YTL Power
YTL GROUP

YTL POWER INTERNATIONAL BERHAD
199601034332 (406684-H)

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205 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

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www.ytlpowerinternational.com
www.ytlcommunity.com

YTL POWER INTERNATIONAL BERHAD

ANNUAL REPORT **2022**

BUILDING THE RIGHT THING
The Journey Continues...

YTL Power
YTL GROUP

2022
ANNUAL REPORT

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YTL GROUP

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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, investments and projects under development in Malaysia, Singapore, the United Kingdom, 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 Limited, a water and sewerage provider with 2.8 million customers in the UK, and YTL PowerSeraya Pte Limited, which has a total licensed generation capacity of 3,100 megawatts and multi-utility operations in Singapore. In Malaysia, YTL Power owns a 60% stake in YTL Communications Sdn Bhd, the operator of the Yes platform providing high-speed 4G and 5G mobile internet with voice services.

In the UK, the Group is undertaking the development of Brabazon, Bristol, a mixed-use residential and commercial property project on the Filton Airfield site, the historic home of the iconic Concorde, which will include the 17,080-capacity YTL Arena Bristol.

Projects under development include a 500-megawatt solar power generation facility in Kulai, Johor, and green data centers in Malaysia and Singapore. The Group in consortium with Sea Limited has also been awarded a digital banking licence by Bank Negara Malaysia.

Building The Right Thing

The Journey Continues...

Business Segments

Multi Utilities Business (Merchant)

Water & Sewerage

Telecommunications Business

Power Generation (Contracted)

Investment Holding Activities

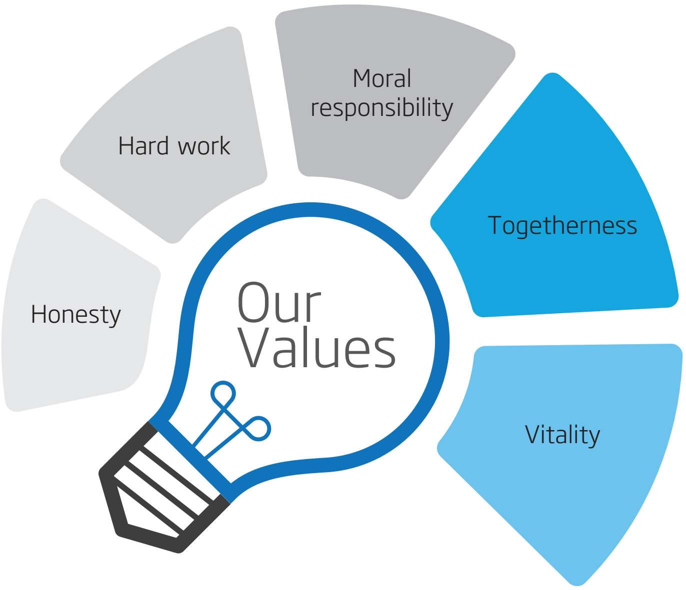
Key Financial Highlights

Revenue RM17,804.7 million FY2022	**Profit Before Tax** RM1,372.6 million FY2022
Total Assets RM51,001.2 million As at 30 June 2022	**Market Capitalisation** RM5,475.4 million As at 30 June 2022

Corporate Profile

Our Purpose

To provide utility services that are essential for daily life and the growth and development of resilient communities



Our Mission

- Building and operating strong, sustainable multi-utility businesses and developing advanced energy solutions that create lasting value for all our stakeholders
- Protecting and improving the environment to build a better future
- Providing reliable, affordable services for our customers and communities
- Providing our people with the opportunity to develop their potential and ensuring their well-being
- Investing for the long term in our communities for the benefit all our stakeholders
- Being a trusted, reliable and financially strong corporate citizen

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, (Hon) D.Univ

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)

Corporate Information

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)

Executive Chairman's Statement

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

We made excellent progress this year, balancing our portfolio to achieve the optimal outcomes for our stakeholders and advancing development of our businesses in renewable and sustainable energy solutions.

As always, we are committed to building financial resilience and delivering long-term value to our shareholders. YTL Power has consistently declared dividends to shareholders, comprising both cash and share dividends, every year since listing on the Kuala Lumpur stock exchange in 1997. This year marks the 25th 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 2022.

The Malaysian economy registered gross domestic product (GDP) growth of 3.1% for the 2021 calendar year. While the reimposition of COVID-19 containment measures in June 2021 curbed economic activity, the impact was smaller than in 2020, as businesses were better able to adapt to restrictions. The reopening of economic sectors in October 2021 after a successful vaccination programme, improvements in labour market conditions and higher capital expenditure led to a robust domestic demand rebound, supported by strong external demand. The economy grew by 5.0% in the first quarter and 8.9% in the second quarter of 2022 on the back of sustained domestic and export demand, continued recovery in labour market conditions and policy support *(sources: Bank Negara Malaysia updates & reports)*.

Executive Chairman's Statement

In the other major economies where the Group operates, the United Kingdom (UK) registered GDP growth of 7.4% in 2021. By November 2021, the UK economy had recovered to its pre-pandemic level. In 2022, the economy grew by 8.7% in the first quarter and 2.9% in the second on a year-on-year basis. Singapore's economy grew by 7.6% in 2021, followed by growth of 3.7% and 4.4% on a year-on-year basis, respectively, in the first and second quarters of 2022 *(sources: Singapore Ministry of Trade & Industry, UK Office for National Statistics updates & reports)*.

Earlier this year, we divested our minority stake in ElectraNet Pty Ltd in Australia enabling us to realise timely gains from a mature investment. ElectraNet was our first foray into the international utilities markets in 2000. In the two decades since, our Group has expanded to own and develop significant international utility assets including water and sewerage in the UK and power generation and multi-utilities in Singapore.

This transaction further optimised the balance of assets in our business portfolio and increased our flexibility to deploy our cash reserves towards viable new ventures that complement our existing businesses. These include, in particular, new investments in solar energy and other renewables, in line with our shift towards more sustainable energy solutions moving forward.

This year, we embarked on new ventures with the launch of our data center business, to be powered by renewable energy from our adjacent 500-megawatt solar power generation facility, which is in the development process.

The climate emergency has accelerated the demands on the corporate world to take the measures necessary to address the most critical issues and find solutions for the rest. Owing to the geographic extent of our Group's operations and different nature of businesses across the international utilities industry, we have committed to a Group-wide target to achieve carbon neutrality in our operations by 2050.

Our businesses in the UK and Singapore, however, which form the majority of our operations at this stage, are much further ahead in the journey given the advancements in those jurisdictions and are expected to reach this target sooner.

Our commitment to developing businesses that are economically viable and sustainable on a long-term basis forms our bedrock, epitomised by our origins as Malaysia's first independent power producer (IPP), addressing the power shortages facing the country in the mid-1990s, utilising natural gas as one of the least carbon intensive fossil fuels commercially available at the time.

The general arc of our expansion in the ensuing years has continued on this track towards investing in and developing businesses that are economically, environmentally and socially sustainable, utilising the latest technological advancements and instilled with the robust governance culture that is the cornerstone of our Group.

The progress and advancements we made this year will stand us in good stead for the year ahead. We have reinforced the operational efficiency and strength of our existing operations whilst concurrently moving ahead with strategic new businesses, and are well prepared to meet the future.

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

Managing Director’s Review

DATO’ YEOH SEOK HONG
Managing Director

YTL Power International Berhad (“YTL Power”) and its subsidiaries (“Group”) registered higher revenue of RM17.8 billion for the financial year ended 30 June 2022, an increase of RM7.0 billion or 65% over RM10.8 billion for the previous financial year ended 30 June 2021. Profit after tax grew to RM1.2 billion this year compared to a loss after tax of RM0.1 billion last year.

Stronger revenue this financial year was driven by better performance across the Group, comprising our merchant multi-utilities segment in Singapore, water and sewerage business in the UK and telecommunications segment in Malaysia, with the gain on disposal of our investment in ElectraNet Pty Ltd in Australia also bolstering profit.

This enabled us to continue to reward shareholders, with two interim cash dividends declared in respect of the 2022 financial year, amounting to 4.5 sen per share.

ROBUST OUTPERFORMANCE

The inclusion of regulated assets in our portfolio is a vital component of our core financial and operational resilience strategies. These safe haven assets continue to gain value over time due to their regulated nature whereby expansive capital expenditure programmes deliver sustained improvements to infrastructure and better services to customers, and contribute to a regulated asset base (RAB) value that increases over time.

Managing Director's Review

In March 2022, the timing for divestment of our minority 33.5% stake in ElectraNet in Australia proved optimal in light of the attractive valuation of regulated utility assets and strong investor interest. The sale consideration of A$1.026 billion reflected a valuation of 1.6 times the regulated and contracted asset base (RCAB) of the company. The original cost to acquire our stake in 2000 was A$58.5 million (about RM122.9 million, based on the then prevailing exchange rate of A$1.00:RM2.10).

Our key water and sewerage business, under Wessex Water Limited in the UK, exemplifies the safe haven protection that regulated assets add to our Group. When Wessex Water joined our Group in 2002, its RAB value was about RM7.0 billion (£1.3 billion). By contrast, over the current 5-year regulatory period alone, Wessex Water will undertake capital investments amounting to RM6.9 billion (£1.3 billion), resulting in a total RAB value in excess of RM19.8 billion (£3.7 billion) when the regulatory period ends in March 2025.

Going forward, we expect to see exponential growth in Wessex Water's RAB as inflation trends higher in the UK. This in turn has the effect of decreasing our gearing in terms of Wessex Water's debt-to-RAB ratio, further reinforcing our financial position.

These assets strengthen our Group, delivering consistent and steady returns and dividends year after year, serving as a bulwark during challenging times and contributing ever-growing value to our Group's asset base.

This year, we also completed our acquisition of the Tuaspring power plant in Singapore which has been integrated into the existing operations of YTL PowerSeraya Pte Limited, our wholly-owned subsidiary in Singapore, improving efficiency and strengthening our overall value proposition. The original purchase consideration of S$331.45 million, which was to be settled via a combination of cash, together with shares and shareholder loans in the holding company of YTL PowerSeraya, was reduced to a purely cash consideration of S$270.0 million on completion, further improving our metrics for the acquisition.

The Tuaspring plant is one of the most technologically advanced assets on Singapore's power generation grid and this was a sound opportunity to acquire a well-structured, operating asset with a proven performance track record, enabling us to consolidate our power generation capacity in Singapore.

Over the longer term, we hope to play our part in helping both Malaysia and Singapore to lower their carbon footprints by facilitating the export of green energy from Malaysia, supplementing Singapore's existing capacity as Malaysia continues to accelerate its growth in renewable energy generation capacity.

FIRST TO 5G

In December 2021, we took a technological leap forward to become the first telco in Malaysia to offer 5G services, together with the pilot launch by Digital Nasional Berhad (DNB) of Malaysia's 5G wholesale services in the Klang Valley. Under the Malaysian Government's adoption of the single wholesale network framework, DNB has begun deployment of a national 5G network and infrastructure. Network operators have been invited to acquire an equity stake in DNB and we are participating in this investment.

Our Yes #FirstTo5G plans enable users to experience the fifth generation of wireless mobile technology, delivering higher data speed, ultra-low latency, more reliable coverage, massive network capacity and a more uniform user experience. We expect to extend our 5G services to the rest of the country in tandem with the rollout of DNB's 5G network.

As a provider of essential services, we have always prioritised the delivery of high quality services at affordable prices to all customers. Our Yes 4G platform, for example, led the way in democratising access to high-speed mobile broadband across Malaysia, bridging the digital divide between urban and rural communities.

To these ends, our flagship Learn From Home programme offers free phones and data to students from B40 families and also provides access to lessons and educational content critical to improving the learning process. The Learn From Home programme has also been expanded to students from over 60 universities and other tertiary institutions. Learn From Home is carried out by YTL Foundation, the charitable arm of the YTL Group of Companies, through which we channel our resources on this front to maximise the reach and effectiveness of our programmes.

EXPANSION INTO INNOVATIVE NEW BUSINESSES

In April 2022, our Group in consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia. Our consortium will further leverage synergies between our groups, building on the success of our existing partnerships between Yes and Sea's Shopee platform, and amplifying our reach and customer base.

This new digital banking business will enable us to further contribute to Malaysia's digital transformation and broaden access across all communities to financial services, particularly the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs).

In Johor, we broke ground this year on the YTL Green Data Center Park, which will be the first data center campus in Malaysia to be powered by on-site renewable energy. We are progressing well with partnerships with Sea Limited as a co-locator and GDS Holdings Limited, one of the largest data center companies globally, to anchor and jointly develop the first phases of this world-class green facility.

The YTL Green Data Center Park will be powered by renewable energy and, this year, we embarked on the development of a large-scale solar power facility in Kulai, Johor, with a generation capacity of up to 500 megawatts.

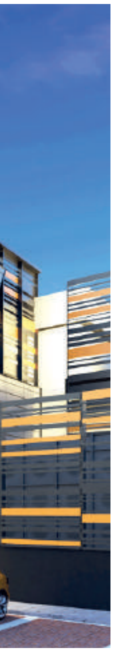
In addition to emphasising the value of high-speed communications and the need for digital resilience, the COVID-19 pandemic intensified digitisation across industries and accelerated the need for better digital-related infrastructure. The burgeoning growth of the data center industry represents an exciting opportunity for us to expand our expertise in infrastructure, information communications and renewable energy to facilitate the digital age.

ADVANCING OUR ESG AGENDA

We powered forward with our sustainability agenda this year. We provide utilities that are essential for daily life and have long been committed to doing so in a way that improves the lives of our customers and the resilience of the communities where we operate. This year, we have included an expanded *Environmental, Social & Governance Report* in our Annual Report, to better communicate our strategies, priorities and outlook on this vital agenda to our stakeholders.

In the UK, following extensive consultation with local community groups, councils and businesses in the Bristol area, we championed a new masterplan this year for our Brabazon project, designed to ensure that more sustainable homes are built in the right places. This means on brownfield land along existing transport corridors like at Brabazon, where public transport connections and active travel routes provide a genuine alternative to car-dependent lifestyles. As such, Brabazon is ideally placed to build much-needed new homes, offices, schools and community facilities in a way that is environmentally and economically sustainable.

Managing Director's Review



Our Group is committed to achieving carbon neutrality in operations by 2050, in line with the target of the Malaysian Government and consistent with the policy goals of the major countries where we operate. Given our diverse operations and geographic reach, parts of our Group are targeting to reach this goal even earlier.

Our two largest operations, YTL PowerSeraya in Singapore and Wessex Water in the UK, are at the forefront of progress in their respective industries, taking the lead on a decarbonisation agenda whilst delivering excellent services to customers and contributing to community growth and development. The UK water industry, for example, has set an ambitious target to achieve net zero total carbon emissions by 2040, a decade ahead of the UK government's goal, and Wessex Water is well on the way to delivering this target.

BUILDING RESILIENCE FOR THE FUTURE

Our drive towards more sustainable, renewable energy solutions and businesses is a natural evolution of YTL Power's growth and development in view of the synergies with our existing operations and alignment with our global priorities, capabilities and expertise.

Our existing operations are well-positioned and prepared to tackle the potential inflationary, climate and geo-political challenges facing the globe in the period ahead, whilst our new businesses will provide us with additional resilience to continue to deliver value to all our 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 Multi Utilities Business (Merchant), Water & Sewerage, Telecommunications Business, Power Generation (Contracted) and Investment Holding Activities.

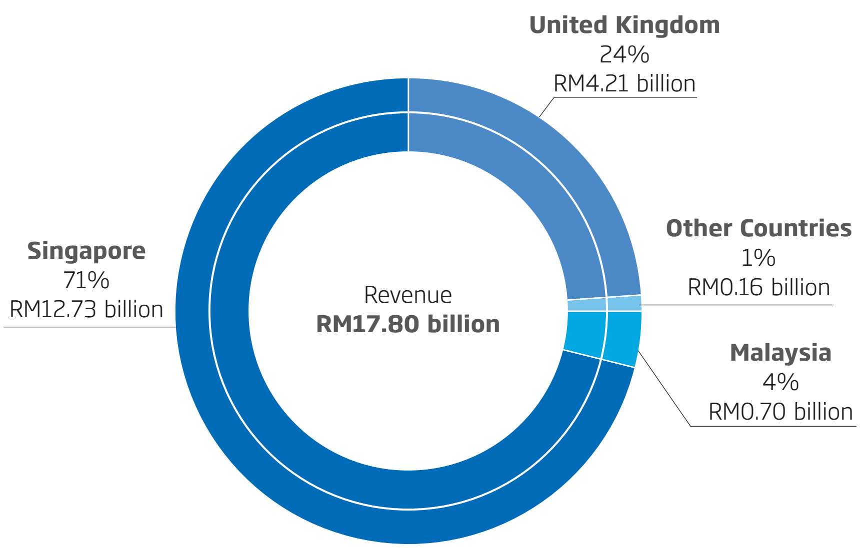
The YTL Power Group has operations, investments and projects under development in Malaysia, Singapore, the United Kingdom (UK), Indonesia, Jordan and the Netherlands.

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

YTL Power owns a 60% stake in YTL Communications Sdn Bhd ("YTL Comms"), the operator of the YES platform providing high-speed 4G and 5G mobile internet with voice services in Malaysia.

New businesses underway include the development of a 500 MW solar power generation facility in Kulai, Johor, and green data centers in Malaysia and Singapore. The Group in consortium with Sea Limited has also been awarded a digital banking licence by Bank Negara Malaysia. In the UK, the Group is undertaking the development of Brabazon, Bristol, a mixed-use residential and commercial property project, which will include the 17,080-capacity YTL Arena Bristol.

Revenue by Country - FY2022



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 assets under long-term concessions and/or licences and other utility assets, 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. This includes investing in more sustainable renewable energy solutions. 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 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 GBP3.7 billion (approximately RM19.8 billion) as at 30 June 2022. In 2022, YTL Power divested its 33.5% stake in ElectraNet Pty Ltd for AUD1.026 billion, representing about 1.6 times the company's regulated and contracted asset base, compared to its acquisition cost of AUD58.5 million in 2000.

- **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**

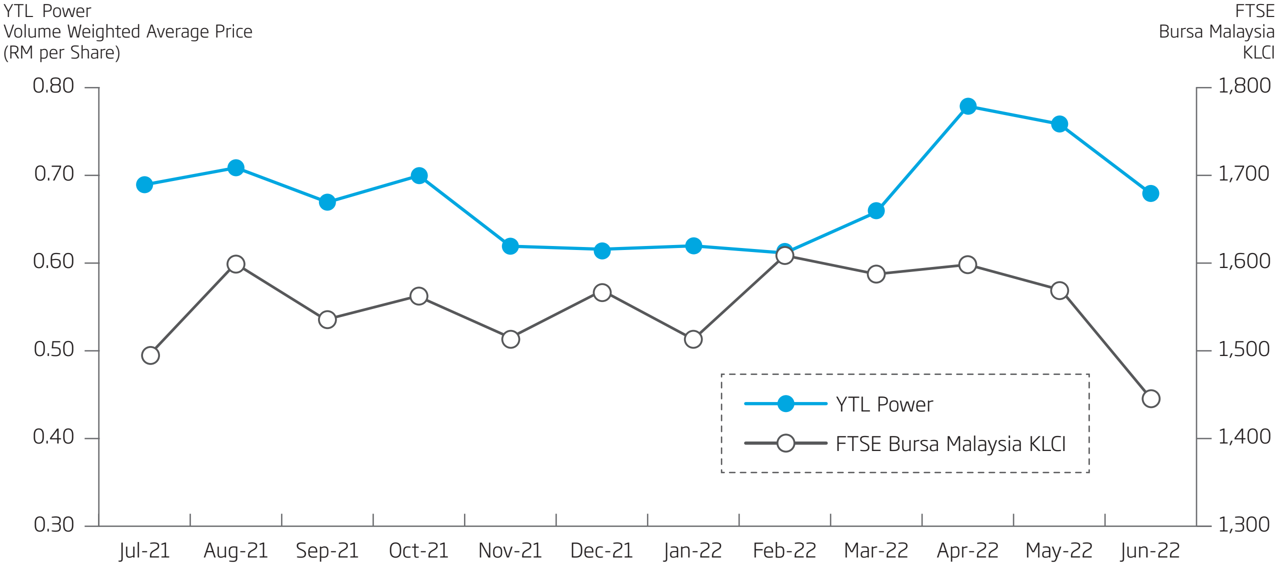
  The Group believes that its utility assets on average operate within the highest efficiency levels of their industries and further enhances operational efficiencies where possible through the application of new technologies, production techniques and information technology, to ensure the delivery of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

PERFORMANCE INDICATORS

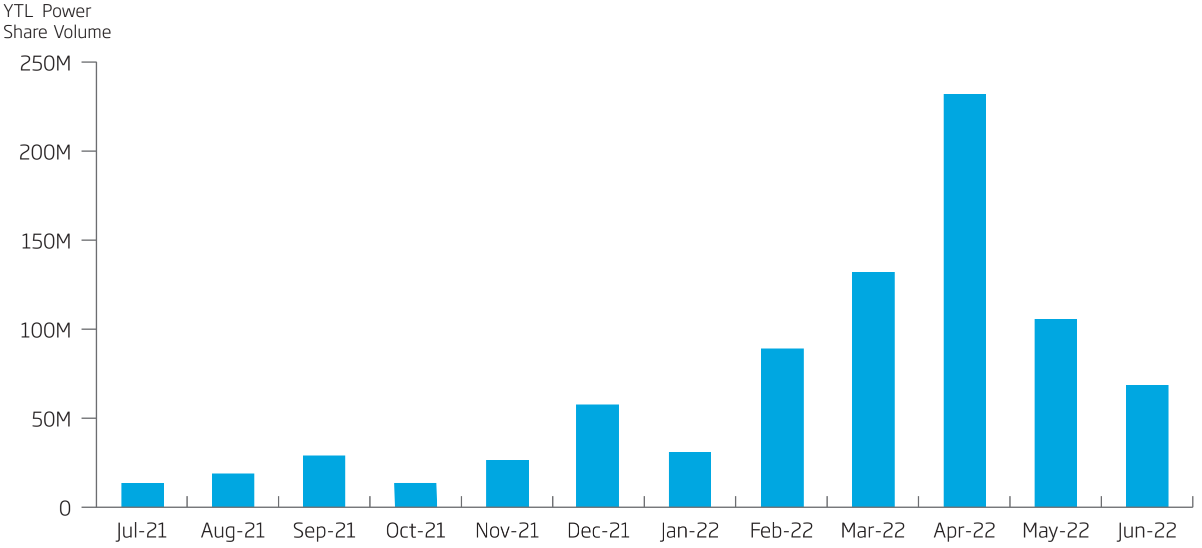
YTL Power has been listed on Bursa Malaysia Securities Berhad ("Bursa Securities") since 23 May 1997. YTL Power is listed on the Main Market of the exchange under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector.

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 2022.

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



Volume of YTL Power Shares Traded on Bursa Securities



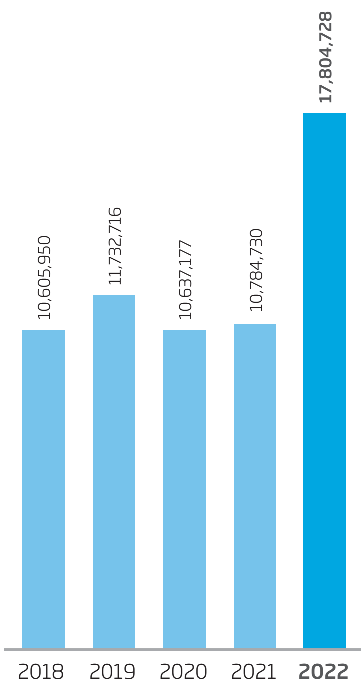
Source: Bloomberg

FINANCIAL REVIEW

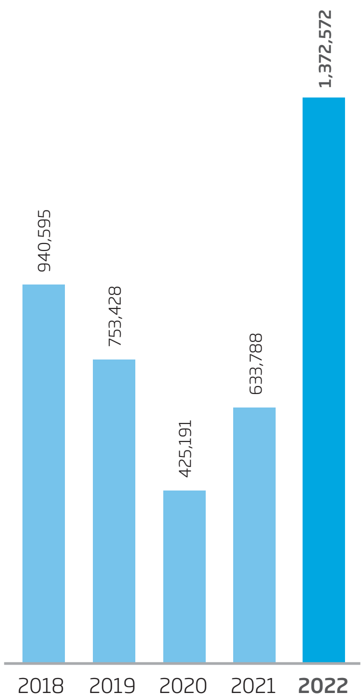
FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018 *(Restated)*
Revenue (RM'000)	**17,804,728**	10,784,730	10,637,177	11,732,716	10,605,950
Profit Before Taxation (RM'000)	**1,372,572**	633,788	425,191	753,428	940,595
Profit/(Loss) After Taxation (RM'000)	**1,185,269**	(103,128)	127,704	613,528	718,327
Profit/(Loss) for the Year Attributable to Owners of the Parent (RM'000)	**1,207,378**	(146,524)	67,638	476,751	619,685
Total Equity Attributable to Owners of the Parent (RM'000)	**14,314,622**	13,017,642	12,018,989	12,644,382	12,962,599
Basic Earnings/(Loss) per Share (Sen)	**14.90**	(1.84)	0.88	6.20	7.88
Dividend per Share (Sen)	**4.50**	4.50	–	5.00	5.00
Total Assets (RM'000)	**51,001,217**	52,074,335	47,138,135	46,272,978	46,277,023
Net Assets per Share (RM)	**1.77**	1.61	1.57	1.65	1.65

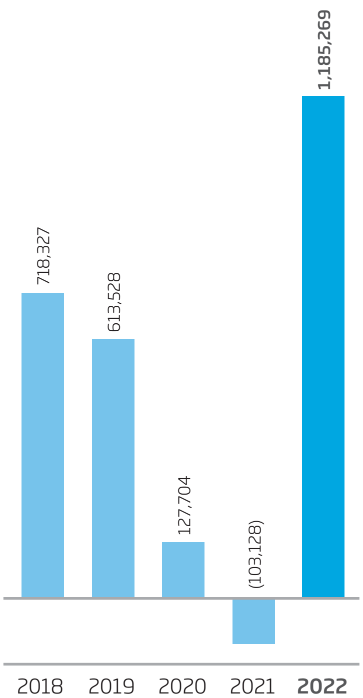
Revenue
(RM'000)



Profit Before Taxation
(RM'000)

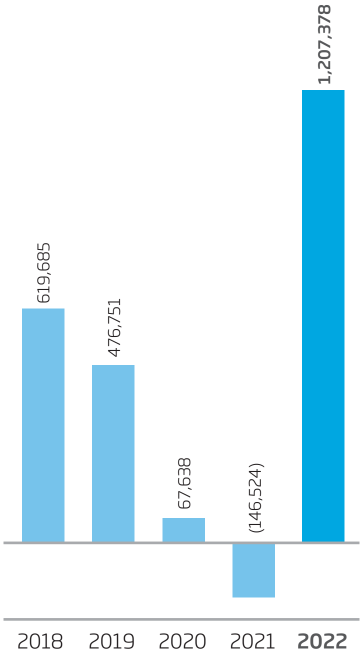


Profit/(Loss) After Taxation
(RM'000)

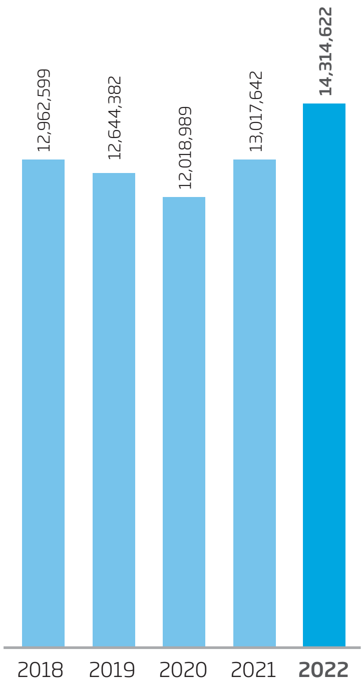


Management Discussion & Analysis
FINANCIAL REVIEW

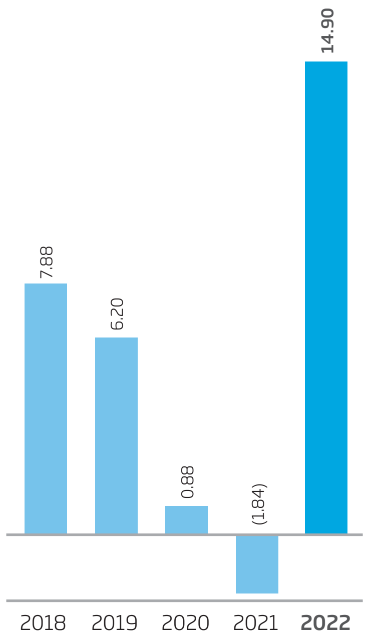
Profit/(Loss) for the Year Attributable to Owners of the Parent
(RM'000)



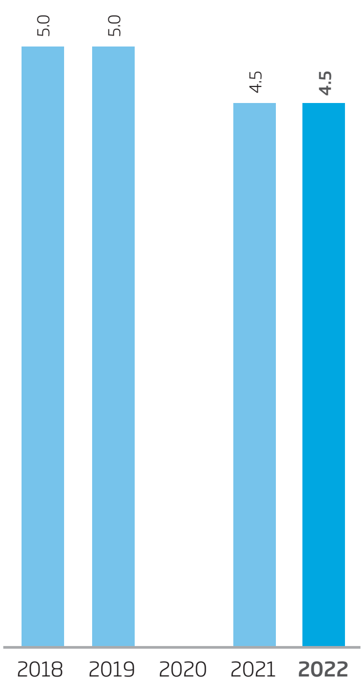
Total Equity Attributable to Owners of the Parent
(RM'000)



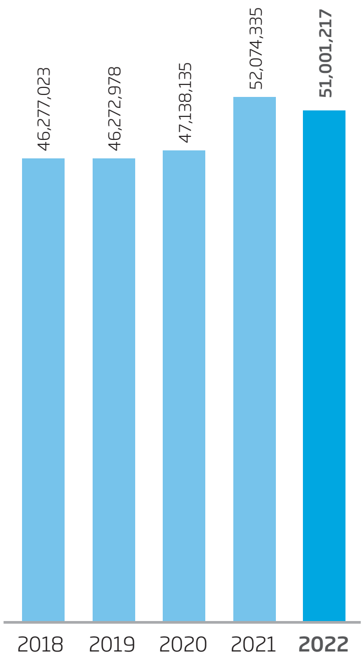
Basic Earnings/(Loss) per Share
(Sen)



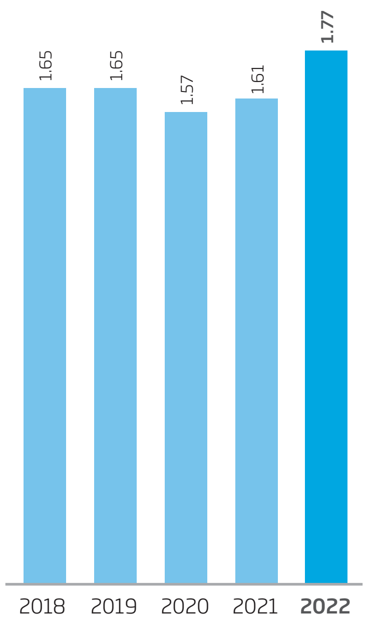
Dividend per Share
(Sen)



Total Assets
(RM'000)



Net Assets per Share
(RM)



REVIEW OF FINANCIAL PERFORMANCE

Group Financial Performance

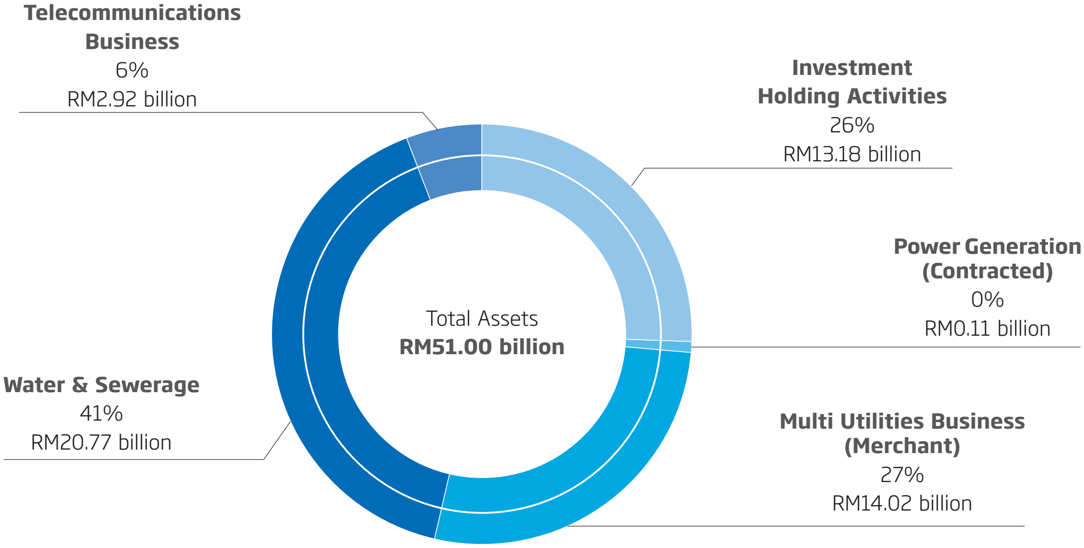
The YTL Power Group recorded an increase in revenue to RM17,804.7 million for the financial year ended 30 June 2022 as compared to RM10,784.7 million for the previous financial year ended 30 June 2021. Profit before taxation for the current financial year under review increased to RM1,372.6 million compared to RM633.8 million recorded in the previous financial year.

Higher revenue was due mainly to the Multi Utilities Business (Merchant) segment, whilst the higher profit before taxation was contributed mainly by the Multi Utilities Business (Merchant) and Investment Holding Activities segments.

For the financial year ended 30 June 2022, overseas operations accounted for approximately 96.1% of the Group's revenue, compared to 92.5% for the previous financial year ended 30 June 2021, whilst operations in Malaysia contributed 3.9% of the Group's revenue in the current financial year compared to 7.5% for the previous financial year.

Segmental Financial Performance

Total Assets by Segment
(as at 30 June 2022)

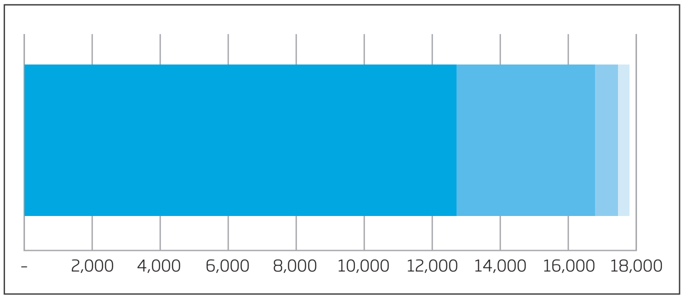


A comparison of the financial performance of each segment of the Group for the financial years ended 30 June 2022 and 30 June 2021 is set out in the following table:

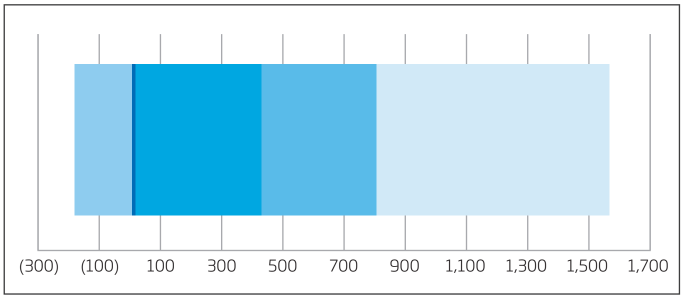
	Segment Revenue		Segment Profit/(Loss) Before Taxation	
	2022 RM million	**2021 RM million**	**2022 RM million**	**2021 RM million**
Multi Utilities Business (Merchant)	**12,721.0**	6,014.5	**415.9**	275.3
Water & Sewerage	**4,109.5**	3,778.1	**378.0**	493.8
Telecommunications Business	**678.0**	541.4	**(196.7)**	(191.4)
Power Generation (Contracted)	**-**	261.1	**4.9**	35.2
Investment Holding Activities	**296.2**	189.6	**770.5**	20.9
	17,804.7	10,784.7	**1,372.6**	633.8

Management Discussion & Analysis
FINANCIAL REVIEW

Breakdown of Revenue by Segment - FY2022 *(RM million)*



Breakdown of Profit/(Loss) Before Taxation by Segment - FY2022 *(RM million)*



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

Multi Utilities Business (Merchant)

The Multi Utilities Business (Merchant) segment recorded higher revenue of RM12,721.0 million for the financial year under review compared to RM6,014.5 million for the previous financial year mainly due to higher pool and fuel oil prices. The increase in profit before taxation to RM415.9 million this year compared to RM275.3 million last year was primarily the result of higher pool gains and retail margins.

Water & Sewerage

The Water & Sewerage segment recorded higher revenue of RM4,109.5 million for the financial year under review over RM3,778.1 million last year mainly due to improved trading and new contracts within the non-household retail market. Lower profit before taxation of RM378.0 million this year compared to RM493.8 million last year was primarily due to interest accretion on index-linked bonds and environmental obligations.

Telecommunications Business

The Telecommunications Business segment recorded higher revenue of RM678.0 million this year over RM541.4 million last year attributable mainly to the growth in the subscriber base resulting from affordable data plans bolstered by partnerships and collaborations, whilst the loss before taxation for the financial year under review approximated that of the preceding year.

Power Generation (Contracted)

Following expiry of the extended power purchase agreement for the Paka Power Station on 30 June 2021, the Power Generation (Contracted) segment recorded no revenue and lower profit before taxation for the financial year under review, compared to RM261.1 million and RM35.2 million, respectively, for the previous financial year.

Investment Holding Activities

The Investment Holding Activities segment recorded higher revenue of RM296.2 million this year compared to RM189.6 million last year resulting primarily from higher sales recorded from the Brabazon project in the UK and higher rental income. The increase in profit before taxation to RM770.5 million for the financial year under review compared to RM20.9 million last year was mainly due to the gain on disposal of the Group's investment in ElectraNet Pty Ltd, partially offset by project development costs written off.

DIVIDENDS

The dividends paid by the Company since the end of the last financial year are as follows:

	RM'000
In respect of the financial year ended 30 June 2021: - Second interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	**202,554**
In respect of the financial year ended 30 June 2022: - First interim dividend of 2.0 sen per ordinary share paid on 29 June 2022	**162,043**

On 25 August 2022, the Board of Directors of YTL Power ("Board") declared a second interim dividend of 2.5 sen per ordinary share in respect of the financial year ended 30 June 2022 with book closure and payment dates of 11 November 2022 and 29 November 2022, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2022.

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 the YTL Power Group and the availability of funds.

CAPITAL MANAGEMENT

The Group's objectives when managing its capital are to safeguard its ability 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total bonds and borrowings	**27,736,838**	30,355,977	**6,145,354**	7,399,572
Less: Cash and bank balances	**(6,880,016)**	(8,592,632)	**(324,551)**	(12,094)
Net debt	**20,856,822**	21,763,345	**5,820,803**	7,387,478
Total equity	**14,057,157**	12,907,425	**14,815,764**	12,942,383
Total capital	**34,913,979**	34,670,770	**20,636,567**	20,329,861
Gearing ratio	**60%**	63%	**28%**	36%

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, which amounted to RM1,206,981,967 (2021: RM1,135,360,000). 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 must not be 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 2022 of RM14.3 billion.

Management Discussion & Analysis

SIGNIFICANT CORPORATE DEVELOPMENTS

ACQUISITION OF POWER PLANT & ASSOCIATED ASSETS OF TUASPRING PTE LTD

As reported last year, YTL Power and its wholly-owned subsidiary, Taser Power Pte Ltd, entered into a put and call option agreement on 12 March 2020 for the acquisition of the power plant and associated assets of Tuaspring Pte Ltd ("Tuaspring") by YTL PowerSeraya, from the receivers and managers of Tuaspring.

The acquisition was completed on 1 June 2022. The original purchase consideration of SGD331.45 million, which was to be settled via a combination of cash, together with shares and shareholder loans in the holding company of YTL PowerSeraya, was reduced to a purely cash consideration of SGD270.0 million on completion.

ACQUISITION OF KULAI YOUNG ESTATE

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 the Kulai Young Estate in Johor, Malaysia, for a purchase consideration of RM428.8 million which was completed in January 2022. SIPP Power Sdn Bhd intends to develop the land into a large-scale solar power facility with a generation capacity of up to 500 MW. This is in line with the Group's shift towards investing in more sustainable, renewable energy solutions moving forward.

DIVESTMENT OF 33.5% STAKE IN ELECTRANET PTY LTD

On 8 February 2022, YTL Power and its wholly-owned subsidiary, YTL Power Investments Limited ("YTLPIL"), entered into a share purchase agreement with Australian Utilities Pty Ltd, as trustee of Australia Utilities Trust ("Buyer") pursuant to which YTLPIL agreed to sell, and the Buyer agreed to buy, 3,350 fully paid ordinary shares comprising a 33.5% equity interest in ElectraNet Pty Ltd ("ElectraNet"), 3,300 shareholder loan notes and 2,550 preferred loan notes issued by ElectraNet to YTLPIL under a loan note facility agreement and 26,278,794 subsidiary shareholder loan notes issued by ElectraNet Transmission Investments Pty Ltd, a wholly-owned subsidiary of ElectraNet, to YTLPIL under a loan note facility agreement, for a total sale consideration of AUD1,026.0 million. The divestment was completed on 23 March 2022.

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 combined-cycle plants, co-generation combined-cycle plants and steam turbine plants.

Situated on Jurong Island, Singapore's oil, gas and petrochemicals hub, YTL PowerSeraya is a diversified energy company with a core business centered 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 8,913 gigawatt hours (GWh) of electricity, whilst generation market share saw a slight 0.01% decrease as compared to 17.16% in the previous financial year. Global energy prices have risen due to the worldwide energy crunch of high demand and tight supply conditions. Similar demand and supply factors saw greater volatility of prices in the Singapore wholesale electricity market. The tight supply of natural gas has also led to more frequent operational adjustments for the generation plants, such as hot-switching to alternative fuels, to ensure the stability of electricity supply commitments to the market.

Despite having to navigate the tail-end of strict COVID-19 restrictions on the availability of specialist manpower and resources, the Group has continued to achieve major milestones like the timely completion of major and minor maintenance inspection activities on its combined cycle and co-generation power plant units.

YTL PowerSeraya successfully completed the acquisition of the Tuaspring power plant during the year under review and ensured a smooth takeover of the operations. This has increased the Group's generation portfolio, facilitating knowledge expansion and providing greater flexibility in operation and maintenance.

