



YTL
CORPORATION
BERHAD 92647-H

the journey continues...

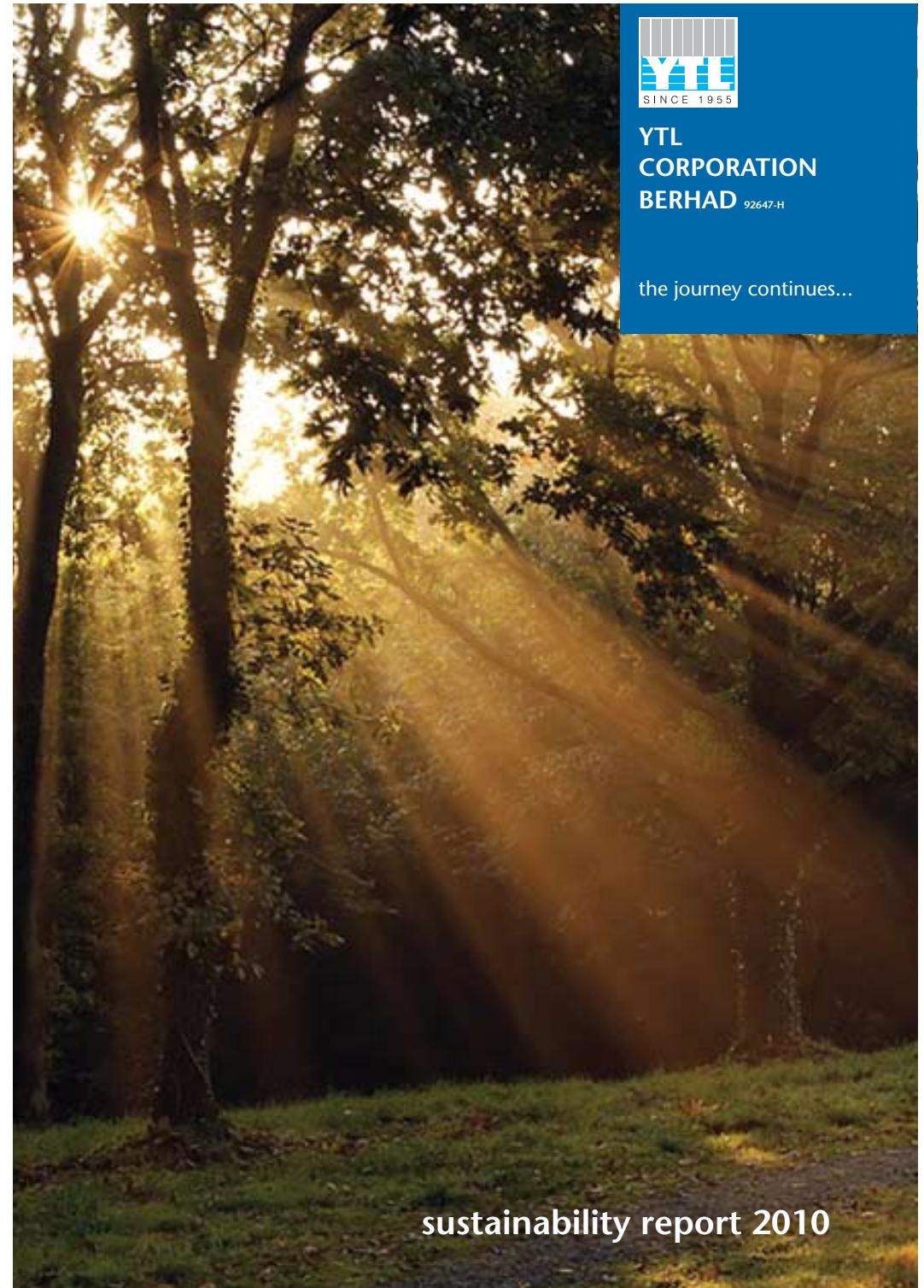
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YTL CORPORATION BERHAD 92647-H

sustainability report 2010



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sustainability report

2010



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Managing Director's Review

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

Managing Director,
YTL Corporation Berhad



Dear Stakeholder,

Globally, it can be observed that the world's biggest companies are attempting to make their businesses more sustainable despite the worst recession since the 1930s. A report for the United Nations in June 2010 showed that 93% of the world's top chief executives view sustainability as important to their company's future success. Green campaigners also welcomed the findings in the new report, which show that businesses are forging ahead of governments when it comes to environmental issues. Hence, we observe that sustainability has moved on from a marginal exercise in public relations five to ten years ago to become an essential item in the boardroom. More companies now see sustainability as a commercial imperative. Corporate commitment to environmentalism has indeed reached a tipping point because businesses are making money from making themselves green, with a new generation of green-minded managers suggesting companies' enthusiasm for environmentalism will only grow. There is now a strategic shift between the old guard in business who sees sustainability as something they had to do for shareholders or their public image and the younger executives who see it as something more important.

