaborations such as its partnership with Shopee, the country's largest e-commerce platform. In addition, in view of the overwhelming response to its Learn From Home initiative, bolstered by the national Jaringan Prihatin programme, the division will work towards continuing to offer this underserved community affordable and attractive plans.

Managing Sustainability

YTL Power International ("YTLPI" or "Company") is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") under the Gas, Water and Multi-Utilities sub-sector of the Utilities sector. YTLPI has a market capitalisation of approximately RM5.70 billion (as at 30 June 2021) and is an international multi-utility owner and operator, active across key segments of the utilities industry, with operations and projects under development in Malaysia, Singapore, the United Kingdom (UK), Indonesia, Australia, the Netherlands and Jordan.

As sustainability issues increasingly affect multiple stakeholders, corporations have a duty to ensure that broader strategies for development and profitability are carried out in a sustainable manner. Driven by this commitment, we often exceed legislative requirements, and we continue to impart this accountability in each of our subsidiaries as we strive to develop our businesses responsibly to protect the environment and the wider communities where we operate.

SUSTAINABILITY COMMITMENT

YTLPI's sustainability focus is aligned with YTL Group's sustainability credo, '***Making A Good Future Happen***', and this approach is embodied in our value chain and business practices to create long-term positive impacts for our stakeholders. There is regular assessment, review and feedback of environmental, social and governance (ESG) issues in line with YTL Group's practices.

We recognise that the planet provides limited resources, and as such the onus is on us to mitigate impacts on land, water and air through the responsible use of natural resources and sustainable operations. Our future success and reputation are not only shaped and measured by our economic performance, but are also influenced by the social and environmental consequences of our decisions and actions for all our stakeholders.

We continue to place a strong emphasis on managing our businesses responsibly and with integrity. Our sustainability commitment is ingrained in creating lasting value for all stakeholders. Our commitment to sustainable practices enables us to walk the talk towards achieving our growth objectives, balancing business opportunities and risks in the ESG realms, and is ingrained in creating lasting value for all stakeholders.

REPORTING PERIOD AND SCOPE

This sustainability statement covers YTLPI and our wholly-owned subsidiaries, YTL PowerSeraya Pte Limited, Wessex Water Services Limited and PT YTL Jawa Timur for the reporting period from 1 July 2020 to 30 June 2021, aligned with YTLPI's financial year, and where there is readily available data in place.

YTLPI and our subsidiaries, unless otherwise stated, contribute the majority of YTLPI's revenue. The sustainability initiatives, performance and achievements of YTLPI are outlined in greater detail in the consolidated ***YTL Group Sustainability Report 2021*** which is issued as a separate report. The report can be downloaded at www.ytl.com/sustainability.

Our subsidiaries have also produced their own reports, available on their official websites listed below, which provide more information about their sustainability matters and progress.

PT YTL Jawa Timur – www.jawapower.co.id
YTL PowerSeraya Pte Limited – www.ytlpowerseraya.com.sg
Wessex Water Services Limited – www.wessexwater.co.uk

Managing Sustainability

OUR APPROACH TO SUSTAINABILITY

We have aligned our sustainability commitments with YTL Group's four pillars – Environment, People, Communities and Marketplace. The following value-added Sustainability Framework forms the basis of our sustainable business practices.

Where applicable to YTLPI, we incorporate sustainability into the day-to-day management which is aligned with the United Nations Sustainable Development Goals (SDGs), YTL Group Corporate Statements (Human Rights and Ethics, Environment, Health and Safety, and Commitment to Ethical Purchasing), Code of Conduct and Business Ethics, Anti-Bribery and Corruption Policy, Global Privacy Policy and finally, Remuneration Policy and Procedures for Directors and Senior Management.

YTL Group Sustainability Framework

Brand Values
Building the right thing

HONESTY | HARD WORK | MORAL RESPONSIBILITY | TOGETHERNESS | VITALITY

Sustainability Commitment
Making a good future happen

PROTECTION OF THE ENVIRONMENT | EMPOWERING OUR PEOPLE | ENRICHING COMMUNITIES | EMBRACING THE MARKETPLACE

Aligned with **Sustainable Development Goals**

4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER

Core

3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

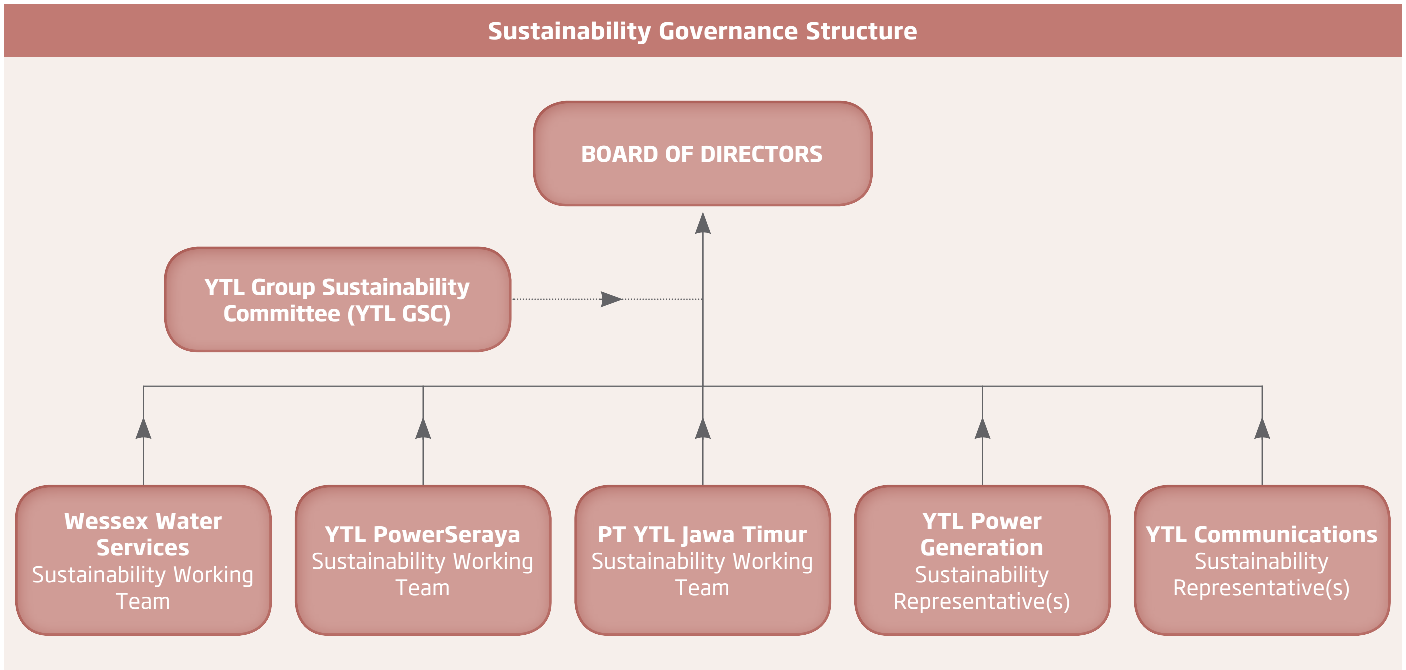
Peripheral

Managing Sustainability

SUSTAINABILITY GOVERNANCE

Driven by YTL Group's sustainability agenda, YTLPI's sustainability risks and opportunities are overseen and governed by the Board of Directors ("Board") with support from YTLPI's Executive Chairman, Managing Director, YTL Group Sustainability Committee ("YTL GSC") and the sustainability teams from respective subsidiaries.

More information on our governance and internal control systems can be found in the ***Corporate Governance Overview Statement*** and the ***Statement on Risk Management and Internal Control*** set out separately in this Annual Report. The Annual Report and YTLPI's Corporate Governance Report 2021 can also be downloaded from our website at www.ytlpowerinternational.com, as well as the website of Bursa Malaysia at www.bursamalaysia.com.



Managing Sustainability

Board of Directors

YTL Group's sustainability strategy has been approved by the Board of Directors of YTL Corp, who have also outlined the conduct of responsible business operations across our value chain. Led by Executive Chairman, Tan Sri (Sir) Francis Yeoh Sock Ping, YTLPI engages with the YTL GSC every six to 12 months to deliberate and strategise regarding material ESG matters, and reviews progress surrounding our operations. The Board also reviews and approves the Sustainability Statement.

YTL Group Sustainability Committee

Guided by YTL Group Sustainability Framework and Corporate Statements, YTL GSC comprises representatives from YTL Group's Sustainability Division, and Senior Management from the entire Group's Business Units. YTL GSC is responsible for reviewing, monitoring and providing a strategic approach in managing sustainability issues impacting our stakeholders, including the environment, businesses and society at large across our value chain.

Sustainability Working Team/Representatives

The designated representatives or teams spanning our operations play a significant role in aligning the sustainability agenda with business practices on the ground. Their roles include managing and monitoring sustainability activities and performance.

Managing Sustainability

MATERIALITY

We conduct materiality assessment exercises in order to develop a better understanding of the various interests of stakeholders that affect our businesses. YTLPI's key stakeholders are our employees, customers, suppliers, shareholders, investors, lenders, regulators, the environment and communities where we operate. To ensure the continued relevance of our material matters, we carefully review and refine them annually where necessary, and the sustainability team works with relevant business units to identify and review material issues that are most relevant and significant to our stakeholders. Priorities are ranked based on the potential impacts of issues affecting business continuity and development. The identified list of material issues is then analysed from different angles, reviewed and approved by the Board.

In 2021, we reassessed our ESG matters and found that there were no changes to the 24 material matters compared to the previous year, as they were deemed to still be relevant to our businesses and stakeholders. COVID-19 pandemic impacts on public health and business activity should also be deemed as a material matter. However, it is not found in the matrix because we deal with COVID-19 pandemic in the Marketplace, Health and Safety and Community sections of YTL Group Sustainability Report.

Materiality Assessment Process

STEP 1
Identification of ESG matters

An analysis and review of ESG matters relevant to the business context was conducted. The identified ESG material matters were then benchmarked against standards, policies and regulations, and best practices in the industry.

STEP 2
Analysis & prioritisation of findings

Materiality assessments were conducted in a focus group with the participation of senior management and respective heads of business units.

STEP 3
Validation & review

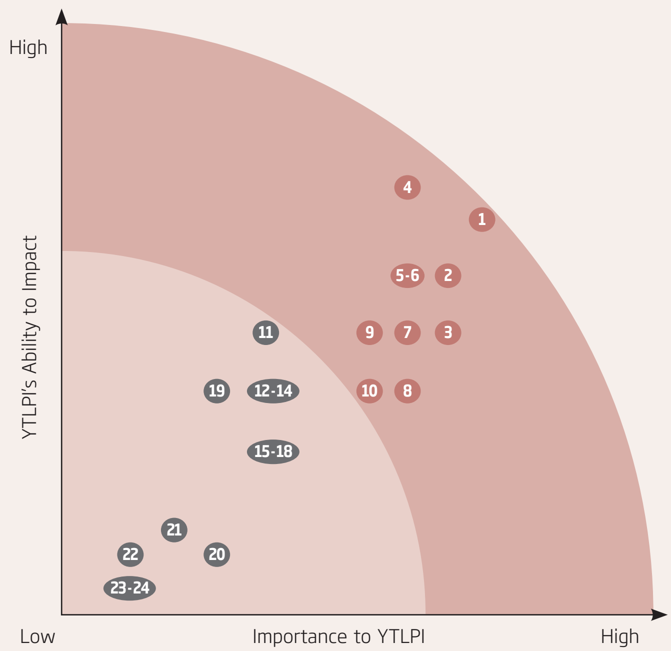
Validation of the prioritised key ESG material matters, and reporting of results to the Board for their consideration and approval.

STEP 4
Board sign-off

The final list of material matters reviewed and approved by the Board.

Managing Sustainability

YTL Power International Materiality Matrix



Highly Material

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

Material

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

MOVING FORWARD

We will continue to look for ways to strengthen and broaden our commitment to all aspects of sustainability. In the process, we regularly review the progress we have made, continue to improve our policies, systems, and performance, and work to improve efforts related to protection of the environment and enriching the lives of communities where we operate.

Profile of the Board of Directors

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 67, was appointed to the Board on 18 October 1996 as an Executive Director and was the Managing Director of the Company till 29 June 2018 when he was redesignated as Executive Chairman. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) Degree in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws from University of Nottingham. He became the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global Real Estate Investment Trust.

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

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

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

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

Profile of the Board of Directors

DATO' YEOH SEOK HONG

Malaysian, male, aged 62, was appointed to the Board on 18 October 1996 as an Executive Director. Dato' was redesignated to the position of Managing Director on 29 June 2018. He serves as Executive Director of YTL Corporation Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group and the building of the fourth generation (4G) network by YTL Communications Sdn Bhd, where he serves as the Managing Director. Dato' Yeoh Seok Hong sits on the boards of other public companies such as YTL Cement Berhad, YTL Land & Development Berhad and YTL Industries Berhad, and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation.

TAN SRI ISMAIL BIN ADAM

Malaysian, male, aged 71, was appointed to the Board on 25 February 2021 as an Independent Non-Executive Director. He obtained a Bachelor of Arts (Economics) Degree from University of Malaya in 1972, a Diploma in Public Administration from University of Malaya in 1975 and a Masters of Arts (Economics) from Vanderbilt University, USA in 1979. He attended the Advanced Management Programme at Harvard Business School in Boston, USA, in 2002.

Tan Sri Ismail Bin Adam joined the Administrative and Diplomatic Service (ADS) Malaysia in 1972 as an Assistant Director at the then Ministry of Trade and Industry. From March 1975, he was placed at the National Institute of Public Administration (INTAN) as a Senior Project Officer. In 1986, he was posted to the Statistics Department Malaysia as the Chief Administration Officer. In August 1990, he was appointed as the Head of Planning Unit of the Public Service Department. He was then seconded to the National Productivity Corporation (now known as the Malaysian Productivity Corporation) as the Deputy Director General in 1992 and was promoted as Director General in 1995 where he was instrumental in spearheading productivity and quality improvement initiatives in the private sector. He returned to the Public Service Department as the Deputy Director-General of the Public Service Malaysia in July 2000 after which he was appointed as the Secretary-General of the Ministry of Health in March 2004. On 16 June 2005, he was appointed as the Director-General of Public Service Malaysia and also sat on the boards of the Employees Provident Fund, the Retirement Fund Incorporated, the Malaysia Qualifying Agency and the Inland Revenue Board, to lend his expertise in policy development and implementation.

After retirement from the civil service in 2010, Tan Sri Ismail Bin Adam was appointed as the Chairman of Prasarana Malaysia Berhad, a public transportation company of the Ministry of Finance Incorporated. He also served as an advisor to Hay Group Malaysia Sdn Bhd, a consultancy firm and as a non-executive director of various private sector entities.

In June 2012, he was appointed by the Government of Malaysia as the Deputy Chairman of the Special Commission on Transformation of the Malaysian Civil Service.

He also sits on the board of Westport Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Profile of the Board of Directors

DATUK SERI LONG SEE WOOL

Malaysian, male, aged 66, was appointed to the Board on 28 December 2018 as an Independent Non-Executive Director. He is the Chairman of Nominating Committee and Remuneration Committee. He is also a member of the Audit Committee. He graduated with a Bachelor of Arts (Hons) Degree from University of Malaya and holds a Diploma in Public Administration from the National Institute of Public Administration (INTAN).

Datuk Seri Long See Wool served more than 34 years in the Ministry of Transport ("MOT") where he specialised in aviation. During his time with the MOT, he served as Assistant Secretary (Air Transport) and Principal Assistant Secretary (Airport Development) of Aviation division, MOT. He was subsequently appointed as Under Secretary of the Aviation Division, MOT from 16 May 2002 to 1 November 2006 and was appointed as the Deputy Secretary-General (Planning). He was the Secretary-General of MOT before his retirement in November 2014.

He was involved in the bilateral and multilateral negotiations of air traffic rights, planning and development of public transport infrastructure and air transport economics.

He has been a commissioner of Malaysia Aviation Commission ("MAVCOM") since 2016. He is the chairman of the Licensing and Air Traffic Rights Committee and the Consumer Protection Committee, as well as a member of the Competition and Economics Committee, all of which are held under MAVCOM.

DATUK LOO TOOK GEE

Malaysian, female, aged 65, was appointed to the Board on 28 December 2018 as an Independent Non-Executive Director. She is also a member of Audit Committee, Nominating Committee and Remuneration Committee. She holds a Master Degree in Policy Science from Saitama University, Japan, a postgraduate Diploma in Public Administration from National Institute of Public Administration (INTAN) and Bachelor of Arts (Honours) Degree from University of Malaya.

Datuk Loo Took Gee served the Federal Government of Malaysia for 37 years as an officer of the Administrative and Diplomatic Service (ADS). She was appointed as the Secretary-General of the Ministry of Energy, Green Technology and Water, Malaysia, from 1 August 2010 until her retirement on 4 August 2016. Subsequently, she was appointed as the Advisor to Minister of Energy, Green Technology and Water, Malaysia, for one year from 1 September 2016 until 30 September 2017.

Her previous positions include Deputy Secretary-General (2), Ministry of Energy, Water and Communications, Malaysia from 9 April 2007 to July 2010; Undersecretary (International and Sustainable Energy), Energy Division, Ministry of Energy, Water and Communications, Malaysia from 1 January 2006 to 8 April 2007; Undersecretary (Policy and Industry Development), Energy Division, Ministry of Energy, Water and Communications, Malaysia from August 2002 to 31 December 2005; Principal Assistant Secretary (Energy), Ministry of Energy, Communications and Multimedia, Malaysia from October 1999 to August 2002; Principal Assistant Secretary, Ministry of Works, Malaysia from November 1990 to October 1999; Principal Assistant Director, Public Services Department, Malaysia from February 1983 to September 1988; and Assistant Director, Public Services Department, Malaysia from November 1979 to February 1983.

She is currently the Chairman of the Malaysia-Kazakhstan Business Council and also a board member of Hartalega Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She also sits on the boards of a few private companies.

DATO' YEOH SEOK KIAN

Malaysian, male, aged 64, was appointed to the Board on 21 October 1996 as an Executive Director. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building and was conferred an Honorary Degree of Doctor of the University in 2017. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He served as Deputy Managing Director of YTL Corporation Berhad, which is listed on Main Market of Bursa Malaysia Securities Berhad and Executive Director of YTL Land & Development Berhad until 29 June 2018 when he was redesignated as Managing Director of these companies. He is also an Executive Director of Malayan Cement Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. Dato' Yeoh Seok Kian also sits on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

Profile of the Board of Directors

DATO' YEOH SOO MIN

Malaysian, female, aged 65, has been 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 gained vast experience in accounting and management. She was responsible for the setting up of the Travel and Accounting Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a member of The Court Of Emeritus Fellows of the Malaysian Institute of Management and Life Member of the Women's Institute of Management, Malaysia.

Dato' Yeoh Soo Min sits on the board of trustees of Asia School of Business Trust Fund. She is currently an Honorary Fellow of the Governors of International Students House, London, and Sir Thomas Pope, Trinity College, University of Oxford, UK, and member of the Vice-Chancellor's Circle of University of Oxford, UK. She is also a Trustee of Yayasan Tuanku Fauziah and IJN Foundation. She also holds directorships in YTL Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and YTL Industries Berhad. She also sits on the board of trustees of YTL Foundation.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, male, aged 61, 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 Managing Director of Malayan Cement Berhad and Executive Director of YTL Corporation Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and Managing Director of YTL Cement Berhad. He also sits on the boards of other public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad, Kedah Cement Holdings Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

DATO' YEOH SOO KENG

Malaysian, female, aged 58, was appointed to the Board on 2 June 1997 as an Executive Director. She started her career with the group in 1986 as an engineer upon her graduation from Leeds University, United Kingdom with a Bachelor of Science (Hons) in Civil Engineering. She has held key executive positions in numerous industries and sectors in which the group has presence. She led numerous construction and infrastructure projects of strategic and national significance. She headed the group's procurement division and later set up the sales and marketing division of YTL Cement Berhad when the group entered the industry in 1992. She was subsequently appointed the director of sales and marketing for the group's mobile communications division in 2012.

Dato' Yeoh also serves on the boards of YTL Corporation Berhad and Malayan Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad, YTL e-Solutions Berhad, YTL Cement Berhad and Kedah Cement Holdings Berhad.

Dato' Yeoh is the President of the ASEAN Federation of Cement Manufacturers (AFCM) and is also the Chairman of The Cement and Concrete Association Malaysia (CNCA).

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

DATO' MARK YEOH SEOK KAH

Malaysian, male, aged 56, 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. He was awarded Fellowship of King's College London in July 2014.

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

Profile of the Board of Directors

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 67, 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 which is listed on Main Market of Bursa Malaysia Securities Berhad, and YTL e-Solutions Berhad.

FAIZ BIN ISHAK

Malaysian, male, aged 63, was appointed to the Board on 26 November 2015 as an Independent Non-Executive Director. He is the Chairman of Audit Committee. He is also a member of Nominating Committee and Remuneration Committee. He became a graduate member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, in 1982. He was admitted to Associateship and Fellowship of ACCA in 1993 and 1999, respectively.

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

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 6 Board meetings were held and the details of attendance are as follows:-

	Attendance
Tan Sri (Sir) Francis Yeoh Sock Ping	6
Dato' Yeoh Seok Hong	6
Tan Sri Ismail Bin Adam *(appointed on 25 February 2021)*	2
Datuk Seri Long See Wool	6
Datuk Loo Took Gee	6
Dato' Yeoh Seok Kian	6
Dato' Yeoh Soo Min	6
Dato' Sri Michael Yeoh Sock Siong	6
Dato' Yeoh Soo Keng	6
Dato' Mark Yeoh Seok Kah	6
Syed Abdullah Bin Syed Abd. Kadir	6
Faiz Bin Ishak	6
Tan Sri Datuk Dr. Aris Bin Osman @ Othman *(retired on 1 December 2020)*	3

Notes:-

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

2. **Conflict of Interest**
   None of the Directors has any conflict of interest with the Company.

3. **Conviction of Offences (other than traffic offences)**
   None of the Directors has been convicted of any offences within the past five (5) years.

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

Profile of Key Senior Management

COLIN FRANK SKELLETT

British, male, aged 76, was appointed to the board of directors of Wessex Water Services Limited on 1 September 1988.

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

He has had non-executive roles in rail, travel and international infrastructure businesses, served on the board of the South West Regional Development Agency and is involved with a number of charities. Colin was also Chair of the West of England Local Enterprise Partnership from 2011 until the beginning of 2016.

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

JOHN NG PENG WAH

Singaporean, male, aged 62, was appointed to the board of directors and the Chief Executive Officer of YTL PowerSeraya Pte Limited ("YTL PowerSeraya") on 15 January 2019. He holds a Bachelor of Mechanical Engineering degree from Nanyang Technological Institute in Singapore, a Master of Science in Systems Engineering from National University of Singapore and a Master of Science in Material Science from Carnegie Mellon University, USA.

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

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

LEE WING KUI

American, male, aged 54, was appointed the Chief Executive Officer of YTL Communications Sdn Bhd ("YTL Communications") on 1 November 2009 and subsequently appointed as a member of the board of directors of YTL Communications on 3 March 2011.

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

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

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

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

Notes:-

None of the Key Senior Management has –

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

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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" or "Group"). The YTL Power Group has a long-standing commitment to corporate governance and protection of stakeholder 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 practices set out in the Malaysian Code on Corporate Governance ("Code") issued by the Securities Commission Malaysia ("SC").

An overview of the Board's implementation of and compliance with the Code issued by the SC in April 2017 during the financial year ended 30 June 2021 is detailed in this statement. On 28 April 2021, the SC issued the revised version of the Code which introduced new or enhanced best practices and further guidance to strengthen the corporate governance culture of listed companies. Companies are expected to report their application of the revised Code from the financial year ending 31 December 2021, and as such, the Board is in the process of determining the necessary changes and/or enhancements to its practices and procedures and will report on compliance with the revised Code in YTL Power's next annual report for the financial year ending 30 June 2022.

The Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2021 is available at the Company's website at www.ytlpowerinternational.com and has been released via the website of Bursa Securities at www.bursamalaysia.com in conjunction with the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Responsibilities of the Board

YTL 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:-

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

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

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

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

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

The Managing Director and Executive Directors are accountable to the Board for the profitability and development of the YTL 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 roles of Executive and Non-Executive Directors are differentiated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgment to bear on issues of strategy, performance and resources brought before the Board. The Executive Directors are collectively accountable for the running and management of the YTL 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.

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 *Managing Sustainability* section in this Annual Report.

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Power Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 6 times during the financial year ended 30 June 2021.

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. At least one week prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting.

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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.

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

Company Secretary

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

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

During the financial year under review, the Company Secretary attended training, seminars and regulatory briefings and updates relevant for the effective discharge of her duties. The Company Secretary briefed the Board on the changes and enhancements introduced in the new Code issued on 28 April 2021, carried out an ongoing review of existing practices in comparison with the new measures introduced in the Code and updated the Board.

Board Charter

The Board's functions are governed and regulated by its Charter, the Constitution of the Company, various applicable legislation, Listing Requirements and other regulations and codes. The Board's Charter was updated and adopted on 29 August 2019, and a copy can be found under the "*Governance*" section on the Company's website at www.ytlpowerinternational.com. The Board Charter clearly sets out the role and responsibilities of the Board, Board committees, Directors and management and the issues and decisions reserved for the Board. The Board Charter is reviewed and updated periodically when necessary.

Business Conduct, Ethics & Whistleblowing

The Directors observe and adhere to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, which encompasses the formulation of corporate accountability standards in order to establish an ethical corporate environment. YTL Power has an established track record for good governance and ethical conduct and is also guided by the corporate culture of its parent company, YTL Corporation Berhad ("YTL Corp").

Key guidance is contained in the Code of Conduct and Business Ethics of the YTL Group of Companies ("YTL Group"), which also sets out the whistleblowing policy and procedures, and the YTL Group's Anti-Bribery and Corruption Policy, as detailed in the following section. A copy of the Code of Conduct and Business Ethics can be found on the Company's website at www.ytlpowerinternational.com.

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

The ABC Policy was formalised for the YTL Group during the last financial year ended 30 June 2020. The objective of the ABC Policy is to further enforce the YTL Group's Code of Conduct and Business Ethics in order to ensure that all Directors and employees understand their responsibilities in compliance with the YTL Group's zero tolerance for bribery and corruption within the organisation. This is in line with the new corporate liability provision in Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which came into force on 1 June 2020.

The ABC Policy outlines the YTL Group's strategies in identifying, preventing and managing bribery and corruption issues. The policies and procedures put in place are guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of MACC

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Act. The ABC Policy applies to all Directors, managers and employees of the Company in dealing with external parties in the commercial context. The policy will be reviewed at least once every three years to ensure that it continues to remain relevant, appropriate and effective to enforce the principles highlighted therein and to ensure continued compliance with the prevailing law. A copy of the ABC Policy can be found on the Company's website at www.ytlpowerinternational.com.

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

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

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

Composition of the Board

During the financial year under review, there was one vacation of office from the Board, namely, Tan Sri Datuk Dr. Aris Bin Osman @ Othman, who retired at the 24th Annual General Meeting ("AGM") held on 1 December 2020. Subsequently, on 25 February 2021, Tan Sri Ismail Bin Adam was appointed to the Board.

The Board currently has 12 Directors, comprising 8 executive members and 4 independent non-executive members. The Independent Directors comprise 33.3% of the Board, providing an effective check and balance in the functioning of the Board, and in compliance with the Listing Requirements, which require one-third of the Board to be independent.

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

YTL Power is 55.57%-owned by YTL Corp, which is in turn 50.20%-owned by Yeoh Tiong Lay & Sons Holdings Sdn Bhd (as at 30 June 2021). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company. The interests of the major shareholder are fully aligned with those of all shareholders of the Company.

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

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

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

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

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

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

Board & Senior Management Appointments

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

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

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

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

The Board recognises the importance of encouraging and developing female talent at all levels. Currently, there are three female directors on the Board comprising 25% of the Board and, therefore, whilst the Board has not met the target of 30% women directors set out in the Code, it will continue to seek Board members of the highest calibre, and with the necessary strength, experience and skills to meet the needs of the YTL Power Group.

Evaluation of the Board

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

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

Remuneration

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre to lead the YTL 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.

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The Remuneration Committee ("RC") was established on 16 June 2020 comprising all Independent Non-Executive Directors, in compliance with the Code. The composition of the RC is set out below:-

- Datuk Seri Long See Wool *(Appointed on 16 June 2020 & redesignated as Chairman of the RC on 25 February 2021)*
- Tan Sri Datuk Dr. Aris Bin Osman @ Othman *(Appointed on 16 June 2020 & retired on 1 December 2020)*
- Datuk Loo Took Gee *(Appointed on 16 June 2020)*
- Encik Faiz Bin Ishak *(Appointed on 16 June 2020)*

Its terms of reference can be found under the "*Governance*" section on the Company's website at www.ytlpowerinternational.com.

During the financial year ended 30 June 2021, the RC met twice, attended by all members, wherein the following activities were carried out:-

(i) Review of the remuneration policy and procedures for Directors and senior management to ensure that they are fair, support and promote long term sustainable success of the Group and take into account other factors including relevant legal and regulatory requirements, the recommendations of the Code and associated guidance;

(ii) Assessment of the fees and meeting attendance allowance (benefits) proposed for the Independent Non-Executive Directors based on benchmarking against comparable listed companies in Malaysia (in terms of industry and size/market capitalisation), performance of the Independent Non-Executive Directors as indicated by the evaluations conducted, and overall performance of the Group; and

(iii) Review of the remuneration packages for Executive Directors and senior management to ensure that the remuneration outcomes for the financial year under review reflect an appropriate alignment with performances of the individual and the Group and gives consideration to equitability, retention and market competitiveness and practices.

The RC ensured that no Director or senior manager was involved in any decisions as to their own remuneration outcome.

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

Details of the Directors' remuneration categorised into appropriate components can be found in *Note 6* in the *Notes to the Financial Statements* in this Annual Report. Meanwhile, as regards the remuneration of the YTL Power Group's senior management team, the Board is of the view that the disclosure of these details would not be in the best interests of YTL Power Group due to confidentiality and the competitive nature of the industries in which the YTL Power Group operates, as well as for business and personal security reasons.

Board Commitment

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

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

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

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PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

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

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

Audit Committee

The Company has in place an Audit Committee which comprises solely Independent Non-Executive Directors, in compliance with the Listing Requirements and the Code, namely Encik Faiz Bin Ishak, Datuk Seri Long See Wool and Datuk Loo Took Gee. The Chairman of the Audit Committee is Encik Faiz Bin Ishak, in accordance with the recommendations of the Code that the chairman of the audit committee should not be the chairman of the Board.

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

The Audit Committee holds quarterly meetings to review matters including the YTL 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 2021. Full details of the composition and a summary of the work carried out by the Audit Committee during the financial year can be found in the *Audit Committee Report* set out in this Annual Report. This information and the terms of reference of the Audit Committee are available under the "*Governance*" section on the Company's website at www.ytlpowerinternational.com.

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

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

Details of the audit and non-audit fees paid/payable to PwC Malaysia and member firms of PricewaterhouseCoopers International Limited ("PwCIL") for the financial year ended 30 June 2021 are as follows:-

	Company RM'000	Group RM'000
Statutory audit fees paid/payable to:-		
- PwC Malaysia	**727**	**787**
- Member firms of PwCIL*	**-**	**732**
Total	**727**	**1,519**
Non-audit fees paid/payable to:-		
- PwC Malaysia	**19**	**55**
- Member firms of PwCIL*	**-**	**920**
Total	**19**	**975**

* *Member firms of PwCIL which are separate and independent legal entities from PwC Malaysia*

The non-audit fees incurred related mainly to advisory services on matters including restructuring of a financing arrangement, pension schemes, filing of tax returns, merger and acquisition transactions, other general tax services and regulatory audits in the jurisdictions in which the Group operates.

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Risk Management & Internal Control

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

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

Internal Audit

YTL Power's internal audit function is carried out by the Internal Audit department within the YTL Corp Group ("YTLIA"), which reports directly to the Audit Committee. The Head of YTLIA, Mr Choong Hon Chow, is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experiences covering many areas of diversified commercial businesses and activities. He has a total of 38 years of internal and external audit experience.

During the financial year ended 30 June 2021, YTLIA comprised 9 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

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

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

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

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

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

Communication with Shareholders

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

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for the financial year ended 30 June 2021

The Executive Chairman, Managing Director and/or the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL 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, the 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.

Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL 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 28 days prior to the AGM in accordance with the Code, which also meets the criteria of the Listing Requirements and Companies Act 2016, which require the Notice of AGM to be sent 21 days prior to the AGM. This provides shareholders with sufficient time to review the YTL Power Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed to make informed voting decisions at the AGM.

The Executive Chairman, Managing Director and Executive Directors take the opportunity to present a comprehensive review of the progress and performance of the YTL 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. The Directors are mindful of the recommendation under the Code that all directors must attend general meetings and fully appreciate the need for their attendance at all such meetings. All Directors attended the Company's 24th AGM held on 1 December 2020, save for Dato' Yeoh Soo Keng.

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

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

The rights of shareholders, including the right to demand a poll, are found in the Constitution of the Company. At the 24th AGM of the Company, held on 1 December 2020, the resolutions put forth for shareholders' approval were voted on by way of a poll.