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

Retail

YTL PowerSeraya's retail brand, Geneco, held an electricity retail market share of 12.2% for the financial year under review (calculated based on retail volume as a percentage over total system demand) with sales volumes of 6,709 GWh. The retail business comprises customers from the residential, commercial and industrial sectors.

During the year, Geneco launched Power Eco Add-on, Singapore's first-and-only customisable green add-on for an electricity plan for its residential customers. These customised energy options highlight Geneco's continued commitment in moving towards a sustainable energy future, alongside the Singapore Green Plan 2030.

Fuel Management

YTL PowerSeraya's fuel management arm managed to pull in a steady performance despite continuous challenges in the oil industry created by the pandemic and the military conflict between Russia and Ukraine causing a steep backwardation of both the fuel oil and diesel markets.

The division handled 7.48 million metric tonnes of fuel oil and diesel for the year under review. The number of berthings for bunkering and cargo vessels saw 644 vessels berthed at the terminal this year, compared to 552 vessels last year.

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.

OPERATIONAL REVIEW

Despite challenging operating conditions during the year under review, Wessex Water's performance remained resilient and in line with expectations. The division continues to perform highly on outcomes for customers, communities and the environment with very positive results this year.

Wessex Water has an industry-leading customer experience track record and, in 2021, topped the water and sewerage company ranking in Ofwat's customer experience league table, C-MeX.

Safe, healthy drinking water is a top customer priority and compliance with drinking water standards was the best it has ever been with a score of 0.37. The length of time to deal with unplanned interruptions to supply fell to less than half the sector average.

Wessex Water achieved 100% compliance this year on discharges to the water environment from its water recycling centers as well as the reduction in pollution incidents. An intelligent blockage detection system was installed which helped reduce pollutions from 87 in 2020, to 72 in 2021.

Preventing sewer flooding remains a priority. The division recorded 182 incidents last year, within its target, but is working to further improve in this area.

As well as responding to changing expectations on storm overflows and river water quality, Wessex Water has continued to maintain its focus on delivering other long-term environmental outcomes.

Greenhouse gas emissions and electricity use fell during the year under review. Wessex Water has published a comprehensive route map setting out its plans to meet the industry-wide target of net zero operational carbon emissions by 2030 and net zero total carbon for the entire business by 2040, 10 years ahead of the target for the UK as a whole, and remains on track to deliver its targeted outcomes.

Telecommunications Business

SEGMENT OVERVIEW

YTL Power owns a 60% stake in YTL Comms, which owns and operates the Yes nationwide platform, providing 4G and 5G services.

OPERATIONAL REVIEW

Continuing to be at the forefront of technological innovation, YTL Comms became the first telecommunications company in Malaysia to launch 5G services to consumers in December 2021 with its "First-To-5G" (FT5G) plans.

The Yes FT5G Prepaid Plans allowed Malaysians to experience Free Unlimited 5G for up to 30 days from the date of activation of the SIM card and continue to enjoy the service thereafter by subscribing to Yes. The Yes FT5G plans were well received by consumers who were able to take advantage of average download speeds of greater than 600Mbps, which ranks competitively against global benchmarks.

Building on this excitement, YTL Comms announced the refresh of its Yes brand on 27 May 2022. The brand refresh commits to Yes' mission to create a platform built on 5G that brings innovation and opens a world of possibilities, to unlock the power of high-speed 5G experiences for everyone. With the launch of this campaign, Yes pledged to lower barriers to entry which enables affordable 5G access to all Malaysians.

In conjunction with the rebrand, Yes organised a media launch called "Yes 5G for All" on the same day which was officiated by Minister of Communications and Multimedia, YB Tan Sri Datuk Seri Panglima Haji Annuar Musa, and Chairman of MCMC, Dr. Fadhlullah Suhaimi Abdul Malek. The "5G for All" media launch unveiled the Yes Infinite plans mobile plans which are 300% cheaper and more than 20 times faster than existing 4G plans, making them the cheapest and fastest unlimited 5G + 4G plans in the world. Additionally, the Yes Infinite+ plan offers customers a free 5G smartphone with no upfront payment and unlimited full speed 5G + 4G data and calls from RM58 per month onwards.

On 23 July 2022, Prime Minister YAB Dato' Sri Ismail Sabri bin Yaakob officiated the launch of the Ketereh Digital Hub which is powered by Yes 5G connectivity, partnered with Shopee, to empower local entrepreneurs and small traders selected from the Keluarga Malaysia Digital Economy Centres (PEDi) to get training in producing content and to experience online platforms that allow access to the global market.

New Yes Wireless Fibre 5G plans were unveiled in conjunction with the launch of 5G commercial services in Penang in September 2022. The Yes Wireless Fibre 5G plans are the first-ever 5G Fixed Wireless Access (FWA) plans in Malaysia that come with a free 5G portable router that provides unlimited 5G data to Malaysian homes without the hassle of a wired broadband installation.

Yes continues to launch its series of initiatives and affordable 5G plans to ensure that the Rakyat is able to experience Yes 5G connectivity which opens up a world of infinite possibilities to all Malaysians. This will not only play an important role in boosting Malaysia's digital economy post-pandemic but also symbolises Yes' commitment to make 5G more affordable and accessible for all Malaysians—Yes 5G for All.

Power Generation (Contracted)

SEGMENT OVERVIEW

The Group has embarked on the development of a solar power facility with a generation capacity of up to 500 MW in Johor, Malaysia.

OPERATIONAL REVIEW

The Group completed the acquisition of the Kulai Young Estate in Johor in January 2022 and intends to develop the land into a large-scale solar power facility with a generation capacity of up to 500 MW. This is in line with the Group's shift towards investing in more sustainable, renewable energy solutions moving forward.

Investment Holding Activities

SEGMENT OVERVIEW

The YTL Power Group is undertaking the development of green data centers in Malaysia and Singapore via its wholly-owned subsidiary, YTL Data Center Holdings Pte Ltd ("YTLDC"), as well as digital banking in Malaysia. In the UK, the Group is developing Brabazon Bristol, a 380-acre residential and commercial project. The Group also has a 45% equity interest in APCO, which is developing a 554 MW oil shale-fired project in Jordan, and an effective interest of 20% in Jawa Power, which owns a 1,220 MW coal-fired power station in Java, Indonesia.

OPERATIONAL REVIEW

Data Centers

The Group has embarked on the development of the YTL Green Data Center Park in Kulai, Johor. This will be the first data center campus in Malaysia to be co-powered by on-site renewable solar energy. The Group is progressing with partnerships with Sea Limited as a co-locator and Chinese data center developer, GDS Holdings Limited, one of the largest data center companies globally, to anchor and jointly develop the initial phases of this world-class green facility.

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

YTLDC and Sea Limited broke ground on the development of the Sea Data Center in August 2022, marking the first phase of the YTL Green Data Center Park. This first phase will be a Tier-III certified facility equipped with best-in-class green power and connectivity which will be able to accommodate up to 72 MW of capacity.

In December 2021, AP1 Pte Ltd, a 50%-owned joint venture of the Group completed the acquisition of Dodid Pte Ltd ("Dodid"), the owner of a 12.5 MW Tier-III data center in Singapore. Built and commissioned in 2018, Dodid is a green, state-of-the-art facility that serves the largest hyperscale customers in Asia. This marked YTLDC's first foray into the data center industry outside Malaysia, as it moves towards establishing a regional data center platform in Southeast Asia.

YTLDC is working closely with YTL PowerSeraya and its retail arm, Geneco, on green energy solutions to enable the data center to be run on renewable energy.

Work is also underway to expand and upgrade the Group's 5 MW data center facility in Sentul, Kuala Lumpur, to Tier-III standards, offering customers a strategically located site in the heart of Kuala Lumpur with close proximity to key internet exchange hubs.

Digital Banking

In April 2022, the Group in consortium with Sea Limited was awarded a digital banking licence by Bank Negara Malaysia. This new venture, which will leverage multiple synergies between the Group and Sea Limited, will enable the Group to further contribute to the growth of Malaysia's digital transformation and broaden access of its citizens to financial services, particularly the underserved and underbanked, as well as micro, small and medium enterprises (MSMEs).

Brabazon

YTL Developments UK Limited ("YTL Developments"), a wholly-owned subsidiary of YTL Power, is undertaking one of the UK's largest master planned developments, located on the former Filton Airfield site. Brabazon Bristol is a 380-acre mixed-use urban development and the Group's first UK property development project.

Masterplan Densification

This year, YTL Developments championed a new masterplan vision to local councils, businesses and community groups, positioning the site to be a best-in-class, pedestrian-first urban development and the regional entertainment destination in the South West. A planning application has been submitted to South Gloucestershire Council to update the masterplan to allow for the increase to up to 6,500 residential homes, 4.4 million sq ft of commercial floor area and about 1.0 million sq ft of educational and community facilities.

Residential

The Hangar District is the first residential phase of Brabazon, comprising 302 units apportioned to 127 landed and 175 apartment units. Despite unprecedented pandemic-related disruptions, the division continued to deliver homes and has successfully secured consistent sales. This maiden residential parcel is targeted to be completed in stages in 2024. All open market homes have been sold in staggered releases, off-plan with zero voids accrued to date.

YTL Developments has been honoured with several awards in recognition of the vision and delivery of its maiden residential project, namely, *Large Residential Development of the Year – Insider South West Property Awards 2022; Place-making – Insider South West Property Awards 2022; Residential Developer of the Year – Bristol Property Awards 2021;* and *Sustainability – Insider South West Property Awards 2021.*

Community & Infrastructure

Part of the Masterplan re-design centers around combining dispersed public open spaces into one consolidated central park to support the densification sustainable management agenda. Upon completion, the 14.4-acre Brabazon Park will earmark the township as having one of the largest parks in the South West with a 3.0-acre lake that forms part of the water attenuation strategy. The expected date of council approval is late 2022.

The delivery of an on-site train station, public square and rail parking will be funded by the West England Combined Authority, the regional municipality. Future expansion plans include a direct connection to the Parkway train station with an onward connection to London in 1 hour 12 mins. The station design has been upgraded to cater for the YTL Arena, which will now allow up to 2,000 people on an event night using the station. The square has also been enlarged to cater for event days.

Management Discussion & Analysis
SEGMENTAL REVIEW

YTL Arena Bristol

YTL Arena Limited, a wholly-owned subsidiary of YTL Power, is progressing with the development of the 17,080-capacity YTL Arena Bristol, situated at the legendary Brabazon Hangars, the birthplace of the Concorde. In addition to the Arena located in the Central Hangar, planning approval has been received for a Festival Hall tailored to accommodate large conventions and exhibitions in the East Hangar, and in the West Hangar, spaces for small, start-up creative enterprises, with leisure facilities.

The Arena will be a monumental space that hosts exceptional music, cultural and entertainment events with a regional prominence, scheduled to open its doors to the public in 2024.

APCO

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

The global pandemic led to a delay in the project due to travel and movement restrictions imposed by the Jordanian government, with commercial operations for Unit 1 and Unit 2 now expected to commence towards the end of the 2022 calendar year.

When it comes into operation, the 554 MW power plant will be the first 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%).

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. Operation and maintenance (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 87.58% for its financial year ended 31 December 2021 and 93.74% availability for the six months ended 30 June 2022. The station generated 8,699 GWh of electricity for its financial year compared to 7,263 GWh for its previous financial year, for its sole offtaker, PLN.

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 stakeholders. 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.

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.

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 and regulatory considerations

Like all other businesses, adverse developments in political, economic and regulatory conditions in Malaysia, Singapore, the UK, Indonesia, Jordan, the Netherlands and other overseas markets in which the Group from time to time has operations or investments 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 the 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.

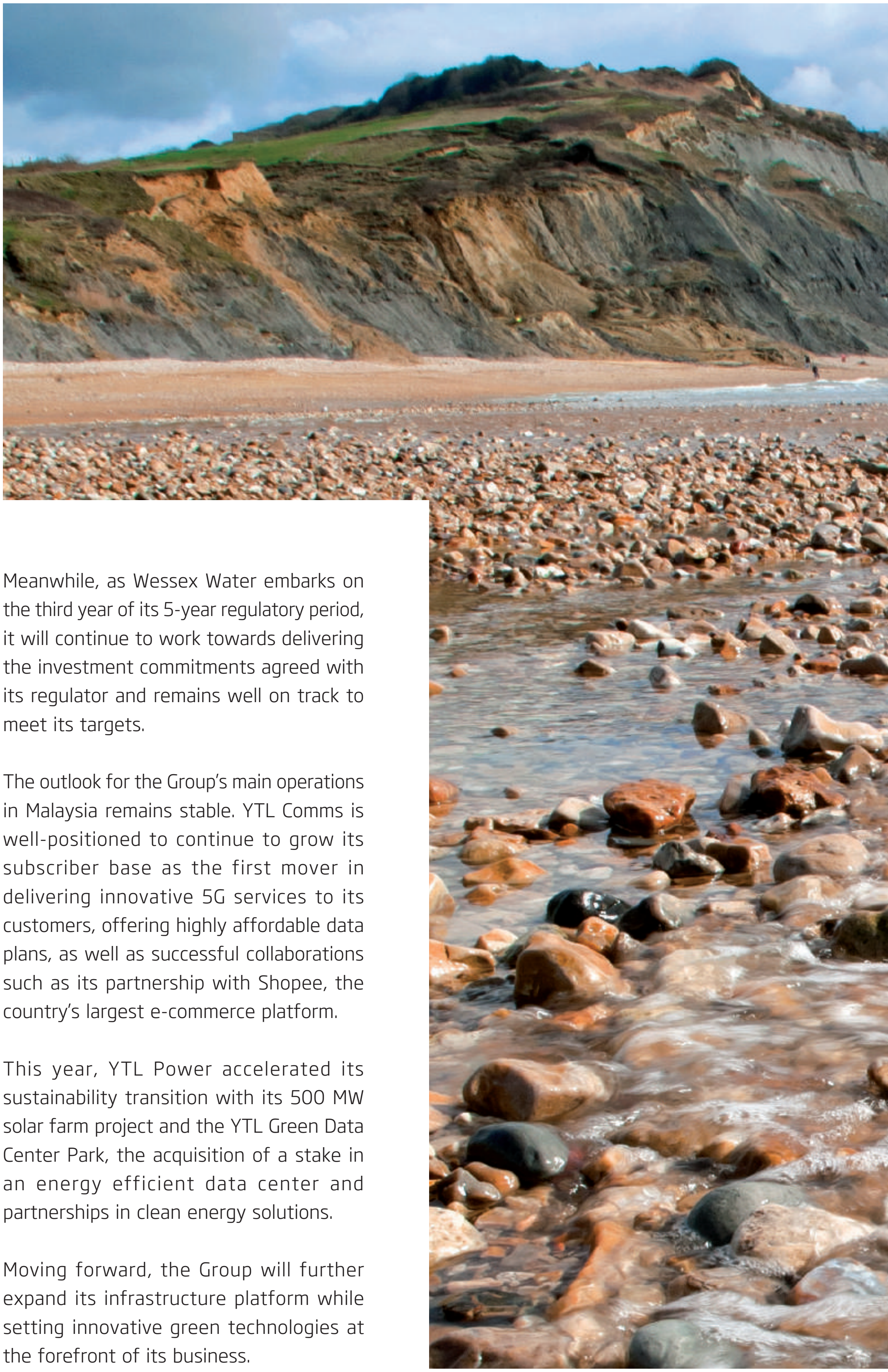
Environmental and climate-related risks

Environmental and climate-related risks include transition risks, which may arise from legal, regulatory, policy, technological and market changes to address climate mitigation and adaptation, and physical risks resulting from climate change which may arise from extreme weather events or longer-term shifts in weather patterns, causing adverse impacts including operational disruptions and physical damage to assets.

The Group has a long-standing commitment to ensuring that its businesses are viable and sustainable on a long-term basis. In the short term, the Group will continue to monitor, manage and offset its carbon emissions and optimise resource management, and take guidance from domestic and international policies to keep abreast of developments in climate change and environmental issues, whilst over the long term, the Group will continue to incorporate climate-related risks and opportunities into its business model, operations and engagements with various stakeholders.

Further information on the Group's actions in managing these matters can be found in the *Environmental, Social & Governance Report* in this Annual Report.

OUTLOOK



The global economy is expected to continue on its path towards recovery as economies progressively reopen and transition towards normalcy. Whilst a resurgence of the COVID-19 pandemic and the emergence of new variants continue to be key risks, the impact is expected to be smaller than in previous years, owing to vaccine rollout programmes and improved management and mitigation measures. The military conflict in Ukraine, disruptions in commodity supply, a slower-than-expected global recovery and elevated inflationary pressures weigh on global growth prospects (*source: Bank Negara Malaysia updates*).

In Singapore, YTL PowerSeraya has successfully navigated the challenging conditions in the energy sector. Power generation is an essential service and electricity demand is expected to remain stable moving forward. In addition, the acquisition of Tuaspring, the newest combined cycle power plant in Singapore, is a natural extension of the Group's existing multi-utilities operations and is expected to continue to contribute positively to future earnings.

Meanwhile, as Wessex Water embarks on the third year of its 5-year regulatory period, it will continue to work towards delivering the investment commitments agreed with its regulator and remains well on track to meet its targets.

The outlook for the Group's main operations in Malaysia remains stable. YTL Comms is well-positioned to continue to grow its subscriber base as the first mover in delivering innovative 5G services to its customers, offering highly affordable data plans, as well as successful collaborations such as its partnership with Shopee, the country's largest e-commerce platform.

This year, YTL Power accelerated its sustainability transition with its 500 MW solar farm project and the YTL Green Data Center Park, the acquisition of a stake in an energy efficient data center and partnerships in clean energy solutions.

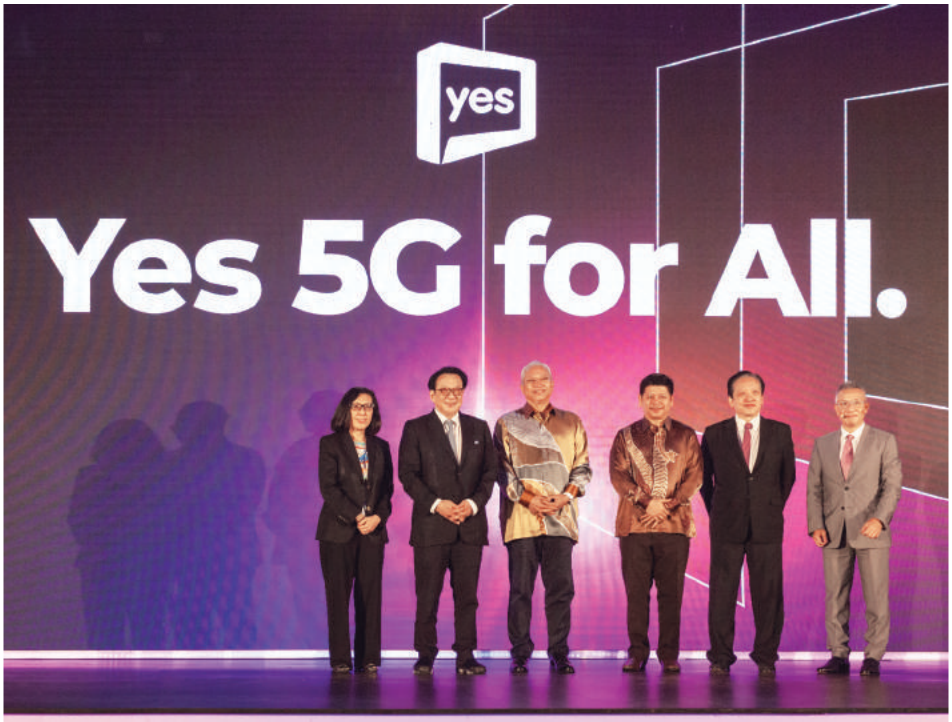
Moving forward, the Group will further expand its infrastructure platform while setting innovative green technologies at the forefront of its business.

Corporate Events

15 December 2021

Yes #FirstTo5G Trailblazes 5G Access in Malaysia

Together with Digital Nasional Bhd's pilot launch of Malaysia's 5G wholesale services in the Klang Valley, YTL Communications Sdn Bhd, a subsidiary of YTL Power International Berhad, launched its 5G services, becoming the first telco in Malaysia to offer 5G access to its customers. In May 2022, Yes followed up with the launch of '5G for All', paving the way for Malaysians to have access to 5G anytime, anywhere through its Infinite and Infinite+ mobile plans.



Above: Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd, introducing the pilot launch

From left to right: Dato' Yeoh Soo Keng, Executive Director of YTL Power International Berhad; Tan Sri (Sir) Francis Yeoh Sock Ping, Executive Chairman of YTL Power International Berhad; Tan Sri Datuk Seri Panglima Haji Annuar Musa, Minister of Communications and Multimedia; Dr Fadhlullah Suhaimi Abdul Malek, former Chairman of the Malaysian Communications and Multimedia Commission; Dato' Yeoh Seok Hong, Managing Director of YTL Power International Berhad; and Mr Wing K Lee, Chief Executive Officer of YTL Communications Sdn Bhd

20 December 2021

Acquisition of Minority Stake in 12.5 MW Green Hyperscale Data Centre in Singapore

In December, AP1 Pte Ltd, a joint venture of YTL Power International Berhad's wholly-owned subsidiary, YTL Data Center Holdings Pte Ltd, acquired Dodid Pte Ltd, owner of a 12.5 MW, Tier-III data center in Singapore. Built and commissioned in 2018, the green, state-of-the-art facility serves the largest hyperscale customers in Asia.

27 April 2022

YTL Power International Berhad Partners GDS Holdings Limited on 168 MW Data Center Development

YTL Power International Berhad and GDS Holdings Limited (GDS), a leading developer and operator of high-performance data centers in China, signed a partnership to co-develop 168 MW of data centre capacity, across 8 individual facilities, at the upcoming YTL Green Data Center Park in Johor, Malaysia.

Mr William Wei Huang (left), Chairman & Chief Executive Officer of GDS, and Mr Yeoh Keong Hann (right), Director of YTL Power Generation Sdn Bhd

24 June 2022

Learn From Home Wins People's Choice Award at AVPN Constellations Awards 2022

YTL Foundation's Learn From Home programme was awarded the People's Choice Award at the Constellations Awards 2022 by the Asian Venture Philanthropy Network (AVPN), Asia's leading social investment network. The programme's partners include YTL Power International Berhad's subsidiaries, FrogAsia Sdn Bhd and YTL Communications Sdn Bhd, Teach for Malaysia, MyReaders, Pelangi, Kindity and CIMB Foundation.

Dato' Kathleen Chew Wai Lin (second from left), Programme Director of YTL Foundation and Group Legal Counsel for YTL Power International Berhad, received the award on behalf of the Learn From Home programme

25 August 2022

YTL Green Data Center Park Ground-Breaking Ceremony

YTL Power International Berhad, through its subsidiary, YTL Data Center Holdings Pte Ltd, and Sea Limited, the parent company of Shopee, celebrated a milestone with the ground-breaking for the development of the Sea Data Center in Kulai, marking the first phase of the 500 MW YTL Green Data Center Park. The first phase will be a Tier-III certified facility equipped with best-in-class green power and connectivity which will be able to accommodate up to 72 MW of capacity.

From left to right: Ms Lim Bee Vian, Deputy Chief Executive Officer (Investment Development), Malaysian Investment Development Authority; YB Tuan Ir Ts Mohamad Fazli bin Mohamad Salleh, Chairman, Johor Public Works, Transport & Infrastructure Committee; YB Dato' Haji Mohd Jafni bin Md Shukor, Johor State Committee Chairman of Housing & Local Government; YB Tan Sri Dato' Dr Haji Azmi Bin Rohani, State Secretary of Johor; YAB Dato' Onn Hafiz Ghazi, Menteri Besar of Johor; Datuk Daing A Malek Bin Daing A Rahaman, Chairman of SIPP Power Sdn Bhd; Dato' Yeoh Seok Hong, Managing Director of YTL Power International Berhad; Mr Ye Gang, Co-founder & Group Chief Operating Officer, Sea Limited; and Tuan Haji Natazha Bin Hariss, Yang Dipertua of Kulai Municipal Council

YTL Power
YTL GROUP

2022 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

About This Report

REPORTING SCOPE & BOUNDARY

This report provides an overview of the environmental, social and governance ("ESG") performance of YTL Power International Berhad ("YTL Power") and our subsidiaries ("YTL Power Group" or "Group") across our core operating assets where we have financial control, in line with our financial reporting. The report covers the financial year ended 30 June 2022 ("FY2022"), unless otherwise specified, and where there is readily available data.

In previous years, we reported our ESG performance in the "*Managing Sustainability*" section of our annual reports. This year, we have amalgamated our environmental, social and governance reporting into a more comprehensive ESG Report, with a view to communicating more clearly with our stakeholders on this vital agenda going forward.

The environmental data in this report covers YTL Power and the operating subsidiaries which contributed to approximately 90% of our Group's consolidated revenue for the financial year under review, where there is readily available data in place. For FY2022, these subsidiaries were:

Multi Utilities Business (Merchant)	Water & Sewerage	Telecommunications Business
YTL PowerSeraya Pte Limited and its subsidiaries ("YTL PowerSeraya")	Wessex Water Services Limited ("Wessex Water")*	YTL Communications Sdn Bhd ("YTL Comms")

* *Wessex Water is a wholly-owned subsidiary of Wessex Water Limited, which together with its subsidiaries, is referred to as the "Wessex Group" in this report. Environmental data for Wessex Water is compiled based on its regulatory year from 1 April to 31 March.*

We continue to work towards improving processes to track and gather our environmental data, in addition to continuing efforts to effectively standardise the data collected over different countries and industries in order to reflect our environmental indicators on a Group level. As such, this remains an area of ongoing development.

Where relevant, information and initiatives from our newer ventures that are still under development are also included in this report. These include YTL Developments (UK) Limited ("YTL Developments"), which is undertaking our Brabazon project in the United Kingdom (UK), YTL Data Centers Pte Holdings Limited ("YTL Data Centers"), the vehicle for our data center business in Malaysia and Singapore, and information about our new solar power generation business in Malaysia.

The workforce data refers to all employees of the YTL Power Group, unless specified otherwise.

The full list of our subsidiaries can be found in *Note 14* of the *Financial Statements* in this Annual Report. Associated companies, joint ventures and other operations where we do not have financial and/or operational control are excluded. Where material, any newly acquired subsidiaries are included upon the availability of a full year of data corresponding with YTL Power's financial year, whilst subsidiaries divested during the financial year are excluded from the report.

REPORTING FRAMEWORK, REFERENCE & GUIDELINES

This report is aligned with and was prepared with reference to the following requirements, guidance, principles and assessments:

- Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Malaysian Code on Corporate Governance ("CG Code") issued by the Securities Commission Malaysia
- Bursa Securities' Sustainability Reporting Guide and Corporate Governance Guide
- FTSE4Good Bursa Malaysia Index assessment methodology
- Global Reporting Initiative ("GRI") Sustainability Reporting Standards issued by the Global Sustainability Standards Board
- The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") issued by the World Business Council for Sustainable Development and the World Resources Institute
- United Nations Global Sustainable Development Goals ("UN SDGs")

ADDITIONAL INFORMATION

Restatements

There have been no material restatements this year of previously reported information.

Data Validation & Assurance

The information and performance data presented in this report has been verified using internal sources for their accuracy. The process of standardising data collected across operations in different jurisdictions and industries, and developing and implementing stronger data tracking and gathering mechanisms is an ongoing internal initiative in order to address data collection challenges relating to our ESG indicators and enhance the reporting process for non-financial information.

We have not undertaken third-party assurance for non-financial data. However, seeking external assurance remains under consideration for future reports.

This report was prepared by YTL Power's ESG Committee and approved by the Board of Directors of YTL Power ("Board") on 29 September 2022.

Further Information

References in this report to our website are to our corporate website at www.ytlpowerinternational.com.

Reports and other documents referenced in this report can be found in the *'ESG'* section of our website.

As our Group operates in various other jurisdictions with different environmental and labour laws, regulations and standards, our subsidiaries also produce their own reports, available on their official websites listed below, which provide much more detailed information about their ESG matters and progress.

- YTL PowerSeraya – www.ytlpowerseraya.com.sg
- Wessex Water – www.wessexwater.co.uk

Information on the YTL Power Group's ESG performance is also included in the *YTL Group Sustainability Report*, which is issued annually and can be accessed from the YTL Group's Sustainability website at www.ytl.com/sustainability.

Forward-Looking Statements

This report contains forward-looking statements related to future expectations. These statements are premised on current assumptions and circumstances that are subject to change. Although we believe that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from expectations expressed or implied in such forward-looking statements.

Contact

We welcome feedback and suggestions from our stakeholders. For any questions about this report, please contact:

Sustainability Division
YTL Power International Berhad
Email: sustainability@ytl.com

Managing Sustainability

As ESG 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 strive to develop our businesses responsibly to protect the environment and enhance the wider communities where we operate for the benefit of all our stakeholders and future generations.

Our approach centers on our long-standing strategy of building and operating strong businesses that are viable and sustainable on a long-term basis to create lasting value for all our stakeholders.

Our framework draws together our economic, environmental, social and governance strategies and ambitions in an inclusive and integrated manner, and lays down a strong foundation for our current and future roadmap to achieve our ESG objectives in a holistic manner.

Our Framework

Our Purpose	TO PROVIDE UTILITIES THAT ARE ESSENTIAL FOR DAILY LIFE AND THE GROWTH AND DEVELOPMENT OF RESILIENT COMMUNITIES					
Our Ethos & Values *Building the Right Thing*	HONESTY	HARD WORK	MORAL RESPONSIBILITY	TOGETHERNESS	VITALITY	
Pillars of our commitment	FINANCIAL RESILIENCE	ENVIRONMENTAL STEWARDSHIP	SOCIETAL ENRICHMENT			RESPONSIBLE GOVERNANCE
			CUSTOMERS	PEOPLE	COMMUNITIES	
Based on **Our Mission**	Building & operating strong, sustainable multi-utility businesses & developing advanced energy solutions that create lasting value for all our stakeholders	Protecting & improving the environment to build a better future	Providing reliable, affordable services for all customers and communities	Providing our people with the opportunity to develop their potential & ensuring their well-being	Investing for the long term in our communities for the benefit all our stakeholders	Being a trusted, reliable and financially strong corporate citizen

Aligned with **UN SDGs**

ABOUT OUR ORGANISATION

YTL Power is listed on the Main Market of Bursa Securities under the Gas, Water & Multi-Utilities sub-sector of the Utilities sector. We are a public company incorporated in Malaysia, with our corporate headquarters situated in Kuala Lumpur. As at 30 June 2022, our Group had about 4,500 employees.

The YTL Power Group is an international multi-utility owner and operator, active across key segments of the utilities industry, with a long-standing commitment to pursuing high standards and industry best practices in managing our ESG performance.

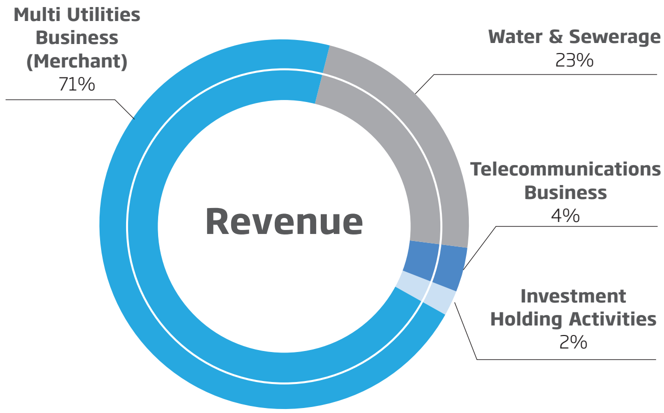
A snapshot of our economic performance indicators for the past two financial years is set out below:

	2022 RM million	2021 RM million
Revenue	**17,804.7**	10,784.7
Profit before taxation	**1,372.6**	633.8
Payments to shareholders – dividends	**364.6**	162.0
Payments to employees – wages & benefits	**650.3**	655.9
Payments to lenders	**880.8**	833.5
Payments to governments – income tax	**73.1**	66.0
Retained earnings	**8,016.1**	6,765.3

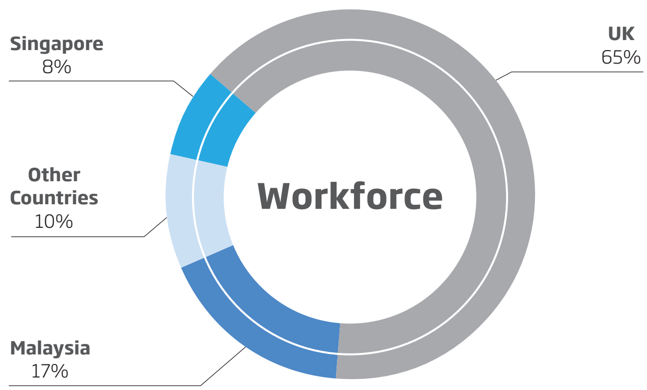
Our Group's reportable segments and geographic presence are as follows:

Singapore	UK	Malaysia		Other Countries
Multi Utilities Business (Merchant) Generation & sale of electricity, tank leasing, bunkering and sale of fuel oil, sale of steam, natural gas & water	**Water & Sewerage** Supply of water, provision of waste water & related services	**Telecommunications Business** Provision of 4G & 5G wireless and wired broadband and telecommunications infrastructure services	**Power Generation (Contracted)**[1] Power generation	**Investment Holding Activities** Investment holding, financing & management services

[1] *Following the completion of the power purchase agreement for Paka Power Station on 30 June 2021, there was no revenue reported for our Power Generation (Contracted) segment for the financial year under review. The segment currently has under development a solar power generation project of up to 500 MW which is not yet operational.*



FY2022 Contribution to YTL Power Group



FY2022 Contribution to YTL Power Group

OUR COMMITMENT

Our core operations comprise the provision of utility services that are essential for daily life and support the growth, development and resilience of the communities where we operate.

A snapshot of YTL Power Group's key ESG priorities, objectives and targets derived from our ongoing materiality assessment process, which is described in greater detail in ensuing sections of this report, is set out below.

Mission	**ENVIRONMENTAL STEWARDSHIP**		**SOCIETAL ENRICHMENT**			**RESPONSIBLE GOVERNANCE**	
	Protecting & improving the environment to build a better future		**CUSTOMERS** Providing reliable, affordable services for all customers and communities	**COMMUNITIES** Investing for the long term in our communities for the benefit all our stakeholders	**PEOPLE** Providing our people with the opportunity to develop their potential & ensuring their well-being	Being a trusted, reliable and financially strong corporate citizen	
Priorities & Objectives	**Low Carbon**	**Resource Management**	**Excellent Services**	**Community Enhancement**	**Safe & Decent Workplace**	**Transparency & Accountability**	
	Transition towards low carbon economy by embracing energy efficiency & adoption of clean energy	Embrace innovation to create sustainable solutions towards effective resource management	Deliver ongoing improvements to services to enhance customer health & well-being	Strengthen development initiatives & engagement with local communities	Create a positive, safe & fulfilling work environment to attract & support talent Advocate diversity & fairness at all levels	Operational resilience and sustainable value creation Sound risk management Strengthen reporting quality, disclosures, boundary & scope	
Outcomes	Net zero/ carbon neutrality in operations by 2050	Effective & lean resource management	Great customer experience with high satisfaction levels	Strong & resilient communities	Inclusive, safe & equitable working environment	Well-managed, ethical & transparent conduct	Resilient financial stewardship

Managing Sustainability

Our roots lie in our origins as Malaysia's first independent power producer (IPP), with two natural gas-fired power stations in Paka and Pasir Gudang, addressing the power shortages facing the country in the mid-1990s, utilising one of the least carbon intensive fossil fuels commercially available at the time.

Today, our operations encompass water and sewerage services in the UK, power generation and multi-utility operations in Singapore and high-speed telecommunications in Malaysia, as well as investment holding activities in the UK, Jordan, Netherlands and Indonesia. Ventures under development by our subsidiaries include the Brabazon property project in the UK, solar energy and green data centers, as well as digital banking. This is in line with our shift towards renewables and sustainable energy solutions.

YTL Power is a key subsidiary of the YTL Corporation Berhad ("YTL Corp") group of companies ("YTL Group") and our ESG commitment is reflected in the YTL Group-wide ethos of 'Building the Right Thing'. This commitment is embedded in our value chain and business practices to create positive long-term impacts for our stakeholders. There is also regular assessment, review and feedback of ESG issues in line with the YTL Group's practices and policies.

Our future success and reputation will continue to be shaped and measured not only by our economic performance, but will also be 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 commitment to sustainable practices is a fundamental component of our strategies to achieve our growth objectives and balance business opportunities and risks to create lasting value for all stakeholders.

GOVERNANCE STRUCTURE

The Board is the highest governance body in our organisation, responsible for overseeing the conduct of our Group's business operations and financial performance, including the economic, environmental and social impacts of our operations.

We are committed to achieving our business objectives to deliver sustainable value to stakeholders and across our value chain. As such, we have established a set of well-defined policies and processes to enhance corporate performance and accountability. These are supported by our strict conformance to the applicable laws, rules, regulations and standards in the jurisdictions where we operate.

The YTL Power Group's ESG-related policies in the following areas, including those of the YTL Group to which we adhere, can be found in the *'Governance'* section on our website:

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

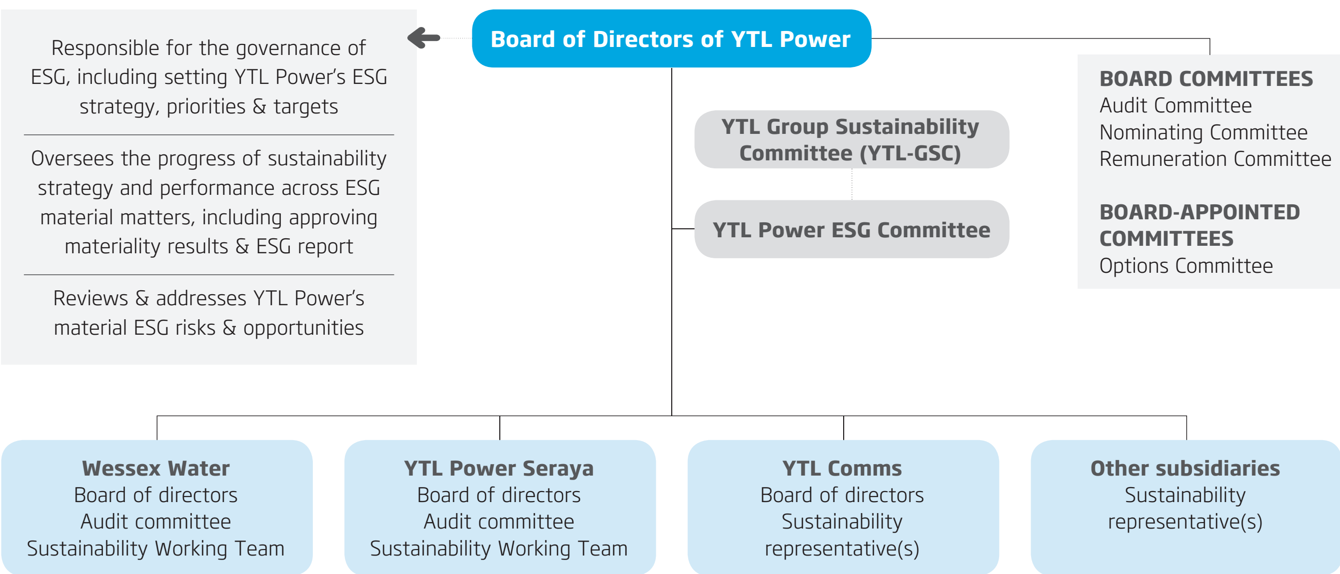
** YTL Group policies*

YTL Power's ESG Committee is chaired by the Group's Managing Director, Dato' Yeoh Seok Hong, and comprises the Heads of our Legal, Corporate Finance and Project Development divisions, together with departmental heads with responsibility for ESG matters from our key subsidiaries.

The ESG Committee supports the Board to set the high-level ESG direction and strategic focus, oversees the implementation of ESG strategies and related matters and reviews, and monitors and provides the Group's ESG strategic plans and initiatives across our value chain. The ESG Committee reports to the Board on an annual basis or more frequently, as and when needed.

As part of the YTL Group, we are also guided by the YTL Group Sustainability Committee ("YTL-GSC") for the implementation and monitoring of our sustainability agenda. YTL-GSC is chaired by Tan Sri (Sir) Francis Yeoh Sock Ping, Executive Chairman of YTL Corp and YTL Power, and comprises representatives from across the YTL Group's sustainability teams, YTL Corp's Sustainability Division and major business units and functional support divisions worldwide.

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



MATERIALITY

Due to the essential nature of the utility services that our Group provides, our key stakeholders encompass a broad range of groups across our operations. These include our employees, customers, suppliers, shareholders, investors, lenders, business partners, industry groups, local communities, regulators and governments in the countries where we operate.

In carrying out this exercise, we reference the GRI reporting principles and guidance. We conduct materiality assessment exercises to help us identify the economic, environmental, social and governance issues that matter most to our business and our stakeholders. The assessment takes into account various factors including our business priorities, stakeholder feedback and the UN SDGs. Our material matters are reviewed and assessed annually as necessary to ensure their continued relevance.

Materiality Assessment Process

STEP 1	Identification of ESG matters	Identification, analysis and review of ESG matters relevant to the business context; benchmarking against standards, evaluations, policies, regulations and best practices in the respective industries
STEP 2	Analysis & prioritisation of findings	Conduct of materiality assessments in focus groups with participation from senior management and heads of business units
STEP 3	Validation & review	Validation of the prioritised key ESG material matters and reporting of results to the Board for consideration and deliberation
STEP 4	Board sign-off	Finalisation of material matters incorporating and addressing Board input; submission to the Board for review and final approval

Stakeholder Engagement

We strive to actively and regularly communicate with our stakeholders through multiple platforms across the organisation for meaningful engagement in order to understand their concerns about the ESG aspects of our businesses, better respond to stakeholders' needs and deliver sustainable value. The stakeholder engagement process focuses on identification and prioritisation of material issues and the periodic review of actions taken to deal with concerns and issues raised.