Although the recession had prompted some companies and executives to question their eco-agenda, long-term thinkers are those who realise there is a strong business case for sustainability because it not only saves money but also improves brand image. Being green can also help companies to gain new clients or enhance their share price because being able to manage risks better could also help to avoid an otherwise damaging controversy. As Noble Prize recipient Al Gore explained in "*An Inconvenient Truth*", small changes can add up to big reductions in environmental impact. This is true for both individuals and major corporations. However, experts indicate that corporations control the use of massive resources and, by changing their habits, they can make a much bigger difference than any individual. Many business leaders now recognise they need to take new measures to reduce their companies' effects on the environment.

At YTL, I am pleased that we have adopted the "Four Cs" of corporate environmental stewardship:

- (1) Conserve Energy
- (2) Convert to Lower Carbon Energy
- (3) Choose Quality Offsets
- (4) Call for Action

One of our “Calls for Action” comes in the form of our flagship educational campaign, *Climate Change Week*, which we pioneered and have been hosting yearly since 2007. Designed to educate and raise public awareness towards the critical issue of global warming, YTL hosted *Climate Change Week* from 19 to 27 June 2010 for the fourth consecutive year, raising environmental consciousness amongst Malaysians and inspiring them to be part of the solution to the urgent issue of global warming.

This year’s *Climate Change Week*, aptly held at the “Forest in the City” on the rooftop of Lot 10 Shopping Centre, was themed *Sustainable Living in the City* and featured a series of events – including the launch of the first National Geographic Store in Kuala Lumpur; an *EcoHeaven Bazaar* showcasing creative reinventions of used and recycled materials; sustainable living demonstrations; the book launch of *Billy the Plastic Bag*; Kids for Earth Workshop; an *Eco-Tips Competition*; and the launch of the *YTL Fellowship* for a *RARE Planet* – geared towards showing Malaysians how easy it is to go green while guiding them towards taking action.



The “Forest in the City” on Lot 10’s Rooftop



*Earth Hour 2010 at Starhill
Gallery’s Feast Village*



The lobby of the JW Marriott Kuala Lumpur, one of the participating properties in Earth Hour 2010



*Products on display at the
EcoHeaven Bazaar*

On 27 March 2010, YTL also celebrated its second *Earth Hour*, which saw almost 30 of our iconic properties switching off their lights for an hour in respect of this global movement. Our Group’s iconic landmarks and establishments, including several in Kuala Lumpur, Singapore, Bali and Phuket, switched off their lights for an hour from 8.00 p.m. to 9.00 p.m., in a move that underlines our belief in the collective power of individuals in reversing the tide of climate change.

In December 2009, YTL’s Starhill Gallery property also hosted *A Journey Through Time III*, a luxury showcase focused on putting the spotlight on Timepieces and

Environmental Awareness with the theme of *Time & The Environment*. The theme paid homage to Nature through creating awareness on the environmental problems facing the world today and rallied a call for action on environmental conservation.

YTL has also signed up to support and be part of the *Copenhagen Communiqué on Climate Change*, widely recognised as the definitive progressive statement from the international business community. The Communiqué – Issued ahead of the United Nations Climate Change Conference in December 2010 by business leaders of over 950 companies from over 60 countries – calls for an ambitious, robust, and

Managing Director's Review

equitable global deal on climate change that responds credibly to the scale and urgency of the crises facing the world today.

Over a decade ago, YTL began innovating ways to use clean technology, realising the implications of uncontrolled carbon emissions into the atmosphere, as well as exploring renewable energy sources, due to the heavy energy demands of the utilities and construction industries. For example, as a leading utilities player, we insist that our equipment suppliers continuously work to improve their technologies, not just because we demand it, but also due to the big consumer push for it. At YTL, we have seen first-hand how sustainability programmes and policies have reaped outstanding results. Our strategy is two-fold. Firstly, we have a **strong monitoring system** put into place to measure and track energy usage, and secondly, we are **pursuing and steadily increasing renewable energy usage**, wherever possible. This strategy applies to all our businesses within our Group.