Due to the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 24th AGM of the Company was conducted as a fully virtual meeting through live streaming from the broadcast venue and online remote voting by using the Remote Participation Voting facilities provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

In view of the ongoing COVID-19 pandemic, the forthcoming 25th AGM will also be held on a fully virtual basis, the details of which can be found in the *Notice of Annual General Meeting* in this Annual Report.

This statement and the CG Report were approved by the Board on 30 September 2021.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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 practices of the Malaysian Code on Corporate Governance ("Code").

This statement details YTL Power's implementation of and compliance during the financial year ended 30 June 2021 with the Code issued by the Securities Commission Malaysia ("SC") in April 2017. On 28 April 2021, the SC issued the revised version of the Code. Companies are expected to report their application of the revised Code from the financial year ending 31 December 2021, which will commence accordingly in YTL Power's next annual report for the financial year ending 30 June 2022.

The Board of Directors of YTL Power ("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 Chairman/Managing Director/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.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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

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

None of the weaknesses or issues identified during the review for the financial year has resulted in non-compliance with any relevant policies or procedures, 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 Minister of Trade and Industry of Singapore. YTL PowerSeraya outsourced its internal audit functions to a reputable professional firm which reports to its audit committee and its findings are also presented to the Audit Committee. YTL PowerSeraya has the responsibility to ensure that the internal controls and systems in place are maintained to provide reasonable assurance as to the integrity and reliability of its financial statements.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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.

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

- **Site Visits:** The Managing Director/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 Managing Director/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 Wessex Water and YTL PowerSeraya, as well as its interests in ElectraNet Pty Ltd, P.T. Jawa Power and Attarat Power Company PSC. These assets share common characteristics of highly predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

The Board acknowledges that all areas of the YTL 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 by the senior management at each level of operations and by the Audit Committee, which assesses and analyses these findings and reports to the Board. At the same time, YTLIA, in the performance of its internal audit function, will identify and evaluate any significant risks faced by the YTL Power Group and report these findings to the Audit Committee. During the financial year under review, the Board's functions within the risk management framework were exercised primarily by the Managing Director/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 risk management is contained in the *Management Discussion & Analysis* in this Annual Report.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2021

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, PricewaterhouseCoopers PLT, have reviewed this Statement on Risk Management & Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 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. AAPG 3 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 is primarily responsible for the financial management of YTL Power and has 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 on 8 September 2021.

Audit Committee Report

COMPOSITION

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

Datuk Seri Long See Wool
(Member/Independent Non-Executive Director)

Datuk Loo Took Gee
(appointed on 25 February 2021)
(Member/Independent Non-Executive Director)

Tan Sri Datuk Dr. Aris Bin Osman @ Othman
(retired on 1 December 2020)
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Faiz Bin Ishak	5
Datuk Seri Long See Wool	5
Datuk Loo Took Gee	1
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	3

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2021 in the discharge of its functions and duties:-

1. Overseeing Financial Reporting

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

- Quarterly financial results for the fourth quarter of financial year ended 30 June 2020, and the annual audited financial statements for the financial year ended 30 June 2020 at the Audit Committee meetings held on 27 August 2020 and 29 September 2020, respectively;
- First, second and third quarters of the quarterly results for the financial year ended 30 June 2021 at the Audit Committee meetings held on 25 November 2020, 24 February 2021 and 27 May 2021, respectively.

(b) At the Audit Committee meetings, the Treasurer cum Departmental Head (Accounts) presented the Financial Reports wherein the following matters were reviewed and confirmed, with clarifications and/or additional information provided wherever required by the Managing Director primarily in charge of the financial management of the Company:-

- Appropriate accounting policies had been adopted and applied consistently, and other statutory and regulatory requirements had been complied with;
- The Company has adequate resources to continue in operation for the foreseeable future and that there are no material uncertainties that could lead to significant doubt as to the Group's ability to continue as a going concern;
- Significant judgements made by management in respect of matters such as impairment assessment on goodwill, investment, property, plant and equipment and trade receivables, capitalisation policy of infrastructure assets in property, plant and equipment and post-employment benefit obligations and the underlying assumptions and/or estimates used were reasonable and appropriate in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS");

Audit Committee Report

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

2. External Audit

(a) Reviewed with the external auditors, PricewaterhouseCoopers PLT ("PwC"):-

- their status report, and final report on the audit of the financial statements for financial year ended 30 June 2020 setting out their comments and conclusions on the significant audit and accounting matters highlighted and adequacy of disclosures in the financial statements. The review also covered the report on the IT General Controls review conducted on YTL Communications Sdn Bhd and an update on the prior financial year's findings, and internal control matters highlighted by the external auditors that arose during the course of their audit;
- the audit plan for the financial year ended 30 June 2021 outlining, amongst others, their scope of work, areas of audit emphasis, multi-location audit, and development in laws and regulations affecting financial reporting and the roles and responsibilities of directors/audit committee members and auditors.

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

(c) Had discussions with PwC twice on 29 August 2020 and 29 September 2020, without the presence of management, to apprise on matters in regard to the audit and financial statements. The Audit Committee also enquired about the assistance and co-operation given by management to PwC.

(d) Reviewed the profiles of the audit engagement team from PwC Malaysia, specialised audit support (taxation, advisory, and IT risk assurance), and component auditors from Singapore, Indonesia, Jordan and The Netherlands to assess their qualifications, expertise, resources, and independence, as well as the effectiveness of the audit process. PwC also provided written confirmation of their independence in the reports presented to the Audit Committee. The Audit Committee also reviewed on a regular basis, the nature and extent of the non-audit services provided by PwC and was satisfied with the suitability, performance, independence and objectivity of PwC.

(e) Assessed performance of PwC for the financial year ended 30 June 2020 and recommended to the Board of Directors that shareholders' approval be sought for PwC's re-appointment at the annual general meeting held on 1 December 2020.

3. Internal Audit

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

(b) Reviewed and adopted the internal audit risk analysis reports for 2021. Internal audit would leverage on the Group's risk analysis to focus on the business processes and relevant areas that address the key risks identified. Risk management and internal control reports of the significant associated corporations, P.T. Jawa Power and ElectraNet Pty Ltd were also submitted to the Audit Committee;

(c) Reviewed and adopted the risk-based internal audit plan for financial year ending 30 June 2022 to ensure sufficient scope and coverage of activities of the Company and the Group;

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

Audit Committee Report

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

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

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

   (c) Reviewed the 2020 circular to shareholders in relation to the renewal of shareholder mandate for RRPT, prior to its recommendation to the Board of Directors for approval.

5. **Annual Report**

   (a) Reviewed the Audit Committee Report, and Statement on Risk Management and Internal Control before recommending these to the Board of Directors for approval for inclusion in 2020 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 on Corporate Governance, the IA is in charge of supervising internal control activities. IA's goal is to focus mainly on risk-based audits related to operations and compliance that are aligned with the risks of the Company and the Group to ensure that the relevant controls addressing those risks are reviewed.

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

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

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

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

2. Conducted scheduled and special internal audit engagements, focusing primarily on the adequacy and effectiveness of internal controls and 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 significant audit findings and areas for improvements raised by the IA to the Audit Committee for consideration on the recommended corrective measures together with the management's response.

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

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

7. Conducted discussions with management to identify, analyse, assess and prioritise the internal and external corruption risks, for the purpose of establishing appropriate processes, systems and controls to mitigate the specific corruption risks exposure.

Costs amounting to RM1,393,831 were incurred in relation to the internal audit function for the financial year ended 30 June 2021.

Nominating Committee Statement

for the financial year ended 30 June 2021

NOMINATING COMMITTEE ("NC")

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

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

Members of the NC are as follows:-

- Datuk Seri Long See Wool *(Chairman) (appointed on 25 February 2021)*
- Datuk Loo Took Gee
- Faiz Bin Ishak
- Tan Sri Datuk Dr. Aris Bin Osman @ Othman *(Chairman) (retired on 1 December 2021)*

The NC met three (3) times during financial year ended 30 June 2021, attended by all members.

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

(a) Board nomination and election process and criteria used

The NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director.

The NC undertook the following reviews of candidates to succeed the roles left vacant by the retirement of Tan Sri Datuk Dr. Aris Bin Osman @ Othman at the Twenty-Fourth Annual General Meeting held on 1 December 2020:-

i. Review of candidate proposed for appointment as Independent Non-Executive Director

In evaluating Tan Sri Ismail Bin Adam's candidacy, the NC considered a number of factors including his background, extensive experience in the public service sector, skills in strategic planning and management, and organisational transformation, and impeccable professionalism and integrity to be a right fit to the role required. Additionally, the NC was satisfied that he fulfilled the criteria set out under Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") for appointment to the role of an independent director, and that he has sufficient time available to devote to the role.

ii. Review of Directors proposed for appointment and/or redesignation to Board Committees

To ensure continuity and stability on the Board at a time of wider economic challenge and uncertainty, the NC considered the following Directors who were (well qualified, experienced and fit to take on the roles) nominated to fill the vacancies in the Board Committees:-

- Datuk Loo Took Gee for appointment as a member of the Audit Committee;
- Datuk Seri Long See Wool for appointment as a member and chairman of the NC; and
- the redesignation of Datuk Seri Long See Wool as chairman of the Remuneration Committee.

With Datuk Loo Took Gee abstaining from deliberation on her proposed appointment, the NC made its recommendations to the Board which were duly endorsed.

iii. Review of Directors proposed for re-election

In June 2021, based on the results of the evaluation undertaken for the financial year, the NC resolved to recommend to the Board that:-

- Tan Sri (Sri) Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Yeoh Soo Min and Dato' Yeoh Soo Keng who are due to retire by rotation pursuant to Article 86 of the Company's Constitution at the Twenty-Fifth Annual General of the Company ("25th AGM"), stand for re-election;
- Tan Sri Ismail Bin Adam who was appointed during the year and is due to retire pursuant to Article 85 of the Company's Constitution at the 25th AGM, stand for re-election.

Nominating Committee Statement

for the financial year ended 30 June 2021

The Board, save for the members who had abstained from deliberations on their own re-election, supported the NC's views and recommends that shareholders vote in favour of the resolutions for their re-election at the forthcoming 25th AGM.

(b) Annual evaluation

In May 2021, the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and individual Directors was carried out with the objectives of assessing whether the Board and the Board Committees, as well as the Directors have effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs; and to recommend areas for improvement. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

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

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

Results of the evaluations were summarised and discussed at the NC meeting held in June 2021 and reported to the Board by the Chairman of the NC. No evident weakness or shortcoming was identified which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2021 were satisfactory.

(c) Review of the NC Statement for financial year ended 30 June 2020

The NC Statement was reviewed by the NC prior to its recommendation to the Board for inclusion in 2020 Annual Report.

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

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

POLICY ON BOARD COMPOSITION

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

INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon joining the Board, a newly appointed Director will be given an induction pack containing the Company's annual report, Constitution, and schedule of meetings of the Board and Committee (if the Director is also a Committee member) which will serve as an initial introduction to the YTL Power Group as well as an ongoing reference. Visits to the YTL Power Group's operational sites and meetings with senior management may also be arranged as practicable and appropriate.

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

Nominating Committee Statement

for the financial year ended 30 June 2021

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

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

During the financial year ended 30 June 2021, the following five in-house training programmes were organised for the Directors:-

- YTL Anti-Bribery & Corruption Online Training – Module II: Gifts, Hospitality and Entertainment;
- YTL Anti-Bribery & Corruption Online Training – Module III: Whistleblowing and Code of Conduct & Business Ethics;
- YTL LEAD Conference 2020;
- Succeeding in the New Normal; Preparing for the Next Normal;
- Top 10 Issues for Boards in 2021: A Brave New World.

All the Directors have undergone training programmes during the financial year ended 30 June 2021. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
▸ **Corporate Governance/Risk Management and Internal Controls/Anti-Bribery & Corruption/Environmental, Social & Governance/Economics**	
Mandatory Accreditation Programme for Directors of Public Listed Companies (20 to 22 July 2020)	Datuk Loo Took Gee
YTL Anti-Bribery & Corruption Online Training – Module II: Gifts, Hospitality and Entertainment (August 2020)	Tan Sri (Sir) Francis Yeoh Sock Ping Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Creating Social Impact in a Post-COVID World (23 October 2020)	Dato' Yeoh Soo Min
YTL Foundation Scholar Induction Programme (30 October 2020)	Dato' Yeoh Soo Min
Bursa Malaysia – Fraud Risk Management Workshop (16 November 2020)	Datuk Loo Took Gee
World Bank Group – A Silver Lining – Productive and Inclusive Aging for Malaysia (24 November 2020)	Datuk Loo Took Gee

Nominating Committee Statement

for the financial year ended 30 June 2021

Seminars/Conferences/Training	Attended by
Corporate Governance/Risk Management and Internal Controls/Anti-Bribery & Corruption/Environmental, Social & Governance/Economics (Cont'd.)	
YTL Anti-Bribery & Corruption Online Training – Module III: Whistleblowing and Code of Conduct & Business Ethics (December 2020)	Tan Sri (Sir) Francis Yeoh Sock Ping Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Institute for Democracy and Economic Affairs (IDEAS) – Malaysia Outlook Conference 2021: "Bina Malaysia Bersama" (2 to 4 February 2021)	Dato' Yeoh Soo Min
Leaps of Knowledge – Leap Episode H: Here to Make a Difference (3 March 2021)	Dato' Yeoh Soo Min
Organisation for Economic Cooperation and Development (OECD) – Conversations on the Key Priorities for Climate Change and the Net-Zero (21 April 2021)	Datuk Loo Took Gee
World Bank Group – Asian Provident Funds – Meeting Tomorrow's Challenges (28 April 2021)	Datuk Loo Took Gee
Succeeding in the New Normal; Preparing for the Next Normal (3 & 4 May 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Tan Sri Ismail Bin Adam Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Top 10 Issues for Boards in 2021: A Brave New World (14 & 22 June 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Tan Sri Ismail Bin Adam Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Ministry of Finance – Roundtable Discussion on Low Emissions Pathway for Malaysia (22 June 2021)	Datuk Loo Took Gee

Nominating Committee Statement

for the financial year ended 30 June 2021

Seminars/Conferences/Training	Attended by
▸ **Leadership and Business Management/Corporate Responsibility/Sustainability**	
Second CEO Action Network Meeting (20 October 2020)	Dato' Yeoh Soo Min
Leadership Energy Summit Asia 2020 (16 to 19 November 2020)	Dato' Yeoh Soo Min
YTL LEAD Conference 2020 (24 to 27 November 2020)	Tan Sri (Sir) Francis Yeoh Sock Ping Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Yeoh Seok Hong Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak
Debate Mate x Now Pensions x UN Women: Is the Future Female? (8 March 2021)	Dato' Yeoh Soo Min
Women@YTL – Women in Leadership during a Pandemic (12 March 2021)	Dato' Yeoh Soo Min
Women in Leadership – Achieving a Gender Equal Future in a COVID-19 World (8 April 2021)	Dato' Yeoh Soo Min
World Bank Group – Climate Governance Malaysia (5 May 2021)	Datuk Loo Took Gee
▸ **Trade/Investment/Technology/Finance/Taxation**	
Qualcomm Smart Cities Accelerate 2020 (9 December 2020)	Dato' Yeoh Seok Kian
HSBC 2021 Investment Outlook: Capturing Opportunities on the Path to Recovery and Rebuilding (12 January 2021)	Dato' Yeoh Soo Min
HSBC 2021 Investment Outlook Southeast Asia: Recovery and Rebuilding (15 January 2021)	Dato' Yeoh Soo Min
Organisation for Economic Cooperation and Development (OECD) – Trade, Resource Efficiency and Circular Economy (25 March 2021)	Datuk Loo Took Gee
Financing Healthcare Week – Investing in Future Breakthroughs (22 to 26 March 2021)	Dato' Yeoh Soo Min
Corporate Treasurer Week: Resilience Through Digitalisation (26 to 30 April 2021)	Dato' Yeoh Soo Min
FinanceAsia – The Investor-Issuer Dialogue: Financing Climate Change (21 to 25 June 2021)	Dato' Yeoh Soo Min

Statement of Directors' Responsibilities

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

In preparing the financial statements for the financial year ended 30 June 2021, the Directors have:-

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

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

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

Analysis of Shareholdings

as at 24 September 2021

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%
Less than 100	6,363	15.17	227,946	0.00
100 - 1,000	3,949	9.42	1,444,565	0.02
1,001 - 10,000	20,757	49.50	75,830,523	0.94
10,001 - 100,000	9,388	22.39	255,093,075	3.15
100,001 to less than 5% of issued shares	1,471	3.51	2,373,980,432	29.30
5% and above of issued shares	5	0.01	5,395,579,766	66.59
Total	**41,933**	**100.00**	**8,102,156,307**	**100.00**

Excluding 56,052,431 shares bought back and retained by the Company as treasury shares.

THIRTY LARGEST SHAREHOLDERS

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

	Name	No. of Shares	%
1	YTL Corporation Berhad	3,366,987,805	41.56
2	YTL Corporation Berhad	601,214,615	7.42
3	Cornerstone Crest Sdn Bhd	525,937,497	6.49
4	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	462,928,114	5.71
5	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	438,511,735	5.41
6	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	313,813,226	3.87
7	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeoh Tiong Lay & Sons Holdings Sdn Bhd	307,785,000	3.80
8	HSBC Nominees (Asing) Sdn Bhd - Credit Suisse (Hong Kong) Limited	253,217,856	3.13
9	Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	125,153,677	1.54
10	Dato' Yeoh Seok Hong	111,736,559	1.38
11	Amanahraya Trustees Berhad - Amanah Saham Malaysia	99,607,675	1.23
12	Seri Yakin Sdn Bhd	76,047,000	0.94
13	Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd (1)	42,016,531	0.52
14	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	31,799,602	0.39
15	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 3 - Didik	30,987,527	0.38
16	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	25,290,859	0.31

Analysis of Shareholdings

as at 24 September 2021

	Name	No. of Shares	%
17	Maybank Nominees (Tempatan) Sdn Bhd	24,767,900	0.31
	- Maybank Asset Management Sdn Bhd for Malayan Banking Berhad (N14011200618)		
18	Dato' Yeoh Seok Hong	23,701,610	0.29
19	Cartaban Nominees (Asing) Sdn Bhd	23,242,400	0.29
	- BCSL Client Ac Pb Cayman Clients		
20	Citigroup Nominees (Tempatan) Sdn Bhd	22,774,900	0.28
	- Great Eastern Life Assurance (Malaysia) Berhad (SHF)		
21	Kumpulan Wang Persaraan (Diperbadankan)	22,576,094	0.28
22	Dato' Yeoh Soo Min	18,274,657	0.23
23	RHB Capital Nominees (Tempatan) Sdn Bhd	15,232,249	0.19
	- Pledged Securities Account for Hasil Mayang Sdn Bhd		
24	Dato' Yeoh Soo Keng	14,810,799	0.18
25	Alliancegroup Nominees (Tempatan) Sdn Bhd	14,735,000	0.18
	- Pledged Securities Account for Goh Leng Pheow (MU006)		
26	Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	12,447,658	0.15
27	Dato' Mark Yeoh Seok Kah	12,299,200	0.15
28	HSBC Nominees (Asing) Sdn Bhd	12,167,263	0.15
	- Exempt An for Credit Suisse (SGBR-TST-ASING)		
29	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	11,797,022	0.15
30	Amanahraya Trustees Berhad	11,687,500	0.14
	- Amanah Saham Malaysia 3		
	Total	**7,053,549,530**	**87.06**

SUBSTANTIAL SHAREHOLDERS

(as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Cornerstone Crest Sdn Bhd	525,937,497	6.49	-	-
YTL Corporation Berhad	3,976,650,440	49.08	526,007,452(1)	6.49
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	802,901,708	9.91	4,502,657,892(2)	55.57
Yeoh Tiong Lay & Sons Family Holdings Limited	-	-	5,305,558,970(3)	65.48
Yeoh Tiong Lay & Sons Trust Company Limited	-	-	5,305,558,970(4)	65.48
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	25,290,859	0.31	5,305,558,970(5)	65.48
Employees Provident Fund Board	474,880,087	5.86	-	-

(1) *Deemed interests by virtue of interests held through YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

(2) *Deemed interests by virtue of interests held through YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*

(3) *Deemed interests by virtue of interests held through Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power Services Sdn Bhd and Cornerstone Crest Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 arising from its ownership of 100% of Yeoh Tiong Lay & Sons Holdings Sdn Bhd.*

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

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

Statement of Directors' Interests

in the Company and Related Corporations as at 24 September 2021

THE COMPANY

YTL Power International Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,370,694	0.26	362,153[(1)]	*
Datuk Seri Long See Wool	–	–	50,168[(1)]	*
Dato' Yeoh Seok Kian	11,276,298	0.14	13,816,426[(1)]	0.17
Dato' Yeoh Soo Min	19,066,325	0.24	4,980,017[(1)(2)]	0.06
Dato' Yeoh Seok Hong	135,438,169	1.67	5,435,235[(1)]	0.07
Dato' Sri Michael Yeoh Sock Siong	–	–	18,112,912[(1)(3)]	0.22
Dato' Yeoh Soo Keng	17,042,049	0.21	197,431[(1)]	*
Dato' Mark Yeoh Seok Kah	12,299,200	0.15	1,563,315[(1)]	0.02
Syed Abdullah Bin Syed Abd. Kadir	2,581,072	0.03	596[(1)]	*

HOLDING COMPANY

YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	149,844,946	1.37	516,665[(1)]	*
Datuk Seri Long See Wool	–	–	303,479[(1)]	*
Dato' Yeoh Seok Kian	58,508,722	0.53	13,895,816[(1)]	0.13
Dato' Yeoh Soo Min	56,101,999	0.51	2,495,456[(1)(2)]	0.02
Dato' Yeoh Seok Hong	54,173,305	0.49	24,821,442[(1)]	0.23
Dato' Sri Michael Yeoh Sock Siong	–	–	77,595,817[(1)(3)]	0.71
Dato' Yeoh Soo Keng	58,087,165	0.53	799,157[(1)]	0.01
Dato' Mark Yeoh Seok Kah	23,232,200	0.21	4,508,586[(1)]	0.04
Syed Abdullah Bin Syed Abd. Kadir	9,911,955	0.09	20,701[(1)]	*

Statement of Directors' Interests

in the Company and Related Corporations as at 24 September 2021

RELATED CORPORATIONS

Malayan Cement Berhad

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

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

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

* *Negligible*

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

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

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

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

List of Properties

as at 30 June 2021

Location	Tenure	Land Area (sq. m.)	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2021 RM'000	Date of Acquisition
Filton Airfield, Filton, Bristol	Freehold	1,416,400	Disused Airfield & Hangars	-	-	-	635,004	1.12.2015
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 0YS	Freehold	394,600	Water Recycling Centre	-	-	-	448,757	21.5.2002
Ham Lane WRC, Creech St. Michael, Taunton, Somerset TA3 5NU	Freehold	120,000	Water Recycling Centre	-	-	-	295,435	21.5.2002
Johan de Wittlaan 30, The Hague, 2517 JR Netherlands	Freehold	7,648	10-storey hotel building	14,124	3	-	247,978	28.6.2018
W-S-Mare WRC, Accomodation Road, Bleadon, Weston Super Mare, BS24 0AP	Freehold	157,500	Water Recycling Centre	-	-	-	213,591	21.5.2002
Poole WRC, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800	Water Recycling Centre	-	-	-	205,644	21.5.2002
Trowbridge WRC, Bradford Road, Trowbridge, West Wilts, BA14 9 AX	Freehold	60,000	Water Recycling Centre	-	-	-	172,848	21.5.2002
Operations Centre, Claverton Down Road, Claverton Down, Bath BA2 7WW	Freehold	27,100	Head Office	5,640	19	-	135,592	21.5.2002
Berry Hill, Watery Lane, Throop, Bournemouth BH8 0AJ	Freehold	41,300	Sludge Recycling Centre	-	-	-	133,152	21.5.2002
Maundown Water Treatment Works, Maundown, Wiveliscombe, Taunton, TA4 2UN	Freehold	68,500	Water treatment works	-	-	-	124,618	21.5.2002

FINANCIAL STATEMENTS

Directors' Report

for the financial year ended 30 June 2021

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of administrative and technical support services. The principal activities and information of the subsidiaries are set out in Note 14 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	Company
	RM'000	**RM'000**
(Loss)/Profit for the financial year	**(103,128)**	**413,193**
Attributable to:		
- Owners of the parent	**(146,524)**	**413,193**
- Non-controlling interests	**43,396**	**-**
	(103,128)	**413,193**

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2021:	
- Interim dividend of 2 sen per ordinary share paid on 29 June 2021	**162,043**

On 8 September 2021, the Board of Directors declared a second interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021 for payment on 12 October 2021. The book closure date in respect of the aforesaid dividend was 24 September 2021.

The Board of Directors do not recommend a final dividend for the financial year ended 30 June 2021.

RESERVES AND PROVISIONS

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

Directors' Report
for the financial year ended 30 June 2021

SHARE CAPITAL

The issued and fully paid up share capital of the Company is 8,158,208,738 ordinary shares. There were no new shares issuance during the financial year.

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the 24th Annual General Meeting held on 1 December 2020. 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.

A total of 479,687,081 treasury shares were distributed on 12 November 2020 to shareholders on the basis of one (1) treasury share for every sixteen (16) ordinary shares held as at 28 October 2020.

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

EMPLOYEES' SHARE OPTION SCHEME

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

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

The ESOS expired on 31 March 2021.

DIRECTORS

The Directors who have held office during the financial year until the date of this report are as follows:

Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE
Tan Sri Datuk Dr. Aris Bin Osman @ Othman *(Retired on 1 December 2020)*
Tan Sri Ismail Bin Adam *(Appointed on 25 February 2021)*
Datuk Seri Long See Wool
Datuk Loo Took Gee
Dato' Yeoh Seok Kian
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Soo Keng
Dato' Mark Yeoh Seok Kah
Syed Abdullah Bin Syed Abd. Kadir
Faiz Bin Ishak

Directors' Report

for the financial year ended 30 June 2021

DIRECTORS OF SUBSIDIARIES

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

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, 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 in the Company			
	At 1 July 2020	**Acquired**	**Disposed**	**At 30 June 2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	20,113,596	1,257,098	-	**21,370,694**
Dato' Yeoh Seok Kian	10,612,987	663,311	-	**11,276,298**
Dato' Yeoh Soo Min	17,944,778	1,121,547	-	**19,066,325**
Dato' Yeoh Seok Hong	126,028,219	9,409,950	-	**135,438,169**
Dato' Yeoh Soo Keng	16,039,576	1,002,473	-	**17,042,049**
Dato' Mark Yeoh Seok Kah	11,315,718	983,482	-	**12,299,200**
Syed Abdullah Bin Syed Abd. Kadir	2,429,245	151,827	-	**2,581,072**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	290,780 (1)	18,173	-	**308,953 (1)**
Datuk Seri Long See Wool	47,217 (1)	2,951	-	**50,168 (1)**
Dato' Yeoh Seok Kian	12,909,578 (1)	906,848	-	**13,816,426 (1)**
Dato' Yeoh Soo Min	4,687,077 (1)(2)	292,940	-	**4,980,017 (1)(2)**
Dato' Yeoh Seok Hong	5,115,520 (1)	319,715	-	**5,435,235 (1)**
Dato' Sri Michael Yeoh Sock Siong	17,047,448 (1)(3)	1,065,464	-	**18,112,912 (1)(3)**
Dato' Yeoh Soo Keng	185,818 (1)	11,613	-	**197,431 (1)**
Dato' Mark Yeoh Seok Kah	1,443,626 (1)	119,689	-	**1,563,315 (1)**
Syed Abdullah Bin Syed Abd. Kadir	561 (1)	35	-	**596 (1)**

Directors' Report
for the financial year ended 30 June 2021

DIRECTORS' INTERESTS (CONT'D.)

	Number of share options over ordinary shares# in the Company			
	At 1 July 2020	**Granted**	**Lapsed**	**At 30 June 2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	17,000,000	-	(17,000,000)	**-**
Dato' Yeoh Seok Kian	15,000,000	-	(15,000,000)	**-**
Dato' Yeoh Soo Min	13,000,000	-	(13,000,000)	**-**
Dato' Yeoh Seok Hong	10,000,000	-	(10,000,000)	**-**
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	(15,000,000)	**-**
Dato' Yeoh Soo Keng	13,000,000	-	(13,000,000)	**-**
Dato' Mark Yeoh Seok Kah	15,000,000	-	(15,000,000)	**-**
Syed Abdullah Bin Syed Abd. Kadir	4,000,000	-	(4,000,000)	**-**
Deemed interest				
Dato' Yeoh Seok Hong	4,500,000(1)	-	(4,500,000)	**-**

\# *Option granted pursuant to the 2011 employees share option scheme of the Company which expired on 31 March 2021.*

	Number of ordinary shares			
Immediate Holding Company YTL Corporation Berhad	**At 1 July 2020**	**Acquired**	**Disposed**	**At 30 June 2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	145,011,239	4,833,707	-	**149,844,946**
Dato' Yeoh Seok Kian	56,621,344	1,887,378	-	**58,508,722**
Dato' Yeoh Soo Min	53,421,290	1,780,709	-	**55,201,999**
Dato' Yeoh Seok Hong	52,425,780	1,747,525	-	**54,173,305**
Dato' Yeoh Soo Keng	56,213,386	1,873,779	-	**58,087,165**
Dato' Mark Yeoh Seok Kah	21,932,775	1,299,425	-	**23,232,200**
Syed Abdullah Bin Syed Abd. Kadir	9,592,215	319,740	-	**9,911,955**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000(1)	16,665	-	**516,665(1)**
Datuk Seri Long See Wool	293,690(1)	9,789	-	**303,479(1)**
Dato' Yeoh Seok Kian	13,447,566(1)	448,250	-	**13,895,816(1)**
Dato' Yeoh Soo Min	2,414,960(1)(2)	80,496	-	**2,495,456(1)(2)**
Dato' Yeoh Seok Hong	24,020,752(1)	800,690	-	**24,821,442(1)**
Dato' Sri Michael Yeoh Sock Siong	75,092,727(1)(3)	2,503,090	-	**77,595,817(1)(3)**
Dato' Yeoh Soo Keng	773,378(1)	25,779	-	**799,157(1)**
Dato' Mark Yeoh Seok Kah	4,085,708(1)	422,878	-	**4,508,586(1)**
Syed Abdullah Bin Syed Abd. Kadir	20,034(1)	667	-	**20,701(1)**

Directors' Report

for the financial year ended 30 June 2021

DIRECTORS' INTERESTS (CONT'D.)

Immediate Holding Company YTL Corporation Berhad	Number of share options over ordinary shares^ At 1 July 2020	Granted	Lapsed	At 30 June 2021
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	17,000,000	-	(17,000,000)	**-**
Dato' Yeoh Seok Kian	15,000,000	-	(15,000,000)	**-**
Dato' Yeoh Soo Min	15,000,000	-	(15,000,000)	**-**
Dato' Yeoh Seok Hong	15,000,000	-	(15,000,000)	**-**
Dato' Sri Michael Yeoh Sock Siong	15,000,000	-	(15,000,000)	**-**
Dato' Yeoh Soo Keng	15,000,000	-	(15,000,000)	**-**
Dato' Mark Yeoh Seok Kah	15,000,000	-	(15,000,000)	**-**
Syed Abdullah Bin Syed Abd. Kadir	2,000,000	-	(2,000,000)	**-**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	12,000,000(1)	-	(12,000,000)	**-**
Dato' Yeoh Seok Kian	6,000,000(1)	-	(6,000,000)	**-**
Dato' Yeoh Soo Min	2,000,000(1)	-	(2,000,000)	**-**
Dato' Yeoh Seok Hong	12,000,000(1)	-	(12,000,000)	**-**

^ *Option granted pursuant to the 2011 employees share option scheme of YTL Corporation Berhad which expired on 31 March 2021.*

Related Company Malayan Cement Berhad	Number of ordinary shares At 1 July 2020	Acquired	Disposed	At 30 June 2021
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	500,000(1)	-	-	**500,000(1)**
Dato' Sri Michael Yeoh Sock Siong	2,100(1)	-	-	**2,100(1)**

Related Company Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd. (In Members' Voluntary Winding-Up)Ω	Number of ordinary shares At 1 July 2020	Acquired	Disposed	At 17 June 2021
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	-	-	**1**

Directors' Report
for the financial year ended 30 June 2021

DIRECTORS' INTERESTS (CONT'D.)

Related Company **YTL Corporation (UK) Plc.***	**Number of ordinary shares of £0.25 each** **At** **1 July 2020**	**Acquired**	**Disposed**	**At** **30 June 2021**
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**

Related Company **YTL Construction (Thailand) Limited+**	**Number of ordinary shares of THB100 each** **At** **1 July 2020**	**Acquired**	**Disposed**	**At** **30 June 2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Yeoh Seok Kian	1	–	–	**1**
Dato' Yeoh Seok Hong	1	–	–	**1**
Dato' Sri Michael Yeoh Sock Siong	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

Related Company **Samui Hotel 2 Co., Ltd.+**	**Number of ordinary shares of THB10 each** **At** **1 July 2020**	**Acquired**	**Disposed**	**At** **30 June 2021**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

* *Incorporated in England and Wales.*

\+ *Incorporated in Thailand.*

Ω *Dissolved on 17 June 2021.*

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

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

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

Other than as disclosed above, 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' Report

for the financial year ended 30 June 2021

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

A Directors' and Officers' liability insurance against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office for the Group and the Company is maintained on a group basis under YTL Corporation Berhad, the immediate holding company of YTL Power International Berhad. The Directors and Officers shall be indemnified by such insurance except for acts attributable to any deliberate criminal or fraudulent acts committed by them, provided such act is established by a final non-appealable adjudication.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 6 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/she is a member, or with a company in which he/she has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements 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 body corporate, other than the ESOS.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets 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 written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

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

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

Directors' Report
for the financial year ended 30 June 2021

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D.)