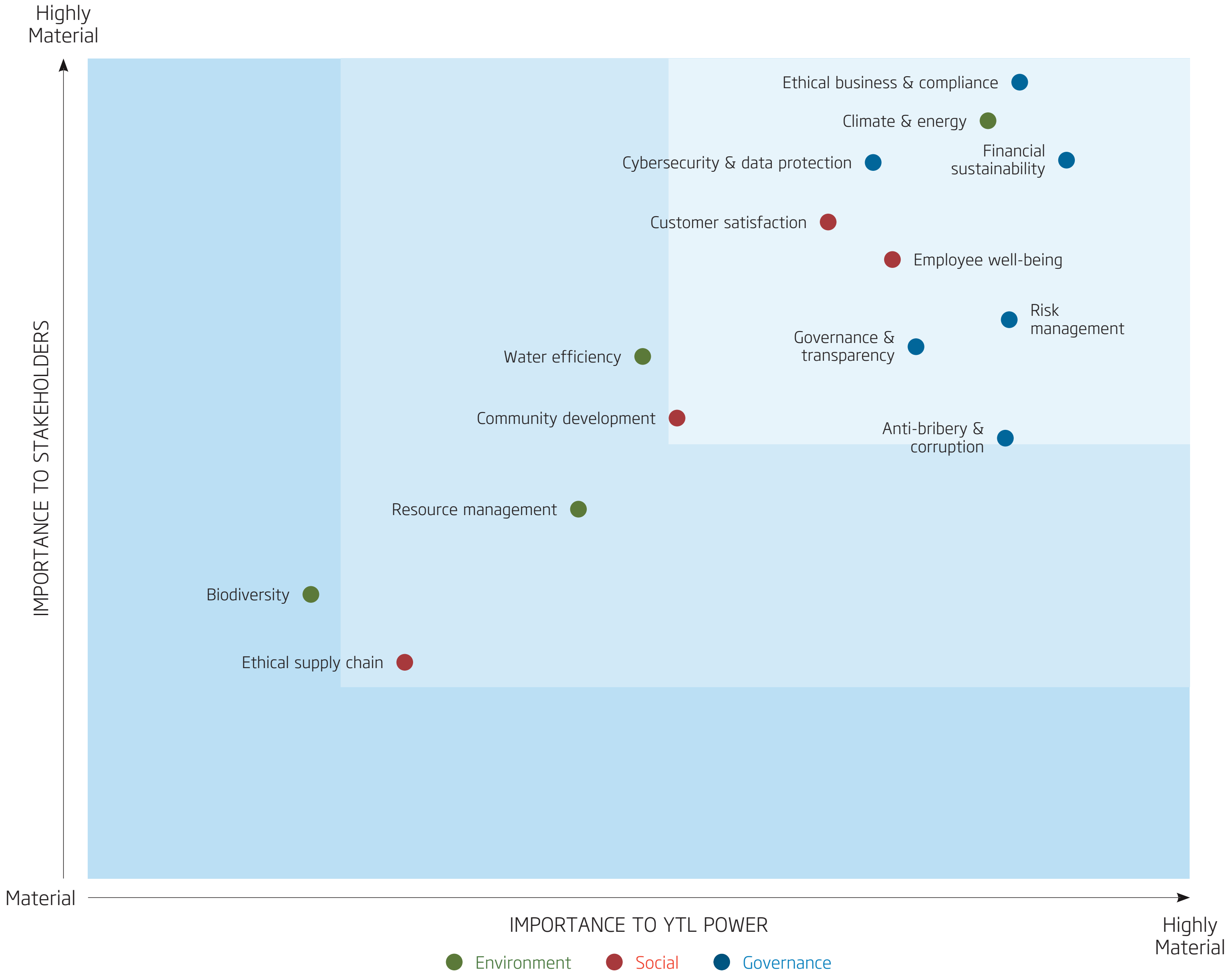
Groups	Modes of Engagement	Frequency	Matters Discussed by Stakeholders
Employees	• Intranet, newsletters, broadcasts • Training, town halls, Leadership Conference • Performance appraisals • Recreational & team-building sessions	Annual/ Quarterly/ Ongoing	• Corporate priorities & vision, core values, ethical conduct • Business strategy & direction • Rewards, recognition, leadership, talent development • Human rights, diversity, inclusion • Well-being & benefits • Workplace health & safety
Customers	• Websites & social media • Marketing/promotional programmes & events • Feedback channels (email, phone calls, hotlines, surveys) • Product launches & roadshows	Ongoing	• Product & service quality • Competitive pricing • Customer experience • Safety & security

Groups	Modes of Engagement	Frequency	Matters Discussed by Stakeholders
Shareholders, Investors, Banks & Lenders	• Annual & extraordinary general meetings • Annual reports, ESG reports, quarterly financial reports • Stock exchange announcements, website updates • Investor relations events, analyst briefings • Regular meetings, networking functions	Annual/ Quarterly/ Ongoing	• Economic performance • Compliance & governance • Company growth & value chain • Business strategy & direction • Financial results
Suppliers, Business Partners & Industry Groups	• Regular meetings, site visits, networking functions • Product launches, roadshows • Supplier briefings, training, workshops • Supplier assessment system	Ongoing	• Compliance with industry best practices, legislation, rules & regulations • Health & safety • Fair treatment of suppliers & business partners • Ethical & responsible conduct • Opportunities for business collaboration
Governments & Regulators	• Official meetings, visits • Industry dialogues, events, seminars • Industry consultation	Ongoing	• Compliance with legislation, rules & regulations • Opportunities for business investment • Community investment
Media	• Press releases • Official launches, corporate events • Websites, social media	Ongoing	• Economic performance, company growth & value chain • Business strategy & direction • New projects and future prospects
Communities	• Community outreach programmes • Charitable contributions • Websites, social media • Local initiatives	Ongoing	• Minimising environmental & social impacts • Community investments including donations, fundraising & volunteering programmes • Project-based initiatives

Materiality Outcomes

In 2022, we reassessed our ESG matters and made the following adjustments in line with the streamlining of our management of these matters:

- 'Scheduled waste disposal' and 'waste management' were merged into 'resource management'
- 'Air emissions' matters were merged into 'climate and energy'
- 'Health and safety', 'employee engagement', 'employee benefits' and 'diversity and anti-discrimination' were expanded more holistically as 'employee well-being'
- 'Products and services' and 'innovation and technology' were merged into 'customer satisfaction'
- 'Local community', 'education' and 'arts and culture' were merged into 'community development'
- 'Sustainable supply chain' has been expanded into 'ethical supply chain'
- 'Customer privacy' was expanded to encompass 'cybersecurity and data protection'



Understanding the Context of our Material Matters

Whilst our Group operates in countries across the globe, the individual businesses are highly localised such that, at present, each key business segment generally operates in a single jurisdiction, area or region. As such, the materiality of ESG concerns, impacts and initiatives differs across business segments depending on their nature, and we then have a high-level Group-wide consolidation process to measure these matters.

Therefore, the matters that are material to our water and sewerage business in the UK will differ from those that affect our merchant multi-utilities business in Singapore or our telecommunications business in Malaysia. The following table provides an overview to further explain this in the context of our Group and the focus of disclosures in our ESG Report.

Material matter	Water & Sewerage	Multi-Utilities Business (Merchant)	Telecommuni-cations Business	Investment Holding Activities
ENVIRONMENT				
Climate & energy	●	●	○	○
Water efficiency	●	○		
Resource management	●	●	○	○
Biodiversity	●			
SOCIAL				
Employee well-being	●	●	●	●
Customer satisfaction	●	●	●	
Community development	●	●	●	●
Ethical supply chain	○	○	○	○
GOVERNANCE				
Ethical business & compliance	●	●	●	●
Financial sustainability	●	●	●	●
Cybersecurity & data protection	●	●	●	●
Governance & transparency	●	●	●	●
Anti-bribery & corruption	●	●	●	●
Risk management	●	●	●	●

Notes:

●●● *Indicates highly material matters*

○○○ *Indicates lower to moderately material matters*

Our Power Generation (Contracted) segment is excluded as there were no operations in this division for the financial year under review.

Managing Sustainability

Management of our Material Matters

The value creation of the YTL Power Group is intrinsically linked to our ESG strategy, risks and opportunities, and our alignment with the relevant UN SDGs. Our risk framework is identified and managed through a tiered system of groups drawn from operational staff, senior management, Executive Directors and the Board. The Board reviews and is ultimately responsible for risk and setting the risk appetite and tolerance.

Risks have been identified evaluated and managed in line with our processes throughout the year. This section narrows the focus to highlight the ESG context, which forms a subset of our risk management framework, further details of which can be found in the *Management Discussion & Analysis* and *Statement on Risk Management & Internal Control* in this Annual Report.

Environmental Stewardship

Key stakeholders : Communities, customers, governments & regulators, banks & lenders
UN SDGs : 6, 7, 12, 13, 14, 15

Material matters	Risks	Opportunities	Management approach
Climate & energy Water efficiency Resource management Biodiversity	**Short term (1-5 years)** • **Physical risks:** Increased severity & frequency of extreme weather events including floods & heatwaves may disrupt operations & increase operational, capital & supply chain costs • **Regulatory & policy risks:** Interventions such as higher carbon price or carbon taxes & new legislation or reporting requirements may result in increased regulatory & associated costs • **Financial risks:** Compliance with new regulations, research & development (R&D) & adoption of new technologies may lead to increased operational or investment costs • **Reputational risks:** Shift in consumer behaviour & investor preference for more sustainable businesses may influence demand for services **Long term (>5 years)** • **Physical risks:** Longer-term shifts in temperature & precipitation patterns may influence consumer demand, disrupt operations and/or impact resources • **Technology risks:** Development & use of emerging low emissions technologies and products may affect competitiveness, costs and consumer demand	✓ Better integrate environmental & climate change priorities into long-term business strategy ✓ Identify & invest in innovative technologies & solutions to build adaptive capacity & ensure climate resilience ✓ Improve energy, water & waste efficiency to reduce operational costs across service delivery processes ✓ Leverage new & cleaner technologies with use of supportive policy incentives, subsidies & tax benefits ✓ Pursue attractive ESG-linked lending options from banks & lenders ✓ Increased participation in carbon markets	✓ Improve our operational resilience through spare capacity management, regular asset maintenance & adoption of appropriate technological advances ✓ Reduce our impacts on the environment on an ongoing basis through green initiatives, innovation & investments ✓ Develop & invest in low-emission & renewable technologies to allow us to fulfil increased customer demands for cleaner energy; participation in renewable energy programmes & adoption of energy efficiency measures ✓ Pursue exploration of viable new green business lines, including incorporation of potential climate-related financial risk management into investment decisions for major growth projects ✓ Promote R&D into building materials & products with lower environmental impacts ✓ Ensure effective response to, and recovery from, disruptive events with early warning systems, real-time monitoring, emergency plans, response teams & up-to-date business continuity strategies

Managing Sustainability

Societal Enrichment

Key stakeholders : Employees, customers, communities, media, suppliers, business partners & industry groups
UN SDGs : 3, 4, 5, 8, 9, 10, 11

Material matters	Risks	Opportunities	Management approach
Employee well-being Customer satisfaction Community development Ethical supply chain	**Short term (1-5 years)** • Inadequate focus on talent retention could result in increased costs & impact productivity • Employees may leave due to unfair treatment or insufficient incentives • Unsafe workplaces can disrupt operations, result in regulatory fines & impact business reputation and branding • Poor customer service **Long term (>5 years)** • Disruptions to business operations • Adverse financial impacts • Inadequate community engagement may negatively impact business reputation & local support for the organisation	✓ Develop talent & provide equal opportunities with industry-benchmarked standards ✓ Adhere to human rights principles & sound labour practices ✓ Build a responsible brand ✓ Leverage technology to optimise operational efficiency & ensure high quality services	✓ Continuously invest in our human resources, including upskilling & re-skilling programmes ✓ Ensure our employees are able to continue to work in a safe & conducive environment ✓ Prioritise local community hiring as it cultivates shared values between the organisation & workforce ✓ Enrich & promote local community development through engagement initiatives & support ✓ Empower underprivileged & underserved groups through education & improving access to vital utility services ✓ Ensure fair & responsible supply chains & procurement processes ✓ Uphold our commitment to providing world-class products & services at competitive prices for global markets

Responsible Governance

Key stakeholders : Suppliers, business partners & industry groups, shareholders & investors, governments & regulators, banks & lenders
UN SDGs : 8, 17

Material matters	Risks	Opportunities	Management approach
Ethical business & compliance Financial sustainability Cybersecurity & data protection Governance & transparency Anti-bribery & corruption Risk management	**Short term (1-5 years)** • Loss of relevant market share • Impact on share price • Regulatory fines & loss of investor confidence **Long term (>5 years)** • Adverse financial impacts • Loss of licence to operate • Reputational damage	✓ Inculcate a strong compliance culture throughout the organisation ✓ Invest in long-term sustainable products & infrastructure to promote business resilience ✓ Better integrate climate related risk management into the current risk management & internal control framework	✓ Deliver robust financial performance & maintain strong governance ✓ Adopt & enforce a zero-tolerance approach towards fraud, bribery & corruption ✓ Strong Board engagement on & oversight of all governance metrics to drive a top-down commitment to strong corporate governance throughout the organisation ✓ Implementation of integrity pledge & dedicated ongoing employee training programmes to disseminate & improve understanding of the organisation's policies, business values & expectations

Environmental Stewardship

COMMITMENT & APPROACH

Our commitment

Protecting and improving the environment to build a better future

Our approach

We are dedicated to providing high quality services and products whilst minimising our impacts on the environment. We recognise the adverse impacts of environmental degradation and climate change, and strive to pursue purposeful measures in ensuring our businesses are genuinely sustainable and in compliance with legal environmental requirements. We contribute towards this cause through the following activities:

- ✓ Reducing GHG emissions
- ✓ Promoting energy efficiency and renewable energy
- ✓ Improving water efficiency
- ✓ Managing waste streams and ensuring responsible disposal or reuse
- ✓ Optimising resource efficiency
- ✓ Conserving terrestrial and marine biodiversity and ecosystems

Protection of the environment remains one of our core tenets and we place an important part of our focus on sustainable development. 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.

YTL Power is dedicated to progressing in a sustainable manner whilst taking precautionary approaches to minimise the potential risks to both our business and the environment, in accordance with the UN SDG principles relating to the environment. We strive to minimise our environmental impacts through our collective efforts in the areas of climate change and energy, waste and water management, resource management and biodiversity.

We have set a high-level target for our Group to be **carbon neutral in operations by 2050**, in line with the Malaysian Government's goal. Given the diverse geographic location of our Group's key businesses, some of our operations have already moved ahead, in line with technological advances, government incentives and regulatory requirements in those jurisdictions, and are expected to reach this goal sooner:

- ✓ In the UK, Wessex Water's target is to achieve **net zero operational carbon emissions by 2030** and **net zero total carbon emissions (including supply chain) by 2040**.
- ✓ In Singapore, YTL PowerSeraya is targeting a **60% reduction in GHG emissions (Scope 1) by 2030** (from 2010 levels), and is aligned with our Group target to achieve **carbon neutrality in operations by 2050**.

2021

YTL Power
Shift towards renewables & sustainable energy solutions

2030

Wessex Water
Net zero carbon emissions (in operations)

YTL PowerSeraya
60% reduction in GHG emissions (Scope 1)*

2040

Wessex Water
Net zero total carbon emissions (including supply chain)

2050

YTL Group
YTL Power
YTL PowerSeraya
Carbon neutral (in operations)

** From 2010 levels*

Environmental Stewardship

Strategic investment in protection of the environment has resulted in a growing portfolio of green investments, environmental technologies, GHG emission reduction measures, resource efficiency programmes and biodiversity conservation programmes across our Group. We are committed to the pursuit of new ventures, particularly in renewable and sustainable energy solutions, with a view to achieving our target as early as possible. This will be propelled by our key operations in the UK and Singapore, which are further along on this journey, driven by the climate progress being pursued in those countries.

YTL PowerSeraya's 60-30 Vision

YTL PowerSeraya's 60-30 Vision is its goal to achieve a 60% reduction in Scope 1 GHG emissions from 2010 levels by 2030, which it aims to fulfil through the following actions:

(i) Maximising the energy efficiencies of its existing combined cycle and cogeneration plants;

(ii) Increasing the renewables energy share in its generation mix via a combination of solar photovoltaic (PV) investments locally and renewable energy imports;

(iii) Investing in low-carbon power technologies such as a blended or 100% H2-fired power generation plants; and

(iv) Exploring carbon offsets through the use of eligible carbon credits.

Wessex Water's Routemap to Net Zero Carbon

In 2020, water companies in England produced a routemap to achieving net zero operational carbon emissions by 2030. This was the first sector routemap of its kind in the world, and Wessex Water published its own detailed plan in mid-2021 to achieve net zero operational carbon emissions by 2030, alongside a goal to achieve full de-carbonisation by 2040, a decade ahead of the UK government's 2050 target.

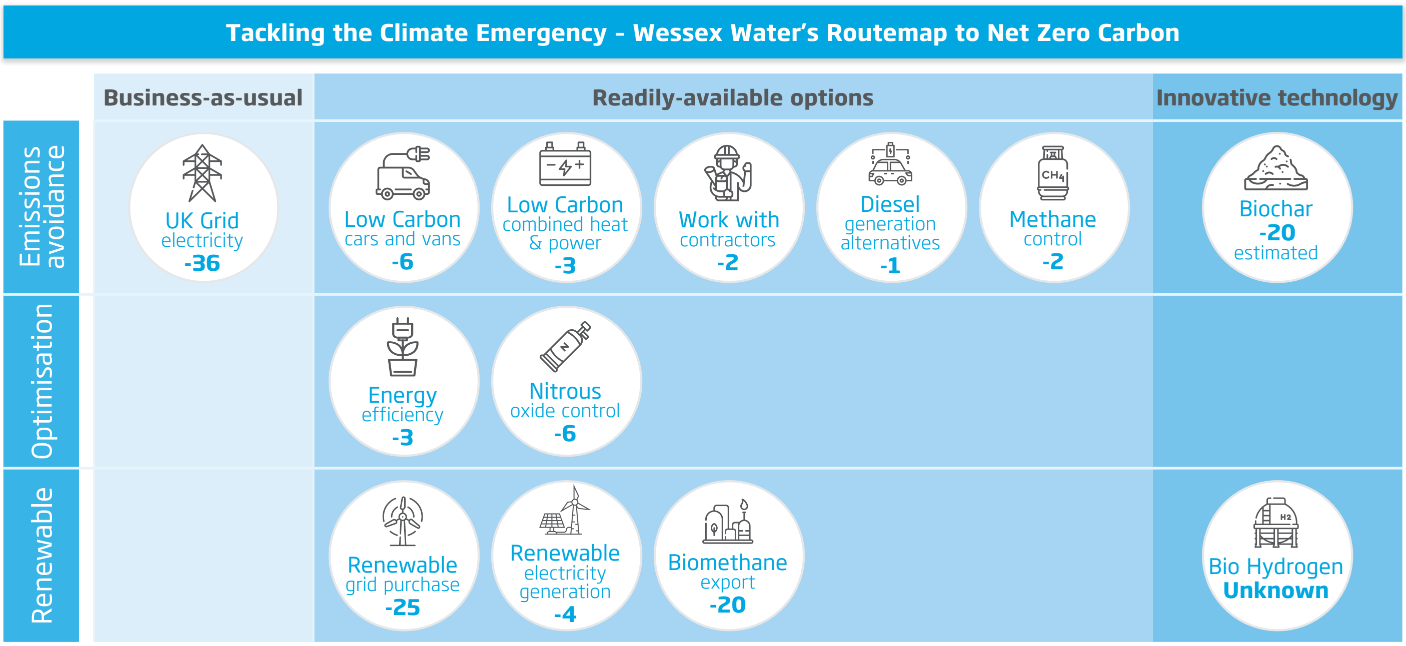
The plan has three strands:

(i) Emissions avoidance e.g. further reducing leakage and encouraging water efficiency, use of lower carbon transport and promotion of low energy, nature-based solutions;

(ii) Optimisation measures e.g. improving energy efficiency and controlling process emissions; and

(iii) More renewable energy e.g. increasing generation from biogas and pursuing opportunities for wind and solar power, both as generator and end user.

An overview of Wessex Water's routemap is set out below and the full routemap can be accessed in the *'ESG'* section on our website.



Note: *Items under 'business-as-usual' and 'readily-available options' will occur in the 2020s, whereas the 'innovative technologies' are more likely to be implemented at scale in the 2030s once they are established in the supply chain. All figures are in estimated reductions in kilotonnes of carbon dioxide equivalent.*

CLIMATE & ENERGY

In line with our commitment to SDG 13 (Climate Action), YTL Power strives to assess and mitigate climate-related risks stemming from tougher climate regulations and higher carbon prices, and continuously updates efforts to reduce, mitigate and adapt to the effects of climate change. Our strategy remains focused on reducing emissions, enhancing energy efficiency and adopting renewable energy technologies towards a low carbon future.

GHG Emissions

Recognising climate change as a significant risk that needs to be managed carefully, we measure and report our GHG emissions to develop a coherent climate strategy centred on various nature-based solutions as well as community-based adaptation plans and initiatives in our various business units.

Our investment strategy has expanded to encompass new business models and green technology that focuses on energy efficiency, digitisation, resource recovery and cleaner energy solutions for a low carbon and climate resilient transition.

Type	Description
Scope 1	Direct emissions from the consumption of fossil fuels in our operations as well as company-owned or operated vehicles and refrigerant use in our water and sewerage and telecommunications business operations
Scope 2	Indirect emissions from purchased/grid electricity consumption

This year, we registered total Scope 1 GHG emissions of 3,715 kilotonnes of carbon dioxide equivalent ($ktCO_2e$) compared to 3,242 $ktCO_2e$ last year, whilst Scope 2 emissions fell to 118 $ktCO_2e$ this year compared to 121 $ktCO_2e$ last year. The increase in Scope 1 emissions was due to higher amounts of fuel oil and diesel used for electricity generation in our Singapore operations this year following natural gas supply pressure issues and fuel shortages stemming from the military conflict in Ukraine.

Emission factors used for calculation of GHG emissions above are sourced from the Intergovernmental Panel on Climate Change (IPCC), Malaysian Green Technology Corporation, Energy Market Authority (EMA) Singapore, the UK Department for Environment, Food & Rural Affairs (DEFRA), the UK Department for Business, Energy and Industrial Strategy (BEIS) and research commissioned by UK Water Industry Research. Main GHGs comprise carbon dioxide, methane, nitrous oxide and refrigerants from our water and sewerage and telecommunications businesses based on the nature of their operations, as well as carbon dioxide from our merchant multi-utilities business as other emissions are negligible.

In the UK, Wessex Water's net GHG emissions fell to 113 $ktCO_2e$ for FY2022, the lowest annual operational carbon footprint since reporting began in 1997. In addition to its Scope 1 and 2 emissions, this number also includes Wessex Water's Scope 3 emissions related to transmission of electricity, use of public transport and its contractors' energy use in the course of work for Wessex Water. A combination of energy efficiency improvements, renewable energy generation and the rapidly falling carbon dioxide intensity of UK grid electricity has led to steadily falling emissions over the last six years.

Electricity use in FY2022 was 10 GWh lower than the average of the last two years, but close to the average over the last 15 years, and Wessex Water continues to look for energy efficiency opportunities to counteract rising energy use caused by tighter water and sewage treatment standards, and the operation of the regional water supply grid.

We continue to make progress on delivering our decarbonisation targets. Wessex Water's efforts are ongoing to develop the tools needed to calculate the whole-life carbon footprint of capital schemes to inform decision making on the lowest carbon options. Pursuing both targets will involve all parts of the business as well as co-operative relationships with solution providers, technology developers, customers, local communities and regulators, among others.

In 2021, Wessex Water produced its third climate adaptation report, which sets out how the business is adapting to climate change under provisions set out in the UK Climate Change Act, and details the systems-based approach to resilience that underpins the division's operations and future plans. This places climate change alongside a number of other 'stresses' that could affect long-term resilience, as well as 'shocks' such as associated extreme weather events. The report can be accessed in the *'ESG'* section on our website.

In Singapore, we continuously seek to source clean energy options to deliver affordable electricity to customers. More than 95% of the power generated by YTL PowerSeraya comes from natural gas, which is amongst the least carbon intensive fossil fuels commercially available.

Energy options in Singapore are currently, by and large, limited to fossil-based fuels owing to the country's geographic characteristics and constraints. As a major power sector player in Singapore's open electricity market, YTL PowerSeraya has an important role in providing reliable and energy efficient electricity to power the country's economy while contributing to the Singapore 2030 climate change goals.

Our generation mix comprises almost solely of natural gas although, compared to previous years, more diesel and heavy fuel oil amounting to about 3% of the mix was consumed during the financial year under review due to natural gas pressure issues and the military conflict in Ukraine.

In an effort to improve energy efficiency and sustainability, projects such as installing variable speed drives (VSDs) on our co-generation power plant unit's boiler feedwater pumps, which could bring upon annual power consumption savings of 6,800 MWh upon full completion, were partially completed during the financial year under review. YTL PowerSeraya is also working to form external partnerships with other industries to explore the domains of cleaner fuel alternatives like hydrogen and developments in the carbon capture, storage and utilisation scene.

In our Telecommunications segment in Malaysia, as part of our commitment to reducing GHG emissions, YTL Comms continues to explore the adoption of innovative clean energy resources, such as solar power, in its operations to reduce emissions and better manage its carbon footprint. The launch in December 2021 of our 5G services bodes well in this area, given that the 5G network is significantly more energy efficient per traffic unit than legacy 3G and 4G networks.

Renewable Energy

Renewable energy sources are virtually inexhaustible, producing much lower negative environmental and social impacts than conventional fossil fuel-based energy. In support of the transition to a low carbon economy, YTL Power has implemented various renewable energy integration projects across our business units and promoted the generation and use of renewable energy to facilitate the transition process and minimise our environmental footprint.

In line with our shift towards investing in more sustainable, renewable energy solutions moving forward, we completed the acquisition of the Kulai Young Estate in Johor, Malaysia, in January 2022 and intend to develop part of the land into a large scale solar power facility with a generation capacity of up to 500 MW.

In conjunction with this project, we are developing the YTL Green Data Center Park in Kulai, Johor, which will be Malaysia's first data center campus to be co-powered by on-site renewable solar energy. The campus will incorporate innovative and sustainable solutions in design and operations to achieve high-energy efficiency and is expected to serve the growing demand in the region for eco-friendly, cost-efficient data center solutions from hyperscalers and co-location customers alike.

In the UK, Wessex Water's track record dates back to the 1960s with generation of electricity from sewage gas. Wessex Water's current renewables capacity encompasses diversified biogas use (electricity, gas grid and vehicles) and renewable energy from food waste, hydro and solar.

This year, 12% of Wessex Water's electricity demand came from renewable electricity generated at its sites. Furthermore, biomethane exported by Wessex Water to the gas grid was 2.5 times the natural gas that it consumed itself.

Meanwhile, in FY2022, Geneco, YTL PowerSeraya's retail brand in Singapore, launched Power Eco Add-on, Singapore's first-and-only customisable green add-on for an electricity plan for its residential customers. As of 30 June 2022, 2,546 customers have signed up with Power Eco Add-on.

Launched on 9 August 2021, this innovative product provides eco-conscious customers the flexibility of choosing either carbon credits or Renewable Energy Certificates (RECs) to lower the carbon footprint of their electricity consumption. The RECs originate from solar rooftop systems installed at Pulau Seraya Power Station owned by YTL PowerSeraya. Geneco designed this new add-on at varying green contribution levels of 25%, 50%, 75% and 100%, at the customer's option.

Customers also have access to a comprehensive suite of sustainable energy solutions which include collaborations with various solar panel installation partners to provide rooftop solar panel installation services for commercial and industrial customers.

WATER EFFICIENCY

Water scarcity is one of the key challenges the world faces in the 21st century. The degree of water scarcity can differ dramatically from one place to another, in some cases causing wide-reaching damage, including to public health, economic development and global trade.

Across our operations, our sources of water withdrawal consist of municipal water supply, NEWater (reclaimed water (in Singapore)), and seawater. We use water in our power plants for cooling processes and equipment. Our offices and other businesses use water for drinking, cleaning, landscaping and other general purposes.

All trade effluent from our operations is treated and discharged to water courses or sewer systems in accordance with the environmental discharge limits and effluent standards in countries where we operate.

(in '000 m³)	2022	2021
Water withdrawal*	**127,514**	127,247
Water discharge*	**317,972**	387,657
Water consumption	**2,702**	2,747

* *Comprises surface water, groundwater, seawater and third-party water*

There was a noticeable reduction in water discharge, mainly due to the weather in the west of England during FY2022 being drier than the previous year. The numbers disclosed include rainwater that enters our water utility business' sewer system; consequently, a drier year leads to less water being received, treated and discharged.

Sustainable Abstraction

Water security is a critical part of our water and sewerage business. We are committed to providing a better environment for nature and people, and Wessex Water has a critical role to play in helping the UK to achieve its net zero target and tackle the climate and nature emergencies the world is facing. Wessex Water's rivers need looking after more than ever and chalk streams and other water sources need to be maintained in good health.

In FY2022, Wessex Water was 97% compliant with the licences that control how much water the business can take from the environment. Although there were three technical breaches related to compensation flow, none of these cases caused any negative environmental impact.

Investments made in network infrastructure, source protection and promoting efficient water use have created a very resilient water supply system. It has now been 45 years since Wessex Water imposed any customer restrictions on water use, such as hosepipe bans, and it is one of the most drought resilient UK water companies.

This was another excellent year in the division's leakage reduction programme, reducing leakage by a further two million litres a day to 64.4 million litres per day. This was supported by continued improvement in both leakage control activities and pressure management. Wessex Water is well on the way to meeting its target to reduce leakage by 15% between 2020 and 2025.

Water supply demand last summer was fairly muted, but the future looks challenging. In this reporting year, the UK Environment Agency classified the Wessex Water area as seriously water stressed for the first time. Against that backdrop, we are working with neighbouring water companies and other stakeholders to produce a long-term regional water resources plan, with ambitious targets to reduce demand, together with innovative supply side options.

In Singapore, water withdrawn is largely used for power plant processes (electricity and process steam generation) with small proportions for domestic use and the production of potable water. Water use at YTL PowerSeraya's power plant operations is mostly met by renewable water sources, which are desalinated water generated from in-house desalination plants and NEWater, which is high-grade reclaimed water produced from treated used water that is further purified using advanced membrane technologies and ultra-violet disinfection.

The use of desalination technology reduces demand for Singapore's scarce water resources and, at the same time, increases the water sufficiency of the power plant.

As a result, our power plant operations in Singapore are relatively self-sufficient in water, putting less strain on Singapore's freshwater resources, with about 70.8% of supply from in-house desalinated water and 29.2% from NEWater. A combination of preventive and corrective maintenance programmes is in place to minimise the water losses arising from power plant boiler processes which account for about 10.5% of the total water withdrawn. Total water withdrawn for power plant operations was about 2.1 million m³ in FY2022, a slight decrease of 0.4% compared to the previous year.

Environmental Stewardship

Environmental Water Quality

All trade effluent from our operations is treated and discharged to water courses or sewer systems is in accordance with the environmental discharge limits and effluent standards in countries where we operate. We have consistently achieved 100% compliance with water discharge quality under local standards and there were no significant chemical or oil spills during the reporting period.

At YTL PowerSeraya's Pulau Seraya Power Station, wastewater after undergoing power plant processes is discharged to the open sea. This wastewater discharge, which is within the environmental limits regulated under the Environmental Protection and Management (Trade Effluent) Regulations of Singapore, is about 28.6% of the total water withdrawn.

Wessex Water was 100% compliant with the quality of its wastewater discharges for FY2022, from water recycling centres as well as a reduction in pollution incidents, and installed an intelligent blockage detection system which helped reduce pollutions from 87 in 2020, to 72 in 2021.

The UK has seen growing interest in water-based recreation and the year under review was characterised by a surge of comment on the poor state of water quality in UK rivers and, in particular, the contribution from water company storm overflow discharges. Overflows were built into sewer networks constructed prior to the 1960s to prevent property flooding during heavy rain. While their impact on river water quality is very limited, in the 21st century, any such discharge into a watercourse is unacceptable.

As such, Wessex Water is committed to progressively eliminating storm overflows, starting with those that discharge most frequently and those that have any environmental impact. Eight of the 444 rivers, lakes and seas in its region currently fall short of the standards required due to the operation of storm overflows, and we are currently investing more than £3 million every month to address this. Further details on Wessex Water's Storm Overflows Improvement Plan can be found in the *'ESG'* section on our website.

More generally, we committed to improving the environmental status of all rivers within Wessex Water's region in line with the UK government's 25 Year Environment Plan and the UK Environment Act. Wessex Water will also support others to reduce the impacts they have, by acting as a convener and leader of catchment partnerships and markets, helping different parties to work together to the greatest effect.

Looking ahead, Wessex Water is focused on the following priorities:

- Continuing to ensure its water recycling centres treat sewage to the required standards before discharging to the environment;
- Extending its catchment management programme to further develop partnerships with farmers and landowners to reduce the environmental impact of their activities;
- Championing nature-based solutions such as wetlands alongside on-site assets to ensure that treatment solutions restore the environment rather than being to its detriment.

RESOURCE MANAGEMENT

Energy Efficiency

We manage and monitor our energy consumption and efficiency to implement the appropriate energy management practices in our daily operations. We have implemented several initiatives to reduce energy consumption, improve efficiency and progressively upgrade our existing infrastructure with energy saving features across YTL Power's operations and properties.

Fuel consumption rose in tandem with an increase in power plant operations in Singapore. This comprises almost solely of natural gas although, compared to previous years, more diesel and heavy fuel oil was consumed due to fuel supply shocks resulting from the Ukraine-Russia conflict. Energy consumption also increased this year due to the higher output.

	2022	2021
Total fuel consumption (terajoules)	**64,213**	57,249
- Natural gas	**94.1%**	99.5%
- Others	**5.9%**	0.5%
Grid & house load energy consumption (GWh)	**581**	567

During the financial year under review, YTL Comms launched its 5G network, which is significantly more energy efficient per traffic unit than 3G and 4G predecessors. Other energy-efficiency efforts include regularly maintaining assets and procuring modern energy-saving solutions. As part of our commitment to reducing GHG emissions, YTL Comms continues to explore the adoption of innovative clean energy resources, such as solar power, in its operations to reduce its carbon footprint.

Waste Management

Waste generation around the world has increased exponentially over the last few decades, due to factors including population growth, urbanisation and economic growth, as well as online shopping and consumerism generally combined with inefficient waste management systems.

We work towards ensuring efficient resource use and responsible disposal in our organisation and continuously look for ways to avoid unnecessary consumption and waste generation, exploring innovative opportunities and partnerships. We engage licensed third-party contractors across our operations to handle hazardous waste, storage and responsible disposal, adhering to best practices and local regulatory requirements.

	2022	2021
Total waste generated (tonnes)	**148,921**	135,599
– Waste diverted from disposal	**97.4%**	96.9%
– Waste directed to disposal	**2.6%**	3.1%

Wessex Water set a target around a decade ago of diverting 100% of non-sludge waste from landfill by 2020, and successfully achieved this target starting in 2019. The business does not use landfills for disposing any inert waste and is committed to ensuring waste from day-to-day operations does not end up in landfills, including the by-products of the water recycling process.

Wessex Water also continues to work together with its sister company, GENeco UK, to transform over 700,000 tons of waste annually into biofertiliser and biogas for generating electricity.

Although water refill points remained off during the most severe national lockdowns in 2020 and 2021, Wessex Water continued to install nine more units across its region in partnership with local councils and now has 22 permanent refill points in towns across the region. It is estimated that these refill points have replaced the equivalent of 60,000 single-use plastic bottles over the past year.

In Malaysia, YTL Comms is committed to reducing its e-waste by extending the lifespan of network assets through repair and refurbishment. All e-waste is inspected and properly disposed of by licensed third-party scheduled waste carriers to mitigate any environmental contamination.

Responsible Production & Consumption

We place a high priority on responsible production and community-wide initiatives to encourage and assist our customers and their local communities in protecting their shared environment and resources.

During FY2022, more than 14,000 customers signed up to Wessex Water's GetWaterFit digital water use calculator tool. This helps customers to understand their usage and order free water saving devices. However, the volume of water saved by these water efficiency programmes was still below its target of 2.0Ml/d. A full Home Check service, which provides free water savings fittings and small leakage audits, was relaunched in April 2022, and Wessex Water aims to engage 6,000 households in the year ahead to reach its water efficiency targets in the upcoming year.

YTL PowerSeraya has made great strides in developing and rolling out a range of plans that offer customers the ability to improve their carbon footprint and work towards carbon neutrality in their electricity consumption, such as its Power Eco Add-on plans.

Meanwhile, in our Brabazon development in the UK, undertaken by YTL Developments, our revamped masterplan vision focuses on ensuring that more sustainable homes are built in the right places. As a brownfield site situated along existing transport corridors, public transport connections and active travel routes provide the opportunity to develop a genuine alternative to car-dependent lifestyles. Brabazon's accessibility opens up the options to reach the site by train, bus and bicycle, making it ideally placed to build much-needed new homes, offices, schools and community facilities in a way that is environmentally and economically sustainable.

Similarly, YTL Arena Bristol, being developed at the existing Brabazon Hangars, retains, repurposes and celebrates the industrial spirit and heritage of the hangars – originally built for the construction of the Bristol Type 167 'Brabazon', the largest and most luxurious civil airliner of its time, and later, the Concorde.

The Arena has been designed as an insert into these Hangars, with a floor area covering over 30,000 square metres and a volume of over one million cubic metres. In doing so, the expansive concrete flooring and long-span high-quality steelwork will be retained, saving around 21,400 m^3 of concrete and 18,600 tons of CO_2. In addition, low-carbon energy sources like on-site battery storage, rainwater harvesting and grey water re-use are incorporated throughout.

In 2021, YTL Developments was the winner of the Insider South West Property Awards for Sustainability.

BIODIVERSITY

Based on our Group's operational footprint, protection of biodiversity is of material importance in Wessex Water's operational sphere which covers over 10,000 square kilometres in the south west of England, whilst our activities in Malaysia and Singapore do not have significant impacts on biodiversity.

In its Strategic Direction Statement published in March 2022, Wessex Water has pledged to double its contribution to the region's biodiversity. Wessex Water's proactive conservation programme is set out in its Biodiversity Action Plan, which aims to halt or reverse biodiversity loss in its operational area, with a focus on 4 key themes:

- The partners programme which provides funding for projects carried out by wildlife organisations across the region;
- Environmental assessment work which sets out how measures to avoid or mitigate any impact to the environment from developing its sites or operations;
- Conservation, access, recreation work which includes enhancing biodiversity on its land, such as the sites of treatment works; and
- Catchment biodiversity work, which aims to find both wildlife and water quality solutions to problems in our catchments which are cost-effective and sustainable.

Nearly 63% of Wessex Water's Sites of Special Scientific Interest (SSSI) landholding is considered to be in favourable condition by Natural England with a further 30.5% in unfavourable recovering condition. The UK government's 25-year Environment Plan includes a target to restore 75% of protected sites to favourable condition.

Between 2020 and 2025, Wessex Water is supporting four projects through its Biodiversity Action Plan Partners Programme to deliver cleaner rivers, good quality habitats for wildlife and more natural solutions for flood alleviation and carbon storage. The particular focus is on areas near Wessex Water's assets, pollution hotspots and areas of particular environmental interest or importance, such as SSSI.

Wessex Water's Biodiversity Action Plan can be found in the *'ESG'* section of our website, together with more information on current biodiversity partnerships.

Societal Enrichment

Our management of social impacts and considerations centers on our customers, our people and communities where we operate, including supply chain matters, where applicable. We prioritise providing reliable, affordable services for our customers and communities, providing our people with the opportunity for personal development and a satisfying career and investing for the long term in our communities for the benefit of all our stakeholders.

CUSTOMERS

Commitment & Approach

Our commitment

Providing reliable, affordable services for our customers and communities

Our approach

- ✓ Providing all customers with excellent standards of service that protect health, improve the environment and give customers good value for money
- ✓ Building trust and loyalty to maintain long-term relationships and attract new customers by delivering the best levels of service and continually challenging ourselves to find better, cheaper ways of achieving this
- ✓ Putting our customers at the heart of everything we do and encouraging our people to go the extra mile whenever they can

Customer Satisfaction

We manage customer engagement from the ground-up in order to cater to and address the specific needs of different groups of customers. Our teams on the ground at the local level regularly engage with customers, soliciting and reviewing their feedback on products and services as part of our business improvement initiatives. This provides vital information for continuous improvement to better understand their expectations and improve their experience with us.

Wessex Water has an industry-leading customer experience track record and, in 2021, topped the water and sewerage company ranking in Ofwat's Customer Measure of Experience (C-MeX), which measures the quality of services delivered to household customers and assesses residential customers' satisfaction with their water company. Ofwat is the independent economic regulator for the UK water and sewerage industry.

In customer surveys, about 92% were satisfied with Wessex Water's service levels, and 76% of customers rated our service as good or very good value for money. On Trustpilot, 87% gave the company a five-star rating.

This year, Wessex Water again received the Customer Service Excellence award and retained the Service Mark with distinction from the Institute of Customer Service, one of only 19 companies in the country to hold this accreditation.

Singapore's open electricity market makes it easy for customers to choose their electricity provider, placing the onus on the electricity retailers to come up with attractive, innovative plans that address the needs of their customers. Rising awareness of the need to address climate change and the unique geographic and resource-related challenges Singapore faces have increased customer interest in more energy efficient solutions that would enable them to mitigate their carbon impacts.

To cater to the growing demand for greener electricity, YTL PowerSeraya's retail brand, Geneco, introduced the Power Eco Add-on plan. Launched in conjunction with Singapore's 56th National Day on 9 August 2021, customers are empowered to go green by signing up to the Power Eco Add-on plan, an innovative product that provides eco-conscious customers the option of choosing either carbon credits or Renewable Energy Certificates (RECs) to lower the carbon footprint of their electricity consumption.

In Malaysia, YTL Comms has long led the way in democratising access to high-speed mobile broadband services, offering the most affordable plans and bridging the access divide across rural and urban areas of the Peninsula. In December 2021, YTL Comms became the first telco in Malaysia to offer 5G access to its customers, with service available in certain areas throughout Putrajaya, Cyberjaya and Kuala Lumpur through Digital Nasional Berhad's network.

Subsequently, in May 2022, we launched a new Yes Infinite plan, as well as an Infinite+ plan meant to cater for those who need a 5G phone to go with the new plan. Subscribers of the plans are provided with unlimited access to 4G and 5G services with no Fair Usage Policy (FUP) restrictions.

Societal Enrichment

Customers in Vulnerable Circumstances

We offer financial assistance and other support programmes across our operations intended to assist customers facing difficult or challenging circumstances. As we provide utility services that are essential for daily life, the pandemic-related restrictions imposed at various stages over the past two years have not directly impacted our businesses. However, the knock-on effects on the wider economy in the countries where we operate have affected our customers and we have endeavoured to step up our assistance during these more trying times.