In 2010, milestones of YTL's corporate responsibility and sustainability achievements include winning both the **Global CSR Awards 2010 Bronze Award for "CSR Leadership Excellence"** and **Frost & Sullivan's 2010 Malaysia Excellence Award for Green Energy Company of the Year**. YTL Corp is also shortlisted for an award for this year's **ACCA Malaysia Sustainability Reporting Awards (ACCA MaSRA) 2010**. In addition, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, YTL's construction arm, also won the **Building Construction Contracting Company of the Year** at **Frost & Sullivan's 2010 Malaysia Green Excellence Awards**.

This leads me to my next point – that businesses are taking steps to safeguard their future energy security by investing in their own renewable generation capacity. At YTL, we are pleased that we have not only established an in-house Clean Development Mechanism (CDM) consultancy but that we are also



The Bio-Bug developed by Wessex Water's subsidiary, GENECO

innovating. Our subsidiary, Wessex Water Limited, via its subsidiary GENECO Limited, for example, has developed a VW Beetle vehicle that is powered by methane gas derived from human waste, the first such test done in the United Kingdom (UK). Named the *Bio-Bug*, the vehicle runs on methane gas generated during the sewage treatment process. Waste from just 70 homes in Bristol is enough to power the Bio-Bug for a year, based on an annual mileage of 10,000 miles. The Anaerobic Digestion and Biogas Association (ADBA) claims the launch of the Bio-Bug proves that biomethane from sewage sludge could be used as an alternative fuel for vehicles.

In addition to investing in green technology, we are also continuing our support towards our long-term conservation partners. As stewards of our good earth, YTL has long supported conservation through international groups like *The Nature Conservancy*, as well as *WWF-Malaysia* and *Rare Conservation*. This year is recognised as the United Nations Environment Programme's *International Year of Biodiversity 2010* and we are proud to continue our support for RARE Conservation, Reef Check Malaysia, and other environmental organisations which we have been long-term supporters of. In June 2010, we gifted RARE Conservation with US\$2 million to establish the *YTL Fellowship for a RARE Planet*, with a focus on educating RARE Pride Campaign Managers all over the world to champion conservation in local communities, globally and beyond. Our support for Reef Check Malaysia also continues with marine conservation work focused on both the East and West coasts of Malaysia. With climate change and rising temperatures causing increasing levels of coral bleaching on the reefs in coastal areas of Malaysia, we believe it is our duty to protect the reefs and its biodiversity the best we can despite the harrowing news and reports on the state of our reefs.

Personally, I am also proud to serve in several non-profit organisations that make leadership in sustainability possible, namely *The Nature Conservancy (TNC)*, the *International Business Leaders Forum (IBLF)* and *The Institute of Corporate Responsibility Malaysia (ICRM)*. As a long-time member of TNC, one of the largest conservation groups in the world committed to protecting nature's most precious ecosystems, I have the privilege of working alongside world leaders to strategise, build partnerships and projects, as well as open doors to resources. At the rapid rate at which forests are disappearing, I am glad to have fostered a long-term partnership with TNC, who help protect forests globally through various schemes. In the past, YTL has donated to TNC a substantial amount of US\$500,000 to support conservation efforts on forest protection and on coral reef conservation in South East Asia, primarily Indonesia.



I am also a keen supporter of the arts, as an appointed patron of the *International Friends of the Louvre* which raises awareness of this historical museum's collections and museum expertise. And I am proud to be the honorary advisor of the Kuala Lumpur Performing Arts Centre (KLPac). Here, my fervent passion for the environment and for the Arts has been realised through bringing nature and the artistic community together in Sentul Park, a 35-acre park in the heart of the city.