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

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 of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors:

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

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

ULTIMATE HOLDING COMPANY

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

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

Details of auditors' remuneration are set out in Note 6 to the financial statements.

This report was approved by the Board of Directors on 30 September 2021.

Signed on behalf of the Board of Directors:

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

DATO' YEOH SEOK HONG
Director

Statement by Directors

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

We, Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE and Dato' Yeoh Seok Hong, two of the Directors of YTL Power International Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 92 to 235 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and financial performance of the Group and of the Company for the financial year ended 30 June 2021 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 September 2021.

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

DATO' YEOH SEOK HONG
Director

Statutory Declaration

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

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 92 to 235 are, to the best of my knowledge and belief, 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 abovenamed
Dato' Yeoh Seok Hong
at Kuala Lumpur on 30 September 2021.

Before me:

TAN SEOK KETT
Commissioner for Oaths

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of YTL Power International Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 92 to 235.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

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

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

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

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
Impairment review of goodwill *Refer to Note 2(d)(ii) – significant accounting policies, Note 3(a) – critical accounting estimates and judgements, and Note 13 – intangible assets* The Group recorded goodwill of RM8,222.7 million as at 30 June 2021, primarily allocated to the multi utilities business segment in Singapore and water and sewerage segment in the United Kingdom. The goodwill for these segments comprises 97.6% of total goodwill. The recoverable amounts of the cash generating units ("CGU") are determined based on value-in-use ("VIU") calculations. Based on the annual impairment test performed, the Directors concluded that no impairment is required for goodwill. The key assumptions and sensitivities are disclosed in Note 13(a)(i) and 13(a)(ii) to the financial statements. We focused on this area as the estimation of the recoverable amounts is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and the discount rate applied to the projected cash flows.	We performed the following audit procedures: • Agreed the VIU cash flows of each CGU to the financial budgets approved by the Directors; • Discussed with management the key assumptions used in the respective VIU cash flows and compared the revenue growth rates to the historical performance of the respective CGUs and assessed the potential impact of COVID-19 pandemic to the VIU cash flows; • Checked the reasonableness of the discount rates and terminal growth rates with the assistance of our valuation expert by benchmarking to the respective industries which included the impact of COVID-19 pandemic as at year end; • Compared historical forecasting for the current financial year to actual results achieved to ascertain the reasonableness of management's estimates; and • Checked the sensitivity analysis performed by management over discount rates, terminal growth rates, and revenue growth rates, used in deriving the respective VIU cash flows. Based on the procedures performed, no material exceptions were noted.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

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

Key audit matters (cont'd.)

Key audit matters	How our audit addressed the key audit matters
Capitalisation policy on infrastructure assets of the water and sewerage segment *Refer to Note 2(b) - significant accounting policies, Note 3(b) – critical accounting estimates and judgements, and Note 10 – property, plant and equipment ("PPE")* As at 30 June 2021, the net book value of infrastructure assets of the water and sewerage segment of RM9,137.4 million comprised capital expenditure incurred by the segment to meet the development and regulatory requirements of the business, employee and overhead costs that are directly attributable to the construction of the assets. There is significant judgement involved in determining whether costs incurred, specifically employee and overhead costs meet the relevant criteria for capitalisation in accordance with MFRS 116, Property, Plant and Equipment ("MFRS 116").	We performed the following audit procedures: • Tested the operating effectiveness of the controls over authorisation of selected projects' infrastructure assets and identification of capital expenditures attributable to the infrastructure assets; • Compared the level of employee and overhead costs capitalised against prior year balances and current year budget information to identify material changes in the nature or quantum of costs capitalised, with any significant variances discussed and corroborated with management; and • Understood the nature of costs incurred in relation to employee and overhead costs through discussion with management and corroborated with supporting information provided and checked whether the costs incurred met the capitalisation criteria in accordance with MFRS 116. Based on the procedures performed, no material exceptions were noted.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

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

Key audit matters (cont'd.)

Key audit matters	How our audit addressed the key audit matters
Expected credit losses assessment on trade receivables of the Group's water and sewerage segment *Refer to Note 2(m)(iv) - significant accounting policies, Note 3(d) - critical accounting estimates and judgements and Note 18 - receivables, deposits and prepayments*	
Trade receivables of the water and sewerage segment of RM543.1 million is net of expected credit losses charges of RM248.7 million as at 30 June 2021. As this segment operates in the United Kingdom ("UK"), there is a statutory requirement to continue to provide water to all customers who has defaulted in payment. Therefore, the Group has estimated the expected credit losses of trade receivables on a portfolio basis for the year based on the historical cash collection trends and economic trends, which are subjective in nature. We focused on this area given the use of significant estimates and judgement in determining the appropriate level of expected credit losses for trade receivables.	We performed the following audit procedures: • Tested the operating effectiveness of the key IT systems used for generating billings and cash collection data used for the expected credit losses assessment and the controls over assessment of expected credit losses of trade receivables; • Obtained the historical cash collection trends of each ageing bracket of the trade receivables and payment methods and compared against the percentage of expected credit losses used by management against each ageing bracket and payment methods; • Checked the appropriateness of the forward-looking forecasts assumptions used to determine the expected credit losses, which included management's scenario analysis of the impact of COVID-19 pandemic; and • Compared the level of expected credit losses charged against similar companies within the industry in the UK. Based on the procedures performed, no material exceptions were noted.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Key audit matters	How our audit addressed the key audit matters
Assumptions used in determining the present value of the funded defined benefit obligations of the water and sewerage segment *Refer to Note 2(x)(ii) - significant accounting policies, Note 3(f) - critical accounting estimates and judgements, and Note 29 - post-employment benefit obligations*	
The water and sewerage segment of the Group recorded RM437.9 million of post-employment benefit obligations as at 30 June 2021, net of fair value of plan assets. The present value of the funded defined benefit obligations depends on a number of assumptions determined on an actuarial basis. The key assumptions are disclosed in Note 29(b) to the financial statements. We focused to this area due to the key assumptions used in determining the present value of the funded defined benefit obligations and any changes in these assumptions will materially impact the carrying amounts of the post-employment benefit obligations.	We performed the following audit procedures: • Understood and assessed the scope of work by the external actuary engaged by the management; • Assessed the competencies, objectivity and capabilities of the external actuary; • Obtained the external actuarial report and understood the key assumptions used in determining the present value of the funded defined benefit obligations; • Compared the key assumptions used by the actuary on discount rate, expected rate of increase in pension payment, and price inflation against external market data and similar schemes with assistance of an actuary expert; • Compared the expected rate of salary increases used by the actuary against historical trend; • Assessed the fair value of the scheme assets by obtaining the valuation from the relevant fund managers as at 30 June 2021 and corroborated with independent sources; • Evaluated the impact of COVID-19 pandemic on the valuation of assets held within the pension scheme; and • Checked the disclosures in respect of the sensitivity of the carrying amounts of the post-employment benefit obligations to changes in key assumptions, performed by the actuary. Based on the procedures performed, no material exceptions were noted.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Key audit matters	How our audit addressed the key audit matters
Metered income accrual *Refer to Note 2(m) and Note 2(v)(ii) - significant accounting policies, Note 3(g) - critical accounting estimates and judgements, Note 4 - revenue and Note 18 - receivables, deposits and prepayments*	
The Group has recorded a metered income accrual of RM536.1 million as at 30 June 2021 relating to revenue from the provision of water services to customers on water meters that had not been read at the year-end date. Revenue recognition in respect of the accrued income is particularly judgemental. It arises in relation to the unbilled income accrual from metered water services. This income accrual requires an estimation of the amount of unbilled charges at the period end. It is calculated using system generated information based on previous customer volume usage. Given the range of factors underlying the estimate, there is a risk that the metered income accrual and revenue could be misstated.	We performed the following audit procedures: • Obtained an understanding of the process for the supply of measured services, meter reading and related billing; • Tested the key controls linked to system generated information and around the estimation process for measured revenue; • Compared the accrued income to bills raised post year end and compared management's history of estimating the accrued income balance to bills raised in the subsequent year to assess the accuracy of accrual income balance; • Recomputed the accrued income based on customers' historical usage data for selected samples; • Perform analytical procedures by comparing revenue balances for the year against expectation and obtaining support for significant variances; • Corroborated the key assumptions and estimates made by management in recognising revenue, by obtaining internal and external data on factors that influence demand from customers; • Tested contract terms and conditions were met and revenue recognised at the correct period; • Performed journal testing over targeted manual entries related to revenue, particularly those recorded close to the year end; and • Obtained an understanding of manual adjustments made to accrued income and reviewed the underlying assumptions for those adjustments including considerations on COVID-19 pandemic. Based on the procedures performed, no material exceptions were noted.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of property, plant and equipment and investment in the subsidiary of the Group *Refer to Note 2(b) and 2(g) - significant accounting policies, Note 3(c) - critical accounting estimates and judgements, Note 10 - PPE and Note 14 - investment in subsidiaries*	
a) Impairment assessment of property, plant and equipment ("PPE") The Group has PPE related to its telecommunications business segment with aggregate carrying values of RM2,191.1 million as at 30 June 2021. The Group performed an impairment assessment on the carrying values of the PPE due to the losses recorded by the segment which is an impairment indicator. The impairment assessment was performed by management using fair value less costs of disposal ("FVLCD") cash flows which requires significant judgement as the timing and quantum of the cash flows is dependent on the achievement of the next five years' business plans and financial budgets which are dependent on the use of key assumptions comprising its growth targets, and sourcing contract renewals. Based on the annual impairment test performed, the Directors concluded that no impairment of PPE is required.	a) Impairment assessment of property, plant and equipment ("PPE") We performed the following audit procedures: • Agreed the FVLCD cash flows of the CGU to the financial budgets approved by the Directors, adjusted to reflect market participants assumptions; • Checked the assumptions used, in particular average revenue growth rate, earnings before interest, taxes, depreciation and amortisation margin, and useful life of the assets and benchmarked against the comparable companies within the industry, including assessing the impact of the COVID-19 pandemic using industry data; • Discussed with management the rationale applied on the assumption of sourcing contract renewals by considering the Group's historical experience; • Assessed reasonableness of the discount rate which reflects the specific risk relating to the PPE based on inputs that are publicly available; and • Checked sensitivity analysis performed by management on the discount rate used in deriving the FVLCD.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of property, plant and equipment and investment in the subsidiary of the Group (cont'd.)	
b) Impairment assessment on cost of investment in the separate financial statements of the Company The cost of investment of the telecommunications business segment of the Group in the separate financial statement of the Company as at 30 June 2021 amounted to RM3,283.3 million. Given the impairment indicator as described above, the Group has performed an impairment assessment and estimated the recoverable amount based on FVLCD cash flows and the Directors have concluded that no impairment on the cost of investment is required. We focused on (a) and (b) above as the estimation of the recoverable amounts is inherently uncertain and requires significant judgement on the future cash flows, terminal growth rate and the discount rate applied to the calculation of the FVLCD.	b) Impairment assessment on cost of investment in the separate financial statements of the Company In addition to the procedures performed on the cash flows from the underlying PPE of the subsidiary as described above, we have performed the following audit procedures: • Checked that the FVLCD cash flows of the underlying PPE had been adjusted for financing and tax cash flows; • Assessed the reasonableness of the discount rate which reflects the specific risk relating to the investment in the subsidiary based on inputs that are publicly available with the assistance of our valuation expert; • Checked the reasonableness of the terminal growth rate with the assistance of our valuation expert by benchmarking to industry reports, including assessing the impact of the COVID-19 pandemic using industry data; and • Checked sensitivity analysis performed by management on terminal growth rate and discount rate used in deriving the FVLCD. Based on the procedures performed in (a) and (b) above, no material exceptions were noted.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

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

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Chairman's Statement, Management Discussion & Analysis, Managing Sustainability, Corporate Information, Managing Director's Review, Audit Committee Report, Nominating Committee Statement, Corporate Governance Overview Statement, Statement on Risk Management & Internal Control, and Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

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

Auditors' responsibilities for the audit of the financial statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

to the members of YTL Power International Berhad
(Incorporated in Malaysia)
(Company No. 199601034332 (406684-H))

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

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

IRVIN GEORGE LUIS MENEZES
02932/06/2022 J
Chartered Accountant

Kuala Lumpur
30 September 2021

Income Statements

for the financial year ended 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	4	**10,784,730**	10,637,177	**955,608**	1,107,416
Cost of sales		**(9,345,988)**	(9,131,216)	**-**	-
Gross profit		**1,438,742**	1,505,961	**955,608**	1,107,416
Other operating income		**302,119**	131,875	**2,113**	4,203
Administrative expenses		**(365,733)**	(529,246)	**(36,948)**	(56,081)
Other operating expenses		**(155,775)**	(53,954)	**(179,187)**	(51,551)
Finance cost		**(951,562)**	(1,083,661)	**(327,944)**	(432,251)
Share of profits of investments accounted for using the equity method	15	**365,997**	454,216	**-**	-
Profit before taxation	6	**633,788**	425,191	**413,642**	571,736
Taxation	7	**(736,916)**	(297,487)	**(449)**	(473)
(Loss)/Profit for the financial year		**(103,128)**	127,704	**413,193**	571,263
Attributable to:					
- Owners of the parent		**(146,524)**	67,638	**413,193**	571,263
- Non-controlling interests		**43,396**	60,066	**-**	-
		(103,128)	127,704	**413,193**	571,263
(Loss)/Earnings per share for (loss)/profit attributable to the owners of the parent:					
- Basic/Diluted (sen)	8	**(1.84)**	0.88		

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

for the financial year ended 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(Loss)/Profit for the financial year		**(103,128)**	127,704	**413,193**	571,263
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to income statement:					
- financial assets at fair value through other comprehensive income	25(a)	**(8,039)**	(26,699)	**(8,040)**	(26,706)
- re-measurement of post-employment benefit obligations		**354,623**	(182,169)	**-**	-
- subsidiaries		**347,653**	(181,506)	**-**	-
- associates and joint ventures		**6,970**	(663)	**-**	-
Items that may be reclassified subsequently to income statement:					
- cash flow hedges	25(a)	**453,671**	(164,022)	**-**	-
- subsidiaries		**412,410**	(157,396)	**-**	-
- associates and joint ventures		**41,261**	(6,626)	**-**	-
- currency translation differences		**522,850**	114,535	**-**	-
- subsidiaries		**546,092**	50,100	**-**	-
- associates and joint ventures		**(23,242)**	64,435	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax		**1,323,105**	(258,355)	**(8,040)**	(26,706)
Total comprehensive income/(loss) for the financial year		**1,219,977**	(130,651)	**405,153**	544,557
Attributable to:					
- Owners of the parent		**1,194,691**	(215,189)	**405,153**	544,557
- Non-controlling interests		**25,286**	84,538	**-**	-
		1,219,977	(130,651)	**405,153**	544,557

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

as at 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**24,200,911**	21,880,462	**1,145**	1,311
Investment properties	12	**635,004**	467,208	**-**	-
Project development costs	17	**259,744**	248,617	**-**	-
Intangible assets	13	**8,674,529**	8,641,718	**-**	-
Right-of-use assets	11	**491,388**	621,765	**-**	-
Investment in subsidiaries	14	**-**	-	**18,390,930**	17,984,521
Investments accounted for using the equity method	15	**2,212,256**	2,215,451	**-**	-
Investments	16	**209,823**	215,369	**203,278**	211,689
Derivative financial instruments	20	**26,461**	10,585	**-**	-
Receivables, deposits and prepayments	18	**1,506,914**	1,384,457	**-**	-
Amounts owing by subsidiaries	22	**-**	-	**1,583,436**	1,365,437
		38,217,030	35,685,632	**20,178,789**	19,562,958
Current assets					
Inventories	19	**351,217**	311,910	**-**	-
Investments	16	**1,752,455**	1,389,043	**349,572**	476,102
Receivables, deposits and prepayments	18	**2,868,900**	2,157,654	**1,839**	2,057
Derivative financial instruments	20	**263,719**	74,259	**-**	-
Amounts owing by immediate holding company and ultimate holding company	21	**17**	11	**-**	-
Amounts owing by subsidiaries	22	**-**	-	**358,306**	1,398,788
Amounts owing by fellow subsidiaries	34	**28,365**	34,901	**-**	-
Cash and bank balances	23	**8,592,632**	7,484,725	**12,094**	16,563
		13,857,305	11,452,503	**721,811**	1,893,510
Total assets		**52,074,335**	47,138,135	**20,900,600**	21,456,468

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

as at 30 June 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	**7,038,587**	7,038,587	**7,038,587**	7,038,587
Reserves		**5,979,055**	4,980,402	**5,903,796**	5,695,216
Equity attributable to owners of the parent		**13,017,642**	12,018,989	**12,942,383**	12,733,803
Non-controlling interests		**(110,217)**	23,765	**-**	-
Total equity		**12,907,425**	12,042,754	**12,942,383**	12,733,803
Liabilities					
Non-current liabilities					
Deferred taxation	26	**2,940,500**	2,029,692	**88**	80
Borrowings	27	**25,910,930**	20,153,160	**5,593,721**	7,426,206
Lease liabilities	28	**355,232**	454,145	**-**	-
Provision for liabilities and charges	33	**27,753**	-	**-**	-
Post-employment benefit obligations	29	**459,811**	888,898	**-**	-
Grants and contributions	30	**661,614**	596,668	**-**	-
Derivative financial instruments	20	**713**	15,401	**-**	-
Payables	31	**1,477,981**	1,280,697	**-**	-
		31,834,534	25,418,661	**5,593,809**	7,426,286
Current liabilities					
Payables and accrued expenses	32	**2,574,284**	1,943,312	**63,453**	61,918
Derivative financial instruments	20	**34,074**	174,944	**-**	-
Provision for liabilities and charges	33	**11,575**	28,417	**-**	-
Post-employment benefit obligations	29	**1,324**	655	**632**	-
Amounts owing to immediate holding company and ultimate holding company	21	**4,226**	3,210	**3**	-
Amounts owing to subsidiaries	22	**-**	-	**494,343**	378,400
Amounts owing to fellow subsidiaries	34	**95,454**	76,029	**23**	31
Taxation		**55,890**	3,695	**103**	30
Borrowings	27	**4,445,047**	7,311,704	**1,805,851**	856,000
Lease liabilities	28	**110,502**	134,754	**-**	-
		7,332,376	9,676,720	**2,364,408**	1,296,379
Total liabilities		**39,166,910**	35,095,381	**7,958,217**	8,722,665
Total equity and liabilities		**52,074,335**	47,138,135	**20,900,600**	21,456,468

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 30 June 2021

		<------ Attributable to Owners of the Parent						------>		
		Share Capital	Merger Reserve	Currency Translation Reserve	Other Reserves	Treasury Shares	Retained Earnings	Total	Non-controlling Interests	Total Equity
Group	**Note**	RM'000 (Note 24)	RM'000	RM'000	RM'000 (Note 25(a))	RM'000 (Note 25(b))	RM'000	RM'000	RM'000	RM'000
At 1 July 2020		7,038,587	(2,138,533)	580,603	(134,646)	(708,261)	7,381,239	12,018,989	23,765	12,042,754
(Loss)/Profit for the financial year		-	-	-	-	-	(146,524)	(146,524)	43,396	(103,128)
Other comprehensive income/(loss) for the financial year		-	-	540,950	445,632	-	354,633	1,341,215	(18,110)	1,323,105
Total comprehensive income for the financial year		-	-	540,950	445,632	-	208,109	1,194,691	25,286	1,219,977
Transactions with owners										
Effects arising from changes in composition of the Group		-	-	-	-	-	535	535	(5,853)	(5,318)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(153,415)	(153,415)
Interim dividend paid for the financial year ended 30 June 2021	9	-	-	-	-	-	(162,043)	(162,043)	-	(162,043)
Share dividend		-	-	-	-	699,576	(699,576)	-	-	-
Share option expenses	25(a)	-	-	-	3,517	-	-	3,517	-	3,517
Share option lapsed	25(a)	-	-	-	(37,081)	-	37,081	-	-	-
Share repurchased	25(b)	-	-	-	-	(38,047)	-	(38,047)	-	(38,047)
Exchange differences	25(a)	-	-	2,342	(2,342)	-	-	-	-	-
At 30 June 2021		7,038,587	(2,138,533)	1,123,895	275,080	(46,732)	6,765,345	13,017,642	(110,217)	12,907,425

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 30 June 2021

		<---------- Attributable to Owners of the Parent ----------								
		Share Capital	Merger Reserve	Currency Translation Reserve	Other Reserves	Treasury Shares	Retained Earnings	Total	Non-controlling Interests	Total Equity
Group	**Note**	**RM'000 (Note 24)**	**RM'000**	**RM'000**	**RM'000 (Note 25(a))**	**RM'000 (Note 25(b))**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 July 2019		7,038,587	(2,138,533)	485,673	56,448	(708,259)	7,878,896	12,612,812	205,489	12,818,301
Profit for the financial year		-	-	-	-	-	67,638	67,638	60,066	127,704
Other comprehensive income/(loss) for the financial year		-	-	90,052	(190,721)	-	(182,158)	(282,827)	24,472	(258,355)
Total comprehensive income/(loss) for the financial year		-	-	90,052	(190,721)	-	(114,520)	(215,189)	84,538	(130,651)
Transactions with owners										
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(266,262)	(266,262)
Interim dividend paid for the financial year ended 30 June 2019	9	-	-	-	-	-	(383,765)	(383,765)	-	(383,765)
Share option expenses	25(a)	-	-	-	5,133	-	-	5,133	-	5,133
Share option lapsed	25(a)	-	-	-	(628)	-	628	-	-	-
Share repurchased	25(b)	-	-	-	-	(2)	-	(2)	-	(2)
Exchange differences	25(a)	-	-	4,878	(4,878)	-	-	-	-	-
At 30 June 2020		7,038,587	(2,138,533)	580,603	(134,646)	(708,261)	7,381,239	12,018,989	23,765	12,042,754

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 30 June 2021

Company	Note	Share Capital RM'000 (Note 24)	Other Reserves RM'000 (Note 25(a))	Treasury Shares RM'000 (Note 25(b))	Retained Earnings* RM'000	Total RM'000
At 1 July 2020		**7,038,587**	**107,186**	**(708,261)**	**6,296,291**	**12,733,803**
Profit for the financial year		**-**	**-**	**-**	**413,193**	**413,193**
Other comprehensive loss for the financial year		**-**	**(8,040)**	**-**	**-**	**(8,040)**
Total comprehensive (loss)/ income for the financial year		**-**	**(8,040)**	**-**	**413,193**	**405,153**
Transactions with owners						
Interim dividend paid for the financial year ended 30 June 2021	9	**-**	**-**	**-**	**(162,043)**	**(162,043)**
Share dividend		**-**	**-**	**699,576**	**(699,576)**	**-**
Share option expenses	25(a)	**-**	**3,517**	**-**	**-**	**3,517**
Share option lapsed	25(a)	**-**	**(37,081)**	**-**	**37,081**	**-**
Share repurchased	25(b)	**-**	**-**	**(38,047)**	**-**	**(38,047)**
At 30 June 2021		**7,038,587**	**65,582**	**(46,732)**	**5,884,946**	**12,942,383**
At 1 July 2019		7,038,587	129,387	(708,259)	6,108,165	12,567,880
Profit for the financial year		-	-	-	571,263	571,263
Other comprehensive loss for the financial year		-	(26,706)	-	-	(26,706)
Total comprehensive (loss)/ income for the financial year		-	(26,706)	-	571,263	544,557
Transactions with owners						
Interim dividend paid for the financial year ended 30 June 2019	9	-	-	-	(383,765)	(383,765)
Share option expenses	25(a)	-	5,133	-	-	5,133
Share option lapsed	25(a)	-	(628)	-	628	-
Share repurchased	25(b)	-	-	(2)	-	(2)
At 30 June 2020		7,038,587	107,186	(708,261)	6,296,291	12,733,803

* *There are no restrictions on the distribution of retained earnings.*

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2021

	Note	Group		Company	
		2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Cash flows from operating activities					
(Loss)/Profit for the financial year		**(103,128)**	127,704	**413,193**	571,263
Adjustments for:					
Allowance for impairment of associates		**-**	316	**-**	-
Allowance for impairment of a subsidiary		**-**	-	**47,370**	38,000
Allowance for impairment of intangible assets		**1,269**	-	**-**	-
Allowance for impairment of inventories		**796**	910	**-**	-
Allowance for impairment of property, plant and equipment		**-**	2,953	**-**	-
Allowance for impairment of receivables (net of reversals)		**22,517**	120,559	**-**	-
Amortisation of contract costs		**3,043**	7,842	**-**	-
Amortisation of deferred income		**(5,924)**	(5,209)	**-**	-
Amortisation of grants and contributions		**(21,548)**	(15,166)	**-**	-
Amortisation of intangible assets		**76,609**	66,689	**-**	-
Bad debts recovered		**(733)**	(1,879)	**-**	-
Depreciation of property, plant and equipment		**1,089,917**	973,596	**238**	248
Depreciation of right-of-use assets		**122,741**	127,036	**-**	-
Fair value gain on derivatives		**-**	(3,357)	**-**	(3,357)
Fair value loss/(gain) on investments		**7,511**	(21,011)	**913**	(631)
Fair value (gain)/loss on investment properties		**(83,050)**	5,606	**-**	-
Gain on lease modification		**(861)**	-	**-**	-
Gain on lease termination		**(308)**	-	**-**	-
Interest expense		**951,562**	1,083,661	**327,944**	432,251
Interest income		**(6,064)**	(12,980)	**-**	-
Net gain on disposal of property, plant and equipment		**(35,824)**	(8,442)	**-**	-
Property, plant and equipment written off		**3,735**	7,463	**-**	-
Provision for post-employment benefit		**62,400**	63,277	**-**	-
Share of profits of investments accounted for using the equity method		**(365,997)**	(454,216)	**-**	-
Share option expenses		**3,451**	5,010	**2,771**	4,026
Taxation		**736,916**	297,487	**449**	473
Unrealised (gain)/loss on foreign exchange		**(11,233)**	3,267	**(3,846)**	5,925
Waiver of amounts owing by subsidiaries		**-**	-	**19,303**	-
Write back of impairment of amounts owing by subsidiaries (net of reversals)		**-**	-	**-**	(215)
Write back of liabilities and charges		**(7,304)**	(4,437)	**-**	-
		2,440,493	2,366,679	**808,335**	1,047,983

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Changes in working capital:					
Inventories		**(26,275)**	154,486	**-**	-
Receivables, deposits and prepayments		**(817,879)**	11,737	**(9,165)**	(20,029)
Payables and accrued expenses		**727,007**	(134,762)	**2,406**	(1,847)
Subsidiaries		**-**	-	**(351,703)**	(480,084)
Fellow subsidiaries		**28,037**	(23,272)	**68**	9
Holding company		**999**	2,831	**3**	(142)
Cash flows from operations		**2,352,382**	2,377,699	**449,944**	545,890
Interest paid		**(833,470)**	(958,969)	**(323,549)**	(391,426)
Payment for provision and liabilities		**(1,977)**	(7,093)	**-**	-
Payment to post-employment benefit obligations		**(121,599)**	(126,853)	**-**	-
Tax paid		**(65,974)**	(162,998)	**(368)**	(585)
Net cash flows from operating activities		**1,329,362**	1,121,786	**126,027**	153,879
Cash flows from investing activities					
Additional investments		**(926)**	-	**-**	-
Additional investments accounted for using the equity method		**-**	(316)	**-**	-
Decrease/(Increase) in deposits maturing more than 90 days		**544,576**	(519,204)	**-**	-
Development expenditure incurred on investment properties		**(8,056)**	(51,400)	**-**	-
Dividends received		**394,182**	406,472	**-**	-
Grants received		**38,482**	49,342	**-**	-
Increase in shareholder loan		**(80,808)**	(94,651)	**-**	-
Interest received		**5,885**	12,479	**-**	-
Net repayment from subsidiaries		**-**	-	**751,696**	922,586
(Placements)/Maturities of income funds		**(301,958)**	176,000	**135,000**	176,000
Prepayment for land acquisition		**(11,845)**	(3,867)	**-**	-
Proceeds from disposal of investments		**371**	-	**371**	-
Proceeds from disposal of property, plant and equipment		**67,656**	12,106	**-**	-
Purchase of intangible assets		**(31,164)**	(173,920)	**-**	-
Purchase of property, plant and equipment		**(1,742,658)**	(1,330,998)	**(72)**	(14)
Net cash flows (used in)/from investing activities		**(1,126,263)**	(1,517,957)	**886,995**	1,098,572

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from financing activities					
Dividend paid		**(162,043)**	(383,765)	**(162,043)**	(383,765)
Dividends paid to non-controlling interests		**(153,415)**	(266,262)	**-**	-
Proceeds from borrowings		**2,559,074**	1,686,220	**-**	-
Upfront fees on borrowings		**(7,479)**	-	**-**	-
Repayment of borrowings		**(963,795)**	(1,189,880)	**(817,400)**	(872,000)
Repayment of lease liabilities		**(161,472)**	(174,387)	**-**	(127)
Repurchase of own shares		**(38,047)**	(2)	**(38,047)**	(2)
Net cash flows from/(used in) financing activities		**1,072,823**	(328,076)	**(1,017,490)**	(1,255,894)
Net changes in cash and cash equivalents		**1,275,922**	(724,247)	**(4,468)**	(3,443)
Effects of exchange rate changes		**367,100**	108,115	**(1)**	1
Cash and cash equivalents:					
- At beginning of the financial year		**6,923,559**	7,539,691	**16,563**	20,005
- At end of the financial year	23	**8,566,581**	6,923,559	**12,094**	16,563
The principal non-cash transactions of property, plant and equipment are disclosed as below:					
Interest expense paid/payable		**23,733**	18,554	**-**	-
Transfer from prepayments		**-**	58,733	**-**	-
Transfer of assets from customers		**-**	91,836	**-**	-
Other payables and accrued expenses		**3,869**	7,190	**-**	-
Provision for liabilities and charges		**11,501**	-	**-**	-
		39,103	176,313	**-**	-

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

for the financial year ended 30 June 2021

Reconciliation of liabilities arising from financing activities:

1. Borrowings

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 July	**27,464,864**	26,671,119	**8,282,206**	9,043,461
Changes from financing cash flows				
Proceeds from borrowings	**2,559,074**	1,686,220	**-**	-
Upfront fees on borrowings	**(7,479)**	-	**-**	-
Repayment of borrowings	**(963,795)**	(1,189,880)	**(817,400)**	(872,000)
Other changes in borrowings				
Amortisation of issuance cost/ Unwinding of premium	**93,749**	118,277	**4,575**	5,313
Bank overdrafts	**(22,491)**	24,607	**-**	-
Exchange differences	**1,232,055**	154,521	**(69,809)**	105,432
At 30 June	**30,355,977**	27,464,864	**7,399,572**	8,282,206

2. Lease liabilities

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 July	**588,899**	706,981	**-**	125
Changes from financing cash flows				
Repayment of lease liabilities	**(161,472)**	(174,387)	**-**	(127)
Other changes in lease liabilities				
Additions	**21,580**	29,203	**-**	-
Termination	**(5,783)**	(420)	**-**	-
Interest expenses	**31,875**	27,355	**-**	2
Modification	**(10,729)**	-	**-**	-
Exchange differences	**1,364**	167	**-**	-
At 30 June	**465,734**	588,899	**-**	-

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2021

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 14 to the financial statements.

The immediate holding company is YTL Corporation Berhad and the ultimate holding company is Yeoh Tiong Lay & Sons Family Holdings Limited, companies incorporated in Malaysia and Jersey respectively. 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:

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

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

34th Floor, Menara YTL
205 Jalan Bukit Bintang
55100 Kuala Lumpur

2. 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) Basis of preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention (unless stated otherwise in the significant accounting policies below).

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with MFRS 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 judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

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

(i) Amendments to published standards that are effective and applicable for the Group's and the Company's financial year beginning on or after 1 July 2020 are as follows:

	Effective for financial periods beginning on or after
The Conceptual Framework for Financial Reporting (Revised 2018)	1 January 2020
Amendments to MFRS 3 'Business Combinations – Definition of a Business'	1 January 2020
Amendments to MFRS 9 and MFRS 7 'Financial Instruments and Financial Instruments: Disclosures – Interest Rate Benchmark Reform'	1 January 2020
Amendments to MFRS 16 'Leases – COVID-19-Related Rent Concessions'	1 June 2020
Amendments to MFRS 101 and MFRS 108 'Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material'	1 January 2020

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

(ii) Amendments to published standards that are applicable to the Group and the Company but not yet effective

a) *Financial year beginning on/after 1 July 2021*

- Amendments to MFRS 9 'Financial Instruments', MFRS 7 'Financial Instruments: Disclosures', and MFRS 16 'Leases' 'Interest Rate Benchmark ("IBOR") Reform – Phase 2' (effective from 1 January 2021) provide practical expedient allowing entities to update the effective interest rate for instruments measured at amortised cost and lessees to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss. The amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. The amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform. The amendments shall be applied retrospectively but comparatives are not restated.