As part of the YTL Group, YTL Power also contributes significantly to YTL Foundation, the YTL Group's charitable arm, responsible for delivering the YTL Group's community improvement initiatives.

YTL Power, together with its subsidiaries, YTL Comms and FrogAsia Sdn Bhd, plays a key role in YTL Foundation's Learn From Home programme. A leading initiative launched in March 2020, the Learn From Home programme was a response to the pandemic with a particular focus on low-income families. The programme equipped B40 families with data and a smartphone for free so that their children could continue learning from home while schools were closed.

Through the initiative, 800,000 smartphones and SIM cards were distributed. The data plans provided under the initiative were extended to 31 August 2022 to help ease the transition back to physical classes as schools adopted hybrid teaching models. The initiative was also extended to cater for the 2021/2022 intake of university and polytechnic students. More information about the Learn From Home programme can be found in the *Community* section of this report.

We again collaborated with YTL Foundation to offer free smartphones and 12-month data plans to households and individuals under the Malaysian Government's Jaringan Prihatin programme. The programme, launched on 5 May 2021, provides subsidies of RM300 to B40 households and RM180 to B40 individuals for device and data plans offered by participating service providers. Registrations for the programme closed on 30 September 2021 but YTL Comms continued to provide the data plans under the programme until September 2022.

In the UK, Wessex Water is targeting for zero water poverty where no one will spend more than 5% of their disposable income on water. Working with special debt advice agencies, Wessex Water has developed a range of financial support packages to help customers who struggle to pay their bills. Customers on the lowest incomes benefit from discounts of as much as 90% on their bill. Currently, more than 54,000 households benefit and a further 32,000 customers are in the process of being added.

Because of the affordability crisis, an additional 83,000 customers will be fast tracked on to Wessex Water's affordability schemes. Over 16,000 customers are receiving discounts of up to 90% through the programme's Assist tariff, and more than 22,000 low-income pensioners are receiving at least £60 off their bill. The company is also pressing the UK government to enable auto-enrolment of low-income pensioners onto Wessex Water's 20% discount scheme.

Wessex Water works with around 280 partners to support vulnerable customers, including charities and debt advisers. Among the partnerships developed this year were with the Fire Service, to promote their home safety visits to customers registered for Priority Services, and Life Ledger to support bereaved customers.

PEOPLE

Commitment & Approach

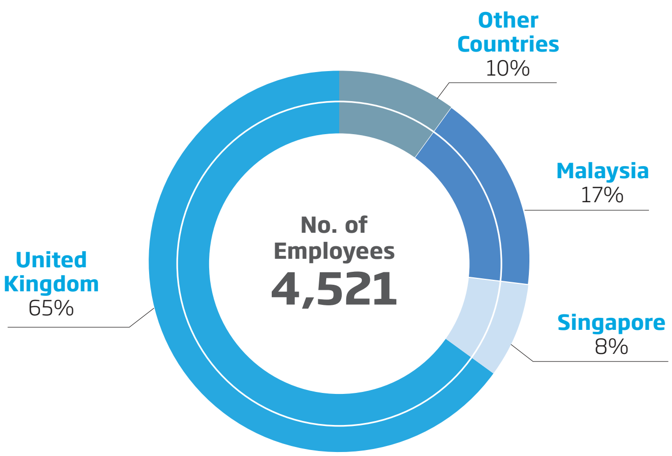
Our commitment

Providing our people with the opportunity for personal development and ensuring their well-being

Our approach

- ✓ Aiming to be an employer of choice providing opportunities for people at all stages of their careers, providing development for all levels of talent and ensuring a safe and healthy working environment
- ✓ Creating a harmonious workplace by fostering a strong and positive culture, embracing diversity and providing equal opportunities
- ✓ Nurturing human capital and caring for our people through active engagement and encouraging a healthy work-life balance

Our workforce of about 4,500 people as at 30 June 2022 is situated mainly in the UK, Singapore and Malaysia, and we also have a smaller number of employees in Indonesia, the Netherlands and other countries.



People are our most valuable asset and we aspire to attract, retain and nurture people with exceptional capabilities by providing competitive remuneration packages, as well as investing in the ongoing learning and development of our human resources. In addition, we offer internship and apprentice programmes to equip future talented employees with extensive industry knowledge as well as hands-on experience.

Training & Development

We recognise the contributions of all employees to our collective achievements. In order to equip our employees with the right skills, we provide training, workshops and seminars on a diverse range of topics, including occupational health and safety, environmental management, environmental awareness, project management, technical capability and soft skill development such as communications, leadership and other topics.

In FY2022, the average training attended by employees increased to an average of 14.8 hours per employee compared to 12.7 hours per employee last year, based on averages computed across our largest operating subsidiaries.

We aim to enhance the strength of mental and emotional connections of our people with their workplace and strive to create an environment where people are engaged and enabled to optimise performance. We view employee feedback mechanisms across our Group as essential in creating effective communication channels. During the year under review, these included the YTL Group Leadership Conference, in addition to a range of programmes carried out at subsidiary level across our Group.

Learning and development continued to be a key focus for the year with the development of learning roadmaps for all functions. In view of ongoing pandemic constraints, our Group has optimised 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. The leaders and people managers also extended stronger leadership and manager support to help staff maximise their development and potential, so that they would be able to achieve job fulfilment and growth.

Experienced technical specialists were deployed at the plant levels to focus on technical engineering training development and execution to further enhance organisational capability-building and ensure transfer of technical skills by retiring engineers.

To nurture a highly productive digital workforce and better handle the ongoing online transformation as countries move towards management of the endemic phase of COVID-19, technology trainings were ramped up on a rolling basis throughout the organisation to enhance employee and organisational capabilities.

Labour Standards

We are committed to a strong code of conduct, professionalism and ethical integrity in all of our business dealings and operations. We ensure that the rights of our workforce are upheld and protected in accordance with the Employment Act 1955 in Malaysia and local regulations and employment acts in all jurisdictions where we operate.

We adhere to the YTL Group policy on *Human Rights & Ethics* encompassing child/forced labour prevention, non-discrimination, freedom of expression, employment rights and business ethics and compliance, which can be found in the *'ESG'* section of our website.

As at 30 June 2022, about 83% of our workforce was based outside Malaysia, in countries that also have sound labour protection laws and standards to which we vigorously adhere. These include the UK, Singapore, Indonesia and the Netherlands.

We strongly oppose slavery and human trafficking in our supply chains and in any part of our business. To be trusted to do the right thing is one of our core values and we would never knowingly engage with suppliers or contractors involved in slavery or human trafficking.

Based on the nature of our operations and the stringency of our regulatory compliance requirements, we do not believe any of our business units are at risk of child labour or forced labour practices.

Workplace Health & Safety

Protecting the health, safety and welfare of our colleagues, contractors and customers is a shared responsibility and we continue to deliver a strong health, safety and welfare culture in our day-to-day operations. The YTL Group policy on *Health & Safety* can be found in the *'ESG'* section of our website.

Our aim is for zero accidents and we regularly monitor, review and optimise our health and safety practices to minimise incidents in our business operations. The information we collect assists in determining problem areas or emerging trends and allows resources to be allocated to prevent accidents or illnesses.

Established standard operating procedures (SOPs) are in place to review relevant health and safety requirements to be followed in order to ensure health and safety risks arising from operations are properly managed.

Governance	• Workplace health and safety committees at operating subsidiaries to monitor health and safety performance and report to management
Prevention	• Safety and security action plans • Accident and/or incident reporting procedures • Environmental health and safety risk assessment • Emergency response plans
Training	• Regular workplace safety awareness training • Safety training programmes • Safety and security standards within the businesses and operations
Operation	• Compliance with safety standards and management guidelines • Permit-to-work systems • Regular safety audits and inspections • Maintenance of fire detection and protection systems

In FY2022, Wessex Water implemented a dedicated health and safety reporting platform to improve visibility, action tracking and action management. The lost time incident rate in 2021 fell to 14.95 while days lost as a result of health and safety incidents fell by 50%. Wessex Water's engineering services division maintained their ISO 45001 certification and secured a President's Award from the Royal Society for the Prevention of Accidents.

YTL PowerSeraya's ISO 45001 occupational health and safety system was most recently audited during the 2021 financial year, with no significant non-conformance arising from the audit, which covered power plant operations. The next audit is scheduled to take place next year.

Supporting the health and mental well-being of staff during the COVID-19 pandemic was a top agenda in the past financial year. YTL PowerSeraya held annual health screening and audiometric examination sessions for colleagues at the plant during FY2022 and rolled out a series of programmes and initiatives focused on aiding staff to cope with any challenges that they might be experiencing during the pandemic.

Across the organisation, internal activities were held to encourage our workforce to look after both their physical and emotional wellbeing. These ranged from holding fun contests, information and reminders to 'recharge', encouragement to connect with colleagues, as well as wellness talks.

Diversity & Equal Opportunity

With over 4,500 employees in diverse locations around the world, fostering a culture of inclusion and equality is essential in retaining a capable workforce. We value differences at YTL Power and firmly believe a diverse workforce brings different perspectives, ideas and solutions. We are committed to creating and promoting an inclusive workplace for our people and we continue to pursue initiatives that drive our diversity goals.

YTL Power is an equal opportunities employer and we strive to ensure equitable treatment of our workforce across our organisation. Selection procedures and criteria ensure that individuals are selected and promoted on the basis of their relevant merits and abilities and the needs of our organisation. These procedures are monitored and regularly reviewed.

		2022	2021
Total number of employees		**4,521**	4,433
Gender	Female	**26%**	25%
	Male	**74%**	75%
Type	Permanent	**90%**	91%
	Contract/temporary	**10%**	9%
Category	Top management	**2%**	2%
	Senior/Middle management	**16%**	16%
	Executive	**9%**	9%
	Non-executive	**73%**	73%
Age	< 30	**20%**	20%
	30 - 39	**29%**	29%
	40 - 49	**23%**	23%
	50 - 59	**20%**	20%
	> 60	**8%**	8%
Ethnicity	Bumiputera	**11%**	11%
	Chinese	**11%**	11%
	Indian	**3%**	4%
	Others[1]	**75%**	74%
Location[2]	Malaysia	**17%**	19%
	UK	**65%**	64%
	Singapore	**8%**	7%
	Other countries	**10%**	10%
Senior management hired from local community[3]		**96%**	99%
Number of employees with disabilities		**99**	76
Number of employees taking parental leave		**153**	175
Number of employees returning after parental leave		**148**	172

Notes

(1) *Includes the rest of global workforce not situated in Malaysia, including the UK, Singapore, Indonesia and the Netherlands as data on ethnicity is not collated on the same basis outside Malaysia*

(2) *Based on location of company*

(3) *Local community refers to local workforce in respective operating countries*

Societal Enrichment

YTL Power remains committed to embracing diversity and equal opportunity to help employees grow and thrive. The YTL Group policy on *Human Rights & Ethics* and our *Code of Conduct & Business Ethics* set out acceptable practices and ethics that guide our people to understand their responsibilities in all business dealings. The policies can be accessed in the *'ESG'* section on our website.

We have a robust job evaluation process and operate a framework of grades and pay ranges within each grade. We are confident our approach on pay is based on merit and job proficiency, and is not influenced by factors such as gender, age, religion, ethnicity or disability.

Our current areas of focus include:

- reflecting the diversity of the communities we serve;
- inspiring the next generation to join our various operations by engaging with schools and colleges and via targeted activities with a range of community groups; and
- internships, apprenticeships, graduates and early careers initiatives to bolster our young talent recruitment.

In FY2022, Wessex Water worked closely with the National Autistic Society, achieved Disability Confident Employer status and signed the armed forces covenant as well as continuing to advance inclusion and diversity programmes through internal network groups.

COMMUNITIES

Commitment & Approach

Our commitment

Investing for the long term in our communities for the benefit all our stakeholders

Our approach

- ✓ Developing future generations of leaders by providing high quality education and supporting education initiatives
- ✓ Supporting community groups, social institutions, non-governmental organisations (NGOs), social enterprises and non-profit organisations
- ✓ Organising and supporting events to promote and support health and wellness amongst local communities
- ✓ Advocating community-based environmental initiatives to involve local communities in protecting their shared environment and improving their economic growth and livelihoods
- ✓ Supporting vulnerable groups, underprivileged communities and rural development through financial assistance, in-kind contributions and volunteering
- ✓ Promoting arts and culture by providing platforms for artistic expression

With business operations spanning the globe, we recognise the importance of creating sustainable and positive social value for communities where we operate. The YTL Power Group takes a proactive stance in enriching local communities, from providing financial assistance to improving the quality of education, and supporting livelihoods and economic development to shape a better environment for future generations.

As part of the YTL Group, YTL Power contributes significantly to YTL Foundation, the YTL Group's charitable arm, responsible for delivering the YTL Group's community improvement initiatives. Full details can be found at YTL Foundation's website at www.ytlfoundation.com.

Building Resilient Communities

As we adapt to the new normal and changing socio-economic conditions, it is now more important than ever to serve and create positive value for local communities. We continue to prioritise our commitment to building resilient communities and to improve the livelihoods and socio-economic well-being of local communities.

This year, we embarked on innovative and exciting plans for Brabazon, our mixed-use residential and commercial property development project in the UK undertaken by YTL Developments. The project is currently under development and, in April this year, YTL Developments submitted its application to revise the masterplan for Brabazon (further details of which can be found in the *Investment Holding Activities* section of the *Management Discussion & Analysis* in this Annual Report).

The revised masterplan is designed to meet the needs of local people while also delivering on the objectives of the UK's National Planning Policy Framework (NPPF) and South Gloucestershire Council's Local Plan. The overarching objective of the NPPF is to ensure development is economically, socially and environmentally sustainable.

Economically, the revised masterplan for Brabazon is projected to create over £5.0 billion in added economic value, with sufficient commercial space to support over 30,000 jobs. Socially, it represents a huge investment in the community that changed the world when it built Concorde, with three new schools, a health centre, community facilities and over 35 hectares of new public green spaces, including the largest new urban park in the south west of England for 50 years.

And environmentally, the new masterplan makes best use of the largest area of brownfield land in England's south west, catalysing major upgrades to public transport, when the alternative is unsustainable single-use developments in out-of-town locations and on green belt land.

The vision for Brabazon also aligns with South Gloucestershire Council's Local Plan. With two new primary schools, one secondary school and provision for a major higher education or research institute, the revisions to the masterplan will help to give the best start in life for young people. As a multi-generational community, it will support those most in need to help themselves, with student accommodation for young people, through to retirement properties for older people.

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.

At the same time, the flexible housing framework will encourage inclusive communities and sustainable growth, with the potential to deliver over 1,000 new affordable homes within a '15-minute neighbourhood', where every daily need or essential service is less than a 15-minute walk or bike ride away. Finally, it will create value for the community, with a range of new facilities including a GP surgery, a library and a community center.

While the revised masterplan for Brabazon is being assessed by the planning authorities, YTL Developments is continuing to deliver the first phase of new homes at Brabazon, with record demand for its range of new houses and apartments that are designed to be different.

Nurturing Education

Education enables upward socio-economic mobility, is key to creating a better society and has long been a priority for our Group. We strive to empower individuals and local communities by enhancing education and creating an inclusive and equitable environment where every child has access to education.

With the COVID-19 pandemic spreading across the globe and temporary closure of schools, YTL Power has been committed to protecting the wellbeing of children and ensuring continued learning by addressing content and connectivity gaps, facilitating learning opportunities and leveraging technology to provide education remotely.

Learn From Home

YTL Foundation's Learn From Home programme is a key initiative borne out of the COVID-19 pandemic. The programme equipped B40 families with data and a smartphone for free so that their children could continue learning from home while schools were closed. Over the past two years, the Learn From Home Initiative, in collaboration with YTL Power's subsidiaries, FrogAsia Sdn Bhd and YTL Comms, Teach for Malaysia, MyReaders, Pelangi, Kindity and CIMB Foundation, has built free online lessons for the entire Malaysian school curriculum.

Through the initiative, 800,000 smartphones and SIM cards were distributed, and 1,400 online lessons and 45,000 quiz questions made available at the Foundation's website and on the Launchpad Mobile App (formerly known as "FrogPlay").

This has enabled children to enjoy free access to the over 1,400 online lessons – currently available for Bahasa Malaysia, English, Mathematics, Science, Geography, History, Moral Education, Physics, Biology, Chemistry and lessons on the UN SDGs, with the aim of covering all core subjects by the end of 2022. The lessons are designed based on the national curriculum from Standard 1 to Form 5.

To date, the Learn From Home lessons have been accessed more than one million times. The lessons were also used for YB Maria Chin's Tuition For A Cause programme. The committee members of this programme recently carried out an assessment of learning resources available and decided to continue using the lessons for the programme.

Highlights for FY2022 included:

- ***Collaboration with CIMB Foundation & Teach for Malaysia***

  CIMB Foundation came on board as a content partner for developing more lessons to add to the existing 4 core subjects, and engaged Teach for Malaysia to run workshops for parents and students to introduce them to the Learn From Home lessons and enable them to run their own tuition sessions for students using the lessons. Their goal is to reach at least 6 PPR communities, 60 teachers and 9,600 students by 2023. This collaboration was launched in February 2022 with an aim to cover all core subjects by the end of 2023.

  Program Perumahan Rakyat (PPR, also known as 'People Housing Program') is an initiative by the Malaysian Government to provide low-cost housing schemes for communities with a monthly income of RM2,500 or less.

- ***People's Choice Award at the AVPN Constellations Awards 2022***

  Learn From Home was awarded the People's Choice Award at the Constellations Awards 2022, by Asian Venture Philanthropy Network (AVPN), Asia's leading social investment network. The nationwide programme was recognised on this global platform as an action-oriented project that addressed the complex shifting challenges of B40 communities during the pandemic. Awarded only to the best social change investment projects in Asia, this recognition highlights the programme's positive impact on low-income communities by enabling them to have access to education during the extensive periods of school closures. Winners in other categories included projects by the Bill and Melinda Gates Foundation and the United Nations Development Programme.

- ***KelasKita: An evolution of the Learn From Home initiative***

  Having built up this rich bank of educational content through Learn From Home, YTL Foundation will be launching KelasKita, a programme which will allow volunteers to provide tuition (online or on site) to children in low income communities most affected by the pandemic. Developed in partnership with Teach for Malaysia and FrogAsia, this programme seeks to help children make up for learning gaps and learning loss experienced as a result of the extensive school closures over the past two years.

Learn From Home University

In October 2021, as universities began reopening in Malaysia, YTL Foundation launched a new campaign through YTL Comms and Yes 4G to help students with their online learning needs. Eligible university students were able to redeem a free Yes 4G SIM and enjoy 7GB of 4G data each month for a period of one year.

At the moment, the Learn From Home University campaign is available for students and staff members at 35 universities including Universiti Malaya (UM), Universiti Putra Malaysia (UPM), Universiti Sains Malaysia (USM), Universiti Teknologi Mara (UITM), Universiti Tunku Abdul Rahman (UTAR), Universiti Kebangsaan Malaysia (UKM), Multimedia University (MMU) and International Medical University Malaysia (IMU).

The free SIM and data offer are given to students with no strings attached. There is no contract or upfront payment required, so students can learn online with greater peace of mind. Existing recipients under the Learn From Home University programme were also entitled to extend their free data online, for an additional 7GB of data monthly until September 2022.

Leaps Academy

To help children realise their full potential while providing holistic learning, Leaps Academy, an online programme run by YTL Foundation, particularly for children from B40 and underserved communities, adopts a more student-centered approach to education. The Academy focuses equally on academic achievement, social awareness and character-building programmes that emphasise soft skills, social-emotional learning and values-based education.

Since March 2020, this online programme has impacted over 770 children, with a combined attendance of 37,232 over 3,105 classes. It started with 30 students and as of June 2022, about 300 children learn through these weekly online lessons, not only from the Sentul and Bukit Bintang communities but also from as far away as Penang, Ipoh, Pahang and Sarawak, including children from refugee families.

Leaps Academy continues to engage with volunteer tutors who are university students from Heriot-Watt, Nottingham, UM, UTAR, IMU and UCSI, and has entered into a partnership with Soroptimist International Damansara to recruit international volunteers from Bath University and other British universities under their Building Bridges Beyond Borders programme. To date, over 130 dedicated volunteers have played an important part in the success and popularity of Leaps Academy.

Societal Enrichment

OVERVIEW OF LEAPS ACADEMY'S KEY PROGRAMMES FOR FY2022	
Programme	Description
MyPJ Mathematics Classes	Mathematics classes for 40 students from PPR Desa Mentari and PPR Sri Pantai, aged 7-12, led by 15 volunteer tutors from Heriot-Watt University, University Tunku Abdul Rahman and University of Malaya
Leaps Holiday Programme 4.0	Exploration of practical actions to promote a sustainable environment including reducing waste and turning waste into resources and learning about the UN SDGs and how to contribute to finding solutions
Values-based Education	'Respecting Others in All Human Diversity' – instilling positive values in younger generation 'Resilience' – helping children to learn how to build resilience to endure difficult situations and manage their emotions 'Art of Listening' – emphasising the importance of listening and staying focused, conducted by 7 volunteers from Ariston Club of Heriot-Watt University
Coding Class for Beginners	5-day course for local community children to learn basic coding skills, Introduction to Python and simple fundamentals and commands, conducted by Akhil Balaji, the son of a staff member of the YTL Group
Financial Literacy Programmes	12 weekly sessions on financial literacy for 12 refugee students covering everyday financial expenditure, planning and wealth, conducted by Melissa Zecha

PEMIMPIN GSL Leadership Programme for Schools

PEMIMPIN GSL ("PGSL") has been supported by YTL Foundation since its inception in 2017. YTL Foundation has helped the organisation grow and expand its reach from just 22 schools initially to over 500 schools all over Malaysia. During FY2022, PGSL ran the following programmes:

- Pintar Pemimpin Leadership Programme for Schools (PPLPS) - 99 underserved schools with 136 school leaders from all over Malaysia attended monthly training and coaching sessions with the PGSL team.
- Leadership, Enrichment and Development Programme (LEAD) Cohort 1 & 2 – PGSL concluded the LEAD Cohort 1 Programme by organising the final Workshop Cycle and the graduation event with 35 school leaders from 31 schools. LEAD Cohort 2 is still ongoing with 7 completed workshop cycles with 135 school leaders from 125 schools. Each cycle includes 2 workshops and at least one consultation session. All workshops are also available as online modules on PGSL's Learning Management System, Teachable.
- Accelerated School Leaders Initiative (ASLI), Leadership Programme for TNB-PINTAR Schools (PKPS) and the new recently launched programme – Masterclass Premium Series – the ASLI programme launched earlier this year after 8 months of research. PGSL has since conducted 6 face-to-face workshops with 15 school leaders from 15 schools. The PKPS programme concluded with the graduation of all participants in August 2022.

All school leaders who graduate from any of the aforesaid PGSL programmes join the PGSL alumni community, giving them the opportunity to attend webinars and masterclasses featuring education experts nationwide. Through the Masterclass Premium series, PGSL now hosts a Telegram channel for more than 2,000 teachers, creating a base for recurring teacher participation in the programmes.

Additional Information

Further details of YTL Foundation's initiatives during the year under review can be found in the *YTL Group Sustainability Report 2022* available in the *'ESG'* section on our website, as well as the YTL Group Sustainability website at www.ytl.com/sustainability, and on YTL Foundation's website at www.ytlfoundation.com.

Supporting our Communities

We strive to build a resilient society by supporting vulnerable groups and giving back to local communities through charitable causes, partnerships and volunteerism which we believe can leverage our competencies to help those in our communities.

Wessex Water Foundation & Water Force

Wessex Water Foundation provides grants to projects which promote community cohesion and protect the local environment. Almost 144 local groups secured funding totalling £499,138 this year, helping an estimated 227,000 people.

Wessex Water's staff volunteering programme, Water Force, got back to strength in April 2021. This year 439 colleagues gave up their time, working on activities including beach cleans in Dorset, a tidy-up of a primary school garden in Somerset and new steps for Bath City Farm. We continued to coordinate pandemic-related volunteering, and the head office restaurant provided more meals as part of our pandemic response than the previous year.

Geneco's ChangeMakersSG Programme

YTL PowerSeraya's key community initiatives are carried out through #ChangeMakersSG, a collective of eco champions who aim to make Singapore a more sustainable place for future generations. These highly localised programmes and collaborations focus on how individuals, families and small groups can make a difference to their communities.

CHANGEMAKERS SG INITIATIVES FOR FY2022

- ✓ 1,000 complimentary reusable Geneco tote bags distributed to REFASH customers when they purchased preloved clothing item at a REFASH retail store in conjunction with Plastic Free July 2021
- ✓ Giveaway of 500 Micro-Green kits to customers who successfully registered their interest in collaboration with Cultivate Central
- ✓ Distribution of red packets at Chinese New Year to customers, printed on 100% recycled paper & specially designed with native flora selected together with NParks, to encourage exploration of Singapore's green spaces
- ✓ 26 recycling bins provided for the public to drop off their used and excess red packets after Chinese New Year conveniently located island-wide, together with programme partners, collecting about 1,050kg of used red packets for recycling
- ✓ Planting of the second batch of 50 trees in Punggol Park with Geneco's bank partners, Maybank, OCBC and UOB, aligned with the Singapore Green Plan 2030 and NParks' #OneMillionTrees movement (part of Geneco's pledge to plant 250 trees over five years)

Malaysia Collective Impact Initiative (MCII)

YTL Foundation is a founding member of MCII, a collective impact organisation for education in Malaysia. Collective Impact refers to a framework for facilitating and achieving large scale social change. It is a structured and disciplined approach to bringing cross-sector organisations together to focus on a shared mutual outcome that result in sustainable impacts.

ACTIVITIES FOR FY2022	
Programme	Description
MCO Grocery Aid 2021 Grocery vouchers by Econsave for B40 students' families of our schools heavily impacted by MCO	3959 beneficiaries; Community engagement & trust-building; parents could focus more on the children's education when food was on the table
MyReaders Literacy programme modified to include parents & siblings as mentors for students using online resources & monitoring e.g. YouTube, Google Drive, Google Classroom, WhatsApp	7 schools; >100 students/participants; Teachers-parents engagement and relationships improved; developed innovative solutions for solving problems
Chumbaka MCII-OSK STEM Programme focusing on activation of STEM-related clubs for MCII Primary & Secondary Schools through capacity-building for teachers & students	10 schools; 20 teachers; 3-year programme focusing on technical & soft skills; around 50 students' teams created and guided by the teachers for Chumbaka-led competitions
EngagEd Webinars Webinars on Cooperative Learning Structure (CLS) and Assessment for Learning (AfL) with MCII schools	7 schools; ~80 teachers; Empowered teachers to be confident in their own learning curve & knowledge; created safe space for teachers to voice concerns, challenges & achievements
PGSL & MyReaders Sharing on literacy & leadership tools as well as importance as part of MCII Sharing Session	More teachers took ownership over their own learning especially among the PGSL-MCII alumni; empowered teachers to be confident in their own learning curve & knowledge
StudentQR Behavioural reward & tracking app that focuses on positive changes	Positive behavioural change of students recorded by the teachers; allowed more parents involvement via app; programme ran in SMKTIS was recognised at PPD Klang and JPN Selangor level
MCII Sharing Sessions Professional Learning Community online sharing sessions hosted by teachers on various topics with a cascading knowledge-sharing model	Better MCII-schools relationship & trust building; empowered teachers to be confident in their own learning curve & knowledge

Assisting During the Pandemic

Our Group prioritised contributions throughout the COVID-19 pandemic to areas where we felt they were most useful. In addition to face masks and testing kits distributed to our workforce, ongoing dialogue sessions and employee engagement focusing on mental wellbeing, a summary some of our key community initiatives is set out below.

- ✓ YTL Power contributed **RM500,000** to The Edge COVID-19 Equipment Fund (funding protective equipment for Malaysia's frontliners)
- ✓ Geneco donated **1,500 food bundles** to Singapore's Food Bank
- ✓ Geneco provided a **12-month subsidy** on electric bills to protect small businesses against closure and enable them to maintain competitive prices
- ✓ YTL PowerSeraya spent **S$13,240** on employee engagement initiatives, prioritising mental health, as well as encouraging social connections and mutual support
- ✓ Wessex Water established a recovery fund of **£175,000** offering direct financial support to 85 groups of deprived and vulnerable communities affected by the pandemic
- ✓ **Two 3D printers** were provided by Wessex Water to the 'Hack the Pandemic' initiative, facilitating production of protective equipment for Bristol's frontliners
- ✓ Wessex Water provided **12,500 meals** to vulnerable older people, local organisations & charities
- ✓ **£725,000** in rebates were provided by Wessex Water to 14,500 National Health Service (NHS) frontliners via a £50 rebate to alleviate costs incurred in more frequent washing of uniforms
- ✓ **Discounts of up to 90%** for 6 months to assist those affected by a sudden loss of income and more than **6,000 financial assistance plans** were awarded by Wessex Water to ensure debt break measures were sustainable
- ✓ Wessex Water offered low-income pensioners and multiple charity partner organisations up to **£60** off their utility bills
- ✓ YTL Foundation's Learn From Home initiative was expanded to cover over 60 higher learning institutions, and partner organisations and more than **450,000 students**
- ✓ YTL Comms, in collaboration with YTL Foundation, provided free smartphones and data plans to over **730,000 B40 families** under the Malaysian Government's Jaringan Prihatin programme

Ethical Supply Chain

We are committed to delivering world-class services whilst minimising any adverse health, safety and environmental impacts. We address to our customers' expectations and demands in each segment with the use of leading technology and innovative solutions to deliver value-added services, as well as to ensure a beneficial experience in conducting business with our Group.

Excellent relationships with our suppliers are key to delivering excellent services to our customers and nurturing business and innovation within our communities. We need to maintain relationships with suppliers who meet our high standards and demonstrate that they operate in accordance with recognised standards that uphold human rights and safety, prohibit modern slavery and promote sustainable sourcing.

The YTL Group policy on *Commitment to Ethical Supply Purchasing* encompassing the areas of environmental compliance, health and safety and social rights and ethics can be found in the *'ESG'* section of our website.

Our payment policy in respect of suppliers is to agree the payment terms for transactions in advance and to make payments in accordance with those terms. Due to the geographical and operational diversity of our business units, we do not follow one specific external code or standard on payment policy and adapt our practices to local standards. Our suppliers want us to provide them with fair, open and competitive opportunities regardless of their size, so that both ourselves and they can grow and excel. Our suppliers want fair payment terms and assistance during times of economic hardship, so that they can support us in delivering critical services to our customers.

We are fully committed to managing responsible and sustainable supply chains across all our businesses through the integration of sustainability elements into our procurement processes.

Our Code of Conduct and Business Ethics and Anti-Bribery and Corruption Policy set out our expectations of our suppliers and contractors and explain our policy of zero tolerance for bribery and corruption within the organisation. Our policies also provide channels for external parties to submit any genuine whistleblowing reports. These are made available and easily accessible to our employees and the public on our website.

Societal Enrichment

Measures for the promotion of responsible and ethical supply chains include:

Guidelines on supply chain management	• Anti-Bribery & Corruption Policy • Global Privacy Policy • Code of Conduct & Business Ethics • YTL Group policy on Commitment to Ethical Purchasing • Any non-compliance results in a warning notice which may lead to penalties and/or termination of contract(s)
Sourcing locally	• Commit and collaborate with transparent, ethical, environmentally and socially responsible vendors • Source our raw materials, products and services locally whenever possible to support local vendors which stimulates domestic economic growth and reduces transportation emissions
Periodic supplier assessment and audits	• Vendor's performance is monitored and assessed to synergise opportunities for improvement through partnerships under effective supply chain risk controls
Gap analysis	• Improve and enhance sustainable procurement process

Our Group is committed to ethical purchasing and supporting local economic growth through empowerment of local suppliers. Our procurement and sourcing teams prioritise ethical suppliers that comply with responsible ethics and business dealings in the following key areas:

Environment	• Fully comply with local environmental regulations • Implement measures to optimise resources and minimise waste • Avoid use of toxic or hazardous substances where possible and ensure responsible disposal in cases where they are used • Commitment to minimise GHG emissions, pollution, energy and water consumption, and protect biodiversity • Employ environmentally friendly technologies or processes within operations
Health and Safety	• Fully comply with local health & safety regulations and support to governing bodies • Identify health & safety impacts of products and services and formulate appropriate mitigation plans and standard operating procedures • Ensure safe working conditions for onsite contractors, suppliers and other stakeholders
Social Rights and Ethics	• Fully comply with local regulations • Avoid human rights abuses in production and procurement dealings • Care for emotional, physical, and mental wellbeing of workers through a fair and healthy working environment • Support locally produced raw materials, consumables, products and services, where possible • Educate and encourage suppliers, contractors and service providers to offer cost effective and sustainable products and services

Responsible Governance

COMMITMENT & APPROACH

Our commitment

Being a trusted, reliable and financially strong corporate citizen

Our approach

- ✓ Upholding a zero-tolerance policy for bribery, corruption and unethical behaviour throughout the organisation and in dealings with business partners
- ✓ Maintaining sound risk management systems and internal controls to ensure significant risks are identified and properly managed
- ✓ Fostering a culture of ethics and integrity to ensure compliance with all applicable laws and regulatory requirements

Sound ethics, integrity and a strong compliance culture are at the heart of our operations, driving environmental, social and governance policy commitments at the highest level through to business practices on the ground. We actively engage with our stakeholders to ensure that we meet the expectations placed upon us.

Our Board is the gatekeeper for our Group's values, culture and ethics. Standards of governance and behaviour are communicated through policies that cover areas including ethics and anti-bribery and corruption, and training on these issues is provided to employees.

CORPORATE GOVERNANCE

Our Group has a long-standing commitment to strong corporate governance and protection of stakeholder value, which has been integral to the YTL Power Group's achievements and strong financial profile to date. YTL Power's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term value and the financial performance of the YTL Power Group for the benefit of all stakeholders.

Further details can be found in our *Corporate Governance Overview Statement* in this Annual Report, as well as our *Corporate Governance Report* for the financial year ended 30 June 2022, which is available in the *'Governance'* section of our website.

RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

YTL Power has a sound system of risk management and internal control in place which covers not only financial controls but operational and compliance controls and risk management. Our 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.

Details can be found in our *Statement on Risk Management and Internal Control* in this Annual Report.

ANTI-CORRUPTION

YTL Power adheres to the YTL Group's Code of Conduct and Business Ethics, which also sets out the whistleblowing policy and procedures, and the YTL Group's Anti-Bribery and Corruption Policy ("ABC Policy"), both of which can be found in the 'Governance' section of our website.

The ABC Policy further enforces the YTL Group's Code of Conduct and Business Ethics in order to ensure that all employees understand their responsibilities in compliance with the YTL Group's zero tolerance for bribery and corruption within the organisation.

A comprehensive implementation plan has been established to communicate and disseminate the ABC Policy throughout YTL Power's Malaysia-based workforce through online training modules and other communication methods. Electronic communications put in place over the past two years to comply with physical distancing guidelines implemented in response to the COVID-19 pandemic have proven highly effective and we have continued to employ these methods as part of the overall dissemination and training process.

Employees 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.

Responsible Governance

Training carried out during the financial year under review focused on areas including data security and protection and cybersecurity awareness.

The Wessex Group and YTL PowerSeraya maintain their own policies and procedures to manage anti-bribery and corruption matters, tailored to comply with the requirements, practices and standards in the UK and Singapore, respectively.

CYBERSECURITY & DATA PROTECTION

Security and resilience of our digital systems and protection of data are of critical importance to our business. We have appropriate systems in place to protect sensitive company information and safeguard information of the stakeholders with whom we interact and/or transact from misuse, theft and unauthorised access.

We adhere to the YTL Group's Global Privacy Policy which functions to safeguard personal data and the privacy of our customers, employees and other stakeholders and strong emphasis is placed across the organisation on the need to comply with the Personal Data Protection Act 2010 in Malaysia and the applicable data protection regulations and legislation in all jurisdictions where we operate.

Data protection is of material importance to Wessex Water, YTL PowerSeraya and YTL Comms, all of which are retail customer businesses, involving the data of millions of customers. During the year under review, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data.

Training undertaken during the year under review by YTL Power's workforce in Malaysia included the YTL Group's Data Security and Protection Course, as well as the first 3 modules of a 6-part Cybersecurity Training programme to raise awareness of new threats and reinforce best practices and the importance of ongoing vigilance. New standards introduced this year included *Guidelines on Data Security and Protection* and the *Bring Your Own Device Policy*.

YTL PowerSeraya adopts the ISO 27001 information security management framework to protect the power plant network system from information security threats. Through ISO 27001, the company seeks to improve its information security processes, procedures and policies to protect the organisation from cyber-attacks in today's fast evolving digital landscape.

The Wessex Group complies with the UK Data Protection Act 2018 and the General Data Protection Regulations (GDPR). A cybersecurity cultural awareness and training campaign was carried out and completed in 2021-22 aimed at bolstering protection of customer data and the operational resilience to cybersecurity risks.

GOVERNANCE STATEMENTS & REPORTS

The ensuing sections of this Annual Report set out in comprehensive detail our governance oversight, framework, structures and systems:

Our leadership:
- Profile of the Board of Directors
- Profile of Key Senior Management

Our governance structure:
- Corporate Governance Overview Statement
- Statement on Risk Management & Internal Control
- Audit Committee Report
- Nominating Committee Statement
- Statement of Directors' Responsibilities

MEMBERSHIPS

Details of industry associations and other groups in which the YTL Power Group participates in a significant way are as follows:

Representation via YTL Group/Board member
- British-Malaysian Chamber of Commerce
- Capital Markets Advisory Council
- Malaysian Business Council
- Malaysian Dutch Business Council
- The Nature Conservancy's Asia Pacific Council

YTL PowerSeraya
- World Energy Council, Singapore Chapter
- Sustainable Energy Association of Singapore

Wessex Water
- Water UK
- UK Water Industry Research
- British Water
- Future Water Association
- Major Energy Users' Council
- Energy and Utility Skills Group
- Careers and Enterprise Company: Cornerstone
- Employer and Youth Advisory Group
- Apprenticeship Ambassador Network
- Stem Ambassador Network
- Engineering UK: Engineering Code
- Aldersgate Group
- Rural England

Profile of the Board of Directors

TAN SRI (SIR) FRANCIS YEOH SOCK PING

Malaysian, male, aged 68, 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 by University of Nottingham. He was appointed the Managing Director of YTL Corporation Berhad Group in 1988 which, under his stewardship, has grown from a single listed company into a global integrated infrastructure developer, encompassing multiple listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Hospitality REIT, Malayan Cement Berhad and Starhill Global Real Estate Investment Trust.

He was the Managing Director of YTL 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 and also a director of YTL Industries Berhad. He is also the Chairman of YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Tan Sri Francis is 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 served as an Independent Non-Executive Director of The Hong Kong and Shanghai Banking Corporation Limited for a period of 10 years from July 2012 to June 2022 . He sits on the board of trustees of YTL Foundation. He also serves on the board of directors of Suu Foundation, a humanitarian organisation committed to improving healthcare and education in Myanmar.

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

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

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

Profile of the Board of Directors

DATO' YEOH SEOK HONG

Malaysian, male, aged 63, 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 and a Fellow of the Chartered of Institute of Building (CIOB), United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm.

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

TAN SRI ISMAIL BIN ADAM

Malaysian, male, aged 72, 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 (Development) 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 until his retirement in 2010. As the Director-General of Public Service Malaysia, he 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.

DATUK SERI LONG SEE WOOL

Malaysian, male, aged 67, 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 66, 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.

Profile of the Board of Directors

DATO' YEOH SEOK KIAN

Malaysian, male, aged 65, 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 serves on the boards of other public companies such as YTL Cement Berhad, YTL Industries Berhad, Sentul Raya Golf Club Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales, YTL PowerSeraya Pte Limited in Singapore, as well as YTL Starhill Global REIT Management Limited, the manager of Starhill Global Real Estate Investment Trust, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

DATO' YEOH SOO MIN

Malaysian, female, aged 66, 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 62, 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 serves on the boards of other public companies such as YTL Land & Development Berhad, YTL e-Solutions Berhad, YTL Industries Berhad and a private utilities corporation, YTL PowerSeraya Pte Limited in Singapore.

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

Profile of the Board of Directors

DATO' YEOH SOO KENG

Malaysian, female, aged 59, 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 and YTL Cement 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 57, 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.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, male, aged 68, 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 Bursa Malaysia Securities Berhad, and YTL e-Solutions Berhad.

Profile of the Board of Directors

FAIZ BIN ISHAK

Malaysian, male, aged 64, 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 5 Board meetings were held and the details of attendance are as follows:-

	Attendance
Tan Sri (Sir) Francis Yeoh Sock Ping	5
Dato' Yeoh Seok Hong	5
Tan Sri Ismail Bin Adam	5
Datuk Seri Long See Wool	5
Datuk Loo Took Gee	5
Dato' Yeoh Seok Kian	5
Dato' Yeoh Soo Min	5
Dato' Sri Michael Yeoh Sock Siong	5
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	5
Syed Abdullah Bin Syed Abd. Kadir	5
Faiz Bin Ishak	5

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

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

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

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

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

JOHN NG PENG WAH

Singaporean, male, aged 63, 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 as well as Vice-President of the Singapore National Employers Federation (SNEF). He also serves as a board member of the Public Utilities Board and Orchard Westwood Properties Pte Ltd.

LEE WING KUI

American, male, aged 55, was appointed the Chief Executive Officer of YTL Communications Sdn Bhd ("YTL Communications") on 1 November 2009 and subsequently appointed as a member of the board of directors of YTL Communications on 3 March 2011.

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

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

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

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

Notes:-

None of the Key Senior Management has –

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

Corporate Governance Overview Statement

for the financial year ended 30 June 2022

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 compliance with the Code during the financial year ended 30 June 2022 is detailed in this statement.

The Company's Corporate Governance Report ("CG Report") for the financial year ended 30 June 2022 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:-

- Ensuring that the strategic plans for the YTL Power Group support long-term value creation for the benefit of its stakeholders and include strategies on economic, environmental and social considerations underpinning sustainability;
- Promoting good corporate governance culture within the YTL Power Group which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the YTL Power Group's businesses to evaluate and assess management performance to determine whether businesses are being properly managed;
- Ensuring there is a framework of prudent and effective internal control and risk management systems which enable risks to be identified, assessed and managed;
- Succession planning for the Board and senior management;
- Overseeing the development and implementation of a shareholder/stakeholder communications policy;
- Reviewing the adequacy and integrity of the YTL Power Group's management information and internal control systems; and
- Ensuring the integrity of the YTL Power Group's financial and non-financial reporting.

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

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

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

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

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

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

Board Meetings & Procedures

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Power Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. Meetings of the Board's committees are conducted separately from those of the main Board to enable objective and independent discussions. The Board met 5 times during the financial year ended 30 June 2022.