Besides the arts, YTL is also committed to supporting education and educational programmes through innovation. YTL Communications Sdn Bhd (YTL Comms), for example, aims to bring communications to the masses through its Worldwide Interoperability for Microwave Access (WiMAX) operations. In July 2010, YTL Comms entered into memorandums of agreement with Universiti Teknologi Malaysia and Universiti Tunku Abdul Rahman to a campus-wide 4G networks for their campuses in Skudai, Johor, and Kampar, Perak, respectively. These partnerships will enable students to enjoy high-speed, wireless broadband access at any time and from anywhere within the campuses. Every student will get converged data and voice services totaling 300 megabytes per user, per month, for a period of 3 years. Once the infrastructure is up and running, the universities will be working closely with YTL Comms to nurture the development of Internet applications in their technology degree courses.

Going further, we are investors of both the **Asian Renewable Energy and Environment Fund (AREEF)** and the **Renewable Energy Fund (REF)**, the latter of which was launched during YTL's *Climate Change Week 2008*. Both are vehicles that allow us to invest in and encourage companies that innovate in clean technology and the renewable energy sector. Our carbon credit consultancy, **YTL-SV Carbon Sdn Bhd** (YTL-SVC), continues to grow steadily with a healthy client base. Having made strong strides in the areas of energy efficiency and renewable energy, it was a logical step for us to get involved in CDM consultancy – YTL-SVC is currently the largest CDM consultancy in Malaysia and third largest in South East Asia. It is important to note that our specialist business not only

helps YTL go carbon neutral in-house but also helps companies go "clean and green" through helping them apply for carbon credits through the CDM.

Malaysia currently ranks fifth in the world for CDM projects based on a study in June 2010. To stimulate the development and use of renewable energy and energy-efficient activities and technologies, the Malaysian Government has introduced fiscal incentives such as pioneer status for corporations, investment tax allowance, and import duty and sales tax exemption for equipment used in energy conservation. The global carbon market is also picking up steadily, growing to US\$144 billion in 2009 and marking a triumph over the economic crisis, according to a World Bank report. According to a Point Carbon report, the global carbon market will be worth US\$170 billion in 2010, up 33% on last year. Although the world failed to commit to Copenhagen in December 2009 to succeed or extend the existing Kyoto Protocol from 2013, this year is likely to be a year of growth and stability in the world's established carbon markets. Hence, the market for Certified Emissions Reductions (CERs) from CDM projects will see an increase in volume despite the policy uncertainty.

To sum it up, it is no secret that organisations that embrace and measure sustainability as a key business strategy will mitigate risks, achieve competitive advantage, and enable efficiency and cost savings throughout the supply chain. At YTL, we continue to incorporate sustainability and sustainable development so that it becomes part of our "business as usual". I am pleased our focus on sustainability and the environment has never wavered, in spite of the recession, and it remains at the heart of what we do at our organisation. Though it's impossible to predict future shocks and crises, we believe that our continuing commitment to sustainability will help us to withstand them.

And so, our journey continues.

May God bless each and every one of you in all your positive endeavours.

**TAN SRI DATO' (DR)
FRANCIS YEOH SOCK PING, CBE, FICE**
Managing Director, YTL Corporation Berhad

Corporate Social Responsibility



The diverse nature of the industries in which we do business enables us to touch the lives of millions of people across the globe. The YTL Group also employs approximately 7,800 people around the world. This global stakeholder base means that we have responsibilities to our colleagues, customers and suppliers, the environment and the communities where we live and work.

The YTL Group has embraced a culture of socially responsible and sustainable operations ever since our humble beginnings in 1955. Starting out as a small construction company involved in national infrastructure projects, our core competencies have since expanded to include utilities, cement manufacturing, construction contracting, property development and investment, hotel development and management and information technology (IT).

Social responsibility is one of the YTL Group's key values and something we take very seriously. Acting responsibly is fundamental to how we carry out every aspect of our business. We strive to improve lives everywhere we operate, aiming for a healthy, safe, and sustainable environment and considering the needs of the present generation while, at the same time, anticipating the needs of future generations.

We believe effective corporate social responsibility can deliver benefits to our businesses and, in turn, to our

shareholders by enhancing good management practices, internal control systems, risk management, accountability, business trust, and integrity for the benefit of all our stakeholders.

Our Group understands that today's increasingly competitive and challenging business environment means that we will need to work harder to ensure our people and stakeholders are not only rewarded but protected from the risks these challenges may bring about. This shared vision fuels our commitment to operating in a responsible and sustainable manner, and to give back to the societies and people who form an integral part of our journey.