- Amendments to MFRS 16 'Leases' – COVID-19-Related Rent Concessions beyond 30 June 2021 (effective from 1 April 2021) extend the availability of the practical expedient provided in 2020 so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

(ii) Amendments to published standards that are applicable to the Group and the Company but not yet effective (cont'd.)

b) *Financial year beginning on/after 1 July 2022*

- Annual Improvements to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards' (effective from 1 January 2022). The amendments simplify the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

- Amendments to MFRS 3 'Business Combinations' – Reference to Conceptual Framework (effective from 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date. The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date. The amendments shall be applied prospectively.

- Annual Improvements to MFRS 9 'Financial Instruments' – Fees in the 10% test for Derecognition of Financial Liabilities (effective from 1 January 2022) clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test. An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to MFRS 116 'Property, Plant and Equipment' – Proceeds Before Intended Use (effective from 1 January 2022) prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss. The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment. The amendments shall be applied retrospectively.

- Amendments to MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' – Onerous Contracts 'Cost of Fulfilling a Contract' (effective from 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised. The amendments shall be applied retrospectively.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

(ii) Amendments to published standards that are applicable to the Group and the Company but not yet effective (cont'd.)

c) *Financial year beginning on/after 1 July 2023*

- Amendments to MFRS 101 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current (effective from 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period only if the entity complies with those conditions at that date. The amendments further clarify that the entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date. The assessment of whether an entity has the right to defer settlement of a liability at reporting date is not affected by expectations of the entity or events after the reporting date. The amendments shall be applied retrospectively.
- Amendments to MFRS 101 'Presentation of Financial Statements' – Disclosure of Accounting Policies (effective from 1 January 2023) require entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.
- Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates (effective from 1 January 2023) revise the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. An entity shall apply the amendments to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which it applies the amendments.
- Amendments to MFRS 112 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023) specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation. In specified circumstances, MFRS 112 exempts companies from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. The Amendments clarifies that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. Such clarification is expected to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

(ii) Amendments to published standards that are applicable to the Group and the Company but not yet effective (cont'd.)

d) *Effective date yet to be determined by Malaysian Accounting Standards Board*

- Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture resolve a current inconsistency between MFRS 10 and MFRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

The Group and the Company have started a preliminary assessment on the effects of the above annual improvements and amendments to published standards and the impact is still being assessed, except for those have been updated above.

(b) 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 customers/developers, the fair value of the assets transferred is recognised as property, plant and equipment in the Statement of Financial Position. Where the transfer is exchanged for connection to the network and no further obligation is required, the corresponding credit is revenue. Where the transfer is linked to the provision of ongoing services, the corresponding entry is deferred income as disclosed in Note 31 and released to the Income Statement over the expected useful lives of the assets.

Infrastructure assets comprise eight components whose weighted average life is 108 years: impounding reservoirs 150 years, raw water mains 100 years, treated water mains 100 years, communication pipes 60 years, sewers 125 years, sewage pumping stations 60 years, combined sewer overflows 80 years and sea outfalls 60 years.

Freehold land is not depreciated as it has an infinite life.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) Property, plant and equipment (cont'd.)

Leased assets (including leasehold land) are presented as a separate line item in the Statements of Financial Position. See accounting policy Note 2(c)(i)b) to the financial statements on right-of-use ("ROU") assets.

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 useful lives, summarised as follows:

	Years
Buildings	10-80
Plant and machinery	3-30
Mains and lines	20
Equipment, furniture and fittings	3-10
Motor vehicles and aircraft	5-10
Telecommunications equipment	5-30

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 assess 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 2(f) 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Leases

(i) Accounting by lessee

Leases are recognised as ROU asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

a) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy (refer to d) below) on reassessment of lease liabilities.

b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as a separate line item in the Statement of Financial Position.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Leases (cont'd.)

(i) Accounting by lessee (cont'd.)

c) *Lease liabilities*

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- The exercise price of extension options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the Statement of Financial Position. Interest expense on the lease liability is presented within the finance cost in the Income Statement.

d) *Reassessment of lease liabilities*

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Lease liabilities are also remeasured if there is a change in the Group's and the Company's assessment of whether it will exercise an extension option and there are modifications in the scope or the consideration of the lease that was not part of the original term.

e) *Short-term leases and leases of low-value assets*

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the Income Statement.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Leases (cont'd.)

(ii) Accounting by lessor

Operating leases

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.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15 "Revenue from Contracts with Customers".

(d) Intangible assets

(i) Contract rights

Contract rights comprise acquired contracts and rights to contracts from business combination. These are amortised over the contractual period on a straight-line basis and are assessed at each reporting date whether there is any indication that the contract rights may be impaired. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

(ii) Goodwill

Goodwill arises on the acquisitions of subsidiaries and it represents the excess of the cost of the acquisition over the Group's share of 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. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the Income Statement.

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 fair value less costs of disposal and value-in-use. Any impairment is recognised immediately as an expense and is not subsequently reversed. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(d) Intangible assets (cont'd.)

(iii) Software assets

Software assets comprise in-house computer software development and specialised computer software. Software assets are amortised over 5 to 10 years and are assessed at each reporting date whether there is any indication that the software assets may be impaired. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

(iv) Other intangible assets

Other intangible assets comprise customer lists. Other intangible assets are amortised over the contractual period on a straight-line basis and are assessed at each reporting date whether there is any indication that the other intangible assets may be impaired. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

(e) Investment properties

Investment properties include those portions of buildings that are held for long-term rental yields and/or for capital appreciation and freehold land and/or land under leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in the Income Statement for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

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

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Income Statement in the period in which the item is derecognised. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS 15 "Revenue from Contracts with Customers".

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property/inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(f) 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 an impairment may exist. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the Income Statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the Income Statement unless it reverses impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(g) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries are consolidated using the acquisition method of accounting except for 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.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. 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 the net disposal proceeds and the Group's share of the subsidiary's net assets as of the date of disposal, including the cumulative amount of any exchange differences that relate to that subsidiary and is recognised in the Income Statement.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(g) Subsidiaries (cont'd.)

(i) Acquisition method

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. 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 identifiable net assets.

The excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the fair value of 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 purchase, the gain is recognised in the Income Statement (refer to significant accounting policies Note 2(d)(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 that do not result in loss of control 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(g) Subsidiaries (cont'd.)

(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 an equity accounted investee or as a financial asset depending on the level of influence retained.

(h) Associates

Associates 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 associates but not control over those policies.

Investments in associates 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 associates include goodwill identified on acquisition, net of any accumulated impairment loss.

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 the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, 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 associate.

The results of associates are taken from the most recent financial statements of the associates' 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 associates are eliminated to the extent of the Group's interest in the associates; 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 the associates to ensure consistency of accounting policies with those of the Group.

When the Group losses significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the Income Statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(i) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Joint ventures

The Group's interest in a joint venture is accounted for in the financial statements by using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses in the Income Statement and movements in reserves in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of the joint ventures to ensure consistency of accounting policies with those of the Group.

(j) Investments in subsidiaries, joint arrangements and associates

Investments in subsidiaries, joint arrangements and associates 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.

On disposal of investments in subsidiaries, joint arrangements and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the Income Statement.

(k) 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average or first-in, first-out basis. Inventories comprise primarily of raw materials, work-in-progress, finished goods, fuel and spare parts. The cost of work-in-progress comprises raw materials, direct labour, other direct costs and an appropriate share of overheads based on normal operating capacity. 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 estimated costs of completion and the estimated costs necessary to make the sale.

(m) Financial assets and financial liabilities

Financial assets

(i) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

The Group and the Company irrevocably elected to present fair value gains and losses on equity investments in OCI. The Group and the Company consider this classification to be more relevant as these instruments are strategic investments of the Group and the Company and not held for trading purposes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Financial assets and financial liabilities (cont'd.)

Financial assets (cont'd.)

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Income Statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in the Income Statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the Income Statement and presented in other operating income/(expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Income Statement.
- Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Income Statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income/(expenses). Interest income from these financial assets is included in the Income Statement using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income/(expenses) and impairment expenses are presented as separate line item in the Income Statement.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in the Income Statement and presented net within other operating income/(expenses) in the period which it arises.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Financial assets and financial liabilities (cont'd.)

Financial assets (cont'd.)

(iii) Measurement (cont'd.)

b) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the Income Statement when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other operating income/(expenses) in the Income Statement as applicable.

(iv) Impairment

The Group and the Company assess on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has six types of financial instruments that are subject to the ECL model:

- Trade receivables
- Unbilled receivables
- Contract assets
- Other receivables (including deposits, interest receivables and receivables from associate/joint venture)
- Amounts owing by related companies (fellow subsidiaries, immediate holding company and ultimate holding company)
- Financial guarantee contracts

The Company has three types of financial instruments that are subject to the ECL model:

- Other receivables (including deposits and interest receivables)
- Amounts owing by related companies (fellow subsidiaries, immediate holding company, ultimate holding company and subsidiaries)
- Financial guarantee contracts

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9 "Financial Instruments", the identified impairment loss was immaterial.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Financial assets and financial liabilities (cont'd.)

Financial assets (cont'd.)

(iv) Impairment (cont'd.)

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to the contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Company expect to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

a) *General 3-stage approach for other receivables and financial guarantee contracts issued*

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 35(b) sets out the measurement details of ECL.

b) *Simplified approach for trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature*

The Group applies the MFRS 9 "Financial Instruments" simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature. Note 35(b) sets out the measurement details of ECL.

Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportable forward-looking information.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Financial assets and financial liabilities (cont'd.)

Financial assets (cont'd.)

(iv) Impairment (cont'd.)

Significant increase in credit risk (cont'd.)

The following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

a) *Quantitative criteria*

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 80 and 365 days of when they fall due.

b) *Qualitative criteria*

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Financial assets and financial liabilities (cont'd.)

Financial assets (cont'd.)

(iv) Impairment (cont'd.)

Groupings of instruments for ECL measured on collective basis

a) *Collective assessment*

To measure ECL, trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature have been grouped based on shared credit risk characteristics of customer's behaviour and the days past due. The unbilled receivables, contract assets relate to unbilled amounts and amounts owing by related companies which is trade in nature have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled receivables, contract assets and amounts owing by related companies which is trade in nature.

b) *Individual assessment*

Trade receivables, unbilled receivables, contract assets, other receivables and amounts owing by related companies which are in default or credit-impaired are assessed individually.

(v) Write-off

a) *Trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature*

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, uneconomic collection and court orders.

Impairment losses are presented within 'cost of sales' in the Income Statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

b) *Other receivables and amounts owing by related companies*

The Group and the Company write-off financial assets, in whole or in part, when the Group and the Company have exhausted all practical recovery efforts and have concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(m) Financial assets and financial liabilities (cont'd.)

Financial liabilities

Financial liabilities 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 financial liabilities include trade payables, other payables and borrowings (see Note 2(r)). The Company's financial liabilities include other payables and borrowings (see Note 2(r)). These are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(n) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date the 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 its hedges as cash flow hedges. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the Income Statement when the changes arise.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments 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 shareholders' equity are shown in Note 25(a) to the financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. The fair value of a trading derivative is classified as a current asset or liability.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(n) Derivative financial instruments and hedging activities (cont'd.)

The fair value changes on the effective portion of the derivatives that are designated and qualify as cash flow 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). 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.

(o) 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.

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 guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial Instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

(p) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at bank and deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the Statement of Financial Position.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(q) 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 substance of the contractual arrangement of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

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

Purchase of own shares

Where the Company purchases its own shares, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued.

Should such shares be cancelled, the costs of the treasury shares are applied in the reduction of the profits otherwise available for distribution as dividends. Should such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

Where the treasury shares are subsequently distributed as dividends to shareholders, the costs of the treasury shares are applied in the reduction of the funds otherwise available for distribution as dividends.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequently, borrowings are carried 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 borrowings.

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

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

Borrowing cost incurred to finance the construction of property, plant and equipment that meets the definition of qualifying asset are capitalised as part of the cost of the assets during the period of time that is required to get ready the asset for its intended use.

(s) Grants and contributions

Grants and contributions are benefits received in respect of specific qualifying expenditure, and investment tax credits and tax benefits in respect of qualifying property, plant and equipment. These are released to the Income Statement over the expected economic useful lives of the related assets.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(t) Deferred income

The deferred income comprise assets transferred from customers in respect of services which are yet to be provided and shareholder loan interest revenue. Such amounts are recorded as liabilities in the Statement of Financial Position and are amortised to the Income Statement over the expected economic useful lives of the related assets.

(u) 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 of the amount can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's and the Company's current best estimate.

(v) Revenue recognition

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

(i) Sale of electricity

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

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

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

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

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(v) Revenue recognition (cont'd.)

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

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

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

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

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

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

(i) Connections and meter installation in exchange for payment;

(ii) Requisitions of water mains in exchange for payment; and

(iii) Adoptions of water and wastewater mains.

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

These activities are not separable nor distinct and instead form a bundle of activities necessary to establish an authorised connection from which the network access can be obtained. Also, the Group has an additional obligation under statute to keep the connection in place for all current and future occupiers and facilitate ongoing access to the network for as long as the property requires service provision. Consequently, revenue from developer services will be deferred over the shorter of expected period of service provision or the need to replace the assets at the end of their useful life (typically in the range 60 to 125 years). No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(v) Revenue recognition (cont'd.)

(iii) Telecommunications business

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

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

a) *Telecommunication services*

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

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

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

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

b) *Sale of devices*

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(v) Revenue recognition (cont'd.)

(iii) Telecommunications business (cont'd.)

b) Sale of devices (cont'd.)

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

A contract asset is recognised when the Group delivers the devices before the payment is due. If the payment happens before delivery of device, then a contract liability is recognised. Contract assets and contract liabilities are presented within receivables and payables respectively in the Statement of Financial Position.

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

(iv) Sale of steam

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

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

(v) 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.

(vi) Lease income

Lease income earned by the Group is recognised on the following bases:

Tank leasing fees	- Tank leasing fees from operating leases are recognised on a straight-line basis over the lease term.
Rental income	- Rental income from operating leases (net of any incentive given to the lessees) is recognised on the straight-line basis over the lease term.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(v) Revenue recognition (cont'd.)

(vii) Others

Other income earned by the Group is recognised on the following bases:

Sale of natural gas	-	Revenue from sale of natural gas is recognised as and when the Group's customers simultaneously receive and consume the benefits (i.e. the customers are able to utilise the gas for their benefit as and when the gas is being supplied) arising from the Group performing its obligations based on the terms of the contracts with the customers. Accordingly, revenue from the supply of gas is recognised over time; i.e. as and when the gas supplied is consumed by the customers. No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months.
Sale of fuel oil	-	Sale of fuel oil is recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.
	-	Revenue from these sales is recognised based on the price specified in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the Group has adopted the practical expedient available in MFRS 15 where the interval between transfer of the promised goods or services and payment by the customer is expected to be less than 12 months. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.
Management, operation and maintenance fees	-	Management, operation and maintenance fees are recognised over the period in which the services are rendered.
Hotel operations	-	Hotel room revenue is recognised over time during the period of stay for the hotel guests. Revenue from food, beverage and other ancillary services are generally recognised at the point in time when the services are rendered.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(w) Contracts with Customers

(i) Contract assets

Contract asset is the right to consideration in exchange for goods and services that the Group has transferred to a customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the ECL model. Contract assets are presented within "Receivables, deposits and prepayments" of the Statement of Financial Position.

(ii) Contract liabilities

Contract liability is the unsatisfied obligation by the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the services under the contract. Contract liabilities are presented within "Payables and accrued expenses" and "Payables" of the Statement of Financial Position.

(iii) Contract cost assets

The Group capitalises sales commissions as costs to obtain a contract with a customer when they are incremental and expected to be recovered more than a year. The Group expects to recover these costs in the future through telecommunication services revenue earned from the customer. The Group also capitalises the expenditure on assets such as water mains/ sewers or new connections relating to contracts as they are incurred to fulfil the contract.

Sales commissions are amortised on a straight-line basis over the term of the specific contract to which the cost relates to. Amortisation of contract costs are included as part of direct cost within "Cost of sales" in the Income Statement. While, the expenditure on assets are treated as cost of sales when the contract is complete.

An impairment loss is recognised to the Income Statement to the extent that the carrying amount of the contract cost asset recognised exceeds the remaining amount of considerations that the Group expects to receive for the specific contract that the cost relates to less additional costs required to complete the specific contract.

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(x) Employee benefits (cont'd.)

(ii) Post-employment benefits (cont'd.)

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

a) *Defined contribution plan*

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis 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's and the Company's contributions to defined contribution plan are charged to the Income Statement in the financial period to which they relate.

b) *Defined benefit plan*

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

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

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

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

Past-service costs are recognised immediately in the Income Statement.

(iii) 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 when the options are exercised.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(y) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes 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 the 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 investment 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 joint ventures and associates are included in the Group's share of profits of investments accounted for using the equity method.

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.

(z) 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.

Notes to the Financial Statements
for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(z) Foreign currencies (cont'd.)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into 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 shareholder's equity. When a foreign operation is disposed of or sold, such exchange differences that were recorded in shareholders' equity are recognised in the Income Statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2011 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2011, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions. This is in accordance to the adoption of MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

(aa) Contingent liabilities and contingent assets

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more 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 or it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

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

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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ab) Segmental reporting

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

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) 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 significant judgements and estimates as set out in Note 13 to the financial statements.

Management has factored in the potential impact with respect to the COVID-19 pandemic within the impairment assessments based on the best estimate on the trajectory of recovery from the COVID-19 pandemic. Significant judgement is involved as there may be potential uncertainties on the full extent of impact as a result of COVID-19 pandemic.

(b) Capitalisation policy of infrastructure assets in property, plant and equipment

The infrastructure assets of the water and sewerage segment comprised cost incurred to meet the development and regulatory requirement of the business and this includes employee and overhead costs that are directly attributable to the construction of the asset.

Estimates and judgements are involved in determining whether cost incurred, specifically employee and overhead costs, meet the relevant criteria for capitalisation of property, plant and equipment.

Notes to the Financial Statements

for the financial year ended 30 June 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(c) Impairment assessment of property, plant and equipment ("PPE") and investment

The Group assesses impairment of the assets or cash-generating units ("CGUs") whenever the events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the higher of the fair value less costs of disposal ("FVLCD") for that asset or CGU and its value-in-use ("VIU"). Projected future cash flows used in impairment testing of the assets or CGUs are based on Group's estimates calculated using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The recoverable amounts of the asset or CGUs are determined based on VIU or FVLCD calculations. These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group to make assumptions about revenue growth rate, discount rate and terminal multiple.

The assumptions used and results of the impairment assessment of investment in a subsidiary and PPE are disclosed in Note 14(c) and Note 10 to the financial statements, respectively.

(d) Assessment on allowance for impairment of trade receivables of water and sewerage segment

The expected credit loss on outstanding receivables is a key estimate under MFRS 9. The Group estimate of recoverability by grouping customers into similar economic profiles and applying a percentage loss rate based on forward-looking judgements on the future collection rates that are likely to be achieved. This has included additional considerations of the possible impact of the COVID-19 pandemic on the expected collection rates of outstanding receivables.

(e) Estimated useful lives of property, plant and equipment

The Group reviews the useful lives of its PPE at each reporting date and any adjustments are made on a prospective basis as changes in accounting estimates. The useful lives of the PPE are assessed periodically based on the conditions of the equipment, market conditions and other regulatory requirements.

(f) Assumptions used in determining the post-employment benefit obligations

The present value of the post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income are disclosed in Note 29 to the financial statements. Any changes in these assumptions will impact the carrying amount of post-employment benefit obligations.

Notes to the Financial Statements

for the financial year ended 30 June 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(g) Revenue recognition from accrued income

The unbilled income accrual from metered water services of the water and sewerage segment requires an estimation of the amount of unbilled charges at the period end. This is calculated using system generated information based on previous customer volume usage.

(h) Leases

The measurement of the right-of-use asset and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

In determining the incremental borrowing rate, the Group and the Company first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environmental of the respective leases.

4. REVENUE

(a) Revenue comprises the following:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Revenue from contracts with customers	**10,522,870**	10,342,555	**3,200**	4,800
Revenue from other sources				
- Lease income	**181,943**	138,646	**-**	-
- Others	**79,917**	155,976	**952,408**	1,102,616
Total revenue	**10,784,730**	10,637,177	**955,608**	1,107,416

Notes to the Financial Statements

for the financial year ended 30 June 2021

4. REVENUE (CONT'D.)

(a) Revenue comprises the following: (cont'd.)

(i) Disaggregation of revenue from contracts with customers and other sources:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Power generation (Contracted)				
- Sale of electricity	**261,146**	633,435	**-**	-
Multi utilities business (Merchant)				
- Sale of electricity	**5,615,711**	5,204,805	**-**	-
- Sale of steam	**182,630**	171,900	**-**	-
- Others	**216,146**	389,427	**-**	-
	6,014,487	5,766,132	**-**	-
Water and sewerage				
- Supply of clean water and treatment and disposal of waste water	**3,778,073**	3,483,523	**-**	-
Telecommunications business				
- Sale of devices	**163,519**	9,227	**-**	-
- Telecommunication services	**319,523**	398,404	**-**	-
- Telecommunication infrastructure business	**58,340**	50,802	**-**	-
	541,382	458,433	**-**	-
Investment holding activities				
- Investment income	**77,914**	153,402	**950,405**	1,100,042
- Management, operation and maintenance fees	**62,092**	91,598	**3,200**	4,800
- Others	**49,636**	50,654	**2,003**	2,574
	189,642	295,654	**955,608**	1,107,416
	10,784,730	10,637,177	**955,608**	1,107,416

Notes to the Financial Statements

for the financial year ended 30 June 2021

4. REVENUE (CONT'D.)

(a) Revenue comprises the following: (cont'd.)

(ii) Timing of revenue recognition for revenue from contracts with customers:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At a point in time	**288,516**	249,879	**-**	-
Over time	**10,234,354**	10,092,676	**3,200**	4,800
	10,522,870	10,342,555	**3,200**	4,800

(b) Contract assets and liabilities related to contracts with customers

		Group	
	Note	**2021 RM'000**	**2020 RM'000**
Non-current			
Contract assets	18	**106**	540
Contract cost assets	18	**62**	1,165
Contract liabilities	31	**(31,958)**	(31,326)
Current			
Contract assets	18	**154,439**	154,326
Contract cost assets	18	**24,676**	26,151
Contract liabilities	32	**(336,092)**	(310,812)

(i) Significant changes in contract assets and liabilities

	Group	
	2021 RM'000	**2020 RM'000**
Contract assets		
At 1 July	**154,866**	158,566
Additions arising from revenue recognised during the financial year	**1,070**	2,771
Transfer to trade receivables	**(1,482)**	(6,749)
Write back of impairment of contract assets	**91**	278
At 30 June	**154,545**	154,866

Notes to the Financial Statements

for the financial year ended 30 June 2021

4. REVENUE (CONT'D.)

(b) Contract assets and liabilities related to contracts with customers (cont'd.)

(i) Significant changes in contract assets and liabilities (cont'd.)

	Group	
	2021 RM'000	2020 RM'000
Contract liabilities		
At 1 July	**342,138**	314,053
Exchange differences	**29,890**	847
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(356,986)**	(313,562)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**353,008**	340,800
At 30 June	**368,050**	342,138

(ii) Assets recognised from costs to obtain or fulfil a contract

The Group capitalises costs to obtain or fulfil a contract which include sales commissions when they are incremental and expected to be recovered over more than a year. The Group also capitalises expenditure on assets such as water mains/ sewers or new connections relating to contracts as they are incurred to fulfil the contract. This is presented within contract cost assets within "Receivables, deposits and prepayments" in the Statement of Financial Position.

	Group	
	2021 RM'000	2020 RM'000
At 1 July	**27,316**	36,721
Exchange differences	**2,192**	131
Assets recognised from costs to obtain or fulfil a contract during the financial year	**36,419**	27,975
Amortisation recognised during the financial year	**(3,043)**	(7,842)
Charged to cost of sales during the financial year	**(38,146)**	(29,669)
At 30 June	**24,738**	27,316

The closing balances of contract cost assets consist of:

	Group	
	2021 RM'000	2020 RM'000
Contract acquisition costs	**33**	111
Contract fulfilment costs	**24,705**	27,205
At 30 June	**24,738**	27,316

Notes to the Financial Statements
for the financial year ended 30 June 2021

4. REVENUE (CONT'D.)

(b) Contract assets and liabilities related to contracts with customers (cont'd.)

(iii) Unsatisfied performance obligations

As at 30 June 2021, the aggregate amount of the transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM359.1 million (2020: RM357.2 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 10 years (2020: 1 to 11 years).

The Group applies the practical expedient in MFRS 15 and did not disclose information about unsatisfied performance obligations for certain contracts, where the transaction price corresponds directly with the Group's level of performance in the future.

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Key management personnel comprise the Directors and Senior Management 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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Key management compensation:				
- Salaries and bonus	**25,564**	30,150	**11,283**	20,266
- Defined contribution plan	**1,330**	2,398	**1,302**	2,370
- Fees	**841**	860	**841**	860
- Share options expenses	**2,314**	3,181	**2,251**	3,181
- Other emoluments*	**214**	206	**60**	52
- Estimated money value of benefits in kind	**373**	553	**34**	365

* *Other emoluments include socso, meeting allowances, etc.*

Key management compensation includes the Directors' remuneration (whether executive or otherwise) as disclosed in Note 6 to the financial statements.

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONT'D.)

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. Fellow subsidiaries are subsidiaries of immediate holding company and ultimate holding company of the Company.

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Sale of goods and services:				
- Fellow subsidiaries	**19,686**	66,435	**-**	-
Management, operation and maintenance fees:				
- Subsidiaries	**-**	-	**3,200**	4,800
- Associate companies	**61,949**	62,116	**-**	-
Dividend income:				
- Subsidiaries	**-**	-	**757,884**	942,466
- Fellow subsidiaries	**-**	3,511	**-**	3,511
Interest income:				
- Subsidiaries - in respect of loan and advances	**-**	-	**181,491**	133,066
- Associate companies	**26,370**	24,271	**-**	-
Other income:				
- Fellow subsidiaries	**2,003**	2,574	**2,003**	2,574
Interest expense:				
- Subsidiaries - in respect of loan and advances	**-**	-	**2,455**	41,401
Purchases of goods and services from fellow subsidiaries:				
- Hotel and accommodation	**1,552**	2,140	**90**	360
- Operating and maintenance	**151,764**	57,830	**-**	-
Purchases of goods and services from joint venture companies:				
- Billing and debt collection	**61,221**	54,040	**-**	-
- Information technology consultancy and related services	**31,223**	26,694	**-**	-
Expenses paid on behalf of:				
- Subsidiaries	**-**	-	**11,342**	6,719

Notes to the Financial Statements
for the financial year ended 30 June 2021

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONT'D.)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Expenses paid on behalf by:				
- Subsidiaries	**-**	-	**3,060**	1,057
- Fellow subsidiaries	**231**	1,453	**37**	450
- Immediate holding company and ultimate holding company	**1,846**	5,144	**276**	460
Year-end balances owing by:				
- Subsidiaries	**-**	-	**1,941,742**	2,764,225
- Fellow subsidiaries	**28,365**	34,901	**-**	-
Year-end balances owing to:				
- Subsidiaries	**-**	-	**(494,343)**	(378,400)
- Fellow subsidiaries	**(95,454)**	(76,029)	**(23)**	(31)

The movement in advances to/(from) subsidiaries during the financial year is as follows:

	Company	
	2021 RM'000	2020 RM'000
Advances to/(from) subsidiaries		
At 1 July	**1,934,768**	2,744,916
Advances from subsidiaries	**(189,000)**	(108,700)
Advances to subsidiaries	**194,704**	1,084
Repayment to subsidiaries	**60,000**	59,050
Repayment from subsidiaries	**(817,400)**	(874,020)
	(751,696)	(922,586)
Capitalisation of advances to subsidiaries (Note 14(e))	**(450,018)**	-
Capital reduction in a subsidiary (Note 14(f))	**170,000**	-
Net of interest income and expenses	**179,036**	91,665
Payment of interests	**(16,035)**	(81,725)
Waiver of amounts owing by a subsidiary	**(19,273)**	-
Write back of impairment of amounts owing by a subsidiary	**-**	2,000
Exchange differences	**(60,995)**	100,498
At 30 June	**985,787**	1,934,768

Notes to the Financial Statements

for the financial year ended 30 June 2021

6. PROFIT BEFORE TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation is stated after charging/(crediting):				
Allowance for impairment of associates	**-**	316	**-**	-
Allowance for impairment of a subsidiary	**-**	-	**47,370**	38,000
Allowance for impairment of intangible assets	**1,269**	-	**-**	-
Allowance for impairment of inventories	**796**	910	**-**	-
Allowance for impairment of property, plant and equipment	**-**	2,953	**-**	-
Allowance for impairment of receivables (net of reversals)	**22,517**	120,559	**-**	-
Amortisation of contract costs	**3,043**	7,842	**-**	-
Amortisation of deferred income	**(5,924)**	(5,209)	**-**	-
Amortisation of grants and contributions	**(21,548)**	(15,166)	**-**	-
Amortisation of intangible assets	**76,609**	66,689	**-**	-
Auditors' remuneration				
- Statutory audit fees payable/paid to PwC Malaysia - current financial year	**787**	777	**727**	717
- Statutory audit fees payable/paid to member firms of PricewaterhouseCoopers International Limited ("PwCIL") which are separate and independent legal entities from PwC Malaysia	**732**	722	**-**	-
- Statutory audit fees payable/paid to other audit firms	**2,997**	3,375	**-**	-
- Non-audit fees payable/paid to PwC Malaysia	**55**	183	**19**	127
- Non-audit fees payable/paid to member firms of PwCIL which are separate and independent legal entities from PwC Malaysia	**920**	1,450	**-**	-
Bad debts recovered	**(733)**	(1,879)	**-**	-
Cash flow hedges, reclassified from hedging reserve to cost of sales	**(60,144)**	154,819	**-**	-
Cost of fuel, raw materials and consumable	**6,191,220**	5,996,783	**-**	-
Depreciation of property, plant and equipment	**1,089,917**	973,596	**238**	248
Depreciation of right-of-use assets	**122,741**	127,036	**-**	-
Development expenditure/(Write back of development expenditure)	**4,193**	1,708	**(2,800)**	1,708
Directors' remuneration	**16,478**	27,462	**15,737**	26,729
Fair value gain on derivatives	**-**	(3,357)	**-**	(3,357)
Fair value loss/(gain) on investments	**7,511**	(21,011)	**913**	(631)
Fair value (gain)/loss on investment properties	**(83,050)**	5,606	**-**	-

Notes to the Financial Statements

for the financial year ended 30 June 2021

6. PROFIT BEFORE TAXATION (CONT'D.)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Gain on lease modification	**(861)**	-	**-**	-
Gain on lease termination	**(308)**	-	**-**	-
Infrastructure maintenance expenses	**126,922**	110,728	**-**	-
Interest expense - accretion of asset retirement obligation	**902**	-	**-**	-
Interest expense - borrowings	**904,269**	1,040,412	**327,944**	432,249
Interest expense - discounting on non-current receivables	**624**	-	**-**	-
Interest expense - lease liabilities	**31,875**	27,355	**-**	2
Interest expense - post-employment benefit obligations	**13,892**	15,894	**-**	-
Interest income	**(6,064)**	(12,980)	**-**	-
Net gain on disposal of property, plant and equipment	**(35,824)**	(8,442)	**-**	-
Operating lease income	**(549)**	(6,646)	**-**	-
Property, plant and equipment written off	**3,735**	7,463	**-**	-
Realised loss on foreign exchange	**1,280**	458	**1,798**	-
Rates	**175,657**	133,510	**-**	-
Short-term leases/leases of low-value assets/ variable lease payments	**65,722**	58,039	**300**	360
Staff costs:				
- Wages, salaries and bonus	**535,621**	570,059	**15,665**	19,655
- Defined contribution plan	**57,835**	55,753	**1,614**	1,985
- Defined benefit plan - net pension cost	**62,400**	63,277	**-**	-
- Share option expenses	**1,137**	1,829	**520**	845
Unrealised (gain)/loss on foreign exchange	**(11,233)**	3,267	**(3,846)**	5,925
Waiver of amounts owing by subsidiaries	**-**	-	**19,303**	-
Write back of impairment of amounts owing by subsidiaries (net of reversals)	**-**	-	**-**	(215)
Write back of liabilities and charges	**(7,304)**	(4,437)	**-**	-

Notes to the Financial Statements

for the financial year ended 30 June 2021

6. PROFIT BEFORE TAXATION (CONT'D.)

Details of the total remuneration of each Director of the Company received from YTL Power International Berhad Group of Companies, categorised into appropriate components for the financial year ended 30 June 2021 and 30 June 2020, are as follows:

2021 Group	Salaries RM'000	Fees RM'000	Defined contribution plan RM'000	Share option expenses RM'000	Others* RM'000	Estimated money value of benefits in kind RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	**2,412**	**-**	**289**	**317**	**-**	**51**	**3,069**
Dato' Yeoh Seok Kian	**1,206**	**-**	**145**	**317**	**-**	**23**	**1,691**
Dato' Yeoh Soo Min	**1,878**	**-**	**225**	**317**	**-**	**33**	**2,453**
Dato' Yeoh Seok Hong	**2,660**	**-**	**275**	**317**	**3**	**30**	**3,285**
Dato' Sri Michael Yeoh Sock Siong	**-**	**-**	**-**	**317**	**-**	**-**	**317**
Dato' Yeoh Soo Keng	**1,815**	**-**	**218**	**317**	**-**	**2**	**2,352**
Dato' Mark Yeoh Seok Kah	**1,400**	**-**	**124**	**317**	**2**	**10**	**1,853**
Syed Abdullah Bin Syed Abd. Kadir	**648**	**-**	**26**	**32**	**1**	**26**	**733**
Non-Executive Directors							
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	**-**	**96**	**-**	**-**	**9**	**-**	**105**
Faiz Bin Ishak	**-**	**230**	**-**	**-**	**18**	**-**	**248**
Datuk Loo Took Gee	**-**	**223**	**-**	**-**	**14**	**-**	**237**
Datuk Seri Long See Wool	**-**	**223**	**-**	**-**	**16**	**-**	**239**
Tan Sri Ismail Bin Adam	**-**	**69**	**-**	**-**	**2**	**-**	**71**
	12,019	**841**	**1,302**	**2,251**	**65**	**175**	**16,653**

2020 Group	Salaries RM'000	Fees RM'000	Bonus RM'000	Defined contribution plan RM'000	Share option expenses RM'000	Others* RM'000	Estimated money value of benefits in kind RM'000	Total RM'000
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	3,216	-	1,206	531	448	-	146	5,547
Dato' Yeoh Seok Kian	1,608	-	603	265	448	-	28	2,952
Dato' Yeoh Soo Min	2,504	-	939	413	448	-	35	4,339
Dato' Yeoh Seok Hong	3,421	-	1,146	504	448	2	34	5,555
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	448	-	-	448
Dato' Yeoh Soo Keng	2,420	-	908	399	448	1	1	4,177
Dato' Mark Yeoh Seok Kah	1,741	-	516	227	448	2	41	2,975
Syed Abdullah Bin Syed Abd. Kadir	648	-	120	31	45	1	80	925
Non-Executive Directors								
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	-	220	-	-	-	14	-	234
Faiz Bin Ishak	-	220	-	-	-	14	-	234
Datuk Loo Took Gee	-	210	-	-	-	9	-	219
Datuk Seri Long See Wool	-	210	-	-	-	12	-	222
	15,558	860	5,438	2,370	3,181	55	365	27,827

Notes to the Financial Statements

for the financial year ended 30 June 2021

6. PROFIT BEFORE TAXATION (CONT'D.)

Details of the total remuneration of each Director of the Company received from YTL Power International Berhad, categorised into appropriate components for the financial year ended 30 June 2021 and 30 June 2020, are as follows:

2021 Company	Salaries RM'000	Fees RM'000	Defined contribution plan RM'000	Share option expenses RM'000	Others* RM'000	Estimated money value of benefits in kind RM'000	Total RM'000
Executive Directors							
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	**2,412**	**-**	**289**	**317**	**-**	**-**	**3,018**
Dato' Yeoh Seok Kian	**1,206**	**-**	**145**	**317**	**-**	**-**	**1,668**
Dato' Yeoh Soo Min	**1,878**	**-**	**225**	**317**	**-**	**5**	**2,425**
Dato' Yeoh Seok Hong	**2,292**	**-**	**275**	**317**	**-**	**3**	**2,887**
Dato' Sri Michael Yeoh Sock Siong	**-**	**-**	**-**	**317**	**-**	**-**	**317**
Dato' Yeoh Soo Keng	**1,815**	**-**	**218**	**317**	**-**	**-**	**2,350**
Dato' Mark Yeoh Seok Kah	**1,032**	**-**	**124**	**317**	**-**	**-**	**1,473**
Syed Abdullah Bin Syed Abd. Kadir	**648**	**-**	**26**	**32**	**1**	**26**	**733**
Non-Executive Directors							
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	**-**	**96**	**-**	**-**	**9**	**-**	**105**
Faiz Bin Ishak	**-**	**230**	**-**	**-**	**18**	**-**	**248**
Datuk Loo Took Gee	**-**	**223**	**-**	**-**	**14**	**-**	**237**
Datuk Seri Long See Wool	**-**	**223**	**-**	**-**	**16**	**-**	**239**
Tan Sri Ismail Bin Adam	**-**	**69**	**-**	**-**	**2**	**-**	**71**
	11,283	**841**	**1,302**	**2,251**	**60**	**34**	**15,771**

2020 Company	Salaries RM'000	Fees RM'000	Bonus RM'000	Defined contribution plan RM'000	Share option expenses RM'000	Others* RM'000	Estimated money value of benefits in kind RM'000	Total RM'000
Executive Directors								
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	3,216	-	1,206	531	448	-	146	5,547
Dato' Yeoh Seok Kian	1,608	-	603	265	448	-	28	2,952
Dato' Yeoh Soo Min	2,504	-	939	413	448	-	35	4,339
Dato' Yeoh Seok Hong	3,056	-	1,146	504	448	-	34	5,188
Dato' Sri Michael Yeoh Sock Siong	-	-	-	-	448	-	-	448
Dato' Yeoh Soo Keng	2,420	-	908	399	448	1	1	4,177
Dato' Mark Yeoh Seok Kah	1,376	-	516	227	448	1	41	2,609
Syed Abdullah Bin Syed Abd. Kadir	648	-	120	31	45	1	80	925
Non-Executive Directors								
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	-	220	-	-	-	14	-	234
Faiz Bin Ishak	-	220	-	-	-	14	-	234
Datuk Loo Took Gee	-	210	-	-	-	9	-	219
Datuk Seri Long See Wool	-	210	-	-	-	12	-	222
	14,828	860	5,438	2,370	3,181	52	365	27,094

* *Others include socso, meeting allowances, etc.*

Notes to the Financial Statements

for the financial year ended 30 June 2021

7. TAXATION

Taxation charge for the financial year:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax:				
- Malaysian income tax	**15,201**	18,673	**441**	467
- Foreign income tax	**87,736**	82,457	**-**	-
Deferred taxation (Note 26)	**633,979**	196,357	**8**	6
	736,916	297,487	**449**	473
Current tax:				
- Current year	**140,012**	112,900	**481**	507
- Over provision in prior years	**(37,075)**	(11,770)	**(40)**	(40)
Deferred taxation:				
- Originating and reversal of temporary differences	**633,979**	196,357	**8**	6
	736,916	297,487	**449**	473

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Numerical reconciliation between taxation and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	**633,788**	425,191	**413,642**	571,736
Taxation calculated at the Malaysian tax rate of 24% (2020: 24%)	**152,109**	102,046	**99,274**	137,217
Tax effects of:				
- Share of profits of investments accounted for using the equity method	**(87,839)**	(109,012)	**-**	-
- Different tax rates in other countries	**(47,431)**	(9,689)	**-**	-
- Re-measurement of deferred tax^	**540,507**	162,410	**-**	-
- Non-deductible expenses	**212,829**	203,356	**127,845**	125,608
- Income not subject to tax	**(30,925)**	(65,433)	**(226,630)**	(262,312)
- Temporary differences not recognised*	**34,741**	25,579	**-**	-
- Over provision in prior years in relation to current tax	**(37,075)**	(11,770)	**(40)**	(40)
Taxation	**736,916**	297,487	**449**	473

Notes to the Financial Statements

for the financial year ended 30 June 2021

7. TAXATION (CONT'D.)

^ The re-measurement of deferred tax during the financial year of RM540.5 million was due to an increase in the United Kingdom corporation tax rate from 19% to 25% (effective from 1 April 2023) following the March 2021 Budget in the United Kingdom. The deferred tax liability at 30 June 2021 has been calculated based on the rate of 25% substantively enacted during the financial year ended 30 June 2021.

The re-measurement of deferred tax during the previous financial year of RM162.4 million was due to an increase in the United Kingdom corporation tax rate from 17% to 19% (effective from 1 April 2020) following the March 2020 Budget in the United Kingdom. The deferred tax liability at 30 June 2020 has been calculated based on the rate of 19% substantively enacted during the financial year ended 30 June 2020.

* A subsidiary of the Group was granted pioneer status for a period of 10 years from November 2010 to November 2020. The tax effects of temporary differences not recognised as shown below in respect of this subsidiary.

	2021 RM'000	2020 RM'000
- Property, plant and equipment	**262,209**	229,860
- Unutilised tax losses	**248,598**	245,809

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses in Malaysia tax entities with no expiry period will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment after the end of pioneer period. Expiry date of the Group's tax losses is summarised below:

	2021 RM'000	2020 RM'000
Year of assessment 2025	**3,932**	3,932
Year of assessment 2027	**244,666**	241,877

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

	2021 RM'000	2020 RM'000
- Property, plant and equipment	**10,404**	9,977
- Unutilised tax losses	**2,260**	3,084
- Others	**4,464**	4,464

Notes to the Financial Statements
for the financial year ended 30 June 2021

7. TAXATION (CONT'D.)

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses in Malaysia tax entities with no expiry period will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. Expiry date of the Group's tax losses is summarised below:

	2021 RM'000	2020 RM'000
Year of assessment 2025	**842**	841
Year of assessment 2027	**1,418**	2,243

8. (LOSS)/EARNINGS PER SHARE

Basic/Diluted (loss)/earnings per share

	Group	
	2021	**2020**
(Loss)/Profit attributable to owners of the parent (RM'000)	**(146,524)**	67,638
Weighted average number of ordinary shares in issue ('000)	**7,949,798**	7,675,301
Basic/Diluted (loss)/earnings per share (sen)	**(1.84)**	0.88

Basic and diluted (loss)/earnings per share of the Group is calculated by dividing the net (loss)/profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding the number of ordinary shares purchased by the Company and held as treasury shares.

Notes to the Financial Statements
for the financial year ended 30 June 2021

9. DIVIDENDS

	Group and Company 2021		Group and Company 2020	
	Gross dividend per share Sen	Amount of dividend RM'000	Gross dividend per share Sen	Amount of dividend RM'000
Dividend paid in respect of the financial year ended 30 June 2021:				
- Interim dividend of 2 sen per ordinary share paid on 29 June 2021	**2**	**162,043**	-	-
Dividend paid in respect of the financial year ended 30 June 2019:				
- Interim dividend of 5 sen per ordinary share paid on 13 November 2019	**-**	**-**	5	383,765
	2	**162,043**	5	383,765

On 8 September 2021, the Board of Directors declared a second interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2021 for payment on 12 October 2021. The book closure date in respect of the aforesaid dividend was 24 September 2021.

The Board of Directors do not recommend a final dividend for the financial year ended 30 June 2021 (2020: Nil).

Notes to the Financial Statements

for the financial year ended 30 June 2021

10. PROPERTY, PLANT AND EQUIPMENT

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

Group 2021	Land and buildings RM'000	Infrastructure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Equipment, 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									
At 1 July 2020	5,336,258	8,644,211	16,210,762	22,699	935,367	415,692	3,084,693	1,621,586	36,271,268
Exchange differences	386,763	823,928	843,993	-	78,101	27,539	-	127,437	2,287,761
Additions	47	-	16,704	-	1,774	465	12,549	1,750,222	1,781,761
Disposals	(318,663)	-	(883,287)	(7,175)	(5,570)	(45,419)	(415)	-	(1,260,529)
Written off	(34)	-	(275,612)	-	(10,806)	-	(10,176)	(914)	(297,542)
Transfer from right-of-use assets	-	-	-	-	-	-	86,695	-	86,695
Transfer to inventories	-	(30,290)	-	-	-	-	-	-	(30,290)
Transfer on commissioning	314,904	615,292	936,247	-	21,866	43,576	218,369	(2,150,254)	-
At 30 June 2021	5,719,275	10,053,141	16,848,807	15,524	1,020,732	441,853	3,391,715	1,348,077	38,839,124
Accumulated depreciation and impairment									
At 1 July 2020	2,246,324	755,290	9,612,743	22,699	441,808	227,820	1,084,122	-	14,390,806
Exchange differences	119,615	73,275	418,313	-	34,497	14,595	-	-	660,295
Charge for the financial year	102,907	87,184	672,777	-	40,968	41,065	145,016	-	1,089,917
Disposals	(306,041)	-	(861,082)	(7,175)	(5,172)	(36,957)	(81)	-	(1,216,508)
Write back of impairment	-	-	(12,189)	-	-	-	-	-	(12,189)
Transfer from right-of-use assets	-	-	-	-	-	-	19,699	-	19,699
Written off	(15)	-	(273,125)	-	(10,646)	-	(10,021)	-	(293,807)
At 30 June 2021	2,162,790	915,749	9,557,437	15,524	501,455	246,523	1,238,735	-	14,638,213
Net book value									
At 30 June 2021	3,556,485	9,137,392	7,291,370	-	519,277	195,330	2,152,980	1,348,077	24,200,911

Borrowing cost of RM23,732,915 (2020: RM18,554,448) at an interest rate of 3.8% (2020: 4.3%) was capitalised during the financial year 2021.

Notes to the Financial Statements
for the financial year ended 30 June 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

The details of property, plant and equipment are as follows: (cont'd.)

Group 2020	Land and buildings RM'000	Infrastructure assets RM'000	Plant and machinery RM'000	Mains and lines RM'000	Equipment, 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									
At 1 July 2019	4,983,354	8,168,014	15,418,781	22,699	925,793	181,645	3,036,522	2,588,405	35,325,213
Exchange differences	19,305	26,337	31,826	-	2,848	(1,126)	-	14,418	93,608
Additions	690	6,211	35,956	-	2,581	641	2,349	1,458,883	1,507,311
Disposals	-	-	(561)	-	(1,050)	(25,067)	(741)	-	(27,419)
Written off	(10,591)	(740)	(228,033)	-	(28,672)	(83)	(1,202)	-	(269,321)
Reclassification	-	-	(244,484)	-	-	244,484	-	-	-
Transfer to intangible assets *	-	-	(274,571)	-	(26,528)	-	(56,635)	(390)	(358,124)
Transfer on commissioning	343,500	444,389	1,471,848	-	60,395	15,198	104,400	(2,439,730)	-
At 30 June 2020	5,336,258	8,644,211	16,210,762	22,699	935,367	415,692	3,084,693	1,621,586	36,271,268
Accumulated depreciation and impairment									
At 1 July 2019	2,140,936	661,350	9,440,044	22,699	453,859	79,909	1,001,751	-	13,800,548
Exchange differences	23,236	16,737	(6,488)	-	1,598	(711)	-	-	34,372
Charge for the financial year	88,652	77,333	609,270	-	30,566	35,589	132,186	-	973,596
Disposals	-	-	(517)	-	(1,040)	(21,981)	(217)	-	(23,755)
Impairment	-	-	2,953	-	-	-	-	-	2,953
Reclassification	-	-	(135,097)	-	-	135,097	-	-	-
Transfer to intangible assets *	-	-	(71,634)	-	(14,531)	-	(48,885)	-	(135,050)
Written off	(6,500)	(130)	(225,788)	-	(28,644)	(83)	(713)	-	(261,858)
At 30 June 2020	2,246,324	755,290	9,612,743	22,699	441,808	227,820	1,084,122	-	14,390,806
Net book value									
At 30 June 2020	3,089,934	7,888,921	6,598,019	-	493,559	187,872	2,000,571	1,621,586	21,880,462

* *The Group refined its analysis of assets and identified elements of its asset stock that could be classified as intangible assets. Following this exercise, those assets that met the definition were transferred from property, plant and equipment to intangible assets during the financial year 2020.*

Borrowing cost of RM18,554,448 (2019: RM8,348,457) at an interest rate of 4.3% (2019: 4.4%) was capitalised during the financial year 2020.

The Group revised the useful lives of certain property, plant and equipment during the financial year 2020. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for the financial year ended 30 June 2020 decreased by RM65,380,133.

Notes to the Financial Statements

for the financial year ended 30 June 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

The details of land and buildings of the Group are as follows:

Group 2021	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 July 2020	**126,406**	**5,209,852**	**5,336,258**
Exchange differences	**9,116**	**377,647**	**386,763**
Additions	**-**	**47**	**47**
Disposals	**-**	**(318,663)**	**(318,663)**
Written off	**-**	**(34)**	**(34)**
Transfer on commissioning	**1,946**	**312,958**	**314,904**
At 30 June 2021	**137,468**	**5,581,807**	**5,719,275**
Accumulated depreciation			
At 1 July 2020	**-**	**2,246,324**	**2,246,324**
Exchange differences	**-**	**119,615**	**119,615**
Charge for the financial year	**-**	**102,907**	**102,907**
Disposals	**-**	**(306,041)**	**(306,041)**
Written off	**-**	**(15)**	**(15)**
At 30 June 2021	**-**	**2,162,790**	**2,162,790**
Net book value			
At 30 June 2021	**137,468**	**3,419,017**	**3,556,485**
2020			
Cost			
At 1 July 2019	117,478	4,865,876	4,983,354
Exchange differences	915	18,390	19,305
Additions	-	690	690
Written off	-	(10,591)	(10,591)
Transfer on commissioning	8,013	335,487	343,500
At 30 June 2020	126,406	5,209,852	5,336,258
Accumulated depreciation			
At 1 July 2019	-	2,140,936	2,140,936
Exchange differences	-	23,236	23,236
Charge for the financial year	-	88,652	88,652
Written off	-	(6,500)	(6,500)
At 30 June 2020	-	2,246,324	2,246,324
Net book value			
At 30 June 2020	126,406	2,963,528	3,089,934

Notes to the Financial Statements

for the financial year ended 30 June 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Impairment assessment of property, plant and equipment ("PPE") of a subsidiary

The recoverable amount of the PPE assessed as part of a cash generating unit ("CGU") is determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of PPE of a subsidiary in the telecommunications business segment:

	2021	**2020**
Discount rate	**7.6%**	7.7%
Average revenue growth rate	**27.6%**	20.7%
Earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin	**53.1%**	45.1%

The discount rate applied to the cash flow projections is derived from the cost of capital at the date of the assessment.

The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts covering a 5 year period, adjusted to reflect market participants assumptions. Cash flows beyond the 5 year period were extrapolated a further 14 years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2020: 2.5%).

Fair value is held within Level 3 in fair value hierarchy disclosures.

The carrying amount of the CGU as at 30 June 2021 is RM2.5 billion (2020: RM2.7 billion). No impairment charge was recognised as the recoverable amount of the CGU was in excess of its carrying amount.

If the discount rate increased by 4% (2020: 1%), the carrying value will be reduced by approximate RM47 million (2020: RM90 million). If the average revenue growth rate reduced by 3.0% (2020: 0.5%), the carrying value will be reduced by approximate RM168 million (2020: RM100 million). And, if the EBITDA margin reduced by 12% (2020: 2%), the carrying value will be reduced by approximate RM60 million (2020: RM43 million).

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for the financial year ended 30 June 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

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

Company 2021	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 July 2020	**568**	**2,187**	**2,755**
Additions	**72**	**-**	**72**
At 30 June 2021	**640**	**2,187**	**2,827**
Accumulated depreciation			
At 1 July 2020	**491**	**953**	**1,444**
Charge for the financial year	**39**	**199**	**238**
At 30 June 2021	**530**	**1,152**	**1,682**
Net book value			
At 30 June 2021	**110**	**1,035**	**1,145**
2020			
Cost			
At 1 July 2019	554	2,187	2,741
Additions	14	-	14
At 30 June 2020	568	2,187	2,755
Accumulated depreciation			
At 1 July 2019	454	742	1,196
Charge for the financial year	37	211	248
At 30 June 2020	491	953	1,444
Net book value			
At 30 June 2020	77	1,234	1,311

Notes to the Financial Statements

for the financial year ended 30 June 2021

11. RIGHT-OF-USE ASSETS

Group 2021	Telecom-munications network site and equipment RM'000	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Others RM'000	Total RM'000
At 1 July 2020	**564,135**	**33,488**	**19,763**	**4,142**	**237**	**621,765**
Exchange differences	**-**	**422**	**724**	**332**	**5**	**1,483**
Additions	**21,421**	**1,017**	**5,346**	**1,545**	**-**	**29,329**
Depreciation charges for the financial year	**(106,986)**	**(6,153)**	**(6,539)**	**(3,028)**	**(35)**	**(122,741)**
Termination	**(5,475)**	**-**	**-**	**-**	**-**	**(5,475)**
Modification	**(9,868)**	**-**	**-**	**-**	**-**	**(9,868)**
Transfer to property, plant and equipment	**(66,996)**	**-**	**-**	**-**	**-**	**(66,996)**
Transfer from prepayment	**-**	**43,891**	**-**	**-**	**-**	**43,891**
At 30 June 2021	**396,231**	**72,665**	**19,294**	**2,991**	**207**	**491,388**
2020						
At 1 July 2019	666,780	39,258	4,772	8,071	-	718,881
Exchange differences	-	87	105	50	8	250
Additions	11,885	-	17,919	-	260	30,064
Depreciation charges for the financial year	(114,136)	(5,857)	(3,033)	(3,979)	(31)	(127,036)
Termination	(394)	-	-	-	-	(394)
At 30 June 2020	564,135	33,488	19,763	4,142	237	621,765

12. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**467,208**	477,749
Exchange differences	**47,681**	1,585
Additions	**37,065**	51,400
Transfer to property, plant and equipment	**-**	(6,133)
Transfer to inventories	**-**	(51,787)
Fair value gain/(loss)	**83,050**	(5,606)
At 30 June	**635,004**	467,208

Notes to the Financial Statements

for the financial year ended 30 June 2021

12. INVESTMENT PROPERTIES (CONT'D.)

(a) Amounts recognised in Income Statement for investment properties

	Group	
	2021 RM'000	**2020 RM'000**
Rental income	**8,723**	5,745
Direct operating expenses generating rental income	**(8,723)**	(5,745)
Direct operating expenses that did not generate rental income	**(8,406)**	(11,168)
Fair value gain/(loss) recognised in other operating income/(expenses)	**83,050**	(5,606)

(b) Measuring investment properties at fair value

The Group's investment properties consist of land at Filton Airfield, Bristol and the Brabazon Hangars.

As at 30 June 2021, the fair value of the Filton Airfield is based on a valuation performed by Savills (UK) Limited, an accredited independent valuer. Savills (UK) Limited is a specialist in valuing these types of investment properties. The fair value of the Brabazon Hangars is based on a discounted cashflow model prepared by Evercore Inc., a global independent investment banking advisory firm.

			Range	
	Valuation techniques	**Significant unobservable inputs**	**2021**	**2020**
Hangars	Capitalised income	Estimated rental value per sq-ft per annum	**-**	£1.50 - £3.00
		Net yield percentage	**-**	9.1%
		Void periods	**-**	12 - 24 months
	Discounted cashflow	Visitor numbers	**1 - 1.5 million p.a.**	-
Airfield	Transaction prices	Unit density per acre	**-**	18-28
	Discounted cashflow	Unit density per acre	**18-28**	-

In determining the fair value, the valuers have used valuation techniques which involve certain estimates. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports are prepared in accordance with recognised appraisal and International Valuation Standards. The estimates underlying the valuation techniques in the next financial year may differ from current estimates, which may result in valuations that may be materially different from the valuations as at reporting date.

Management is satisfied the valuations reflected in these statements is reasonable. In making this assessment, management has reviewed the estimated cash flows for the development and the future rent roll which continue to support the valuations presented within the financial statements. Management constantly monitors market data which shows conditions have been strong since the loosening of restrictions following the COVID-19 pandemic, further justifying the valuations included in these statements.

Notes to the Financial Statements

for the financial year ended 30 June 2021

12. INVESTMENT PROPERTIES (CONT'D.)

(b) Measuring investment properties at fair value (cont'd.)

Fair value is held within Level 3 in fair value hierarchy disclosures for investment properties.

(c) Contractual obligations

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

13. INTANGIBLE ASSETS

The details of intangible assets are as follows:

Group 2021	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
At 1 July 2020	**127,042**	**8,172,296**	**328,103**	**14,277**	**8,641,718**
Exchange differences	**(1,167)**	**51,682**	**28,060**	**950**	**79,525**
Additions	**682**	**-**	**30,482**	**-**	**31,164**
Amortisation charge for the financial year	**(8,506)**	**-**	**(63,304)**	**(4,799)**	**(76,609)**
Allowance for impairment	**-**	**(1,269)**	**-**	**-**	**(1,269)**
At 30 June 2021	**118,051**	**8,222,709**	**323,341**	**10,428**	**8,674,529**
2020					
At 1 July 2019	119,375	8,142,456	-	16,818	8,278,649
Exchange differences	3,284	29,840	(1,843)	35	31,316
Transfer from property, plant and equipment *	-	-	223,074	-	223,074
Additions	13,266	-	162,102	-	175,368
Amortisation charge for the financial year	(8,883)	-	(55,230)	(2,576)	(66,689)
At 30 June 2020	127,042	8,172,296	328,103	14,277	8,641,718

* *In the previous financial year, the Group refined its analysis of assets and identified elements of its asset stock that could be classified as intangible assets. Following this exercise, those assets that met the definition were transferred from property, plant and equipment to intangible assets.*

Notes to the Financial Statements

for the financial year ended 30 June 2021

13. INTANGIBLE ASSETS (CONT'D.)

(a) 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	
	2021 RM'000	**2020 RM'000**
Multi utilities business segment ("Singapore")	**7,588,181**	7,542,999
Water and sewerage segment (United Kingdom ("UK"))	**440,700**	440,700
Others	**193,828**	188,597
Total goodwill	**8,222,709**	8,172,296

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's judgement.

(i) Key assumptions used in the value-in-use calculations

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

	2021		2020	
	Singapore %	**UK %**	**Singapore %**	**UK %**
Discount rate	**6.30**	**3.11**	6.29	2.14
Terminal growth rate	**2.00**	**0.31**	2.00	(0.76)
Revenue growth rate	**3.46**	**0.04**	3.77	0.97

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.

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for the financial year ended 30 June 2021

13. INTANGIBLE ASSETS (CONT'D.)

(a) Impairment test for goodwill (cont'd.)

(i) Key assumptions used in the value-in-use calculations (cont'd.)

For multi utilities business segment ("Singapore"), cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated above. The growth rate did not exceed the long-term average growth rate in which the CGU operates.

The terminal growth rate indicates the expected growth of cash flows after the forecast period of five years.

The revenue growth rate is calculated using the Compound Annual Growth Rate method and applied on the current year's sales figures over the forecast period.

For water and sewerage segment ("UK"), cash flow projections used in the value-in-use calculation were based on approved financial budgets and forecasts covering a four-year period, to conform the final determinations approved by OFWAT, the economic regulator of the water sector in England and Wales.

(ii) Impact of possible change in key assumptions

The circumstances where a change in key assumptions will result in the recoverable amounts of goodwill on the CGUs to equal the corresponding carrying amounts assuming no change in the other variables are as follows:

	2021		**2020**	
	Singapore %	**UK %**	**Singapore %**	**UK %**
Discount rate	**7.84**	**27.20**	7.38	46.30
Terminal growth rate	**0.07**	**(0.06)**	0.65	(1.88)
Revenue growth rate	**1.32**	**(3.97)**	1.93	(6.72)

Based on the above assessment, no impairment charge for the goodwill was recognised for the financial year ended 30 June 2021 (2020: Nil) as the recoverable amount of the CGUs was in excess of its carrying amount.

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for the financial year ended 30 June 2021

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	**23,721,333**	23,267,554
Accumulated impairment losses	**(5,330,403)**	(5,283,033)
	18,390,930	17,984,521

Details of the subsidiaries are as follows:

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by the Company:				
Equinox Solar Farm Sdn. Bhd.*	Malaysia	**100**	100	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services
Geneco EV (S) Pte. Ltd.*	Singapore	**100**	100	Electric vehicle charging station
Global Infrastructure Assets Sdn. Bhd.*	Malaysia	**70**	100	Investment holding
Suria Solar Farm Sdn. Bhd.*	Malaysia	**100**	100	Development, ownership, operation and maintenance of solar photovoltaic power plants and related engineering, procurement, construction and commissioning services
SIPP Power Sdn. Bhd.*	Malaysia	**70**	70	Dormant
Wessex Water International Limited^	Cayman Islands	**100**	100	Dormant
YTL Communications Sdn. Bhd.*Ω	Malaysia	**60**	60	Provision of wired line and wireless broadband access and other related services
YTL Digital Capital Sdn. Bhd.†	Malaysia	**100**	-	Investment holding
YTL Energy Holdings Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Finance (Cyprus) Limited*	Cyprus	**100**	100	Financial services
YTL Infrastructure Holdings Sdn. Bhd.*	Malaysia	**100**	100	Investment holding

Notes to the Financial Statements
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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by the Company: (cont'd.)				
YTL Infrastructure Limited^	Cayman Islands	**100**	100	Investment holding
YTL Jawa O & M Holdings Limited*	Cyprus	**100**	100	Investment holding
YTL Jawa Power Holdings Limited*	Cyprus	**100**	100	Investment holding & financing activities
YTL Jordan Power Holdings Limited*	Cyprus	**100**	100	Investment holding & financing activities
YTL Jordan Services Holdings Limited*	Cyprus	**100**	100	Investment holding
YTL Power Resources Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Power Australia Limited*	Cayman Islands	**100**	100	Investment holding
YTL Power Finance (Cayman) Limited^	Cayman Islands	**100**	100	Dormant
YTL Power Generation Sdn. Bhd.	Malaysia	**100**	100	Developing, constructing, completing, maintaining and operating power plants
YTL Power Holdings Sdn. Bhd.*	Malaysia	**100**	100	Dormant
YTL Power International Holdings Limited^	Cayman Islands	**100**	100	Investment holding
YTL Power Investments Limited*	Cayman Islands	**100**	100	Investment holding
YTL PowerSeraya Pte. Limited**	Singapore	**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)
YTL Power (Thailand) Limited^	Cayman Islands	**100**	100	Dormant
YTL Power Trading (Labuan) Ltd.*	Malaysia	**100**	100	Dormant
YTL Seraya Limited*	Cayman Islands	**100**	100	Investment holding
YTL SIPP Power Holdings Sdn. Bhd.*	Malaysia	**70**	70	Investment holding
YTL Utilities Holdings (S) Pte. Limited*	Singapore	**100**	100	Investment holding
YTL Utilities (S) Pte. Limited*	Singapore	**100**	100	Investment holding
YTL Utilities Limited*	Cayman Islands	**100**	100	Investment holding

Notes to the Financial Statements
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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by the Company: (cont'd.)				
YTL Utilities Finance 2 Limited*	Cayman Islands	**100**	100	Investment holding
YTL Utilities Finance 3 Limited^	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 4 Limited^	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 5 Limited^	Cayman Islands	**100**	100	Inactive
YTL Utilities Finance 6 Limited^	Cayman Islands	**100**	100	Financial services
YTL Utilities Finance 7 Limited^	Cayman Islands	**100**	100	Inactive
YTL Utilities Finance Limited^	Cayman Islands	**100**	100	Investment holding
YTL Utilities Holdings Limited^	Cayman Islands	**100**	100	Investment holding
YTL Utilities (UK) Limited*	England and Wales	**100**	100	Investment holding
Subsidiaries held by YTL Utilities (UK) Limited:				
Wessex Water Limited*	England and Wales	**100**	100	Investment holding
YTL Events Limited*	England and Wales	**100**	100	Concert promotion
YTL Land and Property (UK) Ltd*	England and Wales	**100**	100	Investment holding
Subsidiaries held by YTL Land and Property (UK) Ltd:				
Brabazon Estates Limited^	England and Wales	**100**	100	Dormant
Dials At Brabazon Management Company Limited†	England and Wales	**100**	-	Dormant
Navigator At Brabazon Management Company Limited†	England and Wales	**100**	-	Dormant
YTL Arena (Filton) Limited†	England and Wales	**100**	-	Dormant
YTL Arena Holdings Limited†	England and Wales	**100**	-	Investment holding
YTL Arena Limited†	England and Wales	**100**	-	Dormant

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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by YTL Land and Property (UK) Ltd: (cont'd.)				
YTL Developments (UK) Limited*	England and Wales	**100**	100	Housing development
YTL Homes Ltd*	England and Wales	**100**	100	Housing development
YTL Places Limited^	England and Wales	**100**	100	Dormant
YTL Property Holdings (UK) Limited*	England and Wales	**100**	100	Housing development
Subsidiaries held by Wessex Water Limited:				
Albion Water Limited*	England and Wales	**100**	51	Water supply and waste water services
Enterprise Laundry Services Limited*	England and Wales	**100**	100	Laundry services
Flipper Limited*	England and Wales	**65**	65	Utility switching services
Geneco Limited*	England and Wales	**100**	100	Food waste treatment
Geneco (South West) Limited*	England and Wales	**100**	100	Food waste treatment
SC Technology GmbH*	Switzerland	**100**	100	Investment holding
SC Technology Nederland B.V.*	Netherlands	**100**	100	Waste treatment
SC Technology Deutschland GmbH*	Germany	**100**	100	Waste treatment
Turnbull Infrastructure & Utilities Limited *(formerly known as Wessex Engineering & Construction Services Limited)**	England and Wales	**100**	100	Engineering services
Water 2 Business Limited*	England and Wales	**70**	70	Non-household water retailer
Wessex Concierge Limited*	England and Wales	**100**	100	Investment holding
Wessex Utility Solutions Limited*	England and Wales	**100**	100	Engineering services
Wessex Water Engineering Services Limited^	England and Wales	**100**	100	Dormant
Wessex Water Enterprises Limited*	England and Wales	**100**	100	Power generation and waste treatment
Wessex Water Pension Scheme Trustee Limited^	England and Wales	**100**	100	Dormant
Wessex Water Services Finance Plc.*	England and Wales	**100**	100	Issue of bonds

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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by Wessex Water Limited: (cont'd.)				
Wessex Water Services Limited*	England and Wales	**100**	100	Water supply and waste water services
Wessex Water Trustee Company Limited^	England and Wales	**100**	100	Dormant
YTL Engineering Limited^	England and Wales	**100**	100	Dormant
YTL Services Limited^	England and Wales	**100**	100	Dormant
Subsidiaries held by YTL Communications Sdn. Bhd.:				
Cellular Structures Sdn. Bhd.*	Malaysia	**60**	60	Inactive
Extiva Communications Sdn. Bhd. *(In Member's Voluntary Winding-Up)**§	Malaysia	**60**	60	Inactive
KJS Alunan Sdn. Bhd.*	Malaysia	**42**	42	Investment holding
Konsortium Jaringan Selangor Sdn. Bhd.*	Malaysia	**60**	60	Planning, implementation and maintenance of telecommunication towers and telecommunication related services
Yakin Telesel Sdn. Bhd.*	Malaysia	**29.4**	29.4	Planning, development, implementation and management of telecommunication infrastructure and information communication technologies services
YesLinc Sdn. Bhd.*	Malaysia	**60**	60	Inactive
YTL Broadband Sdn. Bhd.*	Malaysia	**48**	48	Provision of wired line and wireless broadband access and other related services
YTL Communications International Limited^	Cayman Islands	**60**	60	Investment holding
YTL Communications (S) Pte. Ltd.*	Singapore	**60**	60	Computer systems integration activities and system integration services
YTL Digital Sdn. Bhd.*	Malaysia	**60**	60	Inactive
YTL Global Networks Limited^	Cayman Islands	**60**	60	Dormant

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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by YTL Jawa O & M Holdings Limited:				
P.T. YTL Harta Indonesia^	Indonesia	**99.95**	-	Industrial estate
P.T. YTL Jawa Timur*	Indonesia	**99**	99	Construction management, consultancy services and power station operation services
P.T. YTL Power Services Indonesia^	Indonesia	**95**	95	Dormant
YTL Jawa O & M Holdings B.V.*	Netherlands	**100**	100	Investment holding and management services
Subsidiaries held by YTL Jawa Power Holdings Limited:				
Bel Air Den Haag Beheer B.V.*	Netherlands	**100**	100	Investment holding
B.V. Hotel Bel Air Den Haag*	Netherlands	**100**	100	Hotel business
P.T. Tanjung Jati Power Company**	Indonesia	**80**	80	Design and construction of a coal-fired power generating facility
YTL Jawa Energy B.V.*	Netherlands	**100**	100	Investment holding, financing and management services
YTL Jawa Power B.V.*	Netherlands	**57.1**	57.1	Investment holding and management services
YTL Jawa Power Finance Limited*	Cayman Islands	**100**	100	Financial services
YTL Jawa Power Holdings B.V.*	Netherlands	**57.1**	57.1	Investment holding
Subsidiaries held by YTL Power Investments Limited:				
FrogAsia Sdn. Bhd.*	Malaysia	**100**	100	License reseller focused on providing virtual learning educational platform
Frog Education Group Limited*	England and Wales	**68.9**	68.9	Investment holding
Frog Education Limited*	England and Wales	**68.9**	68.9	Sales into the education market and further development of the web environment product

Notes to the Financial Statements

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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows: (cont'd.)