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.

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.

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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 carries out ongoing reviews of existing practices in comparison with any new measures introduced in the Listing Requirements and/or legislation, regulations and codes applicable to the governance of the Company and updates the Board accordingly.

Board Charter

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

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

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

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

Business Conduct, Ethics & Whistleblowing

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

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

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

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

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

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

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

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

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

Sustainability Governance

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

YTL Power's ESG Committee is chaired by the Managing Director, Dato' Yeoh Seok Hong, and comprises the Heads of the Legal, Corporate Finance and Project Development divisions, together with departmental heads with responsibility for ESG matters from key subsidiaries.

The ESG Committee supports the Board to set the high-level ESG direction and strategic focus, oversees the implementation of ESG strategies and related matters and reviews, and monitors and provides the YTL Power Group's ESG strategic plans and initiatives across its value chain. The ESG Committee reports to the Board on an annual basis or more frequently, as and when needed.

The Company's key methods for communicating its sustainability strategies, priorities and targets as well as performance against these targets to internal and external stakeholders include the Annual Report and the "*ESG*" section on the Company's website at www.ytlpowerinternational.com. As part of the YTL Group, information on the YTL Power Group's ESG performance is also included in the YTL Group Sustainability Report, which is issued annually and can be accessed from the YTL Group's Sustainability website at www.ytl.com/sustainability.

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

The Board's evaluation process includes criteria for addressing and managing significant risks that may have a considerable impact on the Company, and ESG risks are incorporated into this process as

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they form part of the overall risk management framework. Further details are set out in the section below on *Evaluation of the Board* and in the *Nominating Committee Statement* in this Annual Report.

Composition of the Board

The Board 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 2022). The Executive Directors are appointed by the major shareholder in accordance with its rights under the Companies Act 2016 and the Constitution of the Company.

YTL 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 interests of the major shareholder are fully aligned with those of all shareholders of the Company.

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

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

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

There are currently no Independent Non-Executive Directors who have served on the Board for a period exceeding the nine-year term limit as recommended in the Code.

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

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

Board & Senior Management Appointments

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

The Nominating Committee is chaired by and comprises solely Independent Non-Executive Directors. The Chairman of the Nominating Committee is Datuk Seri Long See Wool. This complies with the recommendation under the Code that the chairman of the Nominating Committee should not be the chairman of the Board.

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

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, the Board's committees and the Board as a whole with the objectives of assessing whether the Board, its committees and the Directors had effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs, in addition to recommending areas for improvement.

The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms comprising a Board and 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.

The results of the annual evaluation carried out form the basis of the Nominating Committee's recommendations to the Board for the re-election of Directors. As recommended in the Code, the Board will endeavour to utilise independent experts to facilitate the evaluation process, as and when appropriate. Further information on the activities of the Nominating Committee can be found in the *Nominating Committee Statement* set out in this Annual Report. This information is also available under the "*Governance*" section on the Company's website at www.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, whilst the Non-Executive Directors' remuneration comprises Directors' fees and benefits. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages. Directors' fees and other benefits must be approved by shareholders at the AGM.

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

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

The composition of the RC is set out below:-
- Datuk Seri Long See Wool, Chairman
- Datuk Loo Took Gee
- Encik Faiz Bin Ishak

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.

During the financial year ended 30 June 2022, the RC met once, attended by all members. The meeting, which was held on 13 September 2021, assessed the fees and meeting attendance allowance (benefits) ("INED Remuneration") proposed for the Independent Non-Executive Directors, guided by the framework set out in the YTL Power Group *Remuneration Policy and Procedures for Directors and Senior Management*. The proposed INED Remuneration was benchmarked against comparable listed companies in Malaysia in terms of industry and size/market capitalisation. It also considered the performance of the Independent

Non-Executive Directors as indicated by the evaluations conducted and responsibilities assumed, as well as the overall performance of the Group.

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

Details of the Directors' remuneration categorised into appropriate components can be found in *Note 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 the 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, members of the Board do not hold more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL 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. In accordance with the Board Charter and guidance in the Code, none of the Directors are active politicians.

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

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Integrity in Financial Reporting

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

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

Audit Committee

The Company has in place an Audit Committee which comprises solely Independent Non-Executive Directors, in compliance with the Listing Requirements and the Code, 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 2022. 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's *Auditor Independence Policy* guides its assessment of the suitability, objectivity and independence of the external auditors. This policy was updated during the financial year to, amongst others, extend the cooling off period to three years (from two years previously) for appointment of a former audit partner of the external audit firm as a member of the Audit Committee, and to include additional assessment criteria based on information presented in the *Annual Transparency Report* of the external auditors, in line with the Code. None of the Audit Committee members were formerly audit partners of YTL 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 2022 are as follows:-

	Company RM'000	**Group RM'000**
Statutory audit fees paid/payable to:-		
- PwC Malaysia	816	846
- Member firms of PwCIL*	-	812
Total	816	1,658
Non-audit fees paid/payable to:-		
- PwC Malaysia	55	164
- Member firms of PwCIL*	-	565
Total	55	729

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

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 registered member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants (ACCA) UK. He started his career with the external audit division of a large public accounting firm before moving on to the internal audit profession in public listed companies and gained valuable and extensive internal audit experience covering many areas of diversified commercial businesses and activities. He has a total of 39 years of internal and external audit experience.

During the financial year ended 30 June 2022, YTLIA comprised 8 full-time personnel. The personnel of YTLIA are free from any relationships or conflicts of interest which could impair their objectivity and independence.

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

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

- Developing the annual internal audit plan and proposing this plan to the 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 *Statement on Risk Management & Internal Control* and the *Audit Committee Report* as set out in this Annual Report.

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

Communication with Shareholders & Other Stakeholders

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

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

The Executive Chairman, Managing Director and/or the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL 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 financial and non-financial performance of the YTL Power Group, as well as progress and long-term strategies. The Directors provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL 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 25th AGM held on 7 December 2021.

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 25th AGM of the Company, held on 7 December 2021, the resolutions put forth for shareholders' approval were voted on by way of a poll.

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

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

Minutes of general meetings are posted on the Company's website under the "*Meetings*" page at https://www.ytlpowerinternational.com/meetings no later than 30 business days after the general meeting.

Due to the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 25th AGM of the Company was conducted as a fully virtual meeting through live streaming and online remote participation and voting using the TIIH Online System at https://tiih.com.my provided by the appointed share registrar and poll administrator, Tricor Investor & Issuing House Services Sdn Bhd.

In view of the rules/restrictions applicable during the ongoing transition to the endemic phase of COVID-19, the forthcoming 26th 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 25 August 2022.

Statement on Risk Management & Internal Control

for the financial year ended 30 June 2022

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

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard the investment of its shareholders and the assets of the YTL 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.

This statement sets out an overview of YTL Power's compliance with the applicable provisions of the Code during the financial year ended 30 June 2022.

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 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.

- **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, the Listing Requirements or recommended industry practices that would require disclosure in the Company's Annual Report.

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

Similarly, the companies of the YTL PowerSeraya Pte Limited group ("YTL PowerSeraya") based in Singapore were also not covered by YTLIA. YTL PowerSeraya's operations are subject to stringent financial and operational controls imposed by its regulator, the Energy Market Authority (EMA), a statutory board under the Ministry of Trade and Industry of Singapore. YTL PowerSeraya 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.

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.

Statement on Risk Management & Internal Control
for the financial year ended 30 June 2022

- **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 P.T. Jawa Power and Attarat Power Company PSC. These assets share common characteristics of predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

The Board acknowledges that all areas of the YTL 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 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.

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 25 August 2022.

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
(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	5

SUMMARY OF WORK CARRIED OUT DURING FINANCIAL YEAR

The Audit Committee carried out the following work during the financial year ended 30 June 2022 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 2021, and the annual audited financial statements for the financial year ended 30 June 2021 at the Audit Committee meetings held on 7 September 2021 and 29 September 2021, respectively;
- First, second and third quarters of the quarterly results for the financial year ended 30 June 2022 at the Audit Committee meetings held on 24 November 2021, 23 February 2022 and 25 May 2022, 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");
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements");
- The Financial Reports were fairly presented in conformity with the relevant accounting standards in all material aspects.

2. External Audit

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

- their status report, and final report on the audit of the financial statements for financial year ended 30 June 2021 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 2022 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 7 September 2021 and 25 May 2022, 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) 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 2021 and recommended to the Board of Directors that shareholders' approval be sought for PwC's re-appointment at the annual general meeting held on 7 December 2021.

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 committee of Wessex Water 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 the Anti-Bribery and Corruption Risk Assessment reports to effectively managing the risks identified within the Group;

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

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

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

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

(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 2021 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

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 2021 Annual Report.

6. Amendments to Terms of Reference ("TOR")

Reviewed the proposed amendments to its TOR to reflect the recommended practices of the Malaysian Code on Corporate Governance ("Code") and the provisions of the Listing Requirements, where applicable, prior to its recommendation to the Board of Directors for approval.

7. Amendments to Policy on Auditor Independence

Reviewed the proposed amendments to the Policy on Auditor Independence including the 'External Auditor Evaluation Form' to include enhancements to its oversight role as introduced by the practices recommended in the Code, prior to its recommendation to the Board of Directors for approval.

8. Employees Share Option Scheme ("ESOS")

Reviewed the verification of share options allocation to the eligible employees approved by the options committee on 27 January 2022 and concurred that the allocation under the ESOS complied with the criteria set out in the By-Laws of the ESOS.

INTERNAL AUDIT FUNCTION

The objective of the Internal Audit ("IA") is to help management evaluate the effectiveness and efficiency of the internal control systems. The IA is part of the Company and the Group's governance system, and according to the Code, 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 RM1,918,614 were incurred in relation to the internal audit function for the financial year ended 30 June 2022.

Nominating Committee Statement

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)*
- Datuk Loo Took Gee
- Encik Faiz Bin Ishak

The NC met twice during financial year ended 30 June 2022, attended by all members.

BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED

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

ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

i. Review of Directors standing for re-election

In June 2022, based on the schedule of retirement by rotation and in conjunction with the annual evaluation exercise, the NC considered the eligibility of Datuk Seri Long See Wool, Datuk Loo Took Gee, Tuan Syed Abdullah Bin Syed Abd. Kadir and Encik Faiz Bin Ishak, who are due to retire by rotation pursuant to Article 86 of the Company's Constitution at the Twenty-Sixth Annual General Meeting of the Company, to stand for re-election.

The NC (save for the members who abstained from deliberations and voting in respect of their own re-election) was satisfied that they continue to perform and contribute effectively as indicated by the performance evaluation results, devote the necessary time commitment to their roles and responsibilities, and in the case of the Independent Non-Executive Directors ("INED"), exercise objectivity and independence of judgement, and as such resolved to recommend to the Board that they stand for re-election.

ii. Annual evaluation

In May 2022, the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and individual Directors was carried out. The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making while Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

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

Nominating Committee Statement

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2022 were satisfactory.

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

In terms of the tenure of the INED, the NC took note of the amendments introduced by Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Listing Requirements") in relation to the 12-year limit for independent directors.

iii. Review of the NC Statement for financial year ended 30 June 2021

The NC Statement was reviewed by the NC prior to its recommendation to the Board for inclusion in 2021 Annual Report.

iv. Review of the evaluation criteria in the evaluation forms

The NC reviewed the evaluation criteria set out in the evaluation forms and resolved that the same be maintained as they remained relevant and consistent with the Malaysian Code on Corporate Governance and Listing Requirements.

v. Review of the Fit and Proper Policy for Directors

The NC reviewed the Fit and Proper Policy for Directors of the Company and its subsidiaries together with the form of 'Declaration of Fit and Properness by Director' prior to recommending the same for adoption by the Board.

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.

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 2022, the following five in-house training programmes were organised for the Directors:

- YTL LEAD Conference 2021;
- YTL Group Data Security & Protection Course;
- An Effective Holistic Approach to establishing Effective ESG Culture and Successful Implementation;
- Successful Implementation of the 4 ESG Pillars, Metrics and Disclosures;
- Cybersecurity Training: Phishing Attack.

All the Directors have undergone training programmes during the financial year ended 30 June 2022. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
▸ Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability	
Climate Governance Malaysia: The Net Zero Journey: What Board Members need to Know – Part 1 (13 July 2021)	Datuk Loo Took Gee
Climate Governance Malaysia: Directors' Duties and Climate Change (22 July 2021)	Datuk Loo Took Gee
Malaysian Institute of Management ("MIM") Webinar: Fighting Corruption Together as a Nation (10 August 2021)	Dato' Yeoh Soo Min
Climate Governance Malaysia: Is Malaysia Ready for Carbon Pricing and Green Financing? (17 August 2021)	Datuk Loo Took Gee
Climate Change, Reporting and Sustainability Trends: The Inter-links Towards Addressing Sustainable Development Goals and Climate Change (8 September 2021)	Tan Sri Ismail Bin Adam
ICDM: Sustainable Reset: The Role of NRC in a Post Pandemic World (21-22 September 2021)	Faiz Bin Ishak
Competition Law (10 November 2021)	Tan Sri Ismail Bin Adam
Leadership for Enterprise Sustainability Asia 2021: Are you ready for the climate changed economy? (15-18 November 2021)	Dato' Yeoh Soo Min
MICG: The Law Behind Corporate Governance (30 November 2021)	Faiz Bin Ishak
The Securities Commission Malaysia's Audit Oversight Board – Conversation with Audit Committees – Good Practices for Audit Committees in Supporting Audit Quality – How it Impacts Audit Committee (6 December 2021)	Datuk Loo Took Gee Faiz Bin Ishak
Bank Negara Malaysia – Launch of the Joint Report on Nature-Related Financial Risks in Malaysia (15 March 2022)	Datuk Loo Took Gee
MIM Crucial Conversations Series: Your Right, Your Role: Speak Up Against Corruption – "Empowering People to Build Good Governance" (28 March 2022)	Dato' Yeoh Soo Min
The Malaysian Water Association – 2050 Net-Zero GHG: Outlook for Malaysian Water and Environmental Sector (28 March 2022)	Datuk Loo Took Gee

Nominating Committee Statement

Seminars/Conferences/Training	Attended by
▸ Risk Management/Compliance/Anti-Corruption/Environmental, Social & Governance/Sustainability (Cont'd.)	
An Effective Holistic Approach to establishing Effective ESG Culture and Successful Implementation (6 April 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Hong Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Soo Min Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd Kadir Faiz Bin Ishak
The Securities Commission Malaysia's Audit Oversight Board - Conversation with Audit Committees – Good Practices for Audit Committees in Supporting Audit Quality – How it Impacts Audit Committee (7 April 2022)	Faiz Bin Ishak
Successful Implementation of the 4 ESG Pillars, Metrics and Disclosures (11 April 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Hong Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Soo Min Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Faiz Bin Ishak
Steward Leadership for Sustainability (12 April 2022)	Datuk Loo Took Gee
An EU-Malaysian Dialogue: Fighting Climate Change with Market Mechanisms (25 May 2022)	Datuk Loo Took Gee
Corporate Treasurer CT Week: Sustainable Treasurer & Financing Climate Change (22 June 2022)	Dato' Yeoh Soo Min
▸ Leadership and Business Management	
Women@YTL – Nurturing and Mental Health (9 July 2021)	Dato' Yeoh Soo Min
Intentional Integrity – How Smart Companies Can Lead an Ethical Revolution (28 October 2021)	Datuk Loo Took Gee
YTL LEAD Conference 2021 (6-10 December 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Seok Hong Datuk Seri Long See Wool Datuk Loo Took Gee Dato' Yeoh Seok Kian Dato' Yeoh Soo Min Dato' Sri Michael Yeoh Sock Siong Dato' Yeoh Soo Keng Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir Faiz Bin Ishak

Seminars/Conferences/Training	Attended by
▸ **Cybersecurity/Technology/Finance/Economy/Investment/Taxation**	
Invest Malaysia 2021: Rebuilding a Sustainable Economy Series 1 – Economic Reform (14 October 2021)	Dato' Yeoh Soo Min
EY-DBS webinar: Tap into digital opportunities (21 October 2021)	Dato' Yeoh Soo Min
FinanceAsia: 3rd China Fixed Income Summit 2021 – Investing in a transformational market (15-19 November 2021)	Dato' Yeoh Soo Min
Artificial Intelligence (AI) for Company Directors and Executives (16 November 2021)	Faiz Bin Ishak
FinanceAsia: Corporate Treasurer's Treasury Week - Manoeuvring through recovery (22-26 November 2021)	Dato' Yeoh Soo Min
YTL Group Data Security & Protection Course (December 2021)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Yeoh Soo Min Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Corporate Treasurer CT Week: Transforming Treasury for Tomorrow (26 & 27 April 2022)	Dato' Yeoh Soo Min
Cybersecurity Training: Phishing Attack (Part 1) (May 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Cybersecurity Training: Phishing Attack (Part 2) (June 2022)	Tan Sri (Sir) Francis Yeoh Sock Ping Dato' Mark Yeoh Seok Kah Syed Abdullah Bin Syed Abd. Kadir
Webinar by DBS Private Bank: Private Markets Investments Forum (9 June 2022)	Dato' Yeoh Soo Min
Charting a New Frontier – Aviation Consumer Protection Needs Today and Beyond (28 June 2022)	Datuk Seri Long See Wool

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 2022, 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.

GRI Content Index

Statement of use	YTL Power International Berhad has reported the information cited in this GRI content index for the period from 1 July 2021 to 30 June 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page
GRI 2: General Disclosures 2021		
2-1	Organisational details	2; 37
2-2	Entities included in the organisation's sustainability reporting	35
2-3	Reporting period, frequency and contact point	35
2-4	Restatements of information	35
2-5	External assurance	35
2-6	Activities, value chain and other business relationships	12-30; 37
2-7	Employees	37; 60
2-9	Governance structure and composition	40; 72-77
2-10	Nomination and selection of the highest governance body	83-84; 96-97
2-11	Chair of the highest governance body	40; 72
2-12	Role of the highest governance body in overseeing the management of impacts	40; 82-83
2-13	Delegation of responsibility for managing impacts	40; 82-83
2-14	Role of the highest governance body in sustainability reporting	40; 82-83
2-15	Conflicts of interest	40; 80-81
2-16	Communication of critical concerns	40-42; 81-82; 87
2-17	Collective knowledge of the highest governance body	97-100
2-18	Evaluation of the performance of the highest governance body	96-97
2-19	Remuneration policies	40; 84-85
2-20	Process to determine remuneration	84-85
2-22	Statement on sustainable development strategy	36; 38-39
2-23	Policy commitments	40
2-24	Embedding policy commitments	40
2-26	Mechanisms for seeking advice and raising concerns	40-42; 81-82; 87-88
2-27	Compliance with laws and regulations	70-71
2-28	Membership associations	71
2-29	Approach to stakeholder engagement	41-42
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	41-42
3-2	List of material topics	43-44
Economic Performance		
GRI 3: Material Topics 2021		
3-3	Management of material topics	12-30; 37; 46
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	16-17; 37
201-3	Defined benefit plan obligations and other retirement plans	242-251
Market Presence		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 46
GRI 202: Market Presence 2016		
202-2	Proportion of senior management hired from the local community	60
Anti-Corruption		
GRI 3: Material Topics 2021		
3-3	Management of material topics	46; 70-71
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	70-71; 81-82; 98-99
Energy		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 45; 49-50; 53
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	53
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Water & Effluents		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 45; 51-52
GRI 303: Water and Effluents 2018		
303-3	Water withdrawal	51
303-4	Water discharge	51
303-5	Water consumption	51

GRI Content Index

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3-3	Management of material topics	38; 45; 55
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	55
304-3	Habitats protected or restored	55
Emissions		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 45; 47-50
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	49
305-2	Energy indirect (Scope 2) GHG emissions	49
305-5	Reduction of GHG emissions	49
Waste		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 45; 53-54
GRI 306: Waste 2020		
306-3	Waste generated	54
306-4	Waste diverted from disposal	54
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Employment		
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3-3	Management of material topics	38; 46; 58-61
GRI 401: Employment 2016		
401-3	Parental leave	60
Health & Safety		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 46; 59-60
GRI 403: Occupational Health and Safety 2018		
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403-2	Hazard identification, risk assessment, and incident investigation	59
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GRI Standard	Disclosure	Page
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GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 46; 60-61
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	60
Local Communities		
GRI 3: Material Topics 2021		
3-3	Management of material topics	38; 46; 62-69
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	62-69
Customer Privacy		
GRI 3: Material Topics 2021		
3-3	Management of material topics	46; 71
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	71

Analysis of Shareholdings

as at 20 September 2022

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	6,544	15.38	235,641	0.00
100 - 1,000	4,008	9.42	1,496,510	0.02
1,001 - 10,000	20,765	48.81	78,176,228	0.96
10,001 - 100,000	9,630	22.63	268,903,437	3.32
100,001 to less than 5% of issued shares	1,594	3.75	2,363,067,114	29.17
5% and above of issued shares	5	0.01	5,390,275,377	66.53
Total	**42,546**	**100.00**	**8,102,154,307**	**100.00**

Excluding 56,054,431 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	433,207,346	5.35
6	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	308,188,226	3.80
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	253,278,119	3.13
9	Amanahraya Trustees Berhad - Amanah Saham Malaysia 2 - Wawasan	118,170,477	1.46
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	76,747,000	0.95
13	HSBC Nominees (Asing) Sdn Bhd - SIX SIS for Bank Sarasin CIE	39,120,738	0.48
14	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 3 - Didik	30,987,527	0.38
15	Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	25,290,859	0.31
16	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Asset Management Sdn Bhd for Malayan Banking Berhad (N14011200618)	24,767,900	0.31
17	Dato' Yeoh Seok Hong	23,701,610	0.29

Analysis of Shareholdings
as at 20 September 2022

	Name	No. of Shares	%
18	Kumpulan Wang Persaraan (Diperbadankan)	22,576,094	0.28
19	Toh Ean Hai	18,900,000	0.23
20	Dato' Yeoh Soo Min	18,274,657	0.23
21	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hasil Mayang Sdn Bhd	15,232,249	0.19
22	Dato' Yeoh Soo Keng	14,810,799	0.18
23	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	12,842,400	0.16
24	Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	12,447,658	0.15
25	Dato' Mark Yeoh Seok Kah	12,299,200	0.15
26	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Credit Suisse (SGBR-TST-ASING)	12,167,263	0.15
27	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	11,797,022	0.15
28	Dato' Yeoh Seok Kian	11,276,298	0.14
29	Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	10,837,500	0.13
30	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	10,391,563	0.13
	Total	**6,993,509,770**	**86.32**

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	525,975,452(1)	6.49
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	802,901,078	9.91	4,502,625,892(2)	55.57
Yeoh Tiong Lay & Sons Family Holdings Limited	–	–	5,305,526,970(3)	65.48
Yeoh Tiong Lay & Sons Trust Company Limited	–	–	5,305,526,970(4)	65.48
Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	25,290,859	0.31	5,305,526,970(5)	65.48
Employees Provident Fund Board	445,331,746	5.50	–	–

(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 20 September 2022

THE COMPANY

YTL Power International Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,870,694	0.27	862,153[(1)]	0.01
Dato' Yeoh Seok Hong	135,438,169	1.67	5,435,235[(1)]	0.07
Datuk Seri Long See Wool	–	–	50,168[(1)]	*
Dato' Yeoh Seok Kian	11,276,298	0.14	14,416,426[(1)]	0.18
Dato' Yeoh Soo Min	19,166,325	0.24	4,980,017[(1)(2)]	0.06
Dato' 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)]	*

	No. of Share Options	
Name	**Direct**	**Indirect**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	15,000,000	–
Dato' Yeoh Seok Hong	15,000,000	9,000,000[(1)]
Datuk Seri Long See Wool	1,000,000	–
Datuk Loo Took Gee	1,000,000	–
Dato' Yeoh Seok Kian	15,000,000	–
Dato' Yeoh Soo Min	15,000,000	–
Dato' Sri Michael Yeoh Sock Siong	15,000,000	–
Dato' Yeoh Soo Keng	15,000,000	–
Dato' Mark Yeoh Seok Kah	15,000,000	–
Syed Abdullah Bin Syed Abd. Kadir	1,000,000	–
Faiz Bin Ishak	1,000,000	–

HOLDING COMPANY

YTL Corporation Berhad

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	150,344,946	1.37	1,016,665[(1)]	0.01
Dato' Yeoh Seok Hong	54,173,305	0.49	24,821,442[(1)]	0.23
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	57,665,399	0.53	2,495,456[(1)(2)]	0.02
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 20 September 2022

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

RELATED COMPANIES

Malayan Cement Berhad

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

YTL Corporation (UK) PLC

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

YTL Construction (Thailand) Limited

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

Samui Hotel 2 Co. Ltd

Name	No. of Shares Held Direct	%
Tan Sri (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 2022

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 2022 (RM'000)	Date of Acquisition
Filton Airfield, Filton, Bristol	Freehold	1,416,400	Disused Airfield & Hangars	-	-	-	627,311	1.12.2015
Kulai Young Estate, Kulai, Johor	Freehold	6,639,760	Land held for development of solar power facility and data centers	-	-	-	428,899	28.9.2021
Avonmouth WRC, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600	Water Recycling Centre	-	-	-	416,701	21.5.2002
Durleigh Water Treatment Works, Enmore Road, Durleigh, Bridgwater, TA5 2AW	Freehold	5,155	Water Treatment Works	-	-	-	306,287	21.5.2002
Ham Lane WRC, Creech St. Michael, Taunton, Somerset TA3 5NU	Freehold	120,000	Water Recycling Centre	-	-	-	263,506	21.5.2002
Johan de Wittlaan 30, The Hague, 2517 JR Netherlands	Freehold	7,648	10-storey hotel building	14,124	4	-	225,486	28.6.2018
Cirebon, West Java, Indonesia	Freehold	2,589,622	Land held for development of power plant, switching station and transmission tower	-	-	-	208,375	15.7.2015
Poole WRC, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800	Water Recycling Centre	-	-	-	201,127	21.5.2002
W-S-Mare WRC, Accommodation Road, Bleadon, Weston Super Mare, BS24 OAP	Freehold	157,500	Water Recycling Centre	-	-	-	187,657	21.5.2002
Trowbridge WRC, Bradford Road, Trowbridge, West Wilts, BA14 9 AX	Freehold	60,000	Water Recycling Centre	-	-	-	175,186	21.5.2002

FINANCIAL STATEMENTS

Directors' Report

for the financial year ended 30 June 2022

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 2022.

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
Profit for the financial year	**1,185,269**	**2,244,957**
Attributable to:		
- Owners of the parent	**1,207,378**	**2,244,957**
- Non-controlling interests	**(22,109)**	**-**
	1,185,269	**2,244,957**

DIVIDENDS

The dividends paid by the Company since the end of the last financial year were as follows:

	RM'000
In respect of the financial year ended 30 June 2021:	
- Second interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	**202,554**
In respect of the financial year ended 30 June 2022:	
- First interim dividend of 2.0 sen per ordinary share paid on 29 June 2022	**162,043**

On 25 August 2022, the Board of Directors declared a second interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2022. The book closure and payment dates in respect of the aforesaid dividend are 11 November 2022 and 29 November 2022, respectively.

The Board of Directors do not recommend a final dividend for the financial year ended 30 June 2022.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

The issued and fully paid-up share capital of the Company 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 Twenty-Fifth Annual General Meeting held on 7 December 2021. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

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

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") for employees and Directors of the Company and/or 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 1 December 2020. The scheme which is in force for a period of ten (10) years was implemented on 6 January 2021 and will expire on 5 January 2031.

The salient features and terms of the ESOS are set out in Note 24(a) to the financial statements.

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

During the financial year, the Company granted 261,232,000 options to the eligible employees and Directors of the Company and/or its subsidiaries (details are set out in Note 24(c) to the financial statements). As at 30 June 2022, options for 13.32% of the shares available under the ESOS were granted to Directors and senior management.

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

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
Dato' Yeoh Seok Hong
Tan Sri Ismail Bin Adam
Datuk Seri Long See Wool
Datuk Loo Took Gee
Dato' Yeoh Seok Kian
Dato' Yeoh Soo Min
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 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 2021	**Acquired**	**Disposed**	**At 30 June 2022**
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	21,370,694	500,000	-	**21,870,694**
Dato' Yeoh Seok Hong	135,438,169	-	-	**135,438,169**
Dato' Yeoh Seok Kian	11,276,298	-	-	**11,276,298**
Dato' Yeoh Soo Min	19,066,325	100,000	-	**19,166,325**
Dato' Yeoh Soo Keng	17,042,049	-	-	**17,042,049**
Dato' Mark Yeoh Seok Kah	12,299,200	-	-	**12,299,200**
Syed Abdullah Bin Syed Abd. Kadir	2,581,072	-	-	**2,581,072**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	308,953[(1)]	553,200	-	**862,153**[(1)]
Dato' Yeoh Seok Hong	5,435,235[(1)]	-	-	**5,435,235**[(1)]
Datuk Seri Long See Wool	50,168[(1)]	-	-	**50,168**[(1)]
Dato' Yeoh Seok Kian	13,816,426[(1)]	600,000	-	**14,416,426**[(1)]
Dato' Yeoh Soo Min	4,980,017[(1)(2)]	-	-	**4,980,017**[(1)(2)]
Dato' Sri Michael Yeoh Sock Siong	18,112,912[(1)(3)]	-	-	**18,112,912**[(1)(3)]
Dato' Yeoh Soo Keng	197,431[(1)]	-	-	**197,431**[(1)]
Dato' Mark Yeoh Seok Kah	1,563,315[(1)]	-	-	**1,563,315**[(1)]
Syed Abdullah Bin Syed Abd. Kadir	596[(1)]	-	-	**596**[(1)]

Directors' Report
for the financial year ended 30 June 2022

DIRECTORS' INTERESTS (CONTINUED)

	Number of share options over ordinary shares in the Company			
	At 1 July 2021	Granted	Exercised	At 30 June 2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	–	15,000,000	–	**15,000,000**
Dato' Yeoh Seok Hong	–	15,000,000	–	**15,000,000**
Dato' Yeoh Seok Kian	–	15,000,000	–	**15,000,000**
Dato' Yeoh Soo Min	–	15,000,000	–	**15,000,000**
Dato' Sri Michael Yeoh Sock Siong	–	15,000,000	–	**15,000,000**
Dato' Yeoh Soo Keng	–	15,000,000	–	**15,000,000**
Dato' Mark Yeoh Seok Kah	–	15,000,000	–	**15,000,000**
Syed Abdullah Bin Syed Abd. Kadir	–	1,000,000	–	**1,000,000**
Datuk Seri Long See Wool*	–	1,000,000	–	**1,000,000**
Datuk Loo Took Gee*	–	1,000,000	–	**1,000,000**
Faiz Bin Ishak*	–	1,000,000	–	**1,000,000**
Deemed interest				
Dato' Yeoh Seok Hong	–	9,000,000	–	**9,000,000**(1)

* *Non-Executive Directors*

	Number of ordinary shares			
Immediate Holding Company YTL Corporation Berhad	At 1 July 2021	Acquired	Disposed	At 30 June 2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	149,844,946	500,000	–	**150,344,946**
Dato' Yeoh Seok Hong	54,173,305	–	–	**54,173,305**
Dato' Yeoh Seok Kian	58,508,722	–	–	**58,508,722**
Dato' Yeoh Soo Min	55,201,999	1,701,000	–	**56,902,999**
Dato' Yeoh Soo Keng	58,087,165	–	–	**58,087,165**
Dato' Mark Yeoh Seok Kah	23,232,200	–	–	**23,232,200**
Syed Abdullah Bin Syed Abd. Kadir	9,911,955	–	–	**9,911,955**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	516,665(1)	500,000	–	**1,016,665**(1)
Dato' Yeoh Seok Hong	24,821,442(1)	–	–	**24,821,442**(1)
Datuk Seri Long See Wool	303,479(1)	–	–	**303,479**(1)
Dato' Yeoh Seok Kian	13,895,816(1)	–	–	**13,895,816**(1)
Dato' Yeoh Soo Min	2,495,456(1)(2)	–	–	**2,495,456**(1)(2)
Dato' Sri Michael Yeoh Sock Siong	77,595,817(1)(3)	–	–	**77,595,817**(1)(3)
Dato' Yeoh Soo Keng	799,157(1)	–	–	**799,157**(1)
Dato' Mark Yeoh Seok Kah	4,508,586(1)	–	–	**4,508,586**(1)
Syed Abdullah Bin Syed Abd. Kadir	20,701(1)	–	–	**20,701**(1)

DIRECTORS' INTERESTS (CONTINUED)

Immediate Holding Company YTL Corporation Berhad	Number of share options over ordinary shares At 1 July 2021	Granted	Exercised	At 30 June 2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	–	15,000,000	–	**15,000,000**
Dato' Yeoh Seok Hong	–	15,000,000	–	**15,000,000**
Dato' Yeoh Seok Kian	–	15,000,000	–	**15,000,000**
Dato' Yeoh Soo Min	–	15,000,000	–	**15,000,000**
Dato' Sri Michael Yeoh Sock Siong	–	15,000,000	–	**15,000,000**
Dato' Yeoh Soo Keng	–	15,000,000	–	**15,000,000**
Dato' Mark Yeoh Seok Kah	–	15,000,000	–	**15,000,000**
Syed Abdullah Bin Syed Abd. Kadir	–	1,000,000	–	**1,000,000**
Faiz Bin Ishak	–	1,000,000	–	**1,000,000**
Deemed interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	–	15,000,000	–	**15,000,000**(1)
Dato' Yeoh Seok Hong	–	14,000,000	–	**14,000,000**(1)
Dato' Yeoh Seok Kian	–	12,000,000	–	**12,000,000**(1)
Dato' Yeoh Soo Min	–	3,000,000	–	**3,000,000**(1)

Related Company Malayan Cement Berhad	Number of ordinary shares At 1 July 2021	Acquired	Disposed	At 30 June 2022
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 Corporation YTL Corporation (UK) Plc.*	Number of ordinary shares of £0.25 each At 1 July 2021	Acquired	Disposed	At 30 June 2022
Direct interest				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**

* *Incorporated in England and Wales.*

Directors' Report
for the financial year ended 30 June 2022

DIRECTORS' INTERESTS (CONTINUED)

Related Corporation YTL Construction (Thailand) Limited+	Number of ordinary shares of THB100 each At 1 July 2021	Acquired	Disposed	At 30 June 2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Yeoh Seok Hong	1	–	–	**1**
Dato' Yeoh Seok Kian	1	–	–	**1**
Dato' Sri Michael Yeoh Sock Siong	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

Related Corporation Samui Hotel 2 Co., Ltd.+	Number of ordinary shares of THB10 each At 1 July 2021	Acquired	Disposed	At 30 June 2022
Direct interests				
Tan Sri (Sir) Francis Yeoh Sock Ping, PSM, KBE	1	–	–	**1**
Dato' Mark Yeoh Seok Kah	1	–	–	**1**

\+ *Incorporated in Thailand.*

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

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

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

Other than as disclosed above, 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.

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 a benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown below) by reason of 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.

DIRECTORS' REMUNERATION

	Group	Company
	RM'000	RM'000
Fees	890	890
Salaries	22,664	21,918
Defined contribution plan	2,579	2,579
Others*	60	55
Estimated money value of benefits-in-kind	150	35
	26,343	25,477

* *Includes SOCSO, meeting allowances, etc.*

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.

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.

Directors' Report
for the financial year ended 30 June 2022

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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' REMUNERATION

Auditors' remuneration is as follows:

	Group	Company
	RM'000	**RM'000**
PricewaterhouseCoopers PLT	**846**	**816**

AUDITORS

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

This report was approved by the Board of Directors on 29 September 2022.

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 130 to 276 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 2022 and financial performance of the Group and of the Company for the financial year ended 30 June 2022 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 29 September 2022.

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 130 to 276 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 29 September 2022.

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 2022, 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 2022 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 130 to 276.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 RM8,421.9 million as at 30 June 2022, primarily allocated to the multi utilities business segment in Singapore and water and sewerage segment in the United Kingdom. Goodwill for these segments represents 97.5% of total goodwill. The recoverable amounts of the cash generating units ("CGUs") 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; • Checked the reasonableness of the discount rates and terminal growth rates with the assistance of our valuation expert by benchmarking to the respective industries; • 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 (CONTINUED)

Key audit matters (continued)

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 2022, the net book value of infrastructure assets of the water and sewerage segment of RM8,724.6 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; • 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; • Challenged management's assumptions used in allocating certain costs between capital and operating expenditure. Specifically, this has included assessing the appropriate capitalisation of the following types of costs; overheads, interest, and infrastructure maintenance; and • Sampled capital expenditure costs in the year and agreed the costs to underlying support, including timesheets and invoices. Based on the procedures performed, no material exceptions were noted.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

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 RM474.4 million is net of expected credit losses charges of RM275.3 million as at 30 June 2022. 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 information technology systems used for generating billings and cash collection data used for the expected credit losses assessment and the controls over assessment of expected credit losses of trade receivables; • Performed substantive testing to ensure the completeness and accuracy of the reports used to populate the expected credit loss provision calculation; • Obtained the historical cash collection trends of each ageing bracket of the trade receivables and payment methods and compared against the percentage of expected credit losses used by management against each ageing bracket and payment methods; • Checked the appropriateness of the forward-looking forecasts assumptions used to determine the expected credit losses, which included management's scenario analysis of the impact of economic uncertainty due to inflation; • Compared the level of expected credit losses charged against similar companies within the industry in the UK; and • Developed expectations to generate a range for the estimated value and compared against the estimates and assumptions set forth by management to ensure no management bias over the expected credit losses. 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 (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Assumptions used in determining the present value of the funded defined benefit plans 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/(assets)*	
The water and sewerage segment of the Group recorded RM174.8 million of post-employment benefit assets as at 30 June 2022, net of present value of funded defined benefit obligations. The present value of the funded defined benefit obligations depends on a number of assumptions determined on an actuarial basis. The key assumptions are disclosed in Note 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 assets.	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 2022 and corroborated with independent sources; 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

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 RM550.3 million as at 30 June 2022 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. 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 (CONTINUED)

Key audit matters (continued)

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 an aggregate carrying values of RM2,082.5 million as at 30 June 2022. 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; • 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

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 (continued)	
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 2022 amounted to RM3,503.3 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; 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 (CONTINUED)

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 Directors' Report, Statement on Risk Management and Internal Control, and other sections of the 2022 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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
02932/06/2024 J
Chartered Accountant

Kuala Lumpur
29 September 2022

Income Statements

for the financial year ended 30 June 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	4	**17,804,728**	10,784,730	**2,971,836**	955,608
Cost of sales		**(16,156,319)**	(9,345,988)	**-**	-
Gross profit		**1,648,409**	1,438,742	**2,971,836**	955,608
Other operating income		**1,442,031**	302,119	**75,295**	2,113
Administrative expenses		**(410,075)**	(365,733)	**(52,771)**	(36,948)
Other operating expenses		**(652,496)**	(155,775)	**(424,560)**	(179,187)
Finance cost		**(989,923)**	(951,562)	**(311,882)**	(327,944)
Share of profits of investments accounted for using the equity method	15	**334,626**	365,997	**-**	-
Profit before taxation	6	**1,372,572**	633,788	**2,257,918**	413,642
Taxation	7	**(187,303)**	(736,916)	**(12,961)**	(449)
Profit/(Loss) for the financial year		**1,185,269**	(103,128)	**2,244,957**	413,193
Attributable to:					
- Owners of the parent		**1,207,378**	(146,524)	**2,244,957**	413,193
- Non-controlling interests		**(22,109)**	43,396	**-**	-
		1,185,269	(103,128)	**2,244,957**	413,193
Earnings/(Loss) per share for profit/(loss) attributable to the owners of the parent:					
- Basic (sen)	8	**14.90**	(1.84)		
- Diluted (sen)	8	**14.83**	(1.84)		

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

Statements of Comprehensive Income

for the financial year ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Profit/(Loss) for the financial year		**1,185,269**	(103,128)	**2,244,957**	413,193
Other comprehensive income/(loss):					
Reclassification of reserves upon disposal of an associate:					
- cash flow hedges		**38,452**	-	**-**	-
- currency translation differences		**(9,341)**	-	**-**	-
Items that will not be reclassified subsequently to income statement:					
- financial assets at fair value through other comprehensive income	25(a)	**(9,597)**	(8,039)	**(9,596)**	(8,040)
- re-measurement of post-employment benefit obligations		**408,354**	354,623	**-**	-
- subsidiaries		**408,354**	347,653	**-**	-
- associates and joint ventures		**-**	6,970	**-**	-
Items that may be reclassified subsequently to income statement:					
- cash flow hedges	25(a)	**284,748**	453,671	**-**	-
- subsidiaries		**155,775**	412,410	**-**	-
- associates and joint ventures		**128,973**	41,261	**-**	-
- currency translation differences		**(226,931)**	522,850	**-**	-
- subsidiaries		**(328,665)**	546,092	**-**	-
- associates and joint ventures		**101,734**	(23,242)	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax		**485,685**	1,323,105	**(9,596)**	(8,040)
Total comprehensive income for the financial year		**1,670,954**	1,219,977	**2,235,361**	405,153
Attributable to:					
- Owners of the parent		**1,659,233**	1,194,691	**2,235,361**	405,153
- Non-controlling interests		**11,721**	25,286	**-**	-
		1,670,954	1,219,977	**2,235,361**	405,153

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

Statements of Financial Position

as at 30 June 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**24,556,399**	24,200,911	**1,004**	1,145
Investment properties	12	**527,944**	635,004	**-**	-
Project development costs	17	**-**	259,744	**-**	-
Intangible assets	13	**8,732,299**	8,674,529	**-**	-
Right-of-use assets	11	**459,555**	491,388	**-**	-
Post-employment benefit assets	29	**174,802**	-	**-**	-
Investment in subsidiaries	14	**-**	-	**18,468,948**	18,390,930
Investments accounted for using the equity method	15	**1,769,644**	2,212,256	**-**	-
Investments	16	**294,726**	209,823	**193,364**	203,278
Derivative financial instruments	20	**20,607**	26,461	**-**	-
Receivables, deposits and prepayments	18	**2,454,912**	1,506,914	**-**	-
Amounts owing by subsidiaries	22	**-**	-	**2,834,078**	1,583,436
		38,990,888	38,217,030	**21,497,394**	20,178,789
Current assets					
Inventories	19	**493,056**	351,217	**-**	-
Investments	16	**740,824**	1,752,455	**3**	349,572
Receivables, deposits and prepayments	18	**3,454,925**	2,868,900	**4,503**	1,839
Derivative financial instruments	20	**415,891**	263,719	**-**	-
Amounts owing by immediate holding company and ultimate holding company	21	**8**	17	**-**	-
Amounts owing by subsidiaries	22	**-**	-	**25,641**	358,306
Amounts owing by fellow subsidiaries	34	**25,609**	28,365	**-**	-
Cash and bank balances	23	**6,880,016**	8,592,632	**324,551**	12,094
		12,010,329	13,857,305	**354,698**	721,811
Total assets		**51,001,217**	52,074,335	**21,852,092**	20,900,600