Given the diversity of the Group's activities and geographical operations, our ongoing commitments generally fall under the following broad areas that have formed the pillars of YTL's sustainability initiatives over the years:-

- Promotion of arts and culture;
- Supporting education and community development; and
- Protection of the environment

Our initiatives in these areas are dealt with in turn in this Sustainability Report. References in this report to "YTL", the "YTL Group" or the "Group" are to YTL Corporation Berhad (YTL Corp) and its subsidiaries.



AWARDS & ACCOLADES FOR SUSTAINABILITY

The YTL Group is honoured to have been the recipient of awards from various industry bodies. Recent citations include:

- 2010 Malaysia Excellence Awards for "Green Energy Company of the Year" – YTL Corp
- 2010 Frost & Sullivan Malaysia Green Excellence Awards for "Building Construction Contracting Company of the Year" – Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, the flagship construction arm of the Group
- 2010 The Queen's Award for Enterprise for "Continuous Achievement in Sustainable Development" – Wessex Water Limited, the Group's wholly-owned water and sewerage services company in the UK;
- 2010 Global CSR Awards Bronze Award for "CSR Leadership Excellence" – YTL Corp
- Named "Britain's best performing water and sewerage company" by Ofwat, 2010 – Wessex Water Limited
- 2010 Asia Power & Electricity Award for "Most Socially Responsible Power Company of the Year" – PowerSeraya Limited, the Group's wholly-owned power generation and multi-utility business in Singapore
- 2009 Global CSR Awards Silver Award for "CSR Leadership Excellence" – YTL Corp
- 2009 finalist for ACCA Malaysia Sustainability Reporting Awards (MaSRA) – YTL Corp
- 2007 ACCA Malaysia Environmental and Social Reporting Awards (MESRA) Award for "Commendation for Social Reporting" – YTL Corp
- 2006 ACCA Malaysia Environmental and Social Reporting Awards (MESRA) Award for "Best Social Reporting in an Annual Report" – YTL Corp

Promotion of Arts & Culture

"Passion is a key ingredient of success. Personally, be it in business or the arts, it is one of the cornerstones that keep me driven and energised every day. YTL's success in recent years has been built on its thriving operations in Singapore and we now want to give back to the community for their show of support for YTL. There is no better way to thank God and the local community but through a performance by Andrea Bocelli, one of the world's greatest opera singers, in the heritage garden of the people."

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

Managing Director of YTL Corporation Berhad, at the 2010 YTL Concert of Celebration held at the Singapore Botanic Gardens on 8 May 2010





Promotion of Arts & Culture



Y.B. Dato' Sri Dr. Ng Yen Yen, Minister of Tourism, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, announcing the launch of the showcase on 2 October 2009

The YTL Group is a passionate supporter of the arts and is dedicated to encouraging the development of our own arts and cultural scene in Malaysia, to showcase the uniqueness of our heritage and to provide an alternative medium for artistic expression and communication.

STARHILL GALLERY ARTS FESTIVAL

For the entire month of October 2009, YTL hosted a myriad of environment-themed art exhibitions in an Arts Festival held at its Starhill Gallery premises. The Starhill Gallery Arts Festival 2009, endorsed by the National Art Gallery, featured an eclectic collection of art pieces from local and international artists. The festival saw the entire 'Muse' Floor of Starhill Gallery transformed into a giant art gallery. This year's exhibition, themed '*Passions*', literally came alive with larger-than-life sculptures and three-dimensional art that were the first of their kind created by Malaysian sculptors and artists.

'A JOURNEY THROUGH TIME' SHOWCASE

YTL's Starhill Gallery, in collaboration with Tourism Malaysia, proudly presented the third chapter of Asia's largest luxury watch and jewellery showcase – '*A Journey Through Time III*'. Held from 3 December to 13 December 2009 at Starhill Gallery, this year's annual showcase pays homage to nature with the theme '*Time & the Environment*', in an effort to increase awareness on the issue of climate change and other environmental issues.

A forum and gala dinner were organised in conjunction with '*A Journey Through Time III*'. The forum was an opportunity to delve into the ideas and perspectives of leaders in the watch-making industry as well as in the environmental movement. The panel of forum speakers comprised of horological experts and champions of the environment, from an environmentalist, a watchmaker, an astronaut, and a doctor, to an economist, all of whom share the same passion for time and the environment.