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Subsidiaries held by YTL Power Investments Limited: (cont'd.)				
Frog Education Sdn. Bhd.*	Malaysia	**68.9**	68.9	License reseller focused on providing virtual learning educational platform
Granite Investments (Cayman Islands) Limited^	Cayman Islands	**100**	100	Dormant
YTL Education (UK) Limited^	England and Wales	**100**	100	Dormant
Subsidiaries held by YTL PowerSeraya Pte. Limited:				
PetroSeraya Pte. Ltd.**	Singapore	**100**	100	Tank leasing and sale of fuel oil
Seraya Energy and Investment Pte. Ltd.**	Singapore	**100**	100	Investment holding
Seraya Energy Pte. Ltd.**	Singapore	**100**	100	Sale of electricity
Taser Power Pte. Ltd.**	Singapore	**100**	100	Generation and sale of electricity

* *Audited by a firm other than a 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 PLT, Malaysia.*

^ *Entities are either exempted or not statutorily required to be audited.*

† *First audited financial statements in 2022.*

Ω *The Company owns RM3.85 billion of Redeemable Cumulative Convertible Preference Shares ("RCCPS") of YTL Communications Sdn. Bhd. ("YTL Comms") which is classified as equity in the financial statements of YTL Comms. The Company has the preferential right to receive dividend and preference over holders of the ordinary shares on the return of capital upon liquidation for an amount equal to the amount paid plus any premium.*

§ *Commenced winding-up on 17 August 2021.*

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14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

Group	NCI percentage of ownership interest and voting interest	Profit allocated to NCI RM'000	Carrying amount of NCI RM'000
2021			
YTL Jawa Power Holdings B.V.	**42.9%**	**123,402**	**654,838**
YTL Communications Sdn. Bhd.	**40.0%**	**(82,976)**	**(797,682)**
		40,426	**(142,844)**
2020			
YTL Jawa Power Holdings B.V.	42.9%	160,388	705,611
YTL Communications Sdn. Bhd.	40.0%	(105,128)	(715,245)
		55,260	(9,634)

The remaining non-controlling interests of the Group are individually immaterial.

(b) Summarised financial information before inter-company elimination is set out below:

	YTL Jawa Power Holdings B.V.		YTL Communications Sdn. Bhd.	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current assets	**1,582,816**	1,701,289	**2,734,902**	2,880,275
Current assets	**2,008**	3,806	**390,615**	310,330
Non-current liabilities	**(17,360)**	(17,885)	**(354,583)**	(437,919)
Current liabilities	**(620)**	(716)	**(927,041)**	(1,052,838)
Net assets	**1,566,844**	1,686,494	**1,843,893**	1,699,848
Revenue	**234**	5,434	**522,326**	449,478
Profit/(Loss) for the financial year	**287,949**	374,253	**(207,306)**	(262,894)
Total comprehensive income/(loss)	**239,888**	429,585	**(205,955)**	(264,336)
Cash flow (used in)/from operating activities	**(21,385)**	(29,889)	**76,448**	237,076
Cash flow from/(used in) investing activities	**377,463**	310,362	**(66,920)**	(117,225)
Cash flow used in financing activities	**(357,597)**	(581,589)	**(15,126)**	(158,905)
Net decrease in cash and cash equivalents	**(1,519)**	(301,116)	**(5,598)**	(39,054)
Dividends paid to NCI	**153,250**	266,094	**-**	-

Notes to the Financial Statements

for the financial year ended 30 June 2021

14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(c) Impairment assessment for investment in a subsidiary

The recoverable amount of the investment in a subsidiary is determined based on the fair value less costs of disposal ("FVLCD") calculation.

The following are the key assumptions applied in the FVLCD calculation for impairment assessment of a subsidiary in the telecommunications business segment:

	2021	2020
Discount rate	**8.3%**	8.1%
Terminal multiple	**18.9x**	21.0x
Average revenue growth rate	**27.2%**	20.4%
EBITDA margin	**54.3%**	46.3%

The discount rate applied to the cash flow projections are derived from the cost of equity at the date of the assessment of the investment in the subsidiary. The cash flow projections used in the FVLCD calculation were based on approved financial budgets and forecasts by management, adjusted to reflect market participants assumptions.

Fair value is held within Level 3 in fair value hierarchy disclosures.

The circumstances where a change in key assumptions will result in the recoverable amount of investment in subsidiary to equal the corresponding carrying amount assuming no change in the other variables are as follows:

	2021	2020
Discount rate	**20.1%**	13.4%
Terminal multiple	**11.7x**	16.4x
Average revenue growth rate	**23.7%**	19.4%
EBITDA margin	**40.0%**	41.1%

The carrying amount of the subsidiary is RM3.3 billion (2020: RM2.9 billion). No impairment charge was recognised as the recoverable amount was in excess of its carrying amount.

(d) Impairment in a subsidiary

During the financial year, an impairment charge of RM47,370,000 (2020: RM38,000,000) was made for the cost of investment in YTL Power Generation Sdn. Bhd. as the carrying amount was in excess of its recoverable amount.

The recoverable amount of the investment in the subsidiary is determined based on the fair value less costs of disposal calculation as at 30 June 2021. While, the recoverable amount of the investment in the subsidiary is determined based on value-in-use ("VIU") calculation by applying a discount rate of 10.3% during the previous financial year.

Notes to the Financial Statements

for the financial year ended 30 June 2021

14. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(e) Additional investments in subsidiaries

(i) During the financial year, the Company subscribed to an additional 350 million Redeemable Cumulative Convertible Preference Shares in YTL Communications Sdn. Bhd. at a price of RM1.00 per share by capitalising the advances to YTL Communications Sdn. Bhd..

(ii) During the financial year, the Company subscribed to one ordinary share in YTL Utilities Limited for a consideration of RM173,761,500 by capitalising the amounts owing by YTL Utilities Limited.

(iii) During the financial year, the Company subscribed to one ordinary share in YTL Jawa Power Holdings Limited for a consideration of RM80,014,236 by capitalising the advances to YTL Jawa Power Holdings Limited.

(iv) During the financial year, the Company subscribed to one ordinary share in YTL Jawa O & M Holdings Limited for a consideration of RM20,003,559 by capitalising the advances to YTL Jawa O & M Holdings Limited.

(f) Capital reduction of ordinary shares by a subsidiary

During the financial year, the issued and paid-up ordinary share capital of YTL Power Generation Sdn. Bhd. ("YTLPG"), a wholly owned subsidiary of the Company had reduced from RM285,790,000 comprising 1,313,676,470 ordinary shares and 1 special share in YTLPG to RM115,790,000 comprising 532,426,470 ordinary shares and 1 special share. This reduction of share capital was effected by returning paid-up capital of RM170,000,000 to the Company.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Investment in joint ventures

	Group	
	2021 RM'000	**2020 RM'000**
Unquoted shares, at cost	**225,543**	232,383
Group's share of post-acquisition reserves	**(133,538)**	(125,231)
Group's share of net assets	**92,005**	107,152

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for the financial year ended 30 June 2021

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D.)

(a) Investment in joint ventures (cont'd.)

Details of the joint venture companies are as follows:

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
Attarat Mining Company B.V.	Netherlands	**45.0**	45.0	Mining & supply of oil shale
Attarat Operation and Maintenance Company B.V.	Netherlands	**45.0**	45.0	Operation & maintenance of Power Plant
Attarat Power Holding Company B.V.	Netherlands	**45.0**	45.0	Investment holding and financing activities
Bristol Wessex Billing Services Limited	England and Wales	**50.0**	50.0	Billing services
Xchanging Malaysia Sdn. Bhd.	Malaysia	**30.0**	30.0	Mobile internet and cloud-based technology solutions

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:

(i) Summarised financial information:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current assets	**8,737,246**	8,049,694	**10,493**	9,290
Current assets	**53,470**	61,145	**254,370**	337,590
Non-current liabilities	**(8,223,117)**	(7,880,832)	**-**	-
Current liabilities	**(545,007)**	(310,466)	**(126,247)**	(132,650)
Net assets/(liabilities)	**22,592**	(80,459)	**138,616**	214,230
(Loss)/Profit for the financial year	**(37,795)**	(35,117)	**(68,885)**	16,844
Other comprehensive income/(loss)	**137,848**	(253,294)	**-**	-
Total comprehensive income/(loss)	**100,053**	(288,411)	**(68,885)**	16,844
Included in total comprehensive income is:				
Revenue	**-**	-	**86,824**	357,960
Other information:				
Dividend received from joint venture	**-**	-	**-**	18,930
Cash and cash equivalents	**18,209**	32,457	**65,226**	26,633
Shareholder's loan and related interests	**(2,838,900)**	(2,464,519)	**-**	-
Bank borrowings	**(5,096,265)**	(4,976,577)	**-**	-
Derivative financial instruments	**(280,124)**	(431,520)	**-**	-

Notes to the Financial Statements

for the financial year ended 30 June 2021

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D.)

(a) Investment in joint ventures (cont'd.)

(ii) Reconciliation of net assets to carrying amount:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.		Total	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Opening net (liabilities)/assets, 1 July	**(80,459)**	206,109	**214,230**	232,158	**133,771**	438,267
(Loss)/Profit for the financial year	**(37,795)**	(35,117)	**(68,885)**	16,844	**(106,680)**	(18,273)
Other comprehensive income/ (loss)	**137,848**	(253,294)	**-**	-	**137,848**	(253,294)
Dividend paid	**-**	-	**-**	(42,067)	**-**	(42,067)
Exchange differences	**2,998**	1,843	**(6,729)**	7,295	**(3,731)**	9,138
Closing net assets/(liabilities), 30 June	**22,592**	(80,459)	**138,616**	214,230	**161,208**	133,771
Interest in joint ventures	**45.0%**	45.0%	**45.0%**	45.0%		
Group's interest	**10,166**	(36,207)	**62,377**	96,404	**72,543**	60,197
Elimination of unrealised profits	**(77,419)**	(79,762)	**-**	-	**(77,419)**	(79,762)
Unrecognised share of net losses	**67,253**	115,969	**-**	-	**67,253**	115,969
Carrying amount	**-**	-	**62,377**	96,404	**62,377**	96,404
Unrecognised share of results during the financial year	**-**	(113,982)	**-**	-	**-**	(113,982)

The individually immaterial joint ventures' carrying amount is RM29.6 million (2020: RM10.7 million), Group's share of profit is RM35.4 million (2020: RM30.2 million) and the Group's share of total comprehensive income is RM35.6 million (2020: RM30.8 million).

(b) Investment in associates

	Group	
	2021 RM'000	**2020 RM'000**
Unquoted shares, at cost	**1,036,882**	1,042,433
Group's share of post-acquisition reserves	**1,145,079**	1,129,443
Accumulated impairment losses	**(61,710)**	(63,577)
Group's share of net assets	**2,120,251**	2,108,299

Notes to the Financial Statements

for the financial year ended 30 June 2021

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D.)

(b) Investment in associates (cont'd.)

Details of the associates are as follows:

Name	Country of incorporation	Group's effective interest 2021 %	Group's effective interest 2020 %	Principal activities
P.T. Jawa Power	Indonesia	**20.0***	20.0*	Operating a coal-fired thermal power station
Enefit Jordan B.V.	Netherlands	**30.0**	30.0	Investment holding and financing activities
ElectraNet Pty. Ltd.	Australia	**33.5**	33.5	Principal electricity transmission

* *The subgroup's direct interest in P.T. Jawa Power is 35%.*

The summarised financial information of material associates adjusted for any differences in accounting policies between the Group and the associates and reconciliation to the carrying amount of the Group's interest in the associates are as follows:

(i) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current assets	**4,304,549**	4,543,425	**11,722,324**	10,879,751
Current assets	**1,068,000**	1,048,472	**152,288**	147,284
Non-current liabilities	**(584,005)**	(562,414)	**(8,216,984)**	(8,769,136)
Current liabilities	**(377,162)**	(282,964)	**(1,937,427)**	(923,519)
Net assets	**4,411,382**	4,746,519	**1,720,201**	1,334,380
Profit for the financial year	**883,965**	1,159,080	**155,880**	79,229
Other comprehensive income/(loss)	**-**	-	**143,973**	(21,757)
Total comprehensive income	**883,965**	1,159,080	**299,853**	57,472
Included in the total comprehensive income is:				
Revenue	**2,233,971**	2,296,168	**1,287,212**	1,088,992
Other information:				
Dividends received from associate	**377,463**	349,682	**-**	-

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for the financial year ended 30 June 2021

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT'D.)

(b) Investment in associates (cont'd.)

(ii) Reconciliation of net assets to carrying amount:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Opening net assets, 1 July	**4,746,519**	4,435,949	**1,334,380**	1,256,037	**6,080,899**	5,691,986
Profit for the financial year	**883,965**	1,159,080	**155,880**	79,229	**1,039,845**	1,238,309
Other comprehensive income/(loss)	**-**	-	**143,973**	(21,757)	**143,973**	(21,757)
Exchange differences	**(140,636)**	150,581	**85,968**	20,871	**(54,668)**	171,452
Dividend paid	**(1,078,466)**	(999,091)	**-**	-	**(1,078,466)**	(999,091)
Closing net assets, 30 June	**4,411,382**	4,746,519	**1,720,201**	1,334,380	**6,131,583**	6,080,899
Interest in associates	**35.0%**	35.0%	**33.5%**	33.5%		
Carrying amount	**1,543,984**	1,661,282	**576,267**	447,017	**2,120,251**	2,108,299

16. INVESTMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Financial assets at fair value through profit or loss	**6,469**	3,607	**-**	-
Financial assets at fair value through other comprehensive income*	**203,354**	211,762	**203,278**	211,689
	209,823	215,369	**203,278**	211,689
Current				
Financial assets at fair value through profit or loss	**1,752,455**	1,389,043	**349,572**	476,102

* *The investments are represented primarily by the Group's and the Company's investment in YTL Cement Berhad.*

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for the financial year ended 30 June 2021

16. INVESTMENTS (CONT'D.)

(a) Financial assets at fair value through other comprehensive income

The investments are in relation to the following:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Equity investments				
Quoted in Malaysia	**43,103**	49,644	**43,103**	49,644
Quoted outside Malaysia	**31**	27	**-**	-
Unquoted outside Malaysia	**45**	46	**-**	-
Unquoted in Malaysia	**160,175**	162,045	**160,175**	162,045
	203,354	211,762	**203,278**	211,689
Fair value loss recognised in other comprehensive income during the financial year	**(8,039)**	(26,699)	**(8,040)**	(26,706)

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

The investments are in relation to the following:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Income funds*				
Quoted in Malaysia	**349,572**	476,102	**349,572**	476,102
Quoted outside Malaysia	**1,402,883**	912,941	**-**	-
Equity investments				
Unquoted outside Malaysia	**6,469**	3,607	**-**	-
	1,758,924	1,392,650	**349,572**	476,102
Fair value (loss)/gain recognised in the Income Statement during the financial year	**(7,511)**	21,011	**(913)**	631

* *Financial assets at fair value through profit or loss consist of investment in income funds placed with licensed financial institutions. The income funds are highly liquid and readily convertible to cash.*

Notes to the Financial Statements

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17. PROJECT DEVELOPMENT COSTS

The details of project development costs are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
At 1 July	**248,617**	228,952
Exchange differences	**(7,186)**	7,835
Additions	**18,313**	11,830
At 30 June	**259,744**	248,617

Project development costs consist of land acquisition costs, professional fees and related costs. The land acquisition costs relating to the construction of the power plant by P.T. Tanjung Jati Power Company ("TJPC") under a 30-year power purchase agreement with PT PLN (Persero), Indonesia's state-owned electric utility company, a second amended and restated version of which was executed in March 2018. In February 2020, TJPC obtained the Business Viability Guarantee Letter from the Ministry of Finance of the Republic of Indonesia and is working towards achieving financial close.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group	
	Note	**2021 RM'000**	**2020 RM'000**
Non-current			
Contract assets	4(b)	**106**	540
Prepayments		**1,920**	56,809
Contract cost assets	4(b)	**62**	1,165
Receivables from associate#		**230,533**	220,314
Deposits		**905**	1,363
Other receivables		**2,055**	-
Receivables from a joint ventureΩ		**1,273,933**	1,104,266
Less: Allowance for impairment of receivables from a joint venture	35(b)	**(2,600)**	-
Total receivables from a joint venture (net)		**1,271,333**	1,104,266
		1,506,914	1,384,457

Receivables from associate comprise three loan notes to an associate. The notes have been issued by an associate in accordance to a loan note facility agreement. These receivables will mature in October 2030. Contingent interests are receivable on loan notes to the extent that there is sufficient available cash. In the event that cash is insufficient, interest will be accrued. The interest rate of the loan notes averages at 13.25% per annum.

Ω *Receivables from a joint venture comprise shareholder loan to Attarat Power Holding Company B.V. who wholly owns Attarat Power Company PSC ("APCO"). APCO is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO signed a 30-year power purchase agreement (including a construction period of 3.5 years) with the National Electric Power Company ("NEPCO"), Jordan's state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project's second unit). The shareholder loan and accrued interest are repayable on demand. The interest rate of the shareholder loan is at 15.00% per annum. The shareholder loan had included a conversion option to equity and was measured at FVTPL. The conversion option was waived during the previous financial year. This represented a significant modification of contract terms. Therefore, the shareholder loan at FVTPL was derecognised. It was subsequently recognised at fair value and measured at amortised cost.*

Notes to the Financial Statements

for the financial year ended 30 June 2021

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current					
Trade receivables		**1,200,593**	950,842	**-**	-
Less: Allowance for impairment of trade receivables	35(b)	**(257,429)**	(252,722)	**-**	-
Total trade receivables (net)		**943,164**	698,120	**-**	-
Other receivables		**220,501**	232,805	**1,762**	1,978
Less: Allowance for impairment of other receivables*	35(b)	**(707)**	(72,411)	**-**	-
Total other receivables (net)		**219,794**	160,394	**1,762**	1,978
Unbilled receivables		**946,467**	766,106	**-**	-
Less: Allowance for impairment of unbilled receivables	35(b)	**(8,191)**	(7,568)	**-**	-
Total unbilled receivables (net)		**938,276**	758,538	**-**	-
Contract assets	4(b)	**154,439**	154,326	**-**	-
Deposits		**187,526**	148,513	**76**	76
Interest receivable		**1,251**	2,233	**1**	3
Prepayments		**399,774**	209,379	**-**	-
Contract cost assets	4(b)	**24,676**	26,151	**-**	-
		2,868,900	2,157,654	**1,839**	2,057

* *In 2015, a foreign subsidiary of the Group recognised other receivables, arising from liquidated damages for early termination of three electricity retail contracts based on the enforceable rights stipulated in applicable contracts. The trial was heard at the end of 2017 followed by a further hearing in November 2018. An allowance for impairment of receivables of RM70.7 million (SGD23.4 million) was recognised in 2019 based on the decision of the High Court on 2 January 2019. The allowance for impairment of receivables was fully written-back by the subsidiary during the financial year following a successful appeal and the full amount has been received by the subsidiary as at 30 June 2021.*

The fair value of receivables approximate their carrying amounts.

Expected Credit Loss ("ECL") movement analysis is disclosed in Note 35(b) to the financial statements.

Notes to the Financial Statements
for the financial year ended 30 June 2021

19. INVENTORIES

	Group	
	2021 **RM'000**	**2020** **RM'000**
Finished goods	**15,714**	8,727
Freehold land held for property development*	**141,444**	74,381
Fuel	**47,380**	59,734
Spare parts	**116,809**	139,969
Raw materials	**24,933**	21,291
Work in progress	**4,937**	7,808
	351,217	311,910

* *Freehold land held for property development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle. These are measured at the lower of cost and net realisable value. The net realisable value is assessed by considering the expected future revenues and the total costs to complete the development.*

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to RM157 million (2020: RM192 million). Write-downs of inventories to net realisable value amounted to RM15 million (2020: Nil). These were recognised as an expense during the financial year and included in 'cost of sales'.

Notes to the Financial Statements

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20. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	Contractual notional amount	Fair value	
		Assets	Liabilities
2021	RM'000	RM'000	RM'000
Cash flow hedges:			
- Fuel oil swaps	**1,327,465**	**282,959**	**7,313**
- Currency forwards	**1,456,748**	**6,799**	**12,220**
- Electricity futures	**140,091**	**380**	**15,215**
Fair value through profit or loss:			
- Currency forwards	**519**	**-**	**1**
- Electricity futures	**2,239**	**42**	**38**
		290,180	**34,787**
Current portion		**263,719**	**34,074**
Non-current portion		**26,461**	**713**
		290,180	**34,787**
2020			
Cash flow hedges:			
- Fuel oil swaps	1,343,133	51,469	171,622
- Currency forwards	1,427,691	24,663	5,148
Fair value through profit or loss:			
- Fuel oil swaps	92,613	8,712	13,388
- Currency forwards	2,672	-	48
- Electricity futures	2,068	-	139
		84,844	190,345
Current portion		74,259	174,944
Non-current portion		10,585	15,401
		84,844	190,345

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20. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

Hedging instruments used in the Group's hedging strategy:

Group	Contractual notional amount	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
2021	RM'000	Assets/ (Liabilities) RM'000	Financial statement line item	Hedging instrument RM'000	Hedged item RM'000		
Cash flow hedges							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	**1,083,003**	**256,005**	**Derivative financial instruments**	**524,520**	**(524,520)**	**RM1,360.6 per metric ton**	**July 2021 - June 2023**
- Fuel oil swap to hedge highly probable transactions ("LNG")	**244,462**	**19,641**	**Derivative financial instruments**	**18,548**	**(18,548)**	**RM271.5 per bbl**	**July 2021 - June 2022**
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	**1,456,748**	**(5,421)**	**Derivative financial instruments**	**(45,251)**	**45,251**	**RM4.1: USD1.00**	**July 2021 - October 2023**
Electricity futures price risk							
- Electricity futures to hedge highly probable transactions	**140,091**	**(14,835)**	**Derivative financial instruments**	**(25,263)**	**25,263**	**RM312.8 per MWH**	**July 2021 - March 2022**
2020							
Cash flow hedges							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	1,163,143	(130,493)	Derivative financial instruments	(371,407)	371,407	RM1,199.5 per metric ton	July 2020 - January 2023
- Fuel oil swap to hedge highly probable transactions ("LNG")	179,990	10,340	Derivative financial instruments	11,993	(11,993)	RM151.0 per bbl	July 2020 - June 2022
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	1,427,691	19,515	Derivative financial instruments	47,199	(47,199)	RM4.2 : USD1.00	July 2020 - March 2023

Notes to the Financial Statements

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20. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D.)

(a) Fuel oil swaps

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates within 24 months (2020: 31 months) from financial year end. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of fuel 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 fuel.

The fair value of fuel oil swaps is determined using a benchmark fuel price index at the reporting date.

(b) Currency forwards

Currency forwards are entered into to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within 28 months (2020: 33 months) from financial year end. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Gains and losses relating to highly probable forecast fuel payments are recognised in the hedging reserve prior to the occurrence of these transactions and are transferred to the inventory of fuel upon acquisition or cost of sales upon consumption of natural gas. The gains and losses relating to fuel oil inventory are subsequently transferred to Income Statement upon consumption of the underlying fuel.

For those currency forwards used to hedge highly probable forecast foreign currency payments of 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 probable 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 value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

(c) Electricity futures

Electricity futures are entered into to hedge highly probable forecast sale of electricity that are expected to occur at various dates within 9 months (2020: 12 months) from financial year end. The electricity futures have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the Income Statement upon sale of the electricity.

The fair value of electricity futures is calculated by reference to the agreed notional quantity, clearing through Singapore Exchange Limited ("SGX") as at reporting date using maturity date's price.

Notes to the Financial Statements

for the financial year ended 30 June 2021

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 by/of the Group and the Company. The outstanding amounts are unsecured, repayable 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 repayable on demand except for net advances of RM1,374,351,694 (2020: RM569,339,263) which bear interest rates ranging from 1.29% to 8.59% (2020: 1.25% to 8.59%) per annum. In addition, the amounts owing by/(to) subsidiaries within 12 months are also in respect of operational expense payments made on behalf by/of the Company.

The amounts owing by subsidiaries exceeding 12 months bear interest rates ranging from 3.20% to 15% (2020: 4.76% to 15%) per annum.

Details of the measurement of ECL is similar as other receivables are disclosed in Note 35(b) to the financial statements.

As at 30 June 2021, the Company has given corporate guarantees of RM214,301,498 (2020: RM95,588,423) to financial institutions for trade related financing facilities utilised by its subsidiaries.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statements of Cash Flows comprise the following:

		Group		**Company**	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deposits with licensed banks		**7,415,168**	6,952,762	**10,728**	14,775
Cash and bank		**1,177,464**	531,963	**1,366**	1,788
Cash and bank balances		**8,592,632**	7,484,725	**12,094**	16,563
Bank overdrafts	27(a)	**(26,051)**	(45,147)	**-**	-
Deposits with maturity 90 days and more		**-**	(516,019)	**-**	-
Cash and cash equivalents		**8,566,581**	6,923,559	**12,094**	16,563

Notes to the Financial Statements

for the financial year ended 30 June 2021

23. CASH AND CASH EQUIVALENTS (CONT'D.)

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Deposits with licensed banks	**0.01 - 1.95**	0.01 - 2.80	**1.75 - 1.85**	2.00 - 2.60

Deposits of the Group and the Company have maturity ranging from 1 day to 90 days (2020: 1 day to 90 days except for certain term deposits with maturity 90 days and more).

Bank balances are deposits held at call with banks.

The Group and the Company seek 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	
	2021	**2020**
	RM'000	**RM'000**
Issued and fully paid:		
At 1 July and 30 June:		
- 8,158,208,738 (2020: 8,158,208,738) ordinary shares	**7,038,587**	7,038,587

As at 30 June 2021, the Company holds 56,051,431 (2020: 482,908,712) shares as treasury shares. The number of ordinary shares in issue and fully paid after offsetting treasury shares are 8,102,157,307 (2020: 7,675,300,026).

Notes to the Financial Statements
for the financial year ended 30 June 2021

24. SHARE CAPITAL (CONT'D.)

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

On 1 April 2011, the Company implemented a share issuance scheme known as the Employees' Share Option Scheme. The scheme was approved by the shareholders of the Company at an Extraordinary General Meeting held on 30 November 2010. The ESOS was valid for a period of ten (10) years and was 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 were 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.

(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 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.

(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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

24. SHARE CAPITAL (CONT'D.)

(a) Employees' Share Option Scheme 2011 ("ESOS") (cont'd.)

The movement during the financial year in the number of share options of the Company is as follows:

Grant date	Expiry date	Exercise price RM/share	Number of share options At 1 July 2020 '000	Exercised '000	Lapsed '000	Expired '000	At 30 June 2021 '000
01.06.2012	31.03.2021	1.29	**71,113**	**-**	**(3,664)**	**(67,449)**	**-**
01.06.2012	31.03.2021	1.65	**35,257**	**-**	**(120)**	**(35,137)**	**-**
14.03.2018	31.03.2021	0.90	**117,925**	**-**	**(1,615)**	**(116,310)**	**-**
			224,295	**-**	**(5,399)**	**(218,896)**	**-**

The movement during previous financial year in the number of share options of the Company is as follows:

Grant date	Expiry date	Exercise price RM/share	Number of share options At 1 July 2019 '000	Granted '000	Exercised '000	Lapsed '000	At 30 June 2020 '000
01.06.2012	31.03.2021	1.38	73,486	-	-	(2,373)	71,113
01.06.2012	31.03.2021	1.65	35,884	-	-	(627)	35,257
14.03.2018	31.03.2021	0.97	120,453	-	-	(2,528)	117,925
			229,823	-	-	(5,528)	224,295

The fair value of options granted in which MFRS 2 "Share-based Payment" applies, were determined using the Trinomial Valuation model.

Value of employee services received for issue of share options:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Share option expenses	**3,517**	5,133	**3,517**	5,133
Allocation to subsidiaries	**-**	-	**(670)**	(978)
Allocation to related companies	**(76)**	(129)	**(76)**	(129)
Total share option expenses	**3,441**	5,004	**2,771**	4,026

Notes to the Financial Statements

for the financial year ended 30 June 2021

24. SHARE CAPITAL (CONT'D.)

(a) Employees' Share Option Scheme 2011 ("ESOS") (cont'd.)

The principal valuation assumptions used in respect of the Group's and Company's employees' share option scheme were as follows:

Weighted average share price at date of grant (per share)	RM1.06 - RM1.63
Expected volatility	20.62% - 21.21%
Expected dividend yield	5.56% - 6.20%
Expected option life	3 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.14% - 3.40%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

The options granted to employee on 1 June 2012 vested on 1 June 2015, while the options granted to employee on 14 March 2018 vested on 14 March 2021.

The ESOS expired on 31 March 2021.

25. RESERVES

(a) Other reserves

Group	Capital redemption reserve[2] RM'000	Capital reserve RM'000	FVOCI reserve RM'000	Hedging reserve RM'000	Statutory reserve[1] RM'000	Share option reserve RM'000	Total other reserves RM'000
At 1 July 2020	**52,200**	**(8,273)**	**73,646**	**(322,330)**	**36,547**	**33,564**	**(134,646)**
Exchange differences	**-**	**243**	**2**	**(1,514)**	**(1,073)**	**-**	**(2,342)**
Fair value (loss)/gain	**-**	**-**	**(8,039)**	**513,815**	**-**	**-**	**505,776**
Reclassification to Income Statement	**-**	**-**	**-**	**(60,144)**	**-**	**-**	**(60,144)**
Share option expenses	**-**	**-**	**-**	**-**	**-**	**3,517**	**3,517**
Share option lapsed	**-**	**-**	**-**	**-**	**-**	**(37,081)**	**(37,081)**
At 30 June 2021	**52,200**	**(8,030)**	**65,609**	**129,827**	**35,474**	**-**	**275,080**
At 1 July 2019	52,200	(8,006)	100,345	(152,519)	35,369	29,059	56,448
Exchange differences	-	(267)	-	(5,789)	1,178	-	(4,878)
Fair value loss	-	-	(26,699)	(318,841)	-	-	(345,540)
Reclassification to Income Statement	-	-	-	154,819	-	-	154,819
Share option expenses	-	-	-	-	-	5,133	5,133
Share option lapsed	-	-	-	-	-	(628)	(628)
At 30 June 2020	52,200	(8,273)	73,646	(322,330)	36,547	33,564	(134,646)

Notes to the Financial Statements

for the financial year ended 30 June 2021

25. RESERVES (CONT'D.)

(a) Other reserves (cont'd.)