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

Statements of Financial Position

as at 30 June 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	**7,038,587**	7,038,587	**7,038,587**	7,038,587
Reserves		**7,276,035**	5,979,055	**7,777,177**	5,903,796
Equity attributable to owners of the parent		**14,314,622**	13,017,642	**14,815,764**	12,942,383
Non-controlling interests		**(257,465)**	(110,217)	**-**	-
Total equity		**14,057,157**	12,907,425	**14,815,764**	12,942,383
Liabilities					
Non-current liabilities					
Deferred taxation	26	**2,971,862**	2,940,500	**79**	88
Borrowings	27	**25,259,797**	25,910,930	**4,294,666**	5,593,721
Lease liabilities	28	**310,750**	355,232	**-**	-
Provision for liabilities and charges	33	**21,645**	27,753	**-**	-
Post-employment benefit obligations	29	**15,115**	459,811	**-**	-
Grants and contributions	30	**620,655**	661,614	**-**	-
Derivative financial instruments	20	**1,367**	713	**-**	-
Payables	31	**1,538,460**	1,477,981	**-**	-
		30,739,651	31,834,534	**4,294,745**	5,593,809
Current liabilities					
Payables and accrued expenses	32	**3,378,754**	2,574,284	**58,924**	63,453
Derivative financial instruments	20	**21,740**	34,074	**-**	-
Provision for liabilities and charges	33	**18,957**	11,575	**-**	-
Post-employment benefit obligations	29	**1,349**	1,324	**656**	632
Amounts owing to immediate holding company and ultimate holding company	21	**2,465**	4,226	**141**	3
Amounts owing to subsidiaries	22	**-**	-	**818,253**	494,343
Amounts owing to fellow subsidiaries	34	**100,758**	95,454	**211**	23
Taxation		**107,504**	55,890	**12,710**	103
Borrowings	27	**2,477,041**	4,445,047	**1,850,688**	1,805,851
Lease liabilities	28	**95,841**	110,502	**-**	-
		6,204,409	7,332,376	**2,741,583**	2,364,408
Total liabilities		**36,944,060**	39,166,910	**7,036,328**	7,958,217
Total equity and liabilities		**51,001,217**	52,074,335	**21,852,092**	20,900,600

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

Statements of Changes in Equity

for the financial year ended 30 June 2022

		<------ 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 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
Profit/(Loss) for the financial year		-	-	-	-	-	1,207,378	1,207,378	(22,109)	1,185,269
Other comprehensive (loss)/income for the financial year		-	-	(270,086)	313,603	-	408,338	451,855	33,830	485,685
Total comprehensive (loss)/income for the financial year		-	-	(270,086)	313,603	-	1,615,716	1,659,233	11,721	1,670,954
Transactions with owners										
Effects arising from changes in composition of the Group		-	-	-	-	-	(273)	(273)	(11,425)	(11,698)
Dividends paid	9	-	-	-	-	-	(364,597)	(364,597)	-	(364,597)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(147,544)	(147,544)
Reclassification upon disposal of investment at fair value through other comprehensive income	25(a)	-	-	-	111	-	(111)	-	-	-
Share option expenses	25(a)	-	-	-	2,618	-	-	2,618	-	2,618
Share repurchased	25(b)	-	-	-	-	(1)	-	(1)	-	(1)
Exchange differences	25(a)	-	-	(10,545)	10,545	-	-	-	-	-
At 30 June 2022		7,038,587	(2,138,533)	843,264	601,957	(46,733)	8,016,080	14,314,622	(257,465)	14,057,157

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

Statements of Changes in Equity

for the financial year ended 30 June 2022

Group	Note	Share Capital RM'000 (Note 24)	Merger Reserve RM'000	Currency Translation Reserve RM'000	Other Reserves RM'000 (Note 25(a))	Treasury Shares RM'000 (Note 25(b))	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		<------ Attributable to Owners of the Parent ------>								
At 1 July 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)
Dividend paid	9	-	-	-	-	-	(162,043)	(162,043)	-	(162,043)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(153,415)	(153,415)
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 2022

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 2021		**7,038,587**	**65,582**	**(46,732)**	**5,884,946**	**12,942,383**
Profit for the financial year		**-**	**-**	**-**	**2,244,957**	**2,244,957**
Other comprehensive loss for the financial year		**-**	**(9,596)**	**-**	**-**	**(9,596)**
Total comprehensive (loss)/ income for the financial year		**-**	**(9,596)**	**-**	**2,244,957**	**2,235,361**
Transactions with owners						
Dividends paid	9	**-**	**-**	**-**	**(364,597)**	**(364,597)**
Reclassification upon disposal of investment at fair value through other comprehensive income	25(a)	**-**	**111**	**-**	**(111)**	**-**
Share option expenses	25(a)	**-**	**2,618**	**-**	**-**	**2,618**
Share repurchased	25(b)	**-**	**-**	**(1)**	**-**	**(1)**
At 30 June 2022		**7,038,587**	**58,715**	**(46,733)**	**7,765,195**	**14,815,764**
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						
Dividend paid	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

* *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 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from operating activities					
Profit/(Loss) for the financial year		**1,185,269**	(103,128)	**2,244,957**	413,193
Adjustments for:					
Allowance for impairment of a subsidiary		**-**	-	**-**	47,370
Allowance for impairment of amounts owing by subsidiaries		**-**	-	**231,818**	-
Allowance for impairment of intangible assets		**171,102**	1,269	**-**	-
Allowance for impairment of inventories		**957**	796	**-**	-
Allowance for impairment of investments		**3,692**	-	**-**	-
Allowance for impairment of receivables (net of reversals)		**126,270**	22,517	**-**	-
Amortisation of contract costs		**1,537**	3,043	**-**	-
Amortisation of deferred income		**(6,008)**	(5,924)	**-**	-
Amortisation of grants and contributions		**(18,999)**	(21,548)	**-**	-
Amortisation of intangible assets		**65,862**	76,609	**-**	-
Bad debts written off/(recovered)		**981**	(733)	**-**	-
Depreciation of property, plant and equipment		**1,074,477**	1,089,917	**246**	238
Depreciation of right-of-use assets		**127,342**	122,741	**-**	-
Fair value loss on investments		**97,659**	7,511	**493**	913
Fair value gain on investment properties		**(19,492)**	(83,050)	**-**	-
Gain on disposal of a subsidiary	14(g)	**(4,916)**	-	**-**	-
Gain on disposal of an associate	15(b)(i)	**(1,272,259)**	-	**-**	-
Gain on lease modification		**(593)**	(861)	**-**	-
Gain on lease termination		**(965)**	(308)	**-**	-
Interest expense		**989,923**	951,562	**311,882**	327,944
Interest income		**(3,307)**	(6,064)	**-**	-
Net gain on disposal of property, plant and equipment		**(68,936)**	(35,824)	**-**	-
Project development costs written off		**66,577**	-	**-**	-
Property, plant and equipment written off		**10,189**	3,735	**-**	-
Provision for post-employment benefit		**53,973**	62,400	**-**	-
Provision for/(Write back) of liabilities and charges		**892**	(7,304)	**-**	-
Share of profits of investments accounted for using the equity method		**(334,626)**	(365,997)	**-**	-
Share option expenses		**2,673**	3,451	**1,844**	2,771
Taxation		**187,303**	736,916	**12,961**	449
Unrealised gain on foreign exchange		**(41,135)**	(11,233)	**(60,303)**	(3,846)
Waiver of amounts owing by subsidiaries		**-**	-	**-**	19,303
		2,395,442	2,440,493	**2,743,898**	808,335

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

Statements of Cash Flows

for the financial year ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Changes in working capital:					
Inventories		**(110,326)**	(26,275)	**-**	-
Receivables, deposits and prepayments		**(809,103)**	(817,879)	**(8,355)**	(9,165)
Payables and accrued expenses		**916,578**	727,007	**14,857**	2,406
Subsidiaries		**-**	-	**(867,503)**	(351,703)
Fellow subsidiaries		**4,438**	28,037	**188**	68
Holding company		**(1,810)**	999	**138**	3
Cash flows from operations		**2,395,219**	2,352,382	**1,883,223**	449,944
Interest paid		**(880,767)**	(833,470)	**(311,303)**	(323,549)
Payment for provision and liabilities		**(759)**	(1,977)	**-**	-
Payment to post-employment benefit obligations		**(134,845)**	(121,599)	**-**	-
Tax paid		**(73,149)**	(65,974)	**(363)**	(368)
Net cash flows from operating activities		**1,305,699**	1,329,362	**1,571,557**	126,027
Cash flows from investing activities					
Acquisition of a subsidiary	14(f)	**(839,729)**	-	**-**	-
Additional investments		**(96,231)**	(926)	**-**	-
Additional investment accounted for using the equity method		**(56,750)**	-	**-**	-
Capital repayment from a subsidiary		**-**	-	**145,193**	-
Decrease in deposits maturing more than 90 days		**-**	544,576	**-**	-
Development expenditure incurred on investment properties		**-**	(8,056)	**-**	-
Dividends received		**362,742**	394,182	**-**	-
Grants received		**32,092**	38,482	**-**	-
Increase in shareholder loans		**(426,221)**	(80,808)	**-**	-
Interest received		**3,647**	5,885	**-**	-
Net (advances to)/repayment from subsidiaries		**-**	-	**(98,299)**	751,696
Maturities/(Placements) of income funds		**953,102**	(301,958)	**351,073**	135,000
Placement for participation investment		**(498,165)**	-	**-**	-
Prepayment for land acquisition		**-**	(11,845)	**-**	-
Proceeds from disposal of a subsidiary		**3,853**	-	**-**	-
Proceeds from disposal of an associate	15(b)(i)	**1,966,568**	-	**-**	-
Proceeds from disposal of investments		**318**	371	**318**	371
Proceeds from disposal of property, plant and equipment		**86,578**	67,656	**-**	-
Purchase of intangible assets		**(68,800)**	(31,164)	**-**	-
Purchase of property, plant and equipment		**(1,759,216)**	(1,742,658)	**(105)**	(72)
Net cash flows (used in)/from investing activities		**(336,212)**	(1,126,263)	**398,180**	886,995

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

Statements of Cash Flows

for the financial year ended 30 June 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from financing activities					
Additional investment in a subsidiary		**(1,000)**	-	**-**	-
Dividends paid		**(364,597)**	(162,043)	**(364,597)**	(162,043)
Dividends paid to non-controlling interests		**(147,544)**	(153,415)	**-**	-
Proceeds from borrowings		**2,225,911**	2,559,074	**525,500**	-
Upfront fees on borrowings		**(24,838)**	(7,479)	**(1,641)**	-
Repayment of borrowings		**(4,245,617)**	(963,795)	**(1,821,000)**	(817,400)
Repayment of lease liabilities		**(148,655)**	(161,472)	**-**	-
Repurchase of own shares		**(1)**	(38,047)	**(1)**	(38,047)
Net cash flows (used in)/from financing activities		**(2,706,341)**	1,072,823	**(1,661,739)**	(1,017,490)
Net changes in cash and cash equivalents		**(1,736,854)**	1,275,922	**307,998**	(4,468)
Effects of exchange rate changes		**(45,503)**	367,100	**4,459**	(1)
Cash and cash equivalents:					
- At beginning of the financial year		**8,566,581**	6,923,559	**12,094**	16,563
- At end of the financial year	23	**6,784,224**	8,566,581	**324,551**	12,094
The principal non-cash transactions of property, plant and equipment are disclosed as below:					
Interest expense paid/payable		**36,306**	23,733	**-**	-
Hire purchase		**196**	-	**-**	-
Transfer of assets from customers		**43,528**	-	**-**	-
Other payables and accrued expenses		**14,154**	3,869	**-**	-
Provision for liabilities and charges		**-**	11,501	**-**	-
		94,184	39,103	**-**	-

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

Reconciliation of liabilities arising from financing activities:

1. Borrowings

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 July	**30,355,977**	27,464,864	**7,399,572**	8,282,206
Changes from financing cash flows				
Proceeds from borrowings	**2,225,911**	2,559,074	**525,500**	-
Upfront fees on borrowings	**(24,838)**	(7,479)	**(1,641)**	-
Repayment of borrowings	**(4,245,617)**	(963,795)	**(1,821,000)**	(817,400)
Other changes in borrowings				
Amortisation of issuance cost/Unwinding of premium	**183,449**	93,749	**5,335**	4,575
Bank overdrafts	**75,391**	(22,491)	**-**	-
Exchange differences	**(833,435)**	1,232,055	**37,588**	(69,809)
At 30 June	**27,736,838**	30,355,977	**6,145,354**	7,399,572

2. Lease liabilities

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 July	**465,734**	588,899	**-**	-
Changes from financing cash flows				
Repayment of lease liabilities	**(148,655)**	(161,472)	**-**	-
Other changes in lease liabilities				
Additions	**51,312**	21,580	**-**	-
Termination	**(20,714)**	(5,783)	**-**	-
Interest expenses	**21,312**	31,875	**-**	-
Modification	**38,671**	(10,729)	**-**	-
Exchange differences	**(1,069)**	1,364	**-**	-
At 30 June	**406,591**	465,734	**-**	-

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

Notes to the Financial Statements

for the financial year ended 30 June 2022

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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 2021 are as follows:

	Effective for financial periods beginning on or after
Amendments to MFRS 16 'Leases – COVID-19-Related Rent Concessions beyond 30 June 2021'	1 January 2021
Amendments to MFRS 9, MFRS 7 and MFRS 16 'Financial Instruments, Financial Instruments: Disclosures and Leases - Interest Rate Benchmark Reform – Phase 2'	1 January 2021

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

a) Financial year beginning on/after 1 July 2022 (continued)

- 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.

b) 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) clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

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

c) *Effective date yet to be determined by Malaysian Accounting Standard 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (continued)

(i) Accounting by lessee (continued)

b) ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (continued)

(i) Accounting by lessee (continued)

d) Reassessment of lease liabilities

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

Lease liabilities 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (continued)

(ii) Goodwill (continued)

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.

(iii) Software assets

Software assets comprise in-house computer software development and specialised computer software. Software assets are amortised over 3 to 10 years and are assessed at each reporting date whether there is any indication that the software assets may be impaired. See accounting policy Note 2(f) to the financial statements on impairment of non-financial assets.

Software-as-a-service arrangements are service contracts providing the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset.

(iv) 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 MFRS15 "Revenue from Contracts with Customers".

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment properties (continued)

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.

(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. The exchange difference on return of capital is reversed when there is no change in ownership interests.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Subsidiaries (continued)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Subsidiaries (continued)

(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 equal or exceed 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 equal or exceed 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iii) Measurement (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

Significant increase in credit risk (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets and financial liabilities (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(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 licensed 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(iii) Telecommunications business (continued)

b) Sale of devices (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Revenue recognition (continued)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Employee benefits (continued)

(ii) Post-employment benefits (continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Foreign currencies (continued)

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

(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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment assessment of property, plant and equipment ("PPE") and investment (continued)

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 ongoing economic uncertainty 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 plans

The present value of the post-employment benefit plans 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 plans.

(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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(i) Investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the Income Statements. For investment properties, a valuation methodology is adopted which involves comparison to developments of a similar nature, location and condition.

(j) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of respective entities when the deferred tax assets are recognised.

4. REVENUE

(a) Revenue comprises the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers	**17,520,407**	10,522,870	**638**	3,200
Revenue from other sources				
- Lease income	**210,319**	181,943	**-**	-
- Others	**74,002**	79,917	**2,971,198**	952,408
Total revenue	**17,804,728**	10,784,730	**2,971,836**	955,608

4. REVENUE (CONTINUED)

(a) Revenue comprises the following: (continued)

(i) Disaggregation of revenue from contracts with customers and other sources:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Multi utilities business (Merchant)				
- Sale of electricity	**12,172,781**	5,615,711	**-**	-
- Sale of steam	**251,186**	182,630	**-**	-
- Others	**297,016**	216,146	**-**	-
	12,720,983	6,014,487	**-**	-
Water and sewerage				
- Supply of clean water and treatment and disposal of waste water	**4,109,542**	3,778,073	**-**	-
Telecommunications business				
- Sale of devices	**172,987**	163,519	**-**	-
- Telecommunication services	**403,839**	319,523	**-**	-
- Telecommunication infrastructure business	**101,215**	58,340	**-**	-
	678,041	541,382	**-**	-
Power generation (Contracted)				
- Sale of electricity	**-**	261,146	**-**	-
Investment holding activities				
- Investment income	**72,175**	77,914	**2,969,371**	950,405
- Dividend income	**2,333**	2,527	**2,762,659**	757,977
- Interest income	**69,842**	75,387	**206,712**	192,428
- Management, operation and maintenance fees	**66,352**	62,092	**638**	3,200
- Others	**157,635**	49,636	**1,827**	2,003
	296,162	189,642	**2,971,836**	955,608
	17,804,728	10,784,730	**2,971,836**	955,608

4. REVENUE (CONTINUED)

(a) Revenue comprises the following: (continued)

(ii) Timing of revenue recognition for revenue from contracts with customers:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At a point in time	**393,077**	288,516	**-**	-
Over time	**17,127,330**	10,234,354	**638**	3,200
	17,520,407	10,522,870	**638**	3,200

(b) Contract assets and liabilities related to contracts with customers

		Group	
	Note	2022 RM'000	2021 RM'000
Non-current			
Contract assets	18	**2,084**	106
Contract cost assets	18	**13**	62
Contract liabilities	31	**(28,637)**	(31,958)
Current			
Contract assets	18	**154,389**	154,439
Contract cost assets	18	**24,663**	24,676
Contract liabilities	32	**(405,359)**	(336,092)

(i) Significant changes in contract assets and liabilities

	Group	
	2022 RM'000	2021 RM'000
Contract assets		
At 1 July	**154,545**	154,866
Additions arising from revenue recognised during the financial year	**3,916**	1,070
Transfer to trade receivables	**(1,718)**	(1,482)
(Allowance for)/Write back of impairment of contract assets	**(270)**	91
At 30 June	**156,473**	154,545

4. REVENUE (CONTINUED)

(b) Contract assets and liabilities related to contracts with customers (continued)

(i) Significant changes in contract assets and liabilities (continued)

	Group	
	2022 RM'000	**2021 RM'000**
Contract liabilities		
At 1 July	**368,050**	342,138
Exchange differences	**(29,283)**	29,890
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(330,183)**	(356,986)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**425,412**	353,008
At 30 June	**433,996**	368,050

(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	
	2022 RM'000	**2021 RM'000**
At 1 July	**24,738**	27,316
Exchange differences	**(1,815)**	2,192
Assets recognised from costs to obtain or fulfil a contract during the financial year	**39,378**	36,419
Amortisation recognised during the financial year	**(1,537)**	(3,043)
Charged to cost of sales during the financial year	**(36,088)**	(38,146)
At 30 June	**24,676**	24,738

The closing balances of contract cost assets consist of:

	Group	
	2022 RM'000	**2021 RM'000**
Contract acquisition costs	**11**	33
Contract fulfilment costs	**24,665**	24,705
At 30 June	**24,676**	24,738

4. REVENUE (CONTINUED)

(b) Contract assets and liabilities related to contracts with customers (continued)

(iii) Unsatisfied performance obligations

As at 30 June 2022, the aggregate amount of transaction price allocated to unsatisfied performance obligations resulting from contracts with customers is RM413.8 million (2021: RM359.1 million). This will be recognised as revenue as the services are provided to customer, which is expected to occur over the next 1 to 9 years (2021: 1 to 10 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. Key management compensation is disclosed below:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Key management compensation:				
- Salaries and bonus	**36,376**	25,564	**21,918**	11,283
- Defined contribution plan	**2,609**	1,330	**2,579**	1,302
- Fees	**890**	841	**890**	841
- Other emoluments*	**213**	214	**55**	60
- Estimated money value of benefits in kind	**361**	373	**35**	34

* *Includes 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.

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties. Fellow subsidiaries are subsidiaries of immediate holding company and ultimate holding company of the Company.

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Sale of goods and services:				
- Fellow subsidiaries	**19,430**	19,686	**-**	-
Management, operation and maintenance fees:				
- Subsidiaries	**-**	-	**638**	3,200
- Associate companies	**65,918**	61,949	**-**	-
Dividend income:				
- Subsidiaries	**-**	-	**2,762,592**	757,884
Interest income:				
- Subsidiaries - in respect of loan and advances	**-**	-	**199,683**	181,491
- Associate companies	**13,240**	26,370	**-**	-
Other income:				
- Fellow subsidiaries	**1,827**	2,003	**1,827**	2,003
Interest expense:				
- Subsidiaries - in respect of loan and advances	**-**	-	**1,221**	2,455
Purchases of goods and services from fellow subsidiaries:				
- Hotel and accommodation	**2,129**	1,552	**644**	90
- Operating and maintenance	**62,912**	151,764	**-**	-
Purchases of goods and services from joint venture companies:				
- Billing and debt collection	**60,001**	61,221	**-**	-
- Information technology consultancy and related services	**18,102**	31,223	**-**	-
Expenses paid on behalf of:				
- Subsidiaries	**-**	-	**2,598**	11,342

5. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Expenses paid on behalf by:				
- Subsidiaries	**-**	-	**52,074**	3,060
- Fellow subsidiaries	**2,787**	231	**417**	37
- Immediate holding company and ultimate holding company	**2,988**	1,846	**471**	276
Year-end balances owing by:				
- Subsidiaries	**-**	-	**2,859,719**	1,941,742
- Fellow subsidiaries	**25,609**	28,365	**-**	-
Year-end balances owing to:				
- Subsidiaries	**-**	-	**(818,253)**	(494,343)
- Fellow subsidiaries	**(100,758)**	(95,454)	**(211)**	(23)

The movement in advances to/(from) subsidiaries during the financial year is as follows:

	Company	
	2022 RM'000	**2021 RM'000**
Advances to/(from) subsidiaries		
At 1 July	**985,787**	1,934,768
Advances from subsidiaries	**(507,760)**	(189,000)
Advances to subsidiaries	**1,681,663**	194,704
Repayment to subsidiaries	**74,400**	60,000
Repayment from subsidiaries	**(1,150,004)**	(817,400)
	98,299	(751,696)
Capitalisation of advances to subsidiaries (Note 14(d))	**(222,500)**	(450,018)
Capital reduction in a subsidiary (Note 14(e))	**-**	170,000
Net of interest income and expenses	**198,462**	179,036
Payment of interests	**(14,341)**	(16,035)
Waiver of amounts owing by a subsidiary	**-**	(19,273)
Allowance for impairment of amounts owing by subsidiaries	**(230,267)**	-
Exchange differences	**33,149**	(60,995)
At 30 June	**848,589**	985,787

6. PROFIT BEFORE TAXATION

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Profit before taxation is stated after charging/(crediting):				
Allowance for impairment of a subsidiary	**-**	-	**-**	47,370
Allowance for impairment of amounts owing by subsidiaries	**-**	-	**231,818**	-
Allowance for impairment of intangible assets	**171,102**	1,269	**-**	-
Allowance for impairment of inventories	**957**	796	**-**	-
Allowance for impairment of investments	**3,692**	-	**-**	-
Allowance for impairment of receivables (net of reversals)	**126,270**	22,517	**-**	-
Amortisation of contract costs	**1,537**	3,043	**-**	-
Amortisation of deferred income	**(6,008)**	(5,924)	**-**	-
Amortisation of grants and contributions	**(18,999)**	(21,548)	**-**	-
Amortisation of intangible assets	**65,862**	76,609	**-**	-
Auditors' remuneration				
- Statutory audit fees payable/paid to PwC Malaysia				
- current financial year	**846**	787	**816**	727
- Statutory audit fees payable/paid to member firms of PricewaterhouseCoopers International Limited ("PwCIL") which are separate and independent legal entities from PwC Malaysia	**812**	732	**-**	-
- Statutory audit fees payable/paid to other audit firms	**3,866**	2,997	**-**	-
- Non-audit fees payable/paid to PwC Malaysia	**164**	55	**55**	19
- Non-audit fees payable/paid to member firms of PwCIL which are separate and independent legal entities from PwC Malaysia	**565**	920	**-**	-
Bad debts written off/(recovered)	**981**	(733)	**-**	-
Cash flow hedges, reclassified from hedging reserve to cost of sales	**(331,254)**	(60,144)	**-**	-
Cost of fuel, raw materials and consumable	**12,967,759**	6,191,220	**-**	-
Depreciation of property, plant and equipment	**1,074,477**	1,089,917	**246**	238
Depreciation of right-of-use assets	**127,342**	122,741	**-**	-
Development expenditure/(Write back of development expenditure)	**5,910**	4,193	**5,910**	(2,800)
Directors' remuneration	**26,193**	14,227	**25,442**	13,486
Fair value loss on investments	**97,659**	7,511	**493**	913
Fair value gain on investment properties	**(19,492)**	(83,050)	**-**	-
Gain on disposal of a subsidiary	**(4,916)**	-	**-**	-
Gain on disposal of an associate	**(1,272,259)**	-	**-**	-
Gain on lease modification	**(593)**	(861)	**-**	-
Gain on lease termination	**(965)**	(308)	**-**	-

6. PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Infrastructure maintenance expenses	**117,144**	126,922	**-**	-
Interest expense - accretion of asset retirement obligation	**869**	902	**-**	-
Interest expense - borrowings	**960,951**	904,269	**311,882**	327,944
Interest expense - discounting on non-current receivables	**603**	624	**-**	-
Interest expense - lease liabilities	**21,312**	31,875	**-**	-
Interest expense - post-employment benefit obligations	**6,188**	13,892	**-**	-
Interest income	**(3,307)**	(6,064)	**-**	-
Net gain on disposal of property, plant and equipment	**(68,936)**	(35,824)	**-**	-
Operating lease income	**(414)**	(549)	**-**	-
Project development costs written off	**66,577**	-	**-**	-
Property, plant and equipment written off	**10,189**	3,735	**-**	-
Provision for/(Write back of) liabilities and charges	**892**	(7,304)	**-**	-
Realised (gain)/loss on foreign exchange	**(405)**	1,280	**(14,977)**	1,798
Rates	**149,450**	175,657	**-**	-
Short-term leases/leases of low-value assets/ variable lease payments	**73,070**	65,722	**-**	300
Staff costs:				
- Wages, salaries and bonus	**532,315**	535,621	**17,868**	15,665
- Defined contribution plan	**64,033**	57,835	**1,761**	1,614
- Defined benefit plan - net pension cost	**53,973**	62,400	**-**	-
Share option expenses	**2,673**	3,451	**1,844**	2,771
Unrealised gain on foreign exchange	**(41,135)**	(11,233)	**(60,303)**	(3,846)
Waiver of amounts owing by subsidiaries	**-**	-	**-**	19,303

6. PROFIT BEFORE TAXATION (CONTINUED)

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 2022 and 30 June 2021, are as follows:

2022 Group	Salaries RM'000	Fees RM'000	Defined contribution plan 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	4,824	-	579	1	40	5,444
Dato' Yeoh Seok Hong	4,957	-	550	4	23	5,534
Dato' Yeoh Seok Kian	2,412	-	289	1	16	2,718
Dato' Yeoh Soo Min	3,756	-	451	1	34	4,242
Dato' Yeoh Soo Keng	3,630	-	436	1	2	4,069
Dato' Mark Yeoh Seok Kah	2,437	-	248	3	9	2,697
Syed Abdullah Bin Syed Abd. Kadir	648	-	26	1	26	701
Non-Executive Directors						
Tan Sri Ismail Bin Adam	-	200	-	6	-	206
Datuk Seri Long See Wool	-	230	-	14	-	244
Datuk Loo Took Gee	-	230	-	14	-	244
Faiz Bin Ishak	-	230	-	14	-	244
	22,664	890	2,579	60	150	26,343

2021 Group	Salaries RM'000	Fees RM'000	Defined contribution plan 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	-	51	2,752
Dato' Yeoh Seok Hong	2,660	-	275	3	30	2,968
Dato' Yeoh Seok Kian	1,206	-	145	-	23	1,374
Dato' Yeoh Soo Min	1,878	-	225	-	33	2,136
Dato' Yeoh Soo Keng	1,815	-	218	-	2	2,035
Dato' Mark Yeoh Seok Kah	1,400	-	124	2	10	1,536
Syed Abdullah Bin Syed Abd. Kadir	648	-	26	1	26	701
Non-Executive Directors						
Tan Sri Ismail Bin Adam	-	69	-	2	-	71
Datuk Seri Long See Wool	-	223	-	16	-	239
Datuk Loo Took Gee	-	223	-	14	-	237
Faiz Bin Ishak	-	230	-	18	-	248
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	-	96	-	9	-	105
	12,019	841	1,302	65	175	14,402

6. PROFIT BEFORE TAXATION (CONTINUED)

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 2022 and 30 June 2021, are as follows:

2022 Company	Salaries RM'000	Fees RM'000	Defined contribution plan 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	**4,824**	**-**	**579**	**1**	**-**	**5,404**
Dato' Yeoh Seok Hong	**4,584**	**-**	**550**	**1**	**3**	**5,138**
Dato' Yeoh Seok Kian	**2,412**	**-**	**289**	**1**	**-**	**2,702**
Dato' Yeoh Soo Min	**3,756**	**-**	**451**	**1**	**6**	**4,214**
Dato' Yeoh Soo Keng	**3,630**	**-**	**436**	**1**	**-**	**4,067**
Dato' Mark Yeoh Seok Kah	**2,064**	**-**	**248**	**1**	**-**	**2,313**
Syed Abdullah Bin Syed Abd. Kadir	**648**	**-**	**26**	**1**	**26**	**701**
Non-Executive Directors						
Tan Sri Ismail Bin Adam	**-**	**200**	**-**	**6**	**-**	**206**
Datuk Seri Long See Wool	**-**	**230**	**-**	**14**	**-**	**244**
Datuk Loo Took Gee	**-**	**230**	**-**	**14**	**-**	**244**
Faiz Bin Ishak	**-**	**230**	**-**	**14**	**-**	**244**
	21,918	**890**	**2,579**	**55**	**35**	**25,477**

2021 Company	Salaries RM'000	Fees RM'000	Defined contribution plan 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	-	-	2,701
Dato' Yeoh Seok Hong	2,292	-	275	-	3	2,570
Dato' Yeoh Seok Kian	1,206	-	145	-	-	1,351
Dato' Yeoh Soo Min	1,878	-	225	-	5	2,108
Dato' Yeoh Soo Keng	1,815	-	218	-	-	2,033
Dato' Mark Yeoh Seok Kah	1,032	-	124	-	-	1,156
Syed Abdullah Bin Syed Abd. Kadir	648	-	26	1	26	701
Non-Executive Directors						
Tan Sri Ismail Bin Adam	-	69	-	2	-	71
Datuk Seri Long See Wool	-	223	-	16	-	239
Datuk Loo Took Gee	-	223	-	14	-	237
Faiz Bin Ishak	-	230	-	18	-	248
Tan Sri Datuk Dr. Aris Bin Osman @ Othman	-	96	-	9	-	105
	11,283	841	1,302	60	34	13,520

* *Includes SOCSO, meeting allowances, etc.*

7. TAXATION

Taxation charge for the financial year:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Current tax:				
- Malaysian income tax	**22,985**	15,201	**12,970**	441
- Foreign income tax	**81,481**	87,736	**-**	-
Deferred taxation (Note 26)	**82,837**	633,979	**(9)**	8
	187,303	736,916	**12,961**	449
Current tax:				
- Current year	**128,191**	140,012	**13,018**	481
- Over provision in prior years	**(23,725)**	(37,075)	**(48)**	(40)
Deferred taxation:				
- Originating and reversal of temporary differences	**82,837**	633,979	**(9)**	8
	187,303	736,916	**12,961**	449

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Numerical reconciliation between taxation and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	**1,372,572**	633,788	**2,257,918**	413,642
Taxation calculated at the Malaysian tax rate of 24% (2021: 24%)	**329,417**	152,109	**541,900**	99,274
Tax effects of:				
- Share of profits of investments accounted for using the equity method	**(80,310)**	(87,839)	**-**	-
- Different tax rates in other countries	**(15,867)**	(47,431)	**-**	-
- Re-measurement of deferred tax^	**-**	540,507	**-**	-
- Non-deductible expenses	**262,676**	212,829	**183,958**	127,845
- Income not subject to tax	**(332,597)**	(30,925)	**(712,849)**	(226,630)
- Temporary differences not recognised*	**47,709**	34,741	**-**	-
- Over provision in prior years in relation to current tax	**(23,725)**	(37,075)	**(48)**	(40)
Taxation	**187,303**	736,916	**12,961**	449

7. TAXATION (CONTINUED)

^ The re-measurement of deferred tax during the previous 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 tax effects of temporary differences not recognised are as follows:

	2022 RM'000	2021 RM'000
– Property, plant and equipment	**310,906**	280,480
– Unutilised tax losses	**291,512**	269,440
– Others	**244**	5,033

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses in Malaysia tax entities with no expiry period will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. The Malaysia Finance Act 2021 has subsequently extended the utilisation period to 10 years. With that, the expiry dates of the Group's tax losses are summarised below:

	2022 RM'000	2021 RM'000
Year of assessment 2025	**-**	4,774
Year of assessment 2027	**-**	2,603
Year of assessment 2028	**266,137**	262,063
Year of assessment 2030	**2,603**	-
Year of assessment 2031	**700**	-
Year of assessment 2032	**22,072**	-

8. EARNINGS/(LOSS) PER SHARE

(i) Basic earnings/(loss) per share

Basic earnings/(loss) per share of the Group is calculated by dividing the net profit/(loss) 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.

	Group	
	2022	**2021**
Profit/(Loss) attributable to owners of the parent (RM'000)	**1,207,378**	(146,524)
Weighted average number of ordinary shares in issue ('000)	**8,102,156**	7,949,798
Basic earnings/(loss) per share (sen)	**14.90**	(1.84)

(ii) Diluted earnings/(loss) per share

For the diluted earnings/(loss) per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2022	**2021**
Profit/(Loss) attributable to owners of the parent (RM'000)	**1,207,378**	(146,524)
Weighted average number of ordinary shares in issue ('000)	**8,102,156**	7,949,798
Adjustments for:		
- ESOS ('000)	**41,698**	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	**8,143,854**	7,949,798
Diluted earnings/(loss) per share (sen)	**14.83**	(1.84)

Notes to the Financial Statements

for the financial year ended 30 June 2022

9. DIVIDENDS

	Group and Company 2022		Group and Company 2021	
	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 2022:				
- First interim dividend of 2.0 sen per ordinary share paid on 29 June 2022	**2.0**	**162,043**	-	-
Dividend paid in respect of the financial year ended 30 June 2021:				
- First interim dividend of 2.0 sen per ordinary share paid on 29 June 2021	**-**	**-**	2.0	162,043
- Second interim dividend of 2.5 sen per ordinary share paid on 12 October 2021	**2.5**	**202,554**	-	-
	4.5	**364,597**	2.0	162,043

On 25 August 2022, the Board of Directors declared a second interim dividend of 2.5 sen per ordinary share for the financial year ended 30 June 2022. The book closure and payment dates in respect of the aforesaid dividend are 11 November 2022 and 29 November 2022, respectively.

The Board of Directors do not recommend a final dividend for the financial year ended 30 June 2022 (2021: Nil).

Notes to the Financial Statements
for the financial year ended 30 June 2022

10. PROPERTY, PLANT AND EQUIPMENT

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

Group 2022	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 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
Exchange differences	(341,258)	(735,942)	(593,649)	-	(65,903)	(23,402)	-	(107,734)	(1,867,888)
Acquisition of a subsidiary*	108,040	-	670,654	-	23	691	-	-	779,408
Additions	429,223	42,284	8,263	-	1,771	1,370	700	1,369,789	1,853,400
Disposal of a subsidiary^	(5,954)	(67,391)	(9,506)	-	(83)	-	-	(20,028)	(102,962)
Disposals	-	-	(179)	-	(419)	(70,052)	(144)	-	(70,794)
Written off	(7,693)	(3,825)	(35,424)	-	(55,262)	(233)	(105)	(343)	(102,885)
Transfer from investment properties	-	-	-	-	-	-	-	84,383	84,383
Transfer from project development costs	200,003	-	-	-	-	-	-	-	200,003
Transfer to right-of-use assets	-	-	-	-	-	-	(11,500)	-	(11,500)
Transfer on commissioning	121,706	361,965	569,424	-	34,290	31,186	44,461	(1,163,032)	-
At 30 June 2022	6,223,342	9,650,232	17,458,390	15,524	935,149	381,413	3,425,127	1,511,112	39,600,289
Accumulated depreciation and impairment									
At 1 July 2021	2,162,790	915,749	9,557,437	15,524	501,455	246,523	1,238,735	-	14,638,213
Exchange differences	(107,048)	(69,498)	(289,339)	-	(29,565)	(12,513)	-	-	(507,963)
Charge for the financial year	105,937	86,643	667,463	-	37,861	39,367	137,206	-	1,074,477
Disposal of a subsidiary^	(2,270)	(6,461)	(1,894)	-	(83)	-	-	-	(10,708)
Disposals	-	-	(108)	-	(416)	(52,628)	-	-	(53,152)
Transfer to right-of-use assets	-	-	-	-	-	-	(4,281)	-	(4,281)
Written off	(3,200)	(843)	(34,406)	-	(54,354)	(121)	228	-	(92,696)
At 30 June 2022	2,156,209	925,590	9,899,153	15,524	454,898	220,628	1,371,888	-	15,043,890
Net book value									
At 30 June 2022	4,067,133	8,724,642	7,559,237	-	480,251	160,785	2,053,239	1,511,112	24,556,399

Borrowing cost of RM36,305,977 (2021: RM23,732,915) at an interest rate of 3.8% (2021: 3.8%) was capitalised during the financial year 2022.

* This is in relation to the completion of acquisition of the power plant and associated assets of Tuaspring Pte. Ltd. as disclosed in Note 14(f).

^ This is in relation to the disposal of Albion Water Limited as disclosed in Note 14(g).

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The details of land and buildings of the Group are as follows:

Group 2022	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 July 2021	**137,468**	**5,581,807**	**5,719,275**
Exchange differences	**(1,030)**	**(340,228)**	**(341,258)**
Acquisition of a subsidiary*	**-**	**108,040**	**108,040**
Additions	**428,899**	**324**	**429,223**
Disposal of a subsidiary^	**-**	**(5,954)**	**(5,954)**
Written off	**-**	**(7,693)**	**(7,693)**
Transfer from project development costs	**200,003**	**-**	**200,003**
Transfer on commissioning	**91**	**121,615**	**121,706**
At 30 June 2022	**765,431**	**5,457,911**	**6,223,342**
Accumulated depreciation			
At 1 July 2021	**-**	**2,162,790**	**2,162,790**
Exchange differences	**-**	**(107,048)**	**(107,048)**
Charge for the financial year	**-**	**105,937**	**105,937**
Disposal of a subsidiary^	**-**	**(2,270)**	**(2,270)**
Written off	**-**	**(3,200)**	**(3,200)**
At 30 June 2022	**-**	**2,156,209**	**2,156,209**
Net book value			
At 30 June 2022	**765,431**	**3,301,702**	**4,067,133**
2021			
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

* *This is in relation to the completion of acquisition of the power plant and associated assets of Tuaspring Pte. Ltd. as disclosed in Note 14(f).*

^ *This is in relation to the disposal of Albion Water Limited as disclosed in Note 14(g).*

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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:

	2022	2021
Discount rate	**9.1%**	7.6%
Average revenue growth rate	**19.7%**	27.6%
Terminal year earnings before interest, taxes, depreciation and amortisation ("EBITDA") margin	**31.4%**	53.1%

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 13 (2021: 14) years representing the estimated useful lives of the PPE of the subsidiary, using the estimated long-term growth rate of 2.5% (2021: 2.5%).

Fair value is held within Level 3 in fair value hierarchy disclosures.

The carrying amount of the CGU as at 30 June 2022 is RM2.4 billion (2021: RM2.5 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% (2021: 4%), the carrying value will be reduced by approximate RM168 million (2021: RM47 million). If the average revenue growth rate reduced by 2% (2021: 3%), the carrying value will be reduced by approximate RM249 million (2021: RM168 million). And, if the terminal year EBITDA margin reduced by 8% (2021: 12%), the carrying value will be reduced by approximate RM76 million (2021: RM60 million).

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Company 2022	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 July 2021	**640**	**2,187**	**2,827**
Additions	**105**	**-**	**105**
At 30 June 2022	**745**	**2,187**	**2,932**
Accumulated depreciation			
At 1 July 2021	**530**	**1,152**	**1,682**
Charge for the financial year	**49**	**197**	**246**
At 30 June 2022	**579**	**1,349**	**1,928**
Net book value			
At 30 June 2022	**166**	**838**	**1,004**
2021			
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

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for the financial year ended 30 June 2022

11. RIGHT-OF-USE ASSETS

Group 2022	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 2021	**396,231**	**72,665**	**19,294**	**2,991**	**207**	**491,388**
Exchange differences	**-**	**568**	**(362)**	**(146)**	**(80)**	**(20)**
Acquisition of a subsidiary*	**-**	**17,658**	**-**	**-**	**-**	**17,658**
Additions	**47,276**	**1,408**	**1,149**	**21**	**2,081**	**51,935**
Depreciation charges for the financial year	**(114,833)**	**(6,492)**	**(5,224)**	**(8)**	**(785)**	**(127,342)**
Termination	**(18,387)**	**-**	**-**	**(1,362)**	**-**	**(19,749)**
Modification	**39,095**	**(629)**	**-**	**-**	**-**	**38,466**
Transfer from property, plant and equipment	**7,219**	**-**	**-**	**-**	**-**	**7,219**
At 30 June 2022	**356,601**	**85,178**	**14,857**	**1,496**	**1,423**	**459,555**
2021						
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

* *This is in relation to the completion of acquisition of the power plant and associated assets of Tuaspring Pte. Ltd. as disclosed in Note 14(f).*

12. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**635,004**	467,208
Exchange differences	**(42,169)**	47,681
Additions	**-**	37,065
Transfer to property, plant and equipment	**(84,383)**	-
Fair value gain	**19,492**	83,050
At 30 June	**527,944**	635,004

(a) Amounts recognised in Income Statement for investment properties

	Group	
	2022 RM'000	**2021 RM'000**
Rental income	**6,695**	8,723
Direct operating expenses generating rental income	**(6,695)**	(8,723)
Direct operating expenses that did not generate rental income	**(16,293)**	(8,406)
Fair value gain recognised in other operating income	**19,492**	83,050

(b) Measuring investment properties at fair value

The Group's investment properties consist of land at Filton Airfield, Bristol.

As at 30 June 2022, 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.

			Range	
	Valuation techniques	**Significant unobservable inputs**	**2022**	**2021**
Hangars*	Discounted cashflow	Visitor numbers	**-**	1 - 1.5 million p.a.
Airfield	Discounted cashflow	Unit density per acre	**18-28**	18-28

* *The Brabazon Hangars is transferred to property, plant and equipment during the financial year following the decision to proceed with the YTL Arena development. During the previous financial year, the fair value arrived based on discounted cashflow model prepared by Evercore Inc., a global independent investment banking advisory firm.*

12. INVESTMENT PROPERTIES (CONTINUED)

(b) Measuring investment properties at fair value (continued)

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. A 0.5% change in the discount rate would lead to a movement of RM10.1 million (GBP1.8 million) in the valuation.

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.

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 2022	Contract rights RM'000	Goodwill on consolidation RM'000	Software assets RM'000	Others RM'000	Total RM'000
At 1 July 2021	**118,051**	**8,222,709**	**323,341**	**10,428**	**8,674,529**
Exchange differences	**409**	**179,613**	**(21,256)**	**(646)**	**158,120**
Acquisition of a subsidiary*	**-**	**67,814**	**-**	**-**	**67,814**
Additions	**62**	**-**	**68,738**	**-**	**68,800**
Amortisation charge for the financial year	**(2,384)**	**-**	**(61,709)**	**(1,769)**	**(65,862)**
Allowance for impairment	**(92,766)**	**(48,261)**	**(30,075)**	**-**	**(171,102)**
At 30 June 2022	**23,372**	**8,421,875**	**279,039**	**8,013**	**8,732,299**
2021					
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

* *This is in relation to the completion of acquisition of the power plant and associated assets of Tuaspring Pte. Ltd. as disclosed in Note 14(f).*

13. INTANGIBLE ASSETS (CONTINUED)

(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	
	2022 RM'000	**2021 RM'000**
Multi utilities business segment ("Singapore")	**7,773,331**	7,588,181
Water and sewerage segment (United Kingdom ("UK"))	**440,700**	440,700
Others	**207,844**	193,828
Total goodwill	**8,421,875**	8,222,709

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:

	2022		2021	
	Singapore %	**UK %**	**Singapore %**	**UK %**
Discount rate	**6.52**	**3.02**	6.30	3.11
Terminal growth rate	**2.00**	**1.48**	2.00	0.31
Revenue growth rate	**1.95**	**(0.17)**	3.46	0.04

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.

13. INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

(i) Key assumptions used in the value-in-use calculations (continued)

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 three-year (2021: 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:

	2022		**2021**	
	Singapore %	**UK %**	**Singapore %**	**UK %**
Discount rate	**10.51**	**12.50**	7.84	7.20
Terminal growth rate	**(3.61)**	**1.07**	0.07	(0.06)
Revenue growth rate	**(2.49)**	**(13.87)**	1.32	(3.97)

Based on the above assessment, no impairment charge for the goodwill was recognised for the financial year ended 30 June 2022 (2021: Nil) as the recoverable amount of the CGUs was in excess of its carrying amount.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost	**23,799,351**	23,721,333
Accumulated impairment losses	**(5,330,403)**	(5,330,403)
	18,468,948	18,390,930

Details of the subsidiaries are as follows:

		Group's effective interest		
Name	**Country of incorporation**	**2022 %**	**2021 %**	**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**	70	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	Development, construction, completion, maintenance and operation of a large scale solar power facility
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 Data Center Holdings Pte. Ltd.*	Singapore	**100**	-	Investment holding in companies that own and operate data centers
YTL DC No.1 Pte. Ltd.*	Singapore	**100**	-	Investment holding in companies that own and operate data centers
YTL DC South Sdn. Bhd.†	Malaysia	**100**	-	Development, operation and marketing of data centre projects and related infrastructure, services and activities

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14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
Subsidiaries held by the Company: (continued)				
YTL Digital Capital Sdn. Bhd.*	Malaysia	**100**	100	Investment holding
YTL Digital Payments Sdn. Bhd.†	Malaysia	**100**	-	Processing of digital payments via e-money platform
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
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	The full value chain involved in the generation and sale of electricity. This includes the trading of fuel related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process
YTL Power (Thailand) Limited^	Cayman Islands	**100**	100	Dormant
YTL Power Trading (Labuan) Ltd.≠	Malaysia	**100**	100	Dormant
YTL RE Holdings Sdn. Bhd.†	Malaysia	**100**	-	Investment holding

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
Subsidiaries held by the Company: (continued)				
YTL Renewables Pte. Ltd.*	Singapore	**100**	-	Transmission, distribution and sale of electricity, engineering design and consultancy services in energy management and clean energy system
YTL Seraya Limited*	Cayman Islands	**100**	100	Investment holding
YTL SIPP Power Holdings Sdn. Bhd.*	Malaysia	**70**	70	Investment holding
YTL Southern Solar Sdn. Bhd.†	Malaysia	**100**	-	Investment holding, development, commissioning, operation and maintenance of solar photovoltaic power plant and transmission infrastructure and generation of electricity from green energy sources
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
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	Investment holding
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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
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	Dormant
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**	100	Dormant
Navigator At Brabazon Management Company Limited^	England and Wales	**100**	100	Dormant
YTL Arena (Filton) Limited#	England and Wales	**-**	100	Dormant
YTL Arena Holdings Limited^	England and Wales	**100**	100	Investment holding
YTL Arena Limited*	England and Wales	**100**	100	Arena development
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	Water supply and waste water services
Enterprise Laundry Services Limited#	England and Wales	**-**	100	Laundry services
Entrade Limited^	England and Wales	**100**	-	Dormant
Flipper Limited≠	England and Wales	**100**	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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
Subsidiaries held by Wessex Water Limited: (continued)				
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*	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
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 Liquidation)*§	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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
Subsidiaries held by YTL Communications Sdn. Bhd.: (continued)				
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	**60**	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
Subsidiaries held by YTL Jawa O & M Holdings Limited:				
P.T. YTL Harta Indonesia^	Indonesia	**99.95**	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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
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 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
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

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	Principal activities
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 set of the audited financial statements shall be made up of the financial period ended 30 June 2023.*

Ω *The Company owns RM4.07 billion (2021: 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 liquidation on 17 August 2021.*

\# *These subsidiaries were dissolved on 26 April 2022 following their deregistration under Section 1003 of the Companies Act 2006 of the United Kingdom.*

¥ *Disposed on 8 March 2022.*

≠ *Entity is exempted from the requirement of an audit and dissolved subsequent to the financial year.*

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(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
2022			
YTL Jawa Power Holdings B.V.	**42.9%**	**122,971**	**669,319**
YTL Communications Sdn. Bhd.	**40.0%**	**(82,047)**	**(881,978)**
		40,924	**(212,659)**
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)

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.	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current assets	**1,620,834**	1,582,816	**2,589,746**	2,734,902
Current assets	**1,361**	2,008	**332,389**	390,615
Non-current liabilities	**(18,410)**	(17,360)	**(315,456)**	(354,583)
Current liabilities	**(802)**	(620)	**(753,545)**	(927,041)
Net assets	**1,602,983**	1,566,844	**1,853,134**	1,843,893
Revenue	**559**	234	**678,451**	522,326
Profit/(Loss) for the financial year	**286,943**	287,949	**(206,406)**	(207,306)
Total comprehensive income/(loss)	**375,487**	239,888	**(209,459)**	(205,955)
Cash flow (used in)/from operating activities	**(20,319)**	(21,385)	**150,760**	76,448
Cash flow from/(used in) investing activities	**362,742**	377,463	**(41,528)**	(66,920)
Cash flow used in financing activities	**(343,227)**	(357,597)	**(117,391)**	(15,126)
Net decrease in cash and cash equivalents	**(804)**	(1,519)	**(8,159)**	(5,598)
Dividends paid to NCI	**147,092**	153,250	**300**	-

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(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:

	2022	2021
Discount rate	**10.3%**	8.3%
Terminal multiple	**14.1x**	18.9x
Average revenue growth rate	**19.7%**	27.2%
Terminal year EBITDA margin	**33.0%**	54.3%

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:

	2022	2021
Discount rate	**12.2%**	20.1%
Terminal multiple	**13.0x**	11.7x
Average revenue growth rate	**19.4%**	23.7%
Terminal year EBITDA margin	**30.9%**	40.0%

The carrying amount of the subsidiary is RM3.5 billion (2021: RM3.3 billion). No impairment charge was recognised as the recoverable amount was in excess of its carrying amount.

(d) Additional investments in subsidiaries

(i) During the financial year, the Company subscribed for an additional 220 million (2021: 350 million) Redeemable Cumulative Convertible Preference Shares in YTL Communications Sdn. Bhd. at a price of RM1.00 (2021: RM1.00) per share by capitalising the advances to YTL Communications Sdn. Bhd..

(ii) During the financial year, the Company subscribed for one ordinary share in YTL Seraya Limited for a consideration of RM2,500,000 by capitalising the amounts owing by YTL Seraya Limited.

(iii) During the previous financial year, the Company subscribed for one ordinary share in YTL Utilities Limited for a consideration of RM173,761,500 by capitalising the amounts owing by YTL Utilities Limited.

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Additional investments in subsidiaries (continued)

(iv) During the previous financial year, the Company subscribed for 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.

(v) During the previous financial year, the Company subscribed for 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.

(e) Capital reduction in subsidiaries

During the financial year, the cost of investment in YTL Power International Holdings Limited, a wholly-owned subsidiary of the Company, was reduced from RM596,614,852 to RM451,422,124. The reduction was effected by returning share premium of RM145,192,728 to the Company.

During the previous financial year, the issued and paid-up share capital of YTL Power Generation Sdn. Bhd., a wholly-owned subsidiary of the Company, was reduced from RM285,790,000 comprising 1,313,676,470 ordinary shares and 1 special share to RM115,790,000 comprising 532,426,470 ordinary shares and 1 special share. The reduction of share capital was effected by cancelling 781,250,000 ordinary shares and returning paid-up capital of RM170,000,000 to the Company.

(f) Acquisition of a subsidiary

Pursuant to the Put and Call Option Agreement dated 31 May 2022 entered into between the Group and Tuaspring Pte. Ltd. ("TPL") (Receivers and Managers Appointed over the Relevant Charged Property), the Group has acquired the power plant and associated assets of TPL on 1 June 2022. As a result of the acquisition, the Group is expected to create significant synergies across its portfolio of utility businesses in Singapore. The fair values of identifiable assets acquired and liabilities assumed have been determined on a provisional basis and will be finalised within one year after the acquisition date.

Details of the consideration transferred and goodwill recognised are as follows:

	RM'000
Cash consideration	839,729
Fair value of net assets acquired	(771,915)
Provisional goodwill	67,814

The provisionally determined fair values of the assets and liabilities as at date of completion of acquisition are as follows:

	RM'000
Property, plant and equipment	779,408
Right-of-use assets	17,658
Inventories	42,663
Deferred liabilities	(67,814)
Identifiable net assets acquired	771,915

14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Acquisition of a subsidiary (continued)

(i) Acquisition-related costs

The Group incurred acquisition-related costs of RM11.9 million. These costs are included in "Administrative expenses" in the Income Statements and in operating cash flows in the Statements of Cash Flows.

(ii) Goodwill

The provisional goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from acquiring the business. None of the goodwill is expected to be deductible for income tax purposes.

(iii) Revenue and profit contribution

The acquired business contributed revenue and profit of RM95.3 million and RM2.5 million, respectively to the Group for the period from 1 June 2022 to 30 June 2022.

(iv) Deferred liabilities

The Group has assumed liabilities payable to a third party as stipulated in the agreement dated 28 December 2021, which was novated to the Group as part of the acquisition of the business. The Group is required to pay an annual electricity fee of RM5.3 million to the third party as compensation for the termination of services provided to third party by TPL. The period of compensation is effective from 1 June 2022 to 4 September 2038.

(g) Disposal of a subsidiary

On 8 March 2022, Wessex Water Limited, an indirect subsidiary of the Company disposed its shareholdings in Albion Water Limited.

The disposal had the following effects to the financial position of the Group for the financial year:

	RM'000	RM'000
Sales proceed		**20,893**
Less:		
Property, plant and equipment	**92,254**	
Receivables, deposits and prepayments	**1,773**	
Payables and accrued expenses	**(2,982)**	
Grants and contributions	**(14,035)**	
Deferred income	**(61,033)**	
Net assets disposed		**15,977**
Gain on disposal		**4,916**

(h) Impairment in a subsidiary

During the previous financial year, an impairment charge of RM47,370,000 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 was determined based on the fair value less costs of disposal calculation as at 30 June 2021.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Investment in joint ventures

	Group	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost	**296,922**	225,543
Group's share of post-acquisition reserves	**(106,931)**	(133,538)
Group's share of net assets	**189,991**	92,005

Details of the joint venture companies are as follows:

		Group's effective interest		
Name	**Country of incorporation**	**2022 %**	**2021 %**	**Principal activities**
AP1 Pte. Ltd.*	Singapore	**50.0**	-	Investment holding and operations of data centres
Attarat Mining Company B.V.	Netherlands	**45.0**	45.0	Mining and supply of oil shale
Attarat Operation and Maintenance Company B.V.	Netherlands	**45.0**	45.0	Operation and 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

* *AP1 Pte. Ltd. was incorporated on 1 October 2021 and has an issued and paid-up share capital of RM113.5 million (SGD36.5 million).*

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investment in joint ventures (continued)

The summarised financial information of material joint ventures adjusted for any differences in accounting policies between the Group and the joint ventures and reconciliation to the carrying amount of the Group's interest in the joint ventures are as follows:

(i) Summarised financial information:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current assets	**10,171,057**	8,737,246	**8,874**	10,493	**770,153**	-
Current assets	**100,228**	53,470	**226,501**	254,370	**49,571**	-
Non-current liabilities	**(9,447,794)**	(8,223,117)	**-**	-	**(535,173)**	-
Current liabilities	**(555,952)**	(545,007)	**(201,628)**	(126,247)	**(15,547)**	-
Net assets	**267,539**	22,592	**33,747**	138,616	**269,004**	-
(Loss)/Profit for the financial year	**(78,889)**	(37,795)	**(108,701)**	(68,885)	**150,745**	-
Other comprehensive income	**312,684**	137,848	**-**	-	**-**	-
Total comprehensive income/ (loss)	**233,795**	100,053	**(108,701)**	(68,885)	**150,745**	-
Included in total comprehensive income is:						
Revenue	**-**	-	**37,415**	86,824	**70,764**	-
Other information:						
Cash and cash equivalents	**4,145**	18,209	**4,931**	65,226	**29,227**	-
Shareholder's loan and related interests	**(4,236,826)**	(2,838,900)	**-**	-	**(118,664)**	-
Bank borrowings	**(5,202,829)**	(5,096,265)	**-**	-	**(416,481)**	-
Derivative financial instruments	**(28,710)**	(280,124)	**-**	-	**-**	-

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(a) Investment in joint ventures (continued)

(ii) Reconciliation of net assets to carrying amount:

	Attarat Power Holding Company B.V.		Attarat Mining Company B.V.		AP1 Pte. Ltd.		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Opening net assets/ (liabilities), 1 July	**22,592**	(80,459)	**138,616**	214,230	**-**	-	**161,208**	133,771
Acquisition	**-**	-	**-**	-	**113,500**	-	**113,500**	-
(Loss)/Profit for the financial year	**(78,889)**	(37,795)	**(108,701)**	(68,885)	**150,745**	-	**(36,845)**	(106,680)
Other comprehensive income	**312,684**	137,848	**-**	-	**-**	-	**312,684**	137,848
Exchange differences	**11,152**	2,998	**3,832**	(6,729)	**4,759**	-	**19,743**	(3,731)
Closing net assets, 30 June	**267,539**	22,592	**33,747**	138,616	**269,004**	-	**570,290**	161,208
Interest in joint ventures	**45.0%**	45.0%	**45.0%**	45.0%	**50.0%**	-		
Group's interest	**120,393**	10,166	**15,186**	62,377	**134,502**	-	**270,081**	72,543
Elimination of unrealised profits	**(120,393)**	(77,419)	**-**	-	**-**	-	**(120,393)**	(77,419)
Unrecognised share of net losses	**-**	67,253	**-**	-	**-**	-	**-**	67,253
Carrying amount	**-**	-	**15,186**	62,377	**134,502**	-	**149,688**	62,377

The individually immaterial joint ventures' carrying amount is RM40.3 million (2021: RM29.6 million), Group's share of profit is RM9.6 million (2021: RM35.4 million) and the Group's share of total comprehensive income is RM10.7 million (2021: RM35.6 million).

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Investment in associates

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**787,537**	1,036,882
Group's share of post-acquisition reserves	**857,557**	1,145,079
Accumulated impairment losses	**(65,441)**	(61,710)
Group's share of net assets	**1,579,653**	2,120,251

Details of the associates are as follows:

Name	Country of incorporation	Group's effective interest 2022 %	Group's effective interest 2021 %	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	Principal electricity transmission

* *The subgroup's direct interest in P.T. Jawa Power is 35%.*
\# *Disposed on 23 March 2022.*

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Investment in associates (continued)

(i) Divestment of an associate

On 23 March 2022, YTL Power Investments Limited, an indirect wholly-owned subsidiary of the Company disposed of its 33.5% interest in ElectraNet Pty. Ltd. for a cash consideration of RM3.222 billion (AUD1.024 billion) resulting a gain on disposal of RM1.272 billion.

The disposal had the following effects to the financial position of the Group for the financial year:

	RM'000
Sales consideration net of transaction costs	2,196,575
Less: Carrying amount of loan notes	(230,007)
Consideration received	1,966,568
Less: Net assets disposed	(665,198)
Gain on disposal before reclassification of other comprehensive income items	1,301,370
Reclassification of hedging reserve	(38,452)
Reclassification of currency translation reserves	9,341
Gain on disposal	1,272,259

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:

(ii) Summarised financial information:

	P.T. Jawa Power		ElectraNet Pty. Ltd.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	4,295,878	4,304,549	-	11,722,324
Current assets	1,256,541	1,068,000	-	152,288
Non-current liabilities	(636,364)	(584,005)	-	(8,216,984)
Current liabilities	(402,760)	(377,162)	-	(1,937,427)
Net assets	4,513,295	4,411,382	-	1,720,201
Profit for the financial year	878,196	883,965	131,613	155,880
Other comprehensive income	-	–	117,306	143,973
Total comprehensive income	878,196	883,965	248,919	299,853
Included in the total comprehensive income is:				
Revenue	2,473,393	2,233,971	878,925	1,287,212
Other information:				
Dividends received from associate	362,742	377,463	-	–

Notes to the Financial Statements
for the financial year ended 30 June 2022

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

(b) Investment in associates (continued)

(iii) Reconciliation of net assets to carrying amount:

	P.T. Jawa Power		ElectraNet Pty. Ltd.		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Opening net assets, 1 July	**4,411,382**	4,746,519	**1,720,201**	1,334,380	**6,131,583**	6,080,899
Profit for the financial year	**878,196**	883,965	**131,613**	155,880	**1,009,809**	1,039,845
Other comprehensive income	**-**	-	**117,306**	143,973	**117,306**	143,973
Disposal	**-**	-	**(1,985,667)**	-	**(1,985,667)**	-
Exchange differences	**260,122**	(140,636)	**16,547**	85,968	**276,669**	(54,668)
Dividend paid	**(1,036,405)**	(1,078,466)	**-**	-	**(1,036,405)**	(1,078,466)
Closing net assets, 30 June	**4,513,295**	4,411,382	**-**	1,720,201	**4,513,295**	6,131,583
Interest in associates	**35.0%**	35.0%	**-**	33.5%		
Carrying amount	**1,579,653**	1,543,984	**-**	576,267	**1,579,653**	2,120,251

16. INVESTMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Financial assets at fair value through profit or loss	**81,463**	6,469	**-**	-
Financial assets at fair value through other comprehensive income*	**213,263**	203,354	**193,364**	203,278
	294,726	209,823	**193,364**	203,278
Current				
Financial assets at fair value through profit or loss	**740,824**	1,752,455	**3**	349,572

* *The investments are represented primarily by the Group's and the Company's investment in YTL Cement Berhad.*

16. INVESTMENTS (CONTINUED)

(a) Financial assets at fair value through other comprehensive income

The investments are in relation to the following:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Equity investments				
Quoted in Malaysia	**43,939**	43,103	**43,939**	43,103
Quoted outside Malaysia	**26**	31	**-**	-
Unquoted outside Malaysia	**19,873**	45	**-**	-
Unquoted in Malaysia	**149,425**	160,175	**149,425**	160,175
	213,263	203,354	**193,364**	203,278
Fair value loss recognised in other comprehensive income during the financial year	**(9,597)**	(8,039)	**(9,596)**	(8,040)

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

The investments are in relation to the following:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Income funds*				
Quoted in Malaysia	**3**	349,572	**3**	349,572
Quoted outside Malaysia	**740,821**	1,402,883	**-**	-
Equity investments				
Unquoted outside Malaysia	**81,463**	6,469	**-**	-
	822,287	1,758,924	**3**	349,572
Fair value loss recognised in the Income Statement during the financial year	**(97,659)**	(7,511)	**(493)**	(913)

* *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.*

17. PROJECT DEVELOPMENT COSTS

The details of project development costs are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**259,744**	248,617
Exchange differences	**4,640**	(7,186)
Additions	**2,196**	18,313
Transfer to property, plant and equipment	**(200,003)**	-
Written off	**(66,577)**	-
At 30 June	**-**	259,744

The project development costs consist of land acquisition costs, professional fees and related costs was transferred to property, plant and equipment and written off accordingly during the financial year following a decision of the Group to achieve carbon neutrality in operations by 2050.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group	
	Note	**2022 RM'000**	**2021 RM'000**
Non-current			
Contract assets	4(b)	**2,084**	106
Prepayments		**6,927**	1,920
Contract cost assets	4(b)	**13**	62
Receivables from associate#		**-**	230,533
Deposits		**930**	905
Other receivables^		**511,203**	2,055
Receivables from joint venturesΩ		**1,960,963**	1,273,933
Less: Allowance for impairment of receivables from joint ventures	35(b)	**(27,208)**	(2,600)
Total receivables from joint ventures (net)		**1,933,755**	1,271,333
		2,454,912	1,506,914

\# *Receivables from associate comprise three loan notes to an associate with an average interest rate of 13.25% per annum which was supposed mature in October 2030. The amount was received during the financial year as part of cash consideration following the disposal of the Group's investment in ElectraNet Pty. Ltd..*

^ *Other receivables include a receivable of RM507.1 million from a financial institution with an effective interest rate of 6.08% per annum. The receivable is repayable in full on 1 June 2027.*

Ω *Receivables from joint ventures mainly comprise a shareholder loan with an interest rate at 15.00% per annum. The shareholder loan and accrued interest are repayable on demand.*

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current					
Trade receivables		**1,291,242**	1,200,593	**-**	-
Less: Allowance for impairment of trade receivables	35(b)	**(281,234)**	(257,429)	**-**	-
Total trade receivables (net)		**1,010,008**	943,164	**-**	-
Other receivables		**332,012**	220,501	**3,989**	1,762
Less: Allowance for impairment of other receivables	35(b)	**(653)**	(707)	**-**	-
Total other receivables (net)		**331,359**	219,794	**3,989**	1,762
Unbilled receivables		**1,291,969**	946,467	**-**	-
Less: Allowance for impairment of unbilled receivables	35(b)	**(7,997)**	(8,191)	**-**	-
Total unbilled receivables (net)		**1,283,972**	938,276	**-**	-
Contract assets	4(b)	**154,389**	154,439	**-**	-
Deposits		**136,034**	187,526	**1**	76
Interest receivable		**2,531**	1,251	**298**	1
Prepayments		**511,969**	399,774	**215**	-
Contract cost assets	4(b)	**24,663**	24,676	**-**	-
		3,454,925	2,868,900	**4,503**	1,839

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.

19. INVENTORIES

	Group	
	2022 RM'000	**2021 RM'000**
Finished goods	**37,361**	15,714
Freehold land held for property development*	**183,973**	141,444
Fuel	**72,128**	47,380
Spare parts	**164,757**	116,809
Raw materials	**24,084**	24,933
Work in progress	**10,753**	4,937
	493,056	351,217

* *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 RM417 million (2021: RM157 million). These were recognised as an expense during the financial year and included in 'cost of sales'. Write-downs of inventories to net realisable value amounted to RM15 million during previous financial year.

20. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	Contractual notional amount	Fair value	
2022	RM'000	Assets RM'000	Liabilities RM'000
Cash flow hedges:			
- Fuel oil swaps	**1,616,795**	**390,643**	**8,606**
- Currency forwards	**1,914,237**	**39,619**	**315**
- Electricity futures	**14,404**	**5,352**	**13,425**
Fair value through profit or loss:			
- Fuel oil swaps	**8,543**	**884**	**745**
- Currency forwards	**3,612**	**-**	**16**
		436,498	**23,107**
Current portion		**415,891**	**21,740**
Non-current portion		**20,607**	**1,367**
		436,498	**23,107**
2021			
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

Notes to the Financial Statements
for the financial year ended 30 June 2022

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy:

Group 2022	Contractual notional amount RM'000	Carrying amount: Assets/ (Liabilities) RM'000	Carrying amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument RM'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged item RM'000	Weighted average hedged rate	Maturity date
Cash flow hedges							
Fuel oil price risk							
- Fuel oil swap to hedge highly probable transactions ("HSFO")	**808,266**	**351,157**	**Derivative financial instruments**	**710,406**	**(710,406)**	**RM1,764.4 per metric ton**	**July 2022 - April 2024**
- Fuel oil swap to hedge highly probable transactions ("LNG")	**331,696**	**21,909**	**Derivative financial instruments**	**27,195**	**(27,195)**	**RM445.3 per bbl**	**July 2022 - November 2022**
- Fuel oil swap to hedge highly probable transactions ("ICE BRENT")	**476,833**	**8,971**	**Derivative financial instruments**	**10,566**	**(10,566)**	**RM409.6 per barrel**	**July 2022 - June 2024**
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	**1,914,237**	**39,304**	**Derivative financial instruments**	**52,602**	**(52,602)**	**RM4.2: USD1.00**	**July 2022 - January 2025**
Electricity futures price risk							
- Electricity futures to hedge highly probable transactions	**14,404**	**(8,073)**	**Derivative financial instruments**	**(313,739)**	**313,739**	**RM426.0 per MWH**	**July 2022 - December 2022**
2021							
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

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fuel oil swaps

Fuel oil swaps are entered into to hedge highly probable forecast fuel purchases that are expected to occur at various dates within 1 to 24 months (2021: 1 to 24 months) from financial year end. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the inventory of 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 1 to 31 months (2021: 1 to 28 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 6 months (2021: 9 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 determined with reference to the Uniform Singapore Energy Price ("USEP") monthly and quarterly base load electricity futures prices quoted on Singapore Exchange ("SGX").

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 RM491,946,443 (2021: RM1,374,351,694) which bear interest rates ranging from 1.95% to 2.51% (2021: 1.29% 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% (2021: 3.20% 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 2022, the Company has given corporate guarantees of RM19,036,488 (2021: RM214,301,498) 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	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Deposits with licensed banks		**4,512,771**	7,415,168	**323,046**	10,728
Cash and bank		**2,367,245**	1,177,464	**1,505**	1,366
Cash and bank balances		**6,880,016**	8,592,632	**324,551**	12,094
Bank overdrafts	27(a)	**(95,792)**	(26,051)	**-**	-
Cash and cash equivalents		**6,784,224**	8,566,581	**324,551**	12,094

23. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Deposits with licensed banks	**0.01 - 2.20**	0.01 - 1.95	**1.85 - 2.10**	1.75 - 1.85

Deposits of the Group and the Company have maturity ranging from 1 day to 90 days (2021: 1 day to 90 days).

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	
	2022	**2021**
	RM'000	**RM'000**
Issued and fully paid:		
At 1 July and 30 June:		
- 8,158,208,738 (2021: 8,158,208,738) ordinary shares	**7,038,587**	7,038,587

As at 30 June 2022, the Company holds 56,053,431 (2021: 56,051,431) shares as treasury shares. The number of ordinary shares in issue and fully paid after offsetting treasury shares are 8,102,155,307 (2021: 8,102,157,307).

24. SHARE CAPITAL (CONTINUED)

(a) Employees' Share Option Scheme 2021 ("ESOS 2021")

On 6 January 2021, the Company implemented a share issuance scheme known as the Employees' Share Option Scheme which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 December 2020. ESOS 2021 is valid for a period of ten (10) years and is for employees and Directors of the Company and/or its subsidiaries who meet the criteria of eligibility for participation as set out in the By-Laws of ESOS 2021 ("By-Laws"). The salient terms of ESOS 2021 are as follows:

(i) The maximum number of shares to be allotted and issued pursuant to the exercise of options which may be granted under ESOS 2021 shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) or such other percentage of the total number of issued shares of the Company (excluding treasury shares, if any) that may be permitted by Bursa Securities or any other relevant authorities from time to time throughout the duration of ESOS 2021.

(ii) Any person who is a Director and/or an employee of a corporation in the Group, who meets the following criteria as at the date of offer of an option ("Offer Date") shall be eligible for consideration and selection by the Options Committee (as defined in the By-Laws) to participate in ESOS 2021:

(a) the person has attained the age of eighteen (18) years, is not an undischarged bankrupt and is not subject to any bankruptcy proceedings;

(b) the person, save for a non-executive Director, must be on the payroll of a company within the Group; and

- he is employed on a full time basis, has not served a notice to resign or received a notice of termination; or
- he is serving in a specific designation under an employment contract for a fixed duration, excluding those who are employed on a short-term contract or any other employees under contract as may be determined by the Options Committee;

(c) the person's employment, save for a non-executive Director, is for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service; and

(d) the person fulfils any other criteria and/or falls within such category as may be set by the Options Committee from time to time.

(iii) Subject to the Bursa Securities Listing Requirements and any adjustments in accordance with By-Law 13, the subscription price for shares under ESOS 2021 shall be determined by the Board of Directors of the Company upon recommendation of the Options Committee and shall be fixed based on the 5-day volume weighted average market price of shares, as quoted on Bursa Securities, immediately preceding the Offer Date (as defined in the By-Laws) of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the scheme period.

(iv) Subject to By-Law 13, the Options Committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period. Notwithstanding the above, and subject to By-Laws 10 and 11, the options can only be exercised by the grantee no earlier than three (3) years after the Offer Date.

(v) Subject to By-Law 12.2, a grantee shall be prohibited from disposing of the shares allotted and issued to him through the exercise of the option(s) for a period of one (1) year from the date on which the option is exercised or such other period as may be determined by the Options Committee at its sole and absolute discretion.

24. SHARE CAPITAL (CONTINUED)

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

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 2011 was valid for a period of ten (10) years and was for employees and Directors of the Company and/or its subsidiaries who met the criteria of eligibility for participation as set out in the By-Laws of the ESOS 2011 ("By-Laws"). Under ESOS 2011, options granted to employees on 1 June 2012 vested on 1 June 2015, while options granted to employees on 14 March 2018 vested on 14 March 2021. ESOS 2011 expired on 31 March 2021.

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

The movement during the financial year in the number of share options of the Company is as follows:

			<---------- Number of share options ---------->				
Grant date	**Expiry date**	**Exercise price RM/share**	**At 1 July 2021 '000**	**Granted '000**	**Exercised '000**	**Lapsed '000**	**At 30 June 2022 '000**
27.01.2022	05.01.2031	0.56	**-**	**217,969**	**-**	**(9,480)**	**208,489**
23.05.2022	05.01.2031	0.70	**-**	**43,263**	**-**	**-**	**43,263**
			-	**261,232**	**-**	**(9,480)**	**251,752**

The movement during the previous financial year in the number of share options of the Company is as follows:

			<---------- Number of share options ---------->				
Grant date	**Expiry date**	**Exercise price RM/share**	**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 fair value of options granted in which MFRS 2 "Share-based Payment" applies, were determined using the Trinomial Valuation model.

24. SHARE CAPITAL (CONTINUED)

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

Value of employee services received for issue of share options:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Share option expenses	**2,618**	3,517	**2,618**	3,517
Allocation to subsidiaries	**-**	–	**(774)**	(670)
Allocation to related companies	**-**	(76)	**-**	(76)
Total share option expenses	**2,618**	3,441	**1,844**	2,771

The principal valuation assumptions used in respect of the Group's and Company's employees' share option scheme were as follows:

	ESOS 2021	ESOS 2011
Weighted average share price at date of grant (per share)	RM0.61 – RM0.78	RM1.06 - RM1.63
Expected volatility	26.50% – 28.52%	20.62% - 21.21%
Expected dividend yield	5.16% - 6.63%	5.56% - 6.20%
Expected option life	5.62 years – 5.94 years	3 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	2.83% – 3.49%	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.

There were no grants vested during the financial year under ESOS 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 2021	**52,200**	**(8,030)**	**65,609**	**129,827**	**35,474**	**-**	**275,080**
Exchange differences	**-**	**(485)**	**(1)**	**8,886**	**2,145**	**-**	**10,545**
Fair value (loss)/gain	**-**	**-**	**(9,597)**	**616,002**	**-**	**-**	**606,405**
Reclassification of reserves upon disposal of an associate	**-**	**-**	**-**	**38,452**	**-**	**-**	**38,452**
Reclassification to Income Statement	**-**	**-**	**-**	**(331,254)**	**-**	**-**	**(331,254)**
Reclassification upon disposal of investment at fair value through other comprehensive income	**-**	**-**	**111**	**-**	**-**	**-**	**111**
Share option expenses	**-**	**-**	**-**	**-**	**-**	**2,618**	**2,618**
At 30 June 2022	**52,200**	**(8,515)**	**56,122**	**461,913**	**37,619**	**2,618**	**601,957**
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

Notes to the Financial Statements
for the financial year ended 30 June 2022

25. RESERVES (CONTINUED)

(a) Other reserves (continued)

Company	FVOCI reserve RM'000	Share option reserve RM'000	Total other reserves RM'000
At 1 July 2021	**65,582**	**-**	**65,582**
Fair value loss	**(9,596)**	**-**	**(9,596)**
Reclassification upon disposal of investment at fair value through other comprehensive income	**111**	**-**	**111**
Share option expenses	**-**	**2,618**	**2,618**
At 30 June 2022	**56,097**	**2,618**	**58,715**
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

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 Twenty-Fifth Annual General Meeting held on 7 December 2021. 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 2,000 (2021: 52,829,800) of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.70 (2021: RM0.72) 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.

During the previous financial year, 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.

26. DEFERRED TAXATION

The following amounts, determined after appropriate offsetting, are shown in the Statements of Financial Position:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Deferred tax liabilities, net	**2,971,862**	2,940,500	**79**	88

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 July	**2,940,500**	2,029,692	**88**	80
Exchange differences	**(187,510)**	178,415	**-**	-
Charged/(Credited) to Income Statement				
- Property, plant and equipment	**73,341**	619,730	**(9)**	8
- Retirement benefits	**9,253**	3,436	**-**	-
- Provision	**(464)**	(5)	**-**	-
- Tax losses	**1,285**	14,254	**-**	-
- Leases	**(239)**	(308)	**-**	-
- Others	**(339)**	(3,128)	**-**	-
	82,837	633,979	**(9)**	8
Charged to Other Comprehensive Income*	**136,035**	98,414	**-**	-
At 30 June	**2,971,862**	2,940,500	**79**	88

* *This is in relation to re-measurement of post-employment benefit obligations.*

26. DEFERRED TAXATION (CONTINUED)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Subject to income tax				
Deferred tax assets before offsetting:				
- Retirement benefits	**3,216**	103,064	**-**	-
- Provision	**5,241**	4,655	**-**	-
- Tax losses	**7,095**	8,894	**-**	-
- Leases	**970**	731	**-**	-
- Others	**5,448**	4,874	**-**	-
	21,970	122,218	**-**	-
Offsetting	**(21,970)**	(122,218)	**-**	-
Deferred tax assets after offsetting	**-**	-	**-**	-
Deferred tax liabilities before offsetting:				
- Property, plant and equipment	**2,930,022**	3,045,042	**79**	88
- Retirement benefits	**44,748**	-	**-**	-
- Others	**19,062**	17,676	**-**	-
	2,993,832	3,062,718	**79**	88
Offsetting	**(21,970)**	(122,218)	**-**	-
Deferred tax liabilities after offsetting	**2,971,862**	2,940,500	**79**	88

27. BORROWINGS

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current					
Bank overdrafts	27(a),23	**95,792**	26,051	**-**	-
Bonds	27(b)	**1,000,000**	2,496,924	**1,000,000**	770,000
Hire purchase		**33**	-	**-**	-
Revolving credit	27(c)	**1,274,871**	363,198	**850,688**	-
Term loans	27(d)	**84,963**	1,558,874	**-**	1,035,851
Trade loans	27(e)	**21,382**	-	**-**	-
		2,477,041	4,445,047	**1,850,688**	1,805,851
Non-current					
Bonds	27(b)	**14,657,981**	16,281,223	**4,294,666**	5,293,721
Hire purchase		**141**	-	**-**	-
Revolving credit	27(c)	**1,015,437**	641,829	**-**	300,000
Term loans	27(d)	**9,586,238**	8,987,878	**-**	-
		25,259,797	25,910,930	**4,294,666**	5,593,721
Total					
Bank overdrafts	27(a),23	**95,792**	26,051	**-**	-
Bonds	27(b)	**15,657,981**	18,778,147	**5,294,666**	6,063,721
Hire purchase		**174**	-	**-**	-
Revolving credit	27(c)	**2,290,308**	1,005,027	**850,688**	300,000
Term loans	27(d)	**9,671,201**	10,546,752	**-**	1,035,851
Trade loans	27(e)	**21,382**	-	**-**	-
		27,736,838	30,355,977	**6,145,354**	7,399,572

All borrowings of the subsidiaries are unsecured and are on a non-recourse basis to the Company save and except for borrowings totalling RM1,206,981,967 (2021: RM1,135,360,000), 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		Company	
	2022 %	2021 %	2022 %	2021 %
Bank overdrafts	**1.75**	1.10	**-**	-
Bonds	**4.60**	3.82	**4.88**	4.84
Hire purchase	**2.01**	-	**-**	-
Revolving credit	**1.68**	2.28	**2.75**	2.95
Term loans	**1.78**	1.54	**-**	1.29
Trade loans	**2.95**	-	**-**	-

27. BORROWINGS (CONTINUED)

The financial periods in which the borrowings of the Group attain maturity are as follows:

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2022				
Bank overdrafts	**95,792**	**-**	**-**	**95,792**
Bonds	**1,000,000**	**4,159,665**	**10,498,316**	**15,657,981**
Hire purchase	**33**	**141**	**-**	**174**
Revolving credit	**1,274,871**	**1,015,437**	**-**	**2,290,308**
Term loans	**84,963**	**9,586,238**	**-**	**9,671,201**
Trade loans	**21,382**	**-**	**-**	**21,382**
	2,477,041	**14,761,481**	**10,498,316**	**27,736,838**
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

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 2022				
Bonds	**1,000,000**	**3,694,666**	**600,000**	**5,294,666**
Revolving credit	**850,688**	**-**	**-**	**850,688**
	1,850,688	**3,694,666**	**600,000**	**6,145,354**
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

27. BORROWINGS (CONTINUED)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Islamic Medium Term Notes	**2,509,250**	2,652,250	**2,509,250**	2,652,250
Medium Term Notes	**2,808,670**	3,684,776	**2,808,670**	3,684,776
3.52% Retail Price Index Guaranteed Bonds	**277,377**	309,401	**-**	-
5.75% Guaranteed Unsecured Bonds	**2,150,258**	2,871,768	**-**	-
5.375% Guaranteed Unsecured Bonds	**1,164,432**	1,432,230	**-**	-
1.75% Index Linked Guaranteed Bonds	**1,616,416**	1,934,326	**-**	-
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,768,908**	1,905,210	**-**	-
1.489%, 1.495% and 1.499% Index Linked Guaranteed Bonds	**1,761,868**	1,897,627	**-**	-
2.186% Index Linked Guaranteed Bonds	**351,131**	470,366	**-**	-
4% Guaranteed Unsecured Bonds	**-**	1,739,531	**-**	-
1.5% Guaranteed Unsecured Bonds	**920,823**	1,138,740	**-**	-
1.25% Guaranteed Unsecured Bonds	**1,106,674**	1,558,430	**-**	-
	16,435,807	21,594,655	**5,317,920**	6,337,026

The fair values are within Level 1 of the fair value hierarchy.

(a) Bank overdrafts

Bank overdrafts of RM95,791,869 (GBP17,928,480) (2021: RM26,050,520 (GBP4,526,825)) are unsecured borrowings of Wessex Water Limited and its subsidiary companies. The overdrafts are repayable in full on demand. The borrowing bears interest rates ranging from 1.10% to 2.25% (2021: 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% (2021: 4.49% to 4.99%) per annum and repayable in full between 24 March 2023 and 24 August 2028 (2021: 13 October 2021 and 24 August 2028).

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(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 at 5.05% (2021: 5.05%) per annum and repayable in full on 3 May 2027.

(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 2022 is 6.37% (2021: 4.38%) 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 2022 GBP346,914,254 (2021: GBP346,717,774) 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 GBP199,088,549 (2021: GBP198,955,933) remained outstanding as at 30 June 2022, 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.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(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 2022 is 2.84% (2021: 2.61%) 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 2022 is 2.23% (2021: 2.23%) per annum. The Bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest.

(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 2022 is 10.45% (2021: 2.96%) per annum. The ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(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 2022 is 11.18% (2021: 3.66%) 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 net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes. The nominal value of 4% GU Bonds issued amounted to GBP200,000,000 was repaid in full on 24 September 2021.

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 net proceeds of the 4% GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes. The nominal value of 4% GU Bonds issued amounted to GBP100,000,000 was repaid in full on 24 September 2021.

(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. On 15 June 2020, the retained GBP50,000,000 nominal value 1.5% Guaranteed Unsecured Bonds due 2029 was issued.

The nominal value of 1.5% GU Bonds issued amounted to GBP250,000,000, of which GBP248,001,336 (2021: GBP247,745,458) remained outstanding as at 30 June 2022, 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.

27. BORROWINGS (CONTINUED)

(b) Bonds (continued)

(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 GBP295,179,730 (2021: GBP294,857,025) remained outstanding as at 30 June 2022, 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.

(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 bears interest rates ranging from 2.95% to 3.20% (2021: 2.90% to 3.22%) per annum and is repayable on demand.