Company	FVOCI reserve RM'000	Share option reserve RM'000	Total other reserves RM'000
At 1 July 2020	**73,622**	**33,564**	**107,186**
Fair value loss	**(8,040)**	**-**	**(8,040)**
Share option expenses	**-**	**3,517**	**3,517**
Share option lapsed	**-**	**(37,081)**	**(37,081)**
At 30 June 2021	**65,582**	**-**	**65,582**
At 1 July 2019	100,328	29,059	129,387
Fair value loss	(26,706)	-	(26,706)
Share option expenses	-	5,133	5,133
Share option lapsed	-	(628)	(628)
At 30 June 2020	73,622	33,564	107,186

Note:

[1] *This represents reserves which need to be set aside pursuant to local statutory requirement of foreign associates.*

[2] *This relates to non-distributable capital redemption reserve of a subsidiary.*

(b) Treasury shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the 24th Annual General Meeting held on 1 December 2020. 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 52,829,800 (2020: 2,000) of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.72 (2020: RM0.76) per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

A total of 479,687,081 treasury shares were distributed on 12 November 2020 to shareholders on the basis of one (1) treasury share for every sixteen (16) ordinary shares held as at 28 October 2020.

Notes to the Financial Statements

for the financial year ended 30 June 2021

26. DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deferred tax liabilities, net	**2,940,500**	2,029,692	**88**	80

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 July	**2,029,692**	1,872,441	**80**	74
Exchange differences	**178,415**	10,207	**-**	-
Charged/(Credited) to Income Statement				
- Property, plant and equipment	**619,730**	190,670	**8**	6
- Retirement benefits	**3,436**	8,883	**-**	-
- Provision	**(5)**	1,021	**-**	-
- Tax losses	**14,254**	(2,917)	**-**	-
- Leases	**(308)**	(423)	**-**	-
- Others	**(3,128)**	(877)	**-**	-
	633,979	196,357	**8**	6
Charged/(Credited) to Other Comprehensive Income*	**98,414**	(49,313)	**-**	-
At 30 June	**2,940,500**	2,029,692	**88**	80

* *This is in relation to re-measurement of post-employment benefit obligations.*

Notes to the Financial Statements

for the financial year ended 30 June 2021

26. DEFERRED TAXATION (CONT'D.)

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.

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Subject to income tax				
Deferred tax assets before offsetting:				
- Retirement benefits	**103,064**	168,980	**-**	-
- Provision	**4,655**	4,622	**-**	-
- Tax losses	**8,894**	19,213	**-**	-
- Leases	**731**	423	**-**	-
- Others	**4,874**	826	**-**	-
	122,218	194,064	**-**	-
Offsetting	**(122,218)**	(194,064)	**-**	-
Deferred tax assets after offsetting	**-**	-	**-**	-
Deferred tax liabilities before offsetting:				
- Property, plant and equipment	**3,045,042**	2,206,084	**88**	80
- Others	**17,676**	17,672	**-**	-
	3,062,718	2,223,756	**88**	80
Offsetting	**(122,218)**	(194,064)	**-**	-
Deferred tax liabilities after offsetting	**2,940,500**	2,029,692	**88**	80

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current					
Bank overdrafts	27(a),23	**26,051**	45,147	**-**	-
Bonds	27(b)	**2,496,924**	-	**770,000**	-
Revolving credit	27(c)	**363,198**	304,500	**-**	-
Term loans	27(d)	**1,558,874**	6,962,057	**1,035,851**	856,000
		4,445,047	7,311,704	**1,805,851**	856,000
Non-current					
Bonds	27(b)	**16,281,223**	16,065,822	**5,293,721**	6,062,819
Revolving credit	27(c)	**641,829**	573,129	**300,000**	299,850
Term loans	27(d)	**8,987,878**	3,514,209	**-**	1,063,537
		25,910,930	20,153,160	**5,593,721**	7,426,206
Total					
Bank overdrafts	27(a),23	**26,051**	45,147	**-**	-
Bonds	27(b)	**18,778,147**	16,065,822	**6,063,721**	6,062,819
Revolving credit	27(c)	**1,005,027**	877,629	**300,000**	299,850
Term loans	27(d)	**10,546,752**	10,476,266	**1,035,851**	1,919,537
		30,355,977	27,464,864	**7,399,572**	8,282,206

All borrowings of the subsidiaries are unsecured and are on a non-recourse basis to the Company save and except for borrowings totalling RM1,135,360,000 (2020: RM304,500,000), for which the Company has provided corporate guarantees to the financial institutions.

The weighted average effective interest rate of the borrowings of the Group and the Company as at reporting date is as follows:

	Group 2021 %	Group 2020 %	Company 2021 %	Company 2020 %
Bank overdrafts	**1.10**	1.10	**-**	-
Bonds	**3.82**	4.40	**4.84**	4.84
Revolving credit	**2.28**	2.65	**2.95**	3.22
Term loans	**1.54**	1.56	**1.29**	1.32

Notes to the Financial Statements
for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

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 2021				
Bank overdrafts	**26,051**	**-**	**-**	**26,051**
Bonds	**2,496,924**	**2,684,047**	**13,597,176**	**18,778,147**
Revolving credit	**363,198**	**641,829**	**-**	**1,005,027**
Term loans	**1,558,874**	**8,987,878**	**-**	**10,546,752**
	4,445,047	**12,313,754**	**13,597,176**	**30,355,977**
At 30 June 2020				
Bank overdrafts	45,147	-	-	45,147
Bonds	-	4,989,298	11,076,524	16,065,822
Revolving credit	304,500	573,129	-	877,629
Term loans	6,962,057	2,845,769	668,440	10,476,266
	7,311,704	8,408,196	11,744,964	27,464,864

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 2021				
Bonds	**770,000**	**2,200,000**	**3,093,721**	**6,063,721**
Revolving credit	**-**	**300,000**	**-**	**300,000**
Term loans	**1,035,851**	**-**	**-**	**1,035,851**
	1,805,851	**2,500,000**	**3,093,721**	**7,399,572**
At 30 June 2020				
Bonds	-	2,970,000	3,092,819	6,062,819
Revolving credit	-	299,850	-	299,850
Term loans	856,000	1,063,537	-	1,919,537
	856,000	4,333,387	3,092,819	8,282,206

Notes to the Financial Statements
for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

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 are as set out below:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Islamic Medium Term Notes	**2,652,250**	2,800,386	**2,652,250**	2,800,386
Medium Term Notes	**3,684,776**	3,954,027	**3,684,776**	3,954,027
3.52% Retail Price Index Guaranteed Bonds	**309,401**	292,651	**-**	-
5.75% Guaranteed Unsecured Bonds	**2,871,768**	2,763,282	**-**	-
5.375% Guaranteed Unsecured Bonds	**1,432,230**	1,364,607	**-**	-
1.75% Index Linked Guaranteed Bonds	**1,934,326**	1,735,032	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,905,210**	1,743,250	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,897,627**	1,737,765	**-**	-
2.186% Index Linked Guaranteed Bonds	**470,366**	424,060	**-**	-
4% Guaranteed Unsecured Bonds	**1,739,531**	1,635,886	**-**	-
1.5% Guaranteed Unsecured Bonds	**1,138,740**	1,327,959	**-**	-
1.25% Guaranteed Unsecured Bonds	**1,558,430**	-	**-**	-
	21,594,655	19,778,905	**6,337,026**	6,754,413

The fair values are within Level 1 of the fair value hierarchy.

(a) Bank overdrafts

Bank overdrafts of RM26,050,520 (GBP4,526,825) (2020: RM45,147,150 (GBP8,574,143)) are unsecured borrowings of Wessex Water Limited and its subsidiary companies. The overdrafts are repayable in full on demand. All bank overdrafts bear interest rate of 1.10% (2020: 1.10%) per annum.

(b) Bonds

(i) Medium Term Notes ("MTN")

The MTN of the Company were issued pursuant to a Medium Term Notes programme of up to RM5,000,000,000 constituted by a Trust Deed and MTN Agreement, both dated 11 August 2011. The facility bears interest rates ranging from 4.49% to 4.99% (2020: 4.49% to 4.99%) per annum.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(b) Bonds (cont'd.)

(ii) Islamic Medium Term Notes ("Sukuk Murabahah")

The Islamic MTN of the Company were issued pursuant to Islamic Medium Term Notes facility of up to RM2,500,000,000 in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) which constituted by a Trust Deed and Facility Agency Agreement, both dated 20 April 2017. The facility bears a profit rate of 5.05% (2020: 5.05%) per annum.

(iii) 3.52% Retail Price Index Guaranteed Bonds ("RPIG Bonds")

The RPIG Bonds of Wessex Water Services Finance Plc. bear interest semi-annually on 30 January and 30 July at an interest rate of 3.52% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2021 is 4.38% (2020: 5.77%) 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.

(iv) 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 2021 GBP346,717,774 (2020: GBP346,532,441) 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.

(v) 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 GBP198,955,933 (2020: GBP198,830,197) remained outstanding as at 30 June 2021, 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(b) Bonds (cont'd.)

(vi) 1.75% Index Linked Guaranteed Bonds

On 31 July 2006, Wessex Water Services Finance Plc. ("Issuer") issued two (2) tranches of GBP75,000,000 nominal value 1.75% Index Linked Guaranteed Bonds ("ILG Bonds 1") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds 1 was each constituted under a Trust Deed dated 31 July 2006 and is unsecured.

The ILG Bonds 1 bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2021 is 2.61% (2020: 4.00%) 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.

(vii) 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 2021 is 2.23% (2020: 3.62%) 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.

(viii) 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 2021 is 2.96% (2020: 4.12%) 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(b) Bonds (cont'd.)

(ix) 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 2021 is 3.66% (2020: 2.74%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 1 June 2039 at their indexed value together with all accrued interest.

(x) 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% Guaranteed Unsecured Bonds due 2021 ("4% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 4% GU Bonds are constituted under a Trust Deed dated 24 January 2012. The nominal value of 4% GU Bonds issued amounted to GBP200,000,000, of which GBP199,933,431 (2020: GBP199,667,155) remained outstanding as at 30 June 2021, 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% 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 GBP100,155,815 (2020: GBP101,090,703) remained outstanding as at 30 June 2021, net of amortised fees and premium. 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% 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.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(b) Bonds (cont'd.)

(xi) 1.5% Guaranteed Unsecured Bonds

On 17 September 2019, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP250,000,000 nominal value 1.5% Guaranteed Unsecured Bonds due 2029 (retaining GBP50,000,000) ("1.5% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.5% GU Bonds are constituted under a Trust Deed dated 17 September 2019. The nominal value of 1.5% GU Bonds issued amounted to GBP200,000,000, of which GBP198,588,097 (2020: GBP198,438,600) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

On 15 June 2020, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued the retained GBP50,000,000 nominal value 1.5% Guaranteed Unsecured Bonds due 2029. The nominal value of 1.5% GU Bonds issued amounted to GBP50,000,000, of which GBP49,157,361 (2020: GBP49,231,124) remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 1.5% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.5% per annum, payable annually on 17 September of each year. The Bonds will be redeemed in full by the Issuer on 17 September 2029 at their nominal value together with all accrued interest.

(xii) 1.25% Guaranteed Unsecured Bonds

On 12 January 2021, Wessex Water Services Finance Plc. ("Issuer"), a subsidiary of the Group, issued GBP300,000,000 nominal value 1.25% Guaranteed Unsecured Bonds due 2036 ("1.25% GU Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"), a subsidiary of the Group. The 1.25% GU Bonds are constituted under a Trust Deed dated 12 January 2021. The nominal value of 1.25% GU Bonds issued amounted to GBP300,000,000, of which GBP294,857,025 remained outstanding as at 30 June 2021, net of amortised fees and discount. The net proceeds of the 1.25% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The Bonds bear interest at 1.25% per annum, payable annually on 12 January of each year. The Bonds will be redeemed in full by the Issuer on 12 January 2036 at their nominal value together with all accrued interest.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(c) Revolving credit

(i) Revolving credit denominated in Ringgit Malaysia

RM300,000,000 Revolving Credit

Revolving credit facilities of RM300,000,000 was obtained by the Company of which all (2020: RM299,849,574, net of amortised fees) remained outstanding as at 30 June 2021. The borrowing bears interest rates ranging from 2.90% to 3.22% (2020: 3.22% to 4.32%) per annum.

RM4,500,000 Revolving Credit

Revolving credit facilities of RM4,500,000 was obtained by Konsortium Jaringan Selangor Sdn. Bhd., a subsidiary of the Group which is joint guaranteed by the Company. The borrowing bears interest rates ranging from 3.00% to 3.34% (2020: 3.35% to 4.04%) per annum and are renewable on a monthly basis.

RM300,000,000 Revolving Credit

Revolving credit facilities of RM300,000,000 was obtained by YTL Communications Sdn. Bhd., a subsidiary of the Group which is guaranteed by the Company. The borrowing bears interest rates ranging from 2.75% to 3.32% (2020: 3.07% to 3.32%) per annum and are renewable on a monthly basis.

(ii) Revolving credit denominated in Great British Pounds

GBP17,500,000 Revolving Credit

Revolving credit facilities of RM100,707,250 (GBP17,500,000) (2020: RM97,411,750 (GBP18,500,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 0.81% to 0.89% (2020: 1.32% to 1.57%) per annum and is repayable in full on 27 August 2023.

GBP22,400,000 Revolving Credit

Revolving credit facilities of RM128,905,280 (GBP22,400,000) (2020: RM117,947,200 (GBP22,400,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 0.99% to 1.18% (2020: 1.18% to 1.70%) per annum and is repayable in full on 27 February 2023.

GBP10,200,000 Revolving Credit

Revolving credit facilities of RM58,697,940 (GBP10,200,000) (2020: RM28,960,250 (GBP5,500,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 0.74% to 1.38% (2020: 0.82% to 1.53%) per annum and is repayable in full on 25 February 2022.

GBP19,500,000 Revolving Credit

Revolving credit facilities of RM112,216,650 (GBP19,500,000) (2020: RM28,960,250 (GBP5,500,000)) is an unsecured loan of YTL Utilities (UK) Limited. The borrowing bears interest rates ranging from 1.47% to 1.95% (2020: 1.53% to 2.15%) per annum and is repayable in full on 9 January 2024.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(d) Term loans

(i) Term loans denominated in Great British Pounds

GBP75,000,000 Unsecured Term Loan

The term loans of RM431,602,500 (GBP75,000,000) (2020: RM394,912,500 (GBP75,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The loans bear interest rates ranging from 0.72% to 1.21% (2020: 1.21% to 1.27%) per annum and are repayable in full on 22 July 2021.

GBP200,000,000 Unsecured Term Loan

The term loans of RM1,150,940,000 (GBP200,000,000) (2020: RM1,053,100,000 (GBP200,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50,000,000 was drawn down on 30 January 2015 bears interest rates ranging from 2.16% to 2.36% (2020: 2.16%) per annum, the second loan of GBP50,000,000 was drawn down on 9 March 2015 bears interest rates ranging from 0.74% to 0.94% (2020: 1.27% to 1.41%) per annum, the third loan of GBP50,000,000 was drawn down on 9 April 2015 bears interest rates ranging from 1.99% to 2.19% (2020: 1.99%) per annum, and the fourth loan of GBP50,000,000 was drawn down on 25 May 2016 bears interest rates ranging from 1.07% to 1.61% (2020: 1.65% to 1.76%) per annum. All the loans are repayable in full between 30 January 2024 and 27 May 2025.

GBP200,000,000 Unsecured Term Loan

The term loans of RM1,104,902,400 (GBP192,000,000) (2020: RM1,053,100,000 (GBP200,000,000)) was drawn down by Wessex Water Services Limited of which RM1,097,047,188 (GBP190,634,992) (2020: RM1,044,436,968 (GBP198,354,756)) remained outstanding as at 30 June 2021, net of amortised fees. The loans bear interest rates ranging from 1.09% to 1.82% (2020: 1.81% to 2.03%) per annum and are repayable with a 60% bullet repayment on 31 January 2026 with the remaining 40% being repaid in equal semi-annual instalments commencing 31 January 2021.

(ii) Term loans denominated in US Dollar

USD250,000,000 Unsecured Term Loan

The term loan of RM1,038,575,000 (USD250,000,000) (2020: RM1,070,000,000 (USD250,000,000)) was drawn down by the Company on 31 March 2017 of which RM1,035,850,635 (USD249,344,206) (2020: RM1,063,537,133 (USD248,489,984)) remained outstanding as at 30 June 2021, net of amortised fees. The borrowing bears interest rates ranging from 1.29% to 1.38% (2020: 1.37% to 3.60%) per annum and is repayable on 31 March 2022.

USD200,000,000 Unsecured Term Loan

The term loan of RM830,860,000 (USD200,000,000) was drawn down by YTL Utilities Finance 4 Limited on 25 November 2020 of which RM824,761,488 (USD198,532,000) remained outstanding as at 30 June 2021, net of amortised fees. The term loan is guaranteed by the Company. The borrowing bears interest rates ranging from 1.44% to 1.50% per annum and is repayable on 25 November 2023.

USD200,000,000 Unsecured Term Loan

The term loan of RM856,000,000 (USD200,000,000) of previous financial year was drawn down by the Company on 17 December 2015 and was fully repaid during the financial year. The borrowing bears interest rates ranging from 1.20% to 1.25% (2020: 1.25% to 3.36%) per annum.

Notes to the Financial Statements

for the financial year ended 30 June 2021

27. BORROWINGS (CONT'D.)

(d) Term loans (cont'd.)

(iii) Term loans denominated in Singapore Dollar

SGD1,995,000,000 Unsecured Term Loan

The term loan of RM6,006,549,854 (SGD1,943,741,458) (2020: RM6,064,279,851 (SGD1,974,177,958)) was drawn down by YTL PowerSeraya Pte. Limited on 14 September 2017 and repayable in full on 12 September 2022. The borrowing is an unsecured loan and bears interest rates ranging from 1.55% to 1.84% (2020: 1.55% to 3.16%) per annum.

The bank borrowings are subject to loan covenant clauses stipulated in the loan agreement. As at 30 June 2020, the Group did not meet the requirement of a certain loan covenants and as a result, the borrowings have been classified as current liabilities in the Statement of Financial Position of the Group. On 23 September 2020, the Group received a waiver from the consortium of banks on the requirement to comply with the above loan covenants as at 30 June test date. The waiver effectively extended the loan covenants compliance requirements to 30 November 2020. The extension provides the Group with the opportunity to meet two key requirements namely completion of the securitisation documentation and Tuaspring Pte. Ltd. ("Tuaspring") acquisition. As at 30 June 2021, the Group met the requirement of all the loan covenants. Under the terms and conditions of the loan agreement and as a result of the compliance as at 30 June 2021, the breach of the loan covenant prior to 30 June 2021 is deemed to be remedied and no longer continuing with effect on and from 30 June 2021. Hence, the borrowings have been classified as non-current liabilities in the Statement of Financial Position of the Group for 30 June 2021.

28. LEASE LIABILITIES

	Group	
	2021 RM'000	**2020 RM'000**
Current		
Lease liabilities	**110,502**	134,754
Non-current		
Lease liabilities	**355,232**	454,145
Total		
Lease liabilities	**465,734**	588,899

The Group leases telecommunication network sites, equipment, fiber core, retail outlets, plant and machinery, vehicles, land, office buildings and other equipment. Rental contracts duration is typically between 1 to 80 years (2020: 1 to 30 years) with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group's maturity profile of lease liabilities is disclosed in Note 35(c) to the financial statements.

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Defined contribution plan - Current				
Malaysia	**1,324**	655	**632**	–
Defined benefit plan - Non-current				
Overseas				
– United Kingdom	**437,922**	869,244	**-**	–
– Indonesia	**21,889**	19,654	**-**	–
	459,811	888,898	**-**	–

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(b) Defined benefit plan - United Kingdom

A subsidiary of the Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken by a qualified actuary as at 30 September 2019. This valuation has been adjusted to the reporting date as at 30 June 2021 taking account of experience over the period since 30 September 2019, changes in market conditions, and differences in the financial and demographic assumptions by the qualified actuary.

(i) Profile of the scheme

The defined benefit obligations include benefits for current employees, former employees and current pensioners. Broadly, about 28% of the liabilities are attributable to current employees, 17% to former employees and 55% to current pensioners. The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is around 18 years reflecting the approximate split of the defined benefit obligation between current employees (duration of c24 years), deferred members (duration of c24 years) and current pensioners (duration of c13 years).

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan – United Kingdom (cont'd.)

(ii) Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2019 showed a deficit of GBP157.0 million (RM903.5 million). The subsidiary is paying deficit contributions of:

- GBP14.80 million (RM85.2 million) by 1 July 2021;
- GBP16.60 million (RM95.5 million) by 1 July 2022;
- GBP18.40 million (RM105.9 million) by 1 July 2023;
- GBP20.20 million (RM116.2 million) by 1 July 2024;
- GBP22.00 million (RM126.6 million) by 1 July 2025;
- GBP23.80 million (RM137.0 million) by 1 April 2026;

which, along with investment returns from return-seeking assets, is expected to make good this shortfall by 1 April 2026.

The next funding valuation is due no later than 30 September 2022 at which progress towards full-funding will be reviewed.

The subsidiary also pays contributions of 24.6% of pensionable salaries in respect of current accrual and non-investment related expenses, with active members paying a further 7.4% of pensionable salaries on average. A contribution of GBP14.8 million (RM85.2 million) is expected to be paid by the subsidiary during the year ending on 30 June 2022.

(iii) Risks associated with the scheme

Asset volatility – The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, this will create a deficit. The scheme holds a significant proportion of growth assets (equities including a diversified growth fund and a global absolute return fund) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the scheme's long-term objectives.

Changes in bond yields – A decrease in corporate bond yields will increase the value placed on the scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the scheme's bond holdings.

Inflation risk – The majority of the scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy – The majority of the scheme's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The trustees insure certain benefits payable on death before retirement.

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan - United Kingdom (cont'd.)

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**869,244**	687,942
Exchange differences	**63,159**	1,070
Pension cost	**73,632**	76,778
Contributions and benefits paid	**(120,782)**	(125,949)
Re-measurement (gain)/loss	**(447,331)**	229,403
At 30 June	**437,922**	869,244

The amounts recognised in the Statement of Financial Position are analysed as follows:

	2021 RM'000	2020 RM'000
Present value of funded obligations	**4,722,344**	4,424,366
Fair value of plan assets	**(4,284,422)**	(3,555,122)
Liability in the Statement of Financial Position	**437,922**	869,244

Changes in present value of defined benefit obligations are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**4,424,366**	4,081,555
Exchange differences	**407,168**	9,610
Interest cost	**75,574**	95,364
Current service cost	**55,850**	57,175
Contributions by scheme participants	**-**	530
Past service cost	**556**	-
Net benefits paid	**(142,257)**	(143,046)
Re-measurement (gain)/loss:		
- Actuarial gain arising from demographic assumptions	**-**	(73,643)
- Actuarial (gain)/loss arising from financial assumptions	**(38,343)**	321,589
- Actuarial (gain)/loss arising from experience adjustments	**(60,570)**	75,232
Present value of defined benefit obligations, at 30 June	**4,722,344**	4,424,366

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan - United Kingdom (cont'd.)

Changes in fair value of plan assets are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**3,555,122**	3,393,613
Exchange differences	**344,009**	8,540
Interest income	**61,682**	79,470
Contributions by employer	**120,782**	125,949
Contributions by scheme participants	**-**	530
Net benefits paid	**(142,257)**	(143,046)
Administration expenses	**(3,334)**	(3,709)
Re-measurement gain:		
- Return on plan assets excluding interest income	**348,418**	93,775
Fair value of plan assets, at 30 June	**4,284,422**	3,555,122

The pension cost recognised is analysed as follows:

	2021 RM'000	2020 RM'000
Interest cost	**13,892**	15,894
Current service cost	**55,850**	57,175
Past service cost	**556**	-
Administration expenses	**3,334**	3,709
Total charged to Income Statement	**73,632**	76,778

The charge to Income Statement was included in the following line items:

	2021 RM'000	2020 RM'000
Cost of sales	**54,165**	45,663
Administration expenses	**5,575**	15,221
Interest cost	**13,892**	15,894
Total charged to Income Statement	**73,632**	76,778

Notes to the Financial Statements
for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan - United Kingdom (cont'd.)

The principal assumptions used in the actuarial calculations were as follows:

	2021 %	2020 %
Discount rate	**1.90**	1.60
Rate of increase in pension payment	**2.10-2.90**	1.90-2.60
Rate of increase in salaries	**1.90**	1.80
Inflation - RPI	**3.00**	2.70
Inflation - CPI	**2.50**	2.20

Mortality assumptions:

The mortality assumptions are based upon the recent actual mortality experience of scheme members and allow for expected future improvements in mortality rates.

	2021	2021	2020	2020
	Male Years	Female Years	Male Years	Female Years
Life expectancy - current age 60	**25.9**	**28.4**	25.9	28.3
Life expectancy - current age 40	**47.1**	**49.6**	47.0	49.5

The mortality table adopted is based upon 105% of standard tables S3P(M/F)A adjusted to allow for individual years of birth. Future improvements are assumed to be in line with the CMI 2018 core projection, with a long-term improvement rate of 1.0% p.a. for all members.

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(b) Defined benefit plan – United Kingdom (cont'd.)

Sensitivity analysis:

The key assumptions used for MFRS 119 "Employee Benefits" are: discount rate, inflation and mortality. If different assumptions are used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions are set out below. For the purposes of these sensitivities, it has been assumed that the change in the discount rate and inflation has no impact on the value of scheme assets.

		Scheme liabilities		Scheme deficit	
Key assumptions	**Increase by RM'000**	**Increase from RM'000**	**Increase to RM'000**	**Increase from RM'000**	**Increase to RM'000**
A reduction in the discount rate of 0.1% (from 1.9% to 1.8%)	84,594	4,722,344	4,806,938	437,922	522,516
An increase in the inflation assumption of 0.1% (from 2.5% to 2.6% for CPI and 3.0% to 3.1% for RPI)	64,453	4,722,344	4,786,797	437,922	502,375
An increase in life expectancy of 1 year	196,811	4,722,344	4,919,155	437,922	634,733

The plan assets comprise the following:

	2021		2020	
	RM'000	**%**	**RM'000**	**%**
Equity instrument	**1,790,287**	**41.8**	1,142,087	32.1
Debt instrument	**2,097,588**	**49.0**	1,948,235	54.8
Property	**240,546**	**5.6**	193,770	5.5
Others	**156,001**	**3.6**	271,030	7.6
	4,284,422	**100.0**	3,555,122	100.0

	2021 RM'000	**2020 RM'000**
Actual return on plan assets	**410,100**	173,245

Notes to the Financial Statements
for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(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 presented as below:

	2021 RM'000	2020 RM'000
Obligation relating to post-employment benefits	**19,310**	17,261
Obligation relating to other long-term employee benefits	**2,579**	2,393
	21,889	19,654

A subsidiary of the Group has a defined contribution pension plan covering its qualified permanent national employees in Indonesia. The subsidiary's contribution is 6% of employee basic salary, while the employees' contribution ranges from 3% to 14%.

The contributions made to the defined contribution plan are acceptable for funding the post-employment benefits under the labour regulations.

The 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 2021.

(i) Post-employment benefit obligations

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**17,261**	14,021
Exchange differences	**(765)**	533
Pension cost	**2,209**	1,924
Contributions and benefits paid	**(659)**	(633)
Re-measurement loss	**1,264**	1,416
At 30 June	**19,310**	17,261

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plan - Indonesia (cont'd.)

(i) Post-employment benefit obligations (cont'd.)

The obligations relating to post-employment benefits recognised in the Statement of Financial Position are as follows:

	2021 RM'000	2020 RM'000
Present value of obligations	**19,310**	17,261

Changes in present value of defined benefit obligations are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**17,261**	14,021
Exchange differences	**(765)**	533
Interest cost	**1,179**	1,013
Current service cost	**1,030**	911
Net benefits paid	**(659)**	(633)
Re-measurement loss/(gain):		
- Actuarial loss arising from demographic assumptions	**-**	1,699
- Actuarial loss arising from financial assumptions	**1,650**	-
- Actuarial gain arising from experience adjustments	**(386)**	(283)
Present value of defined benefit obligations, at 30 June	**19,310**	17,261

The pension cost recognised can be analysed as follows:

	2021 RM'000	2020 RM'000
Interest cost	**1,179**	1,013
Current service cost	**1,030**	911
Total charge to Income Statement	**2,209**	1,924

Notes to the Financial Statements
for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plan - Indonesia (cont'd.)

(ii) Other long-term employee benefit obligations

The obligations relating to other long-term employee benefits (i.e. long leave service benefits) recognised in the Statement of Financial Position are as follows:

	2021 RM'000	2020 RM'000
Present value of obligations	**2,579**	2,393

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**2,393**	2,117
Exchange differences	**(107)**	78
Pension cost	**451**	469
Contributions and benefits paid	**(158)**	(271)
At 30 June	**2,579**	2,393

Changes in present value of defined benefit obligations are as follows:

	2021 RM'000	2020 RM'000
At 1 July	**2,393**	2,117
Exchange differences	**(107)**	78
Current service cost	**451**	469
Net benefits paid	**(158)**	(271)
At 30 June	**2,579**	2,393

The amounts relating to other long-term employee benefit obligations recognised in the Income Statement are as follows:

	2021 RM'000	2020 RM'000
Current service cost	**451**	469

The charge above was included in the cost of sales.

Notes to the Financial Statements

for the financial year ended 30 June 2021

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D.)

(c) Defined benefit plan – Indonesia (cont'd.)

The principal assumptions used in the actuarial calculations were as follows:

	2021 %	2020 %
Discount rate	**6.3**	7.3
Future salary increase rate	**9.0**	9.0

Sensitivity analysis:

Reasonably possible changes to the key assumptions, would have affected the defined benefit obligations at the reporting date by the following amounts:

	2021		2020	
	RM'000 Increase	RM'000 Decrease	RM'000 Increase	RM'000 Decrease
Discount rate (1% movement)	**(935)**	**1,044**	(1,172)	1,303
Future salary increase rate (1% movement)	**1,778**	**(1,631)**	1,701	(1,562)

This analysis depicts the approximate sensitivity of the benefits obligation to a reasonable possible change in assumptions, but does not take account of the variability in the timing of distribution of benefit payments expected under the plan.

30. GRANTS AND CONTRIBUTIONS

	Group	
	2021 RM'000	2020 RM'000
At 1 July	**596,668**	560,828
Exchange differences	**48,012**	1,664
Received during the financial year	**38,482**	49,342
Amortisation	**(21,548)**	(15,166)
At 30 June	**661,614**	596,668

Grants and contributions comprise government grants mainly in respect of specific qualifying expenditure on infrastructure assets and a cogeneration plant.

Notes to the Financial Statements
for the financial year ended 30 June 2021

31. PAYABLES (NON-CURRENT)

		Group	
	Note	**2021 RM'000**	**2020 RM'000**
Contract liabilities	4(b)	**31,958**	31,326
Deposits		**44,024**	41,826
Deferred income		**1,285,289**	1,087,304
Payables to non-controlling interest		**116,710**	120,241
		1,477,981	1,280,697

Deposits comprise amount collected from retail customers in relation to the provision of electricity. The deferred income is in relation to assets transferred from customers and services of the water and sewerage segment which are yet to be provided and shareholder loan interest revenue. The fair value of payables approximates their carrying values.

32. PAYABLES AND ACCRUED EXPENSES (CURRENT)

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Trade payables		**926,861**	528,142	**-**	-
Duties and taxes payable		**22,567**	34,635	**-**	-
Accrued expenses*		**917,387**	661,585	**62,740**	61,896
Other payables		**284,753**	323,708	**713**	22
Deposits		**86,624**	84,430	**-**	-
Contract liabilities	4(b)	**336,092**	310,812	**-**	-
		2,574,284	1,943,312	**63,453**	61,918

* *Accrued expenses mainly comprise interest payables, regulatory costs and capital expenditure.*

Notes to the Financial Statements
for the financial year ended 30 June 2021

33. PROVISION FOR LIABILITIES AND CHARGES

	Group	
	2021 **RM'000**	**2020** **RM'000**
At 1 July	**28,417**	39,903
Exchange differences	**40**	44
Addition	**19,250**	-
Accretion of interests	**902**	-
Credit during the financial year	**(7,304)**	(4,437)
Payment	**(1,977)**	(7,093)
At 30 June	**39,328**	28,417
Current	**11,575**	28,417
Non-current	**27,753**	-
	39,328	28,417

The provision for liabilities and charges relate to scaling down of operations and asset retirement obligation.

34. AMOUNTS OWING BY/(TO) FELLOW SUBSIDIARIES

The amounts owing by/(to) fellow subsidiaries are unsecured, interest-free and repayable on demand. The amounts owing by/(to) fellow subsidiaries principally relate to operational expenses and expenses paid on behalf by/of the Group and the Company.