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 3.01% to 3.30% (2021: 3.00% to 3.34%) per annum and is repayable on demand.

RM300,000,000 Revolving Credit

Revolving credit facilities of RM300,000,000 was obtained by YTL Communications Sdn. Bhd., a subsidiary of the Company which is guaranteed by the Company. The borrowing bears interest rates ranging from 3.05% to 3.31% (2021: 2.75% to 3.32%) per annum and is repayable on demand.

(ii) Revolving credit denominated in Great British Pounds

GBP14,050,000 Revolving Credit

Revolving credit facilities of RM75,069,150 (GBP14,050,000) (2021: RM100,707,250 (GBP17,500,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 0.81% to 1.84% (2021: 0.81% to 0.89%) per annum and is repayable in full on 27 August 2023.

GBP22,400,000 Revolving Credit

Revolving credit facilities of RM119,683,200 (GBP22,400,000) (2021: RM128,905,280 (GBP22,400,000)) is an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 0.99% to 1.74% (2021: 0.99% to 1.18%) per annum and is repayable in full on 27 February 2023.

27. BORROWINGS (CONTINUED)

(c) Revolving credit (continued)

(ii) Revolving credit denominated in Great British Pounds (continued)

GBP10,200,000 Revolving Credit

Revolving credit facilities of RM58,697,940 (GBP10,200,000) of previous financial year was an unsecured loan of Wessex Water Limited. The borrowing bears interest rates ranging from 0.74% to 1.38% per annum and was fully repaid during the financial year.

GBP31,000,000 Revolving Credit

Revolving credit facilities of RM165,633,000 (GBP31,000,000) (2021: RM112,216,650 (GBP19,500,000)) is an unsecured loan of YTL Utilities (UK) Limited. The borrowing bears interest rates ranging from 1.47% to 2.76% (2021: 1.47% to 1.95%) per annum and is repayable in full on 9 January 2024.

GBP145,000,000 Revolving Credit

Revolving credit facilities of RM774,735,000 (GBP145,000,000) was drawn down by Wessex Water Limited during the financial year and repayable in full on 27 August 2023. The borrowing is an unsecured loan and bears interest rates ranging from 1.31% to 1.42% per annum.

(iii) Revolving credit denominated in US Dollar

USD125,000,000 Revolving Credit

Revolving credit facilities of RM550,687,500 (USD125,000,000) was obtained by the Company during the financial year of which all remained outstanding as at 30 June 2022. The borrowing bears interest rates ranging from 1.95% to 2.51% per annum and is repayable on demand.

(d) Term loans

(i) Term loans denominated in Great British Pounds

GBP75,000,000 Unsecured Term Loan

The term loan of RM431,602,500 (GBP75,000,000) were unsecured loans of Wessex Water Services Limited and were guaranteed by Wessex Water Limited. The loans bear an interest rate at 0.72% (2021: 0.72% to 1.21%) per annum and was repaid in full on 22 July 2021.

GBP200,000,000 Unsecured Term Loan

The term loans of RM1,068,600,000 (GBP200,000,000) (2021: RM1,150,940,000 (GBP200,000,000)) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited. The first loan of GBP50,000,000 was drawn down on 30 January 2015 bears an interest rate at 2.36% (2021: 2.16% to 2.36%) per annum, the second loan of GBP50,000,000 was drawn down on 9 March 2015 bears interest rates ranging from 0.74% to 1.60% (2021: 0.74% to 0.94%) per annum, the third loan of GBP50,000,000 was drawn down on 9 April 2015 bears an interest rate at 2.19% (2021: 1.99% to 2.19%) 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 2.19% (2021: 1.07% to 1.61%) per annum. All the loans are repayable in full between 30 January 2024 and 25 May 2025.

27. BORROWINGS (CONTINUED)

(d) Term loans (continued)

(i) Term loans denominated in Great British Pounds (continued)

GBP200,000,000 Unsecured Term Loan

The term loans of RM1,068,600,000 (GBP200,000,000) (2021: RM1,104,902,400 (GBP192,000,000)) was drawn down by Wessex Water Services Limited of which RM934,596,379 (GBP174,919,779) (2021: RM1,097,047,188 (GBP190,634,992)) remained outstanding as at 30 June 2022, net of amortised fees. The loans bear interest rates ranging from 1.09% to 2.20% (2021: 1.09% to 1.82%) 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.

GBP12,500,000 Unsecured Term Loan

The term loan of RM66,787,500 (GBP12,500,000) was drawn down by Wessex Water Limited during the financial year and is repayable in full on 29 November 2024. The borrowing is an unsecured loan and bears an interest rate at 1.54% per annum.

(ii) Term loans denominated in US Dollar

USD250,000,000 Unsecured Term Loan

The term loan of RM1,038,575,000 (USD250,000,000) of previous financial year was drawn down by the Company on 31 March 2017 of which RM1,035,850,635 (USD249,344,206) remained outstanding as at 30 June 2021, net of amortised fees and was fully repaid during the financial year. The borrowing bears interest rates ranging from 1.28% to 1.41% (2021: 1.29% to 1.38%) per annum.

USD200,000,000 Unsecured Term Loan

The term loan of RM881,100,000 (USD200,000,000) (2021: RM830,860,000 (USD200,000,000)) was drawn down by YTL Utilities Finance 4 Limited on 25 November 2020 of which RM877,320,081 (USD199,142,000) (2021: RM824,761,488 (USD198,532,000)) remained outstanding as at 30 June 2022, net of amortised fees. The term loan is guaranteed by the Company. The borrowing bears interest rates ranging from 1.44% to 2.41% (2021: 1.44% to 1.50%) per annum and is repayable on 25 November 2023.

(iii) Term loans denominated in Singapore Dollar

SGD1,995,000,000 Secured Term Loan (2021: Unsecured Term Loan)

The term loan of RM6,315,372,000 (SGD1,995,000,000) was drawn down by YTL PowerSeraya Pte. Limited on 14 September 2017 and is repayable in full on 12 September 2022, of which RM5,998,315,191 (SGD1,894,843,060) (2021: RM6,006,549,854 (SGD1,943,741,458)) remained outstanding as at 30 June 2022, net of amortised fees. The borrowing was refinanced on 1 June 2022 and is repayable in full on 1 June 2027. The term loan is secured (2021: unsecured loan) by charges over the assets and shares of YTL PowerSeraya Pte. Limited. The borrowing bears interest rates ranging from 1.61% to 2.79% (2021: 1.55% to 1.84%) per annum.

27. BORROWINGS (CONTINUED)

(d) Term loans (continued)

(iii) Term loans denominated in Singapore Dollar (continued)

SGD230,000,000 Secured Term Loan

The term loan of RM728,088,000 (SGD230,000,000) was drawn down by Taser Power Pte. Ltd. on 1 June 2022 of which RM725,582,165 (SGD229,208,417) remained outstanding as at 30 June 2022, net of amortised fees. The term loan is secured by charges over the assets and shares of Taser Power Pte. Ltd.. The borrowing bears an interest rate at 2.51% per annum and is repayable on 1 June 2027.

(e) Trade loans

RM21,381,967 Trade Loans

Trade loans of RM21,381,967 was obtained by YTL Communications Sdn. Bhd., a subsidiary of the Company which is guaranteed by the Company. The borrowing bears interest rates ranging from 2.86% to 2.95% per annum. The borrowing repayment ranges from 8 November 2022 to 12 December 2022.

28. LEASE LIABILITIES

	Group	
	2022 RM'000	**2021 RM'000**
Current		
Lease liabilities	**95,841**	110,502
Non-current		
Lease liabilities	**310,750**	355,232
Total		
Lease liabilities	**406,591**	465,734

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 2 to 100 years (2021: 1 to 80 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.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Defined contribution plan - Current				
Malaysia	**1,349**	1,324	**656**	632
Defined benefit plan - Non-current				
Overseas				
– United Kingdom	**(174,802)**	437,922	**-**	-
– Indonesia	**15,115**	21,889	**-**	-
	(159,687)	459,811	**-**	-

(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 2022 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 26% of the liabilities are attributable to current employees, 15% to former employees and 59% to current pensioners. The scheme duration is an indicator of the weighted-average time until benefit payments are made. For the scheme as a whole, the duration is around 17-18 years reflecting the approximate split of the defined benefit obligation between current employees (duration of c23-24 years), deferred members (duration of c23-24 years) and current pensioners (duration of c13 years).

(ii) Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation report, 30 September 2019 showed a deficit of GBP157.0 million (RM838.9 million). The subsidiary is paying deficit contributions of:

- GBP16.60 million (RM88.7 million) by 1 July 2022;
- GBP18.40 million (RM98.3 million) by 1 July 2023;
- GBP20.20 million (RM107.9 million) by 1 July 2024;
- GBP22.00 million (RM117.5 million) by 1 July 2025;
- GBP23.80 million (RM127.2 million) by 1 April 2026;

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom (continued)

(ii) Funding requirements (continued)

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 GBP16.6 million (RM88.7 million) is expected to be paid by the subsidiary during the year ending on 30 June 2023.

(iii) Risk 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.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**437,922**	869,244
Exchange differences	**(589)**	63,159
Pension cost	**64,258**	73,632
Contributions and benefits paid	**(134,094)**	(120,782)
Re-measurement gain	**(542,299)**	(447,331)
At 30 June	**(174,802)**	437,922

The amounts recognised in the Statement of Financial Position are analysed as follows:

	2022 RM'000	2021 RM'000
Present value of funded obligations	**3,207,024**	4,722,344
Fair value of plan assets	**(3,381,826)**	(4,284,422)
(Asset)/Liability in the Statement of Financial Position	**(174,802)**	437,922

Changes in present value of defined benefit obligations are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**4,722,344**	4,424,366
Exchange differences	**(275,586)**	407,168
Interest cost	**88,320**	75,574
Current service cost	**52,444**	55,850
Past service cost	**-**	556
Net benefits paid	**(153,576)**	(142,257)
Re-measurement (gain)/loss:		
- Actuarial gain arising from financial assumptions	**(1,294,428)**	(38,343)
- Actuarial loss/(gain) arising from experience adjustments	**67,506**	(60,570)
Present value of defined benefit obligations, at 30 June	**3,207,024**	4,722,344

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom (continued)

Changes in fair value of plan assets are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**4,284,422**	3,555,122
Exchange differences	**(274,997)**	344,009
Interest income	**82,132**	61,682
Contributions by employer	**134,094**	120,782
Net benefits paid	**(153,576)**	(142,257)
Administration expenses	**(5,626)**	(3,334)
Re-measurement (loss)/gain:		
– Return on plan assets excluding interest income	**(684,623)**	348,418
Fair value of plan assets, at 30 June	**3,381,826**	4,284,422

The pension cost recognised is analysed as follows:

	2022 RM'000	2021 RM'000
Interest cost	**6,188**	13,892
Current service cost	**52,444**	55,850
Past service cost	**-**	556
Administration expenses	**5,626**	3,334
Total charged to Income Statement	**64,258**	73,632

The charge to Income Statement was included in the following line items:

	2022 RM'000	2021 RM'000
Cost of sales	**53,887**	54,165
Administration expenses	**4,183**	5,575
Interest cost	**6,188**	13,892
Total charged to Income Statement	**64,258**	73,632

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan – United Kingdom (continued)

The principal assumptions used in the actuarial calculations were as follows:

	2022 %	2021 %
Discount rate	**3.80**	1.90
Rate of increase in pensions	**2.10-2.90**	2.10-2.90
Rate of increase in salaries – long term	**1.90**	1.90
Inflation – RPI	**3.00**	3.00
Inflation – CPI	**2.50**	2.50

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.

	2022	2022	2021	2021
	Male Years	Female Years	Male Years	Female Years
Life expectancy – current age 60	**25.9**	**28.5**	25.9	28.4
Life expectancy – current age 40	**47.2**	**49.7**	47.1	49.6

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.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(b) Defined benefit plan - United Kingdom (continued)

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 surplus	
Key assumptions	**Increase by RM'000**	**Increase from RM'000**	**Increase to RM'000**	**Decrease from RM'000**	**Decrease to RM'000**
A reduction in the discount rate of 0.1% (from 3.8% to 3.7%)	53,430	3,207,024	3,260,454	(174,802)	(121,372)
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)	41,675	3,207,024	3,248,699	(174,802)	(133,127)
An increase in life expectancy of 1 year	106,326	3,207,024	3,313,350	(174,802)	(68,476)

The plan assets comprise the following:

	2022		**2021**	
	RM'000	**%**	**RM'000**	**%**
Equity instrument	**1,073,409**	**31.7**	1,790,287	41.8
Debt instrument	**1,892,491**	**56.0**	2,097,588	49.0
Property	**249,518**	**7.4**	240,546	5.6
Others	**166,408**	**4.9**	156,001	3.6
	3,381,826	**100.0**	4,284,422	100.0

	2022 RM'000	**2021 RM'000**
Actual return on plan assets	**(602,491)**	410,100

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are presented as below:

	2022 RM'000	2021 RM'000
Obligation relating to post-employment benefits	**12,254**	19,310
Obligation relating to other long-term employee benefits	**2,861**	2,579
	15,115	21,889

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 2022.

(i) Post-employment benefit obligations

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**19,310**	17,261
Exchange differences	**465**	(765)
Pension (credit)/cost	**(4,756)**	2,209
Contributions and benefits paid	**(675)**	(659)
Re-measurement (gain)/loss	**(2,090)**	1,264
At 30 June	**12,254**	19,310

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia (continued)

(i) Post-employment benefit obligations (continued)

The obligations relating to post-employment benefits recognised in the Statement of Financial Position are as follows:

	2022 RM'000	2021 RM'000
Present value of obligations	**12,254**	19,310

Changes in present value of defined benefit obligations are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**19,310**	17,261
Exchange differences	**465**	(765)
Interest cost	**1,219**	1,179
Current service cost	**1,203**	1,030
Past service credit	**(6,197)**	-
Net benefits paid	**(675)**	(659)
Adjustment due to change in benefit attribution method	**(981)**	-
Re-measurement (gain)/loss:		
- Actuarial (gain)/loss arising from financial assumptions	**(654)**	1,650
- Actuarial gain arising from experience adjustments	**(1,436)**	(386)
Present value of defined benefit obligations, at 30 June	**12,254**	19,310

The pension cost recognised can be analysed as follows:

	2022 RM'000	2021 RM'000
Interest cost	**1,219**	1,179
Current service cost	**1,203**	1,030
Past service credit	**(6,197)**	-
Adjustment due to change in benefit attribution method	**(981)**	-
Total (credit)/charge to Income Statement	**(4,756)**	2,209

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia (continued)

(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:

	2022 RM'000	2021 RM'000
Present value of obligations	**2,861**	2,579

The movements during the financial year in the amounts recognised in the Statement of Financial Position are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**2,579**	2,393
Exchange differences	**(301)**	(107)
Pension cost	**659**	451
Contributions and benefits paid	**(76)**	(158)
At 30 June	**2,861**	2,579

Changes in present value of defined benefit obligations are as follows:

	2022 RM'000	2021 RM'000
At 1 July	**2,579**	2,393
Exchange differences	**(301)**	(107)
Current service cost	**659**	451
Net benefits paid	**(76)**	(158)
At 30 June	**2,861**	2,579

The amounts relating to other long-term employee benefit obligations recognised in the Income Statement are as follows:

	2022 RM'000	2021 RM'000
Current service cost	**659**	451

The charge above was included in the cost of sales.

29. POST-EMPLOYMENT BENEFIT OBLIGATIONS/(ASSETS) (CONTINUED)

(c) Defined benefit plan - Indonesia (continued)

The principal assumptions used in the actuarial calculations were as follows:

	2022 %	2021 %
Discount rate	**7.3**	6.3
Future salary increase rate	**9.0**	9.0

At 30 June 2022, the weighted-average duration of the defined benefit obligations was 6.90 years (2021: 7.04 years).

Sensitivity analysis:

Reasonably possible changes to the key assumptions, would have affected the defined benefit obligations at the reporting date by the following amounts:

	2022		2021	
	RM'000 Increase	RM'000 Decrease	RM'000 Increase	RM'000 Decrease
Discount rate (1% movement)	**(723)**	**794**	(935)	1,044
Future salary increase rate (1% movement)	**1,134**	**(1,055)**	1,778	(1,631)

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	
	2022 RM'000	2021 RM'000
At 1 July	**661,614**	596,668
Exchange differences	**(40,017)**	48,012
Disposal of a subsidiary^	**(14,035)**	-
Received during the financial year	**32,092**	38,482
Amortisation	**(18,999)**	(21,548)
At 30 June	**620,655**	661,614

^ *This is in relation to the disposal of Albion Water Limited as disclosed in Note 14(g).*

Grants and contributions comprise government grants mainly in respect of specific qualifying expenditure on infrastructure assets and a cogeneration plant.

31. PAYABLES (NON-CURRENT)

		Group	
	Note	2022 RM'000	2021 RM'000
Contract liabilities	4(b)	**28,637**	31,958
Deposits		**25,267**	44,024
Deferred income		**1,349,708**	1,285,289
Deferred liabilities		**68,758**	-
Payables to non-controlling interest		**62,090**	116,710
Other payables		**4,000**	-
		1,538,460	1,477,981

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	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables		**1,283,156**	926,861	**-**	-
Duties and taxes payable		**22,455**	22,567	**-**	-
Accrued expenses *		**1,131,330**	917,387	**58,122**	62,740
Other payables		**364,445**	284,753	**802**	713
Deposits		**172,009**	86,624	**-**	-
Contract liabilities	4(b)	**405,359**	336,092	**-**	-
		3,378,754	2,574,284	**58,924**	63,453

* *Accrued expenses mainly comprise interest payables, regulatory costs and capital expenditure.*

33. PROVISION FOR LIABILITIES AND CHARGES

	Group	
	2022 RM'000	**2021 RM'000**
At 1 July	**39,328**	28,417
Exchange differences	**(351)**	40
Addition	**623**	19,250
Accretion of interests	**869**	902
Charge/(Credit) during the financial year	**892**	(7,304)
Payment	**(759)**	(1,977)
At 30 June	**40,602**	39,328
Current	**18,957**	11,575
Non-current	**21,645**	27,753
	40,602	39,328

The provision for liabilities and charges relate to scaling down of operations, environmental 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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 and the Company are exposed to risks arising from various currency exposures primarily with respect to the United States Dollar ("USD"). 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.

The following table demonstrates the impact to the Group's and the Company's profit/(loss) after tax and equity to strengthening/weakening of USD, with all other variables held constant.

	Group		Company	
	2022 Increase/ (Decrease) RM'000	**2021 Increase/ (Decrease) RM'000**	**2022 Increase/ (Decrease) RM'000**	**2021 Increase/ (Decrease) RM'000**
Currency exposure of net financial assets, net of those denominated in the respective entities' functional currencies	**1,035,526**	195,703	**1,048,716**	338,868
Effects on profit/(loss) after tax/equity:				
USD				
- strengthened by 6%	**62,616**	5,748	**63,413**	9,952
- weakened by 6%	**(62,616)**	(5,748)	**(63,413)**	(9,952)

(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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Fixed rate instruments				
Financial assets	**59,332**	230,533	**1,474,159**	1,284,261
Financial liabilities	**16,192,454**	19,353,618	**5,294,666**	6,063,721
Variable rate instruments				
Financial assets	**5,253,595**	9,167,623	**1,379,943**	1,448,808
Financial liabilities	**11,544,384**	11,002,359	**925,162**	1,344,475

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 and equity will be lower/higher by RM57.7 million (2021: RM55.0 million) and RM4.6 million (2021: RM6.7 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 RM5.3 million (2021: RM9.2 million) and RM1.4 million (2021: RM1.4 million), respectively.

(iii) Price risk

Investments

The Group and the Company are exposed to equity securities and income funds price risk arising from investments held which are classified on the Statement of Financial Position either as financial assets at fair value through other comprehensive income ("FVTOCI") or financial assets at fair value through profit or loss ("FVTPL").

To manage its price risk arising from investments in equity securities, the Group and the Company diversify their portfolio. For income funds, the Group and the Company mainly invest in AAA rated bonds. This investment is meant to achieve better yield as compared to fixed deposits. At the reporting date, if the prices of the income funds at FVTPL increased/decreased by 1% (2021: 1%) with all other variables including tax rate being held constant, the Group's and the Company's profit after tax will be higher/lower by RM7.4 million (2021: RM17.5 million) and RM Nil (2021: RM3.5 million), respectively.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Price risk (continued)

Fuel commodity price risk

The Group hedges its fuel commodity price risk by the use of derivative instruments against fluctuations in fuel oil prices which affect the cost of fuel.

The Group has contracts for the sale of electricity to the Singapore electricity pool at prices that are fixed in advance every three months and to retail customers 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.

(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 multi utilities 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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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 19 (2021: 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.

On that basis, the loss allowance was determined for trade receivables, unbilled receivables, contract assets and amounts owing by related companies as follows:

		<---------------------- Past due --------------------->			
Group **30 June 2022**	**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 - 25.6**	**0.1 - 65.9**	**7.0 - 73.5**	**13.8 - 93.0**	
Gross carrying amount					
- Trade receivables	**635,752**	**121,811**	**13,300**	**520,379**	**1,291,242**
- Unbilled receivables	**1,291,969**	**-**	**-**	**-**	**1,291,969**
- Contract assets	**156,762**	**-**	**-**	**-**	**156,762**
- Related companies	**25,067**	**-**	**-**	**5,838**	**30,905**
	2,109,550	**121,811**	**13,300**	**526,217**	**2,770,878**
Allowance for impairment					
- Trade receivables	**(43,154)**	**(4,766)**	**(1,248)**	**(232,066)**	**(281,234)**
- Unbilled receivables	**(7,997)**	**-**	**-**	**-**	**(7,997)**
- Contract assets	**(289)**	**-**	**-**	**-**	**(289)**
- Related companies	**-**	**-**	**-**	**(5,288)**	**(5,288)**
	(51,440)	**(4,766)**	**(1,248)**	**(237,354)**	**(294,808)**
Net carrying amount	**2,058,110**	**117,045**	**12,052**	**288,863**	**2,476,070**

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables, unbilled receivables, contract assets and amounts owing by related companies (continued)

On that basis, the loss allowance was determined for trade receivables, unbilled receivables, contract assets and amounts owing by related companies as follows: (continued)

		<---- Past due ----			
Group 30 June 2021	**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 - 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

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 considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Other receivables and amounts owing by related companies **(continued)**

	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 2022					
Other receivables					
Performing	**0.9%**	**12 month ECL**	**2,890,399**	**(27,208)**	**2,863,191**
Underperforming	**100.0%**	**Lifetime ECL**	**653**	**(653)**	**-**
Company					
30 June 2022					
Other receivables					
Performing	**-**	**12 month ECL**	**4,288**	**-**	**4,288**
Related companies					
Performing	**-**	**12 month ECL**	**2,859,719**	**-**	**2,859,719**
Underperforming	**100.0%**	**Lifetime ECL**	**235,603**	**(235,603)**	**-**
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)	-

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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
2022						
At 1 July 2021	**257,429**	**8,191**	**19**	**3,691**	**3,307**	**272,637**
Exchange differences	**(20,125)**	**(607)**	**-**	**-**	**1,172**	**(19,560)**
Written off during the financial year as uncollectible	**(56,678)**	**-**	**-**	**-**	**-**	**(56,678)**
Allowance for impairment of receivables (net of reversals)	**100,608**	**413**	**270**	**1,597**	**23,382**	**126,270**
At 30 June 2022	**281,234**	**7,997**	**289**	**5,288**	**27,861**	**322,669**
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

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Movement on the Company's loss allowances is as follows:

Company	Related companies RM'000
2022	
At 1 July 2021	**3,785**
Allowance for impairment of receivables	**231,818**
At 30 June 2022	**235,603**
2021	
At 1 July 2020	3,785
At 30 June 2021	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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

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
2022				
Non-derivative financial liabilities				
Bonds and borrowings	**3,403,338**	**17,913,826**	**18,982,240**	**40,299,404**
Lease liabilities	**113,974**	**241,388**	**121,779**	**477,141**
Trade and other payables	**2,827,568**	**112,883**	**60,161**	**3,000,612**
Financial guarantee contracts	**164,228**	**-**	**-**	**164,228**
Derivative financial liabilities				
Fuel oil swaps	**8,053**	**1,298**	**-**	**9,351**
Currency forwards	**262**	**69**	**-**	**331**
Electricity futures	**13,425**	**-**	**-**	**13,425**
	6,530,848	**18,269,464**	**19,164,180**	**43,964,492**
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
Financial guarantee contracts	248,336	-	-	248,336
Derivative financial liabilities				
Fuel oil swaps	7,192	121	-	7,313
Currency forwards	11,629	592	-	12,221
Electricity futures	15,253	-	-	15,253
	7,831,643	14,777,343	21,814,551	44,423,537

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

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
2022				
Non-derivative financial liabilities				
Bonds and borrowings	**2,109,047**	**4,351,583**	**633,287**	**7,093,917**
Trade and other payables	**821,113**	**-**	**-**	**821,113**
Financial guarantee contracts	**1,390,247**	**-**	**-**	**1,390,247**
	4,320,407	**4,351,583**	**633,287**	**9,305,277**
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

As at 30 June 2022, the current liabilities of the Company include RM1.85 billion (2021: 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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Total bonds and borrowings (Note 27)	**27,736,838**	30,355,977	**6,145,354**	7,399,572
Less: Cash and bank balances	**(6,880,016)**	(8,592,632)	**(324,551)**	(12,094)
Net debt	**20,856,822**	21,763,345	**5,820,803**	7,387,478
Total equity	**14,057,157**	12,907,425	**14,815,764**	12,942,383
Total capital	**34,913,979**	34,670,770	**20,636,567**	20,329,861
Gearing ratio	**60%**	63%	**28%**	36%

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.

(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.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurement (continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at the reporting date:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2022				
Assets				
Financial assets at fair value through profit or loss:				
- Trading derivatives	**-**	**884**	**-**	**884**
- Income funds	**-**	**740,824**	**-**	**740,824**
- Equity investments	**-**	**81,463**	**-**	**81,463**
Financial assets at fair value through other comprehensive income	**43,965**	**19,873**	**149,425**	**213,263**
Derivatives used for hedging	**5,352**	**430,262**	**-**	**435,614**
Total assets	**49,317**	**1,273,306**	**149,425**	**1,472,048**
Liabilities				
Financial liabilities at fair value through profit or loss:				
- Trading derivatives	**-**	**761**	**-**	**761**
Derivatives used for hedging	**13,425**	**8,921**	**-**	**22,346**
Total liabilities	**13,425**	**9,682**	**-**	**23,107**
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

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurement (continued)

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
2022				
Assets				
Financial assets at fair value through profit or loss:				
- Income funds	**-**	**3**	**-**	**3**
Financial assets at fair value through other comprehensive income	**43,939**	**-**	**149,425**	**193,364**
Total assets	**43,939**	**3**	**149,425**	**193,367**
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

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
2022					
Assets as per Statement of Financial Position					
Assets at fair value through profit or loss	**-**	**822,287**	**-**	**-**	**822,287**
Assets at fair value through other comprehensive income	**-**	**-**	**-**	**213,263**	**213,263**
Derivative financial instruments	**-**	**884**	**435,614**	**-**	**436,498**
Trade and other receivables [1]	**5,182,788**	**-**	**-**	**-**	**5,182,788**
Cash and bank balances	**6,880,016**	**-**	**-**	**-**	**6,880,016**
	12,062,804	**823,171**	**435,614**	**213,263**	**13,534,852**
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

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Group's financial instruments category: (continued)

Group	Liabilities at fair value through profit or loss RM'000	Derivatives used for hedging RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
2022				
Liabilities as per Statement of Financial Position				
Bonds and borrowings	**–**	**–**	**27,736,838**	**27,736,838**
Derivative financial instruments	**761**	**22,346**	**–**	**23,107**
Trade and other payables [2]	**–**	**–**	**3,214,278**	**3,214,278**
	761	**22,346**	**30,951,116**	**30,974,223**
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

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

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
2022				
Assets as per Statement of Financial Position				
Assets at fair value through profit or loss	**-**	**3**	**-**	**3**
Assets at fair value through other comprehensive income	**-**	**-**	**193,364**	**193,364**
Other receivables [1]	**2,864,007**	**-**	**-**	**2,864,007**
Cash and bank balances	**324,551**	**-**	**-**	**324,551**
	3,188,558	**3**	**193,364**	**3,381,925**
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

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of the Company's financial instruments category: (continued)

Company	Other financial liabilities at amortised cost RM'000
2022	
Liabilities as per Statement of Financial Position	
Bonds and borrowings	**6,145,354**
Other payables [2]	**877,529**
	7,022,883
2021	
Liabilities as per Statement of Financial Position	
Bonds and borrowings	7,399,572
Other payables [2]	557,822
	7,957,394

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	
	2022 RM'000	**2021 RM'000**
Approved and contracted for	**1,687,989**	653,580

The above commitments comprise purchase of property, plant and equipment.

37. COMMITMENTS (CONTINUED)

(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 RM Nil (2021: RM10.0 million), telecommunications equipment of RM34.5 million (2021: RM39.8 million) and plant and machinery of RM14.6 million (2021: RM15.5 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	
	2022 RM'000	**2021 RM'000**
Within 1 year	**103,166**	124,895
In the 2nd year	**58,275**	58,592
In the 3rd year	**57,056**	57,858
In the 4th year	**55,991**	56,729
In the 5th year	**54,327**	54,892
Later than 5 years	**7,367**	9,376
Total undiscounted lease payments to be received	**336,182**	362,342

38. SEGMENTAL INFORMATION

The Group has five reportable segments as described below:

(i) Multi utilities business (Merchant)
(ii) Water and sewerage
(iii) Telecommunications business
(iv) Power generation (Contracted)
(v) Investment holding activities

Notes to the Financial Statements

for the financial year ended 30 June 2022

38. SEGMENTAL INFORMATION (CONTINUED)

Management monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

	Multi utilities business (Merchant)# RM'000	Water and sewerage RM'000	Telecom-munications business* RM'000	Power generation (Contracted) RM'000	Investment holding activities RM'000	Group RM'000
At 30 June 2022						
Revenue						
Total revenue	12,720,983	4,114,707	678,451	-	301,891	17,816,032
Inter-segment elimination	-	(5,165)	(410)	-	(5,729)	(11,304)
External revenue	12,720,983	4,109,542	678,041	-	296,162	17,804,728
Results						
Share of profits of investments accounted for using the equity method	-	-	1,291	-	333,335	334,626
Interest income	706	519	739	1,025	318	3,307
Finance cost	118,300	508,963	31,439	20	331,201	989,923
Segment profit/(loss)	415,928	378,034	(196,743)	4,924	770,429	1,372,572
Other segment items						
Capital expenditures	73,682	1,285,447	40,634	31	453,606	1,853,400
Depreciation and amortisation	237,291	723,110	265,563	9,224	9,023	1,244,211
Impairment	683	132,659	480	-	168,199	302,021
Segment assets						
Investments accounted for using the equity method	-	1	19,418	-	1,750,225	1,769,644
Other segment assets	14,017,614	20,772,087	2,902,791	109,209	11,429,872	49,231,573
	14,017,614	20,772,088	2,922,209	109,209	13,180,097	51,001,217
Segment liabilities						
Borrowings	6,723,897	13,664,211	326,056	-	7,022,674	27,736,838
Other segment liabilities	2,082,882	5,024,980	667,345	76,978	1,355,037	9,207,222
	8,806,779	18,689,191	993,401	76,978	8,377,711	36,944,060

38. SEGMENTAL INFORMATION (CONTINUED)

	Multi utilities business (Merchant)# RM'000	Water and sewerage RM'000	Telecom-munications business* RM'000	Power generation (Contracted) RM'000	Investment holding activities RM'000	Group RM'000
At 30 June 2021						
Revenue						
Total revenue	6,014,487	3,778,073	542,461	261,146	216,781	10,812,948
Inter-segment elimination	–	–	(1,079)	–	(27,139)	(28,218)
External revenue	6,014,487	3,778,073	541,382	261,146	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	586	2,584	519	2,322	53	6,064
Finance cost	100,533	474,743	41,819	38	334,429	951,562
Segment profit/(loss)	275,253	493,809	(191,428)	35,237	20,917	633,788
Other segment items						
Capital expenditures	176,333	1,490,460	113,366	605	997	1,781,761
Depreciation and amortisation	253,943	703,218	272,408	19,627	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	11,857,994	23,448,804	3,185,665	187,817	11,181,799	49,862,079
	11,857,994	23,448,805	3,203,792	187,817	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	1,384,703	5,640,331	923,543	95,056	767,300	8,810,933
	7,391,253	21,460,301	1,228,043	95,056	8,992,257	39,166,910

\# *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.*

38. SEGMENTAL INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Malaysia	**696,049**	804,647	**3,083,188**	2,825,354
Singapore	**12,726,555**	6,014,487	**10,833,132**	9,880,578
United Kingdom	**4,214,091**	3,820,185	**19,840,970**	20,860,129
Other countries	**168,033**	145,411	**527,931**	697,603
	17,804,728	10,784,730	**34,285,221**	34,263,664

Non-current assets information presented above consist of the following items as presented in the Statement of Financial Position.

	Non-current assets	
	2022 RM'000	**2021 RM'000**
Property, plant and equipment	**24,556,399**	24,200,911
Right-of-use assets	**459,555**	491,388
Investment properties	**527,944**	635,004
Project development costs	**-**	259,744
Intangible assets	**8,732,299**	8,674,529
Contract assets	**2,084**	106
Contract cost assets	**13**	62
Prepayments	**6,927**	1,920
	34,285,221	34,263,664

Major customers

The following is the major customer with revenue equal or more than 10 per cent of Group's revenue:

	Revenue		
	2022 RM'000	**2021 RM'000**	**Segment**
- Energy Market Company	**7,946,821**	2,620,109	Multi utilities business (Merchant)

39. EVENTS AFTER REPORTING PERIOD

The United Kingdom fiscal statement on 23 September 2022 included the cancellation of the planned increase in the United Kingdom corporation tax rate to 25%. The cancellation was not substantively enacted as at 30 June 2022 and the date of this report, and hence has not been reflected in the measurement of deferred tax balances at the period end. If the Group's deferred tax balances at the period end were remeasured at 19% this would result in a deferred tax credit of RM568 million (GBP101 million) to the Income Statements.

Save for the above, there was no other material events subsequent to the end of the current financial year ended 30 June 2022 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 29 September 2022.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of YTL Power International Berhad (the **"Company"**) will be held on Tuesday, 6 December 2022 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 2022 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) Datuk Seri Long See Wool ***Resolution 1***
   - (ii) Datuk Loo Took Gee ***Resolution 2***
   - (iii) Syed Abdullah Bin Syed Abd. Kadir ***Resolution 3***
   - (iv) Faiz Bin Ishak ***Resolution 4***
3. To approve the payment of fees to Non-Executive Directors amounting to RM890,000 for the financial year ended 30 June 2022. ***Resolution 5***
4. To approve the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2023 to December 2023. ***Resolution 6***
5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. ***Resolution 7***

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTIONS:-

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

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

   AND THAT in connection with the above, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares in the Company, such new shares when issued, to rank pari passu with existing issued shares in the Company." ***Resolution 8***

7. **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 7 December 2021, 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;

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 9***

Notice of Annual General Meeting

8. **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 31 October 2022 (**"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 10***

9. **PROPOSED WAIVER OF STATUTORY PRE-EMPTIVE RIGHTS OF SHAREHOLDERS OVER ALL OPTIONS GRANTED AND/OR TO BE OFFERED/GRANTED AND ALL NEW SHARES TO BE ISSUED IN RELATION TO THE EMPLOYEES SHARE OPTION SCHEME OF THE COMPANY**

"THAT further to the approvals granted by the shareholders of the Company at the Extraordinary General Meeting held on 1 December 2020 for the establishment of the Company's Employees Share Option Scheme (**"ESOS"**) under which options will be granted to eligible employees and directors of the Company and/or its subsidiaries (**"Grantees"**) to subscribe for new ordinary shares in the share capital of the Company in accordance with the By-laws of the 2020 Scheme set out in the Circular to Shareholders dated 10 November 2020, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all options granted and/or to be offered/granted to the Grantees, as well as all new shares of the Company to be issued pursuant to the ESOS, whether before or after the date of this resolution, such new shares when issued, to rank pari passu with existing issued shares in the Company." ***Resolution 11***

10. **PROPOSED ISSUE OF OPTIONS**

"THAT the Board and/or the options committee be and is hereby authorised at any time and from time to time throughout the duration of the Company's Employees Share Option Scheme (**"ESOS"**) approved by the shareholders of the Company at the Extraordinary General Meeting held on 1 December 2020 to cause the offering and granting to the following persons, options to subscribe for up to 10% of the new ordinary shares of the Company available under the ESOS, subject always to such terms and conditions and/or any adjustments which may be made in accordance with the by-laws governing and constituting the ESOS and the Bursa Malaysia Securities Berhad (**"Bursa Securities"**) Main Market Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time:-

(i) Tan Sri Ismail Bin Adam, an Independent Non-Executive Director of the Company, ***Resolution 12***

(ii) Yeoh Keong Wei, a person connected to the Director, who is an employee of the subsidiary of the Company, ***Resolution 13***

PROVIDED ALWAYS THAT:

(i) the directors and senior management of the Company and/or its eligible subsidiaries do not participate in the deliberation or discussion of their own respective allocation and the allocation to any persons connected to them;

(ii) not more than 70% of the new ordinary shares available under the ESOS shall be allocated, in aggregate, to directors and senior management of the Company and/or its eligible subsidiaries; and

(iii) not more than 10% of the new ordinary shares available under the ESOS shall be allocated to any individual who, either singly or collectively through persons connected with such person, holds 20% or more in the issued share capital (excluding treasury shares, if any) of the Company;

AND THAT the Board be and is hereby authorised to allot and issue from time to time such number of new ordinary shares to the abovementioned persons upon exercise of options under the ESOS."

By Order of the Board,

HO SAY KENG
Company Secretary

Kuala Lumpur
31 October 2022

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 https://www.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 **4 December 2022** 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 29 November 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as at 29 November 2022 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 6 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 8 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-Fifth Annual General Meeting held on 7 December 2021 ("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 8, if passed, will enable the Directors to allot and issue ordinary shares at any time up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad, without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

By voting in favour of Resolution 8, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act, 2016 over all new shares to be allotted and issued by the Directors pursuant to this mandate.

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

For Resolution 9, further information on the Share Buy-Back is set out in Part A of the Statement to Shareholders dated 31 October 2022 which is available on the Company's website at https://www.ytlpowerinternational.com/meetings.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 10, further information on the Recurrent Related Party Transactions is set out in Part B of the Circular to Shareholders dated 31 October 2022 which is available on the Company's website at https://www.ytlpowerinternational.com/meetings.

Resolution pertaining to the proposed waiver of statutory pre-emptive rights of shareholders over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS

Resolution 11 is for shareholders to affirm the waiver of their pre-emptive rights under Section 85 of the Companies Act, 2016 over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS.

As at the date of this Notice, none of the ESOS options granted were exercised.

Resolutions on the Proposed Issue of Options ("Proposed Issue of Options")

The ESOS, which obtained shareholders' approval at the Extraordinary General Meeting of the Company held on 1 December 2020, was implemented on 6 January 2021. Under the terms of the by-laws governing and constituting the ESOS, Tan Sri Ismail Bin Adam (who was appointed as an independent non-executive director of the Company on 25 February 2021) and Yeoh Keong Wei (who is an employee of the subsidiary of the Company) are eligible to participate in the ESOS. As Tan Sri Ismail Bin Adam and Dato' Yeoh Seok Kian (the father of Yeoh Keong Wei) are deemed interested in the Proposed Issue of Options in respect of his own entitlement/his child's entitlement, they have abstained and will continue to abstain from all deliberations and voting in respect of his own entitlement/his child's entitlement under the ESOS at the relevant Board of Directors' meetings. Tan Sri Ismail Bin Adam and Dato' Yeoh Seok Kian will also abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the relevant resolution and have undertaken to ensure that persons connected with them will abstain from voting on the relevant resolution.

By voting in favour of Resolutions 12 and 13, shareholders of the Company will agree to waive their pre-emptive rights under Section 85 of the Companies Act, 2016 over all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS.

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-Sixth 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-Sixth Annual General Meeting.

Form of Proxy

CDS Account No. *(only for nominee companies)*	
Number of shares held	

YTL Power
YTL GROUP
[Company No. 199601034332 (406684-H)]
(Incorporated in Malaysia)

I/We *(full name in block letters)* ____

____ Tel. No. ____________________

NRIC *(new & old)*/Passport/Company No. ____

of *(full address)* ____

____

being a member of **YTL 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-Sixth 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, 6 December 2022** at **9.30 a.m.** or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Re-election of Datuk Seri Long See Wool		
2.	Re-election of Datuk Loo Took Gee		
3.	Re-election of Syed Abdullah Bin Syed Abd. Kadir		
4.	Re-election of Faiz Bin Ishak		
5.	Approval of the payment of fees to the Non-Executive Directors		
6.	Approval of the payment of meeting attendance allowance to the Non-Executive Directors		
7.	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company		
8.	Proposed authorisation for Directors to allot and issue shares		
9.	Proposed renewal of share buy-back authority		
10.	Proposed renewal of shareholder mandate for recurrent related party transactions of a revenue or trading nature		
11.	Proposed waiver of statutory pre-emptive rights of shareholders of the Company		
12.	Proposed issue of options to Tan Sri Ismail Bin Adam		
13.	Proposed issue of options to Yeoh Keong Wei		

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 ____________________ 2022

____
Signature(s)/Common Seal of Member

IMPORTANT NOTICE

The Meeting Platform, which is the deemed main venue of the AGM, is registered with MYNIC Berhad under Domain Registration Number: D1A282781. This fulfils Section 327(2) of the Companies Act, 2016 which requires the main venue of the meeting to be in Malaysia and the chairperson to be present at that main venue as clarified in the FAQs on Virtual General Meetings issued by the Companies Commission of Malaysia dated 8 June 2021. Members are to participate, speak (in the form of real time submission of typed texts) and vote remotely via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") on its TIIH Online at the Meeting Platform.

Notes:

1. *A member (including an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via the RPV facilities.*

2. *Where a member is an Exempt Authorised Nominee as defined under the SICDA, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

3. *A proxy may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised in writing.*

5. *The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by Tricor not less than 48 hours before the time appointed for holding the AGM i.e. no later than **4 December 2022** 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 AGM.

6. *Only members whose names appear on the General Meeting Record of Depositors as at 29 November 2022 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 to participate and vote remotely via the RPV facilities, 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 26th 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

Then fold here

Fold this flap for sealing