35. FINANCIAL RISK MANAGEMENT

The Group's and the Company'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 and the Company's overall financial risk management objective is to ensure that adequate resources are available to create value for its shareholders. The Group and the Company focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company.

Financial risk management is carried out through regular risk review analysis, internal control systems and adherence to the Group and the Company financial risk management policies. The Board regularly reviews these risks and approves the appropriate control environment frameworks.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(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 British Pounds ("GBP") and Singapore Dollars ("SGD"). The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. Such exposures are mitigated through borrowings denominated in the respective functional currencies. Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables and on cash flows generated from anticipated transactions denominated in foreign currencies.

There is no significant exposure to foreign currency exchange risk for the Group and the Company.

(ii) Interest rate risk

Interest rate exposure arises from the Group's and the Company's borrowings, deposits, short-term investments and interest-bearing advances to subsidiaries of the Company. This exposure is managed through the use of fixed and floating rate debts, as well as through derivative financial instruments, where appropriate, to generate the desired interest rate profile.

Borrowings issued at variable rates expose the Group's and the Company's cash flows to interest rate risk. However, this is partially offset by the interest income accruing on fixed deposits and income funds.

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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Financial assets	**230,533**	225,976	**1,284,261**	1,413,545
Financial liabilities	**19,353,618**	16,592,372	**6,063,721**	6,385,752
Variable rate instruments				
Financial assets	**9,167,623**	8,341,805	**1,448,808**	1,411,627
Financial liabilities	**11,002,359**	10,872,492	**1,344,475**	2,269,037

Notes to the Financial Statements
for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Market risk (cont'd.)

(ii) Interest rate risk (cont'd.)

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 Group's and the Company's profit after tax will be lower/higher by RM55.0 million (2020: RM54.4 million) and RM6.7 million (2020: RM11.3 million), respectively as a result of increase/decrease in interest expense on these variable rate borrowings.

The Group and the Company manage their liquidity risks by placing excess funds of the Group and the Company in bank deposits and other highly liquid investments to match its cash flow needs. If interest deposit rates increased/decreased by 10 basis points, interest income for the Group and the Company for the financial year would increase/decrease by RM9.2 million (2020: RM8.3 million) and RM1.4 million (2020: RM1.4 million), respectively.

(iii) Price risk

Investments

The Group and the Company are exposed to equity securities price risk arising from investments held which are classified on the Statement of Financial Position as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

The Group's and the Company's investments are measured at fair value. The Group's and Company's exposure to the fluctuation of fair value is not significant.

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

The Group has contracts for the sale of electricity to the Singapore electricity pool at prices that are fixed in advance every three months and to retail customers at prices that are either fixed in amount or in pricing formula for periods up to a number of years. The fixing of the prices under the contracts is based largely on the price of fuel oil required to generate the electricity. The Group enters into fuel oil swaps to hedge against adverse price movements of fuel oil prices. The Group typically enters into a swap to pay a fixed price and receive a variable price indexed to a benchmark fuel price index.

Exposure to price fluctuations arising from the purchase of fuel oil and natural gas are substantially managed via swaps where the price is indexed to a benchmark price index, for example 180 CST fuel oil and Dated Brent. The Group's exposure to the fluctuation of forward price curve is immaterial.

Notes to the Financial Statements
for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(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 and the Company.

The Group's exposures to credit risk arise primarily from trade receivables, unbilled receivables, contract assets and other receivables. For other financial assets (including short-term investment securities, fixed deposits and derivative financial instruments), the Group minimises credit risk by dealing with creditworthy counterparties.

The Company's exposures to credit risk arise primarily from other receivables and amounts owing by related companies. For other financial assets (including short-term investment securities and fixed deposits), the Company minimises credit risk by dealing with creditworthy counterparties.

Due to the nature of the Group's business, customers are mainly segregated according to business segments. In the Group's power generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counterparty risk is considered to be minimal. As for the Group's power generation business in Singapore, credit reviews are performed on all customers with established credit limits and supported by collateral in the form of guarantees for selected customers. For the Group's water and sewerage business, the credit risk of receivables is mitigated through strict collection procedures. The Directors are of the view that credit risk arising from these businesses is limited due to the large customer base.

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies

The Group applies the MFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables, unbilled receivables, contract assets and amounts owing by related companies which is trade in nature. To measure the ECL, trade receivables, unbilled receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on between 1 to 14 years of historical ageing profiles and the corresponding historical credit losses experienced within this period as applicable. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. Some of the factors which the Group has identified include unemployment rates, economic trends, and annual Gross Domestic Product ("GDP") growth. The Group has adjusted the historical loss rates based on expected changes in such factors. The Group's estimate of recoverability of the contract assets is based on forward-looking judgement on the future collection rate that are likely to be achieved. This has included consideration of the possible impact of the COVID-19 pandemic and timing of collection.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies (cont'd.)

On that basis, the loss allowance was determined for trade receivables, unbilled receivables, contract assets and amounts owing by related companies as follows:

Group 30 June 2021	Current RM'000	Past due 1-90 days RM'000	Past due 91-120 days RM'000	Past due > 120 days RM'000	Total RM'000
Expected loss rate (%)[1]	**0 - 27.0**	**0.1 - 36.4**	**8.4 - 60.7**	**11.2 - 100**	
Gross carrying amount					
- Trade receivables	**558,752**	**92,281**	**27,286**	**522,274**	**1,200,593**
- Unbilled receivables	**946,467**	**-**	**-**	**-**	**946,467**
- Contract assets	**154,564**	**-**	**-**	**-**	**154,564**
- Related companies	**27,851**	**-**	**14**	**4,208**	**32,073**
	1,687,634	**92,281**	**27,300**	**526,482**	**2,333,697**
Allowance for impairment					
- Trade receivables	**(55,230)**	**(5,550)**	**(2,602)**	**(194,047)**	**(257,429)**
- Unbilled receivables	**(8,191)**	**-**	**-**	**-**	**(8,191)**
- Contract assets	**(19)**	**-**	**-**	**-**	**(19)**
- Related companies	**-**	**-**	**(2)**	**(3,689)**	**(3,691)**
	(63,440)	**(5,550)**	**(2,604)**	**(197,736)**	**(269,330)**
Net carrying amount	**1,624,194**	**86,731**	**24,696**	**328,746**	**2,064,367**

Notes to the Financial Statements

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35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies (cont'd.)

On that basis, the loss allowance was determined for trade receivables, unbilled receivables, contract assets and amounts owing by related companies as follows: (cont'd.)

		Past due			
Group **30 June 2020**	**Current** **RM'000**	**1-90 days** **RM'000**	**91-120 days** **RM'000**	**> 120 days** **RM'000**	**Total** **RM'000**
Expected loss rate (%)[1]	0 - 11.4	0.1 - 16.9	3.9 - 75.7	48.5 - 100	
Gross carrying amount					
- Trade receivables	379,264	74,659	24,711	472,208	950,842
- Unbilled receivables	766,106	-	-	-	766,106
- Contract assets	154,976	-	-	-	154,976
- Related companies	31,947	-	-	-	31,947
	1,332,293	74,659	24,711	472,208	1,903,871
Allowance for impairment					
- Trade receivables	(10,905)	(7,000)	(4,567)	(230,250)	(252,722)
- Unbilled receivables	(7,568)	-	-	-	(7,568)
- Contract assets	(110)	-	-	-	(110)
- Related companies	(3,639)	-	-	-	(3,639)
	(22,222)	(7,000)	(4,567)	(230,250)	(264,039)
Net carrying amount	1,310,071	67,659	20,144	241,958	1,639,832

Note:

[1] The expected loss rate comprises of customers with different risk profiles.

Cash and bank balances

The Group and the Company place its cash and bank balances with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

Derivative financial instruments

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparties to fail to meet their obligations. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

Other receivables and amounts owing by related companies

The Group and the Company use the 3-stages approach for ECL on other receivables and amounts owing by related companies. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories.

A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Debtors and repayments are more than 80 to 365 days past due	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Net carrying amount RM'000
Group					
30 June 2021					
Other receivables					
Performing	**0.1%**	**12 month ECL**	**1,881,800**	**(2,600)**	**1,879,200**
Underperforming	**100.0%**	**Lifetime ECL**	**707**	**(707)**	**-**
Company					
30 June 2021					
Other receivables					
Performing	**-**	**12 month ECL**	**1,839**	**-**	**1,839**
Related companies					
Performing	**-**	**12 month ECL**	**1,941,742**	**-**	**1,941,742**
Underperforming	**100.0%**	**Lifetime ECL**	**3,785**	**(3,785)**	**-**
Group					
30 June 2020					
Other receivables					
Performing	-	12 month ECL	1,619,621	-	1,619,621
Underperforming	99.6%	Lifetime ECL	72,702	(72,411)	291
Related companies					
Performing	-	12 month ECL	6,604	-	6,604
Company					
30 June 2020					
Other receivables					
Performing	-	12 month ECL	2,057	-	2,057
Related companies					
Performing	-	12 month ECL	2,764,225	-	2,764,225
Underperforming	100.0%	Lifetime ECL	3,785	(3,785)	-

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

Movement on the Group's loss allowances is as follows:

Group	Trade receivables RM'000	Unbilled receivables RM'000	Contract assets RM'000	Related companies RM'000	Other receivables RM'000	Total RM'000
2021						
At 1 July 2020	**252,722**	**7,568**	**110**	**3,639**	**72,411**	**336,450**
Exchange differences	**22,108**	**701**	**-**	**-**	**(127)**	**22,682**
Written off during the financial year as uncollectible	**(109,012)**	**-**	**-**	**-**	**-**	**(109,012)**
Allowance for/(Write back of) impairment of receivables (net of reversals)	**91,611**	**(78)**	**(91)**	**52**	**(68,977)**	**22,517**
At 30 June 2021	**257,429**	**8,191**	**19**	**3,691**	**3,307**	**272,637**
2020						
At 1 July 2019	234,809	-	388	637	71,923	307,757
Exchange differences	624	(47)	-	-	271	848
Written off during the financial year as uncollectible	(92,714)	-	-	-	-	(92,714)
Allowance for/(Write back of) impairment of receivables (net of reversals)	110,003	7,615	(278)	3,002	217	120,559
At 30 June 2020	252,722	7,568	110	3,639	72,411	336,450

Notes to the Financial Statements
for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Credit risk (cont'd.)

Movement on the Company's loss allowances is as follows:

Company	Related companies RM'000
2021	
At 1 July 2020	**3,785**
At 30 June 2021	**3,785**
2020	
At 1 July 2019	4,000
Write back of impairment of receivables (net of reversals)	(215)
At 30 June 2020	3,785

At the reporting date, the maximum exposure to credit risk of the financial assets of the Group and the Company are represented by the carrying amounts in the Statement of Financial Position, except for Group's trade receivables on electricity and steam sales where the Group will assess each customer individually and typically require collateral in the form of bankers' guarantees or deposits from selected customers.

(c) Liquidity risk

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 and the Company aim at maintaining flexibility by keeping committed credit lines available.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

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
2021				
Non-derivative financial liabilities				
Bonds and borrowings	**5,385,844**	**14,342,657**	**21,669,087**	**41,397,588**
Lease liabilities	**130,287**	**273,239**	**145,464**	**548,990**
Trade and other payables	**2,033,102**	**160,734**	**-**	**2,193,836**
Derivative financial liabilities				
Fuel oil swaps	**7,192**	**121**	**-**	**7,313**
Currency forwards	**11,629**	**592**	**-**	**12,221**
Electricity futures	**15,253**	**-**	**-**	**15,253**
	7,583,307	**14,777,343**	**21,814,551**	**44,175,201**
2020				
Non-derivative financial liabilities				
Bonds and borrowings	8,236,555	10,654,963	20,958,322	39,849,840
Lease liabilities	156,719	344,865	178,093	679,677
Trade and other payables	1,421,034	162,067	-	1,583,101
Derivative financial liabilities				
Fuel oil swaps	171,711	13,299	-	185,010
Currency forwards	3,094	2,102	-	5,196
Electricity futures	139	-	-	139
	9,989,252	11,177,296	21,136,415	42,302,963

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

Company	Less than 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
2021				
Non-derivative financial liabilities				
Bonds and borrowings	**2,115,297**	**3,299,799**	**3,297,976**	**8,713,072**
Trade and other payables	**496,652**	**-**	**-**	**496,652**
Financial guarantee contracts	**1,597,997**	**-**	**-**	**1,597,997**
	4,209,946	**3,299,799**	**3,297,976**	**10,807,721**
2020				
Non-derivative financial liabilities				
Bonds and borrowings	1,171,771	5,272,056	3,453,794	9,897,621
Trade and other payables	378,940	-	-	378,940
Financial guarantee contracts	718,283	-	-	718,283
	2,268,994	5,272,056	3,453,794	10,994,844

As at 30 June 2021, the current liabilities of the Company include RM1.81 billion of borrowings. The said borrowings will be refinanced or repaid from existing undrawn facilities and the Group's unencumbered cash.

(d) Capital risk

The objectives of the Group and the Company when managing capital are to safeguard the ability of the Group and the Company to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There are external debt covenants, such as gearing ratio applicable to the Group and the Company, which are not onerous and these obligations can be fulfilled. As part of its capital management, the Group rigorously monitors compliance with these covenants. In addition, consistent with others in the industry, the Group and the Company monitor 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 bank balances. Total capital is calculated as 'equity' as shown in the Statement of Financial Position plus net debt.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Capital risk (cont'd.)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Total bonds and borrowings (Note 27)	**30,355,977**	27,464,864	**7,399,572**	8,282,206
Less: Cash and bank balances	**(8,592,632)**	(7,484,725)	**(12,094)**	(16,563)
Net debt	**21,763,345**	19,980,139	**7,387,478**	8,265,643
Total equity	**12,907,425**	12,042,754	**12,942,383**	12,733,803
Total capital	**34,670,770**	32,022,893	**20,329,861**	20,999,446
Gearing ratio	**63%**	62%	**36%**	39%

To strengthen the capital structure of the Company, all borrowings of subsidiaries are undertaken 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.

The Group did not meet the requirement of a certain loan covenants as at 30 June 2020. As at 30 June 2021, the Group met the requirement of all the loan covenants. Refer to Note 27(d)(iii) for further details.

(e) Fair value measurement

The Group and the Company measure 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 (that is, unobservable inputs).

The Group and the Company used last transacted price in arriving at the fair value of the investment for the financial assets included in the Level 3 of the fair value hierarchy.

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Fair value measurement (cont'd.)

The following table presents the Group's assets and liabilities that are measured at fair value as at the reporting date:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	**-**	**42**	**-**	**42**
- Income funds	**-**	**1,752,455**	**-**	**1,752,455**
- Equity investments	**-**	**6,469**	**-**	**6,469**
Financial assets at fair value through other comprehensive income	**43,134**	**45**	**160,175**	**203,354**
Derivatives used for hedging	**-**	**290,138**	**-**	**290,138**
Total assets	**43,134**	**2,049,149**	**160,175**	**2,252,458**
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	**-**	**39**	**-**	**39**
Derivatives used for hedging	**-**	**34,748**	**-**	**34,748**
Total liabilities	**-**	**34,787**	**-**	**34,787**
2020				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	8,712	-	8,712
- Income funds	-	1,389,043	-	1,389,043
- Equity investments	-	3,607	-	3,607
Financial assets at fair value through other comprehensive income	49,671	46	162,045	211,762
Derivatives used for hedging	-	76,132	-	76,132
Total assets	49,671	1,477,540	162,045	1,689,256
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	-	13,575	-	13,575
Derivatives used for hedging	-	176,770	-	176,770
Total liabilities	-	190,345	-	190,345

Notes to the Financial Statements

for the financial year ended 30 June 2021

35. FINANCIAL RISK MANAGEMENT (CONT'D.)

(e) Fair value measurement (cont'd.)

The following table presents the Company's assets that are measured at fair value as at the reporting date:

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	**-**	**349,572**	**-**	**349,572**
Financial assets at fair value through other comprehensive income	**43,103**	**-**	**160,175**	**203,278**
Total assets	**43,103**	**349,572**	**160,175**	**552,850**
2020				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	-	476,102	-	476,102
Financial assets at fair value through other comprehensive income	49,644	-	162,045	211,689
Total assets	49,644	476,102	162,045	687,791

Notes to the Financial Statements

for the financial year ended 30 June 2021

36. FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides an analysis of the Group's financial instruments category:

Group	At amortised cost RM'000	Assets at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Assets at FVOCI RM'000	Total RM'000
2021					
Assets as per Statement of Financial Position					
Assets at fair value through profit or loss	**-**	**1,758,924**	**-**	**-**	**1,758,924**
Assets at fair value through other comprehensive income	**-**	**-**	**-**	**203,354**	**203,354**
Derivative financial instruments	**-**	**42**	**290,138**	**-**	**290,180**
Trade and other receivables[1]	**3,789,022**	**-**	**-**	**-**	**3,789,022**
Cash and bank balances	**8,592,632**	**-**	**-**	**-**	**8,592,632**
	12,381,654	**1,758,966**	**290,138**	**203,354**	**14,634,112**
2020					
Assets as per Statement of Financial Position					
Assets at fair value through profit or loss	-	1,392,650	-	-	1,392,650
Assets at fair value through other comprehensive income	-	-	-	211,762	211,762
Derivative financial instruments	-	8,712	76,132	-	84,844
Trade and other receivables[1]	3,111,482	-	-	-	3,111,482
Cash and bank balances	7,484,725	-	-	-	7,484,725
	10,596,207	1,401,362	76,132	211,762	12,285,463

Notes to the Financial Statements

for the financial year ended 30 June 2021

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D.)

The table below provides an analysis of the Group's financial instruments category: (cont'd.)

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
2021				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	**-**	**-**	**30,355,977**	**30,355,977**
Derivative financial instruments	**39**	**34,748**	**-**	**34,787**
Trade and other payables[2]	**-**	**-**	**2,476,039**	**2,476,039**
	39	**34,748**	**32,832,016**	**32,866,803**
2020				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	-	-	27,464,864	27,464,864
Derivative financial instruments	13,575	176,770	-	190,345
Trade and other payables[2]	-	-	1,839,171	1,839,171
	13,575	176,770	29,304,035	29,494,380

Notes to the Financial Statements

for the financial year ended 30 June 2021

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D.)

The table below provides an analysis of the Company's financial instruments category:

Company	At amortised cost RM'000	Assets at fair value through profit or loss RM'000	Assets at FVOCI RM'000	Total RM'000
2021				
Assets as per Statement of Financial Position				
Assets at fair value through profit or loss	**-**	**349,572**	**-**	**349,572**
Assets at fair value through other comprehensive income	**-**	**-**	**203,278**	**203,278**
Other receivables[1]	**1,943,581**	**-**	**-**	**1,943,581**
Cash and bank balances	**12,094**	**-**	**-**	**12,094**
	1,955,675	**349,572**	**203,278**	**2,508,525**
2020				
Assets as per Statement of Financial Position				
Assets at fair value through profit or loss	-	476,102	-	476,102
Assets at fair value through other comprehensive income	-	-	211,689	211,689
Other receivables[1]	2,766,282	-	-	2,766,282
Cash and bank balances	16,563	-	-	16,563
	2,782,845	476,102	211,689	3,470,636

Notes to the Financial Statements

for the financial year ended 30 June 2021

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D.)

The table below provides an analysis of the Company's financial instruments category: (cont'd.)

Company	Other financial liabilities at amortised cost RM'000
2021	
Liabilities as per Statement of Financial Position	
Bonds and borrowings	**7,399,572**
Other payables[2]	**557,822**
	7,957,394
2020	
Liabilities as per Statement of Financial Position	
Bonds and borrowings	8,282,206
Other payables[2]	440,349
	8,722,555

Note:

1 *Prepayments, contract cost assets, contract assets and tax recoverable are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.*

2 *Statutory liabilities, contract liabilities and deferred income are excluded from the trade and other payables balance, as this analysis is required only for financial instruments.*

37. COMMITMENTS

(a) Capital commitments

	Group	
	2021 RM'000	**2020 RM'000**
Contracted, but not provided for	**653,580**	1,050,970
Authorised, but not contracted for	**629,153**	751,097

The above commitments comprise purchase of property, plant and equipment.

Notes to the Financial Statements

for the financial year ended 30 June 2021

37. COMMITMENTS (CONT'D.)

(b) Operating lease arrangements

The Group as lessor

The Group leases out its PPE assets which comprise net book value of land and building of RM10.0 million (2020: RM10.3 million), telecommunications equipment of RM39.8 million (2020: RM31.8 million) and plant and machinery of RM15.5 million (2020: RM16.5 million). The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2021 RM'000	**2020 RM'000**
Within 1 year	**124,895**	112,120
In the 2nd year	**58,592**	50,488
In the 3rd year	**57,858**	49,237
In the 4th year	**56,729**	48,054
In the 5th year	**54,892**	47,020
Later than 5 years	**9,376**	9,962
Total undiscounted lease payments to be received	**362,342**	316,881

38. 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) Telecommunications business
(v) Investment holding activities

Notes to the Financial Statements
for the financial year ended 30 June 2021

38. SEGMENTAL INFORMATION (CONT'D.)

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

	Power generation (Contracted) RM'000	Multi utilities business (Merchant)# RM'000	Water and sewerage RM'000	Telecom-munications business* RM'000	Investment holding activities RM'000	Group RM'000
At 30 June 2021						
Revenue						
Total revenue	261,146	6,014,487	3,778,073	542,461	216,781	10,812,948
Inter-segment elimination	-	-	-	(1,079)	(27,139)	(28,218)
External revenue	261,146	6,014,487	3,778,073	541,382	189,642	10,784,730
Results						
Share of profits of investments accounted for using the equity method	-	-	-	3,516	362,481	365,997
Interest income	2,322	586	2,584	519	53	6,064
Finance cost	38	100,533	474,743	41,819	334,429	951,562
Segment profit/(loss)	35,237	275,253	493,809	(191,428)	20,917	633,788
Other segment items						
Capital expenditures	605	176,333	1,490,460	113,366	997	1,781,761
Depreciation and amortisation	19,627	253,943	703,218	272,408	15,642	1,264,838
(Write back)/Impairment	-	(71,129)	89,366	3,726	2,619	24,582
Segment assets						
Investments accounted for using the equity method	-	-	1	18,127	2,194,128	2,212,256
Other segment assets	187,817	11,857,994	23,448,804	3,185,665	11,181,799	49,862,079
	187,817	11,857,994	23,448,805	3,203,792	13,375,927	52,074,335
Segment liabilities						
Borrowings	-	6,006,550	15,819,970	304,500	8,224,957	30,355,977
Other segment liabilities	95,056	1,384,703	5,640,331	923,543	767,300	8,810,933
	95,056	7,391,253	21,460,301	1,228,043	8,992,257	39,166,910

Notes to the Financial Statements

for the financial year ended 30 June 2021

38. SEGMENTAL INFORMATION (CONT'D.)

	Power generation (Contracted) RM'000	Multi utilities business (Merchant)# RM'000	Water and sewerage RM'000	Telecom-munications business* RM'000	Investment holding activities RM'000	Group RM'000
At 30 June 2020						
Revenue						
Total revenue	633,435	5,766,132	3,483,523	459,754	352,834	10,695,678
Inter-segment elimination	-	-	-	(1,321)	(57,180)	(58,501)
External revenue	633,435	5,766,132	3,483,523	458,433	295,654	10,637,177
Results						
Share of profits of investments accounted for using the equity method	-	-	-	1,001	453,215	454,216
Interest income	4,177	1,609	5,881	1,156	157	12,980
Finance cost	64	165,339	488,791	38,593	390,874	1,083,661
Segment profit/(loss)	57,657	(172,359)	610,109	(264,772)	194,556	425,191
Other segment items						
Capital expenditures	916	98,064	1,225,348	174,731	8,252	1,507,311
Depreciation and amortisation	19,231	251,082	599,084	273,817	11,574	1,154,788
Impairment	2,953	2,060	113,801	5,636	288	124,738
Segment assets						
Investments accounted for using the equity method	-	-	1	14,611	2,200,839	2,215,451
Other segment assets	323,338	11,092,766	19,580,280	3,246,774	10,679,526	44,922,684
	323,338	11,092,766	19,580,281	3,261,385	12,880,365	47,138,135
Segment liabilities						
Borrowings	-	6,064,280	12,813,878	304,500	8,282,206	27,464,864
Other segment liabilities	105,153	1,231,447	4,697,075	983,293	613,549	7,630,517
	105,153	7,295,727	17,510,953	1,287,793	8,895,755	35,095,381

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 tank leasing.

* *This segment includes telecommunication services and infrastructure business which have same economic characteristic.*

Notes to the Financial Statements

for the financial year ended 30 June 2021

38. SEGMENTAL INFORMATION (CONT'D.)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	**804,647**	1,109,321	**2,825,354**	3,015,244
Singapore	**6,014,487**	5,766,132	**9,880,578**	9,906,908
United Kingdom	**3,820,185**	3,498,899	**20,860,129**	18,301,863
Other countries	**145,411**	262,825	**697,603**	694,269
	10,784,730	10,637,177	**34,263,664**	31,918,284

Non-current assets information presented above consist of the following items as presented in the Statement of Financial Position.

	Non-current assets	
	2021 RM'000	2020 RM'000
Property, plant and equipment	**24,200,911**	21,880,462
Right-of-use assets	**491,388**	621,765
Investment properties	**635,004**	467,208
Project development costs	**259,744**	248,617
Intangible assets	**8,674,529**	8,641,718
Contract assets	**106**	540
Contract cost assets	**62**	1,165
Prepayments	**1,920**	56,809
	34,263,664	31,918,284

Major customers

The following is the major customer with revenue equal or more than 10 per cent of Group's revenue:

	Revenue		
	2021 RM'000	2020 RM'000	Segment
- Energy Market Company	**2,620,109**	2,452,877	Multi utilities business (Merchant)

Notes to the Financial Statements

for the financial year ended 30 June 2021

39. EVENT AFTER REPORTING PERIOD

On 28 September 2021, SIPP Power Sdn. Bhd., a 70%-owned subsidiary of the Company entered into a Sale and Purchase Agreement with Boustead Plantations Berhad to purchase Kulai Young Estate in Johor for a purchase consideration of RM428.8 million ("Proposed Acquisition"). The Proposed Acquisition is expected to be completed by end December 2021.

SIPP Power Sdn. Bhd. intends to develop the land into a large scale solar power facility with a generation capacity of up to 500MW. This is in line with the Group's shift towards investing in more sustainable, renewable energy solutions moving forward.

Save for the above, there were no other material events subsequent to the end of the current financial year ended 30 June 2021 that have not been reflected in the financial statements.

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 September 2021.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT that the Twenty-Fifth Annual General Meeting of YTL Power International Berhad (the **"Company"**) will be held on Tuesday, 7 December 2021 at 9.30 a.m. or at any adjournment thereof and will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (**"TIIH Online"**) at https://tiih.com.my (**"Meeting Platform"**) to transact the following business:-

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. ***Please refer Explanatory Note A***

2. To re-elect the following Directors who retire pursuant to Article 86 of the Company's Constitution:-
   (i) Tan Sri (Sir) Francis Yeoh Sock Ping ***Resolution 1***
   (ii) Dato' Yeoh Seok Hong ***Resolution 2***
   (iii) Dato' Yeoh Soo Min ***Resolution 3***
   (iv) Dato' Yeoh Soo Keng ***Resolution 4***

3. To re-elect Tan Sri Ismail Bin Adam who retires pursuant to Article 85 of the Company's Constitution. ***Resolution 5***

4. To approve the payment of fees to Non-Executive Directors amounting to RM842,356 for the financial year ended 30 June 2021. ***Resolution 6***

5. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2022 to December 2022. ***Resolution 7***

6. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company 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:-

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

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities." ***Resolution 9***

Notice of Annual General Meeting

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

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company's Constitution and Bursa Malaysia Securities Berhad (**"Bursa Securities"**) Main Market Listing Requirements (**"Listing Requirements"**) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (**"the Proposed Share Buy-Back"**) provided that:-

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 1 December 2020, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities;

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

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

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

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

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

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

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

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

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

Notice of Annual General Meeting

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

9. **PROPOSED RENEWAL OF 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 as specified in section 2.3(a) of the Circular to Shareholders dated 29 October 2021 (**"Related Parties**") subject to the following:-

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

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

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

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate." ***Resolution 11***

By Order of the Board,

HO SAY KENG
Company Secretary

Kuala Lumpur
29 October 2021

Notice of Annual General Meeting

Notes:-

REMOTE PARTICIPATION AND VOTING

1. *The Annual General Meeting ("AGM") will be conducted on a fully virtual basis* ***without a physical meeting venue*** *through live streaming, online remote participation and voting via the Remote Participation and Voting ("RPV") facilities provided by the appointed share registrar and poll administrator for the AGM, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at http://ytlpowerinternational.com/meetings to register, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities.*

MEETING PLATFORM

2. *The Meeting Platform, which is the deemed main venue of the AGM is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021.*

PROXY

3. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*
4. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
5. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*
7. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than* ***5 December 2021 at 9:30 a.m.****:*

   (i) In hardcopy form

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

   or alternatively,

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

   (ii) Electronically via TIIH Online

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

8. *For the purpose of determining a member who shall be entitled to attend the AGM via the RPV facilities, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59 of the Company's Constitution and Section 34(1) of the SICDA to issue a General Meeting Record of Depositors as at 30 November 2021. Only a depositor whose name appears on the General Meeting Record of Depositors as at 30 November 2021 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote in his stead.*

APPOINTMENT OF REPRESENTATIVE BY CORPORATE MEMBERS

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

   or alternatively,

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

   before the time appointed for holding the AGM or adjourned meeting.

Explanatory Notes to Ordinary Business –

Note A

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

Payment of Directors' Benefits

In accordance with the requirements of Section 230(1) of the Companies Act, 2016, approval of the members is sought for the payment of meeting attendance allowance (a benefit) to the Non-Executive Directors of the Company. If Resolution 7 is passed, the meeting attendance allowance will be payable for such period at the quantum specified.

Explanatory Notes to Special Business –

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

Resolution 9 is a renewal of the general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the Twenty-Fourth Annual General Meeting held on 1 December 2020 ("Previous Mandate").

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

Resolution 9, if passed, will enable the Directors to allot and issue ordinary shares at any time up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad, without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

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

For Resolution 10, further information on the Share Buy-Back is set out in Part A of the Statement to Shareholders dated 29 October 2021 which is available on the Company's website at http://ytlpowerinternational.com/meetings.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 11, further information on the Recurrent Related Party Transactions is set out in Part B of the Circular to Shareholders dated 29 October 2021 which is available on the Company's website at http://ytlpowerinternational.com/meetings.

Statement Accompanying Notice of Annual General Meeting

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

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

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

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

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

Form of Proxy

YTL Power
YTL GROUP

[Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

CDS Account No. *(only for nominee companies)*	
Number of shares held	

I/We *(full name in block letters)* ____

____ Tel. No. ______________

NRIC *(new & old)*/Passport/Company No. ____

of *(full address)* ____

____

being a member of **YTL Power International Berhad** hereby appoint

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

* and/or *(delete as appropriate)*

Full name of proxy in block letters	*NRIC (new & old)/Passport No. of proxy*	*Proportion of shareholdings to be represented*	
		No. of shares	*%*

or failing him/her, the Chairman of the Meeting as my/our proxy(ies) to vote for me/us on my/our behalf at the Twenty-Fifth Annual General Meeting (**"AGM"**) of the Company which will be conducted as a **fully virtual** meeting through live streaming, online remote participation and voting via the online meeting platform hosted on the TIIH Online System (**"TIIH Online"**) at https://tiih.com.my ("**Meeting Platform**") on **Tuesday, 7 December 2021** at **9:30 a.m.** or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	Resolutions	For	Against
1.	Re-election of Tan Sri (Sir) Francis Yeoh Sock Ping		
2.	Re-election of Dato' Yeoh Seok Hong		
3.	Re-election of Dato' Yeoh Soo Min		
4.	Re-election of Dato' Yeoh Soo Keng		
5.	Re-election of Tan Sri Ismail Bin Adam		
6.	Approval of the payment of fees to the Non-Executive Directors		
7.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
8.	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company		
9.	Proposed authorisation for Directors to allot and issue shares		
10.	Proposed renewal of share buy-back authority		
11.	Proposed renewal of shareholder mandate for recurrent related party transactions of a revenue or trading nature		

Please indicate with an "X" in the space provided whether you wish your votes to be cast "for" or "against" the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this __________ day of ___________________________ 2021.

____
Signature(s)/Common Seal of Member

IMPORTANT NOTICE

The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at the Meeting Platform.

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Notes:-

1. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*
2. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
3. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*
5. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than* ***5 December 2021 at 9:30 a.m.****:*

   (i) *In hardcopy form*

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

   (ii) *Electronically via TIIH Online*

   The Form of Proxy can be electronically lodged with Tricor via TIIH Online at https://tiih.com.my. Please follow the procedures set out in the Administrative Guide for the AGM.
6. *Only members whose names appear on the General Meeting Record of Depositors as at 30 November 2021 shall be entitled to attend the AGM via the RPV facilities or appoint proxy(ies) to attend and/or vote in his stead.*
7. *For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment of corporate representative with Tricor at either of the addresses stated in Note 5(i) above, before the time appointed for holding the AGM or adjourned meeting.*

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AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd
Share Registrar for the 25th Annual General Meeting of
YTL Power International Berhad
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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