During the gala dinner, guests and forum participants were entertained by Stephen Rahman-Hughes, Hong Kong's singer/actor/celebrity chef Maria Cordero, home-grown acclaimed violinist, Dennis Lau, and Malaysian powerhouses Datuk Siti Nurhaliza and Ning Baizura. As a grand finale, the award-winning Welsh mezzo-soprano, Katherine Jenkins, closed the haute horological journey with an incredible performance at the gala dinner.

THE KUALA LUMPUR PERFORMING ARTS CENTRE (KLPAC)

Opened in May 2005, KLPac is Malaysia's only fully integrated performing arts centre, located at Group's Sentul Park in Kuala Lumpur. KLPac is the result of a strategic partnership between Yayasan Budi Penyayang, YTL Corp and The Actors Studio, under

the patronage of the late Y.A.B Datin Paduka Seri Endon Mahmood. It was built for the common goal of nurturing and developing the performing arts in Malaysia, and caters to a broad spectrum of artistes and audiences with its diverse artistic and educational programs.

Since its inception, KLPac's calendar has been filled with a multitude of both local and international performances from music and dance festivals to theatrical productions and art exhibitions. The Academy@KLPac has attracted students to its wide range of performing arts courses, facilitating the education of artists as well as audiences. The centre's 70,000 square feet of space houses facilities including a 500-seater main theatre, a 200-seater experimental theatre, nine studios, an IndiCine theatre for independent film, a set construction workshop, and a café and bar area.



Datuk Dr Sheik Muszaphar Shukor, Peter Speake-Marin, Max Busser, Ruth Yeoh, Bernard Cheong, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dr Massimiliano Landi and Su Jia Xian at the gala dinner on 9 December 2009

Promotion of Arts & Culture



Some of the recent events hosted at KLPac include:

KLue Urbanscapes 2010

Urbanscapes is Malaysia's only platform showcasing home-grown music, arts, lifestyle, film, food, and theatre under a single banner. Aiming to bring together communities and participants to showcase the best of the local scene, the all-day 'user-generated' creative arts festival has attracted over 20,000 visitors in the last three years. The annual festival is hosted by KLPac, the festival's venue sponsor, and organised by KLue, a Malaysian lifestyle magazine.

On 26 June 2010, Urbanscapes returned to KLPac with a line-up that included indie singer-songwriter and double Anugerah Industri Musik (AIM) winner Yuna, Couple, Seven Collar T-Shirt, Bittersweet, Najwa, and more. In addition to highlighting local artistes, the festival showcased first-time dance, music, and video collaborations. The legacy of the late Yasmin Ahmad was also honoured by the screening of five of her movies back-to-back during the festival.

A Midsummer Night's Dream

In collaboration with the Australian High Commission KLPac presented a showcase of William Shakespeare's "A Midsummer Night's Dream" as the culmination of a workshop for local actors conducted by Australian theatre practitioner, Jeff Kevin. The showcase, held from 29 April to 2 May 2010, was directed by Jeff Kevin and featured local talents Joanna Bessey, Nabihah Yaacob, Kien Lee and more. The showcase was opened to students from local schools free of charge, as part of the Group's continuing efforts towards promoting the arts and literature through education.

Spotlight on Singapore Dance Theatre

Fresh from its breathtaking performance of "Giselle", the Singapore Dance Theatre (SDT) returned to Kuala Lumpur for the first time in 10 years to enthrall dance lovers with a diverse evening of both contemporary and classical ballet works that showcase the versatility and virtuosity of its dancers. Led by Artistic Director Janek Schergen, the 25-strong company performed pieces including "Piano Concerto No. 2" and classical excerpts from "Swan Lake Act Two" and "Raymonda". The showcase was presented by PowerSeraya Limited (PowerSeraya), the Group's Singapore-based subsidiary, and held for two nights only on 9 April and 10 April 2010.

Visit www.klpac.com to find out more.

THE ACTOR'S STUDIO AT THE ROOFTOP, LOT 10

Recently opened at the newly-renovated Lot 10 Rooftop, The Actor's Studio ups the ante in the Malaysian arts scene. Spanning over 8,000 square feet, the premise features a 250-seat theatre and places the audience far closer to the action than the local arts scene is used to. Using a Japanese design inspired by the Kabuki Tradition, the 'Hanamichi' stage in the new theatre has a wide 'catwalk' extending from the centre of the background of the stage, giving it a 'T' shape and good acoustics.

Lot 10 also has the advantage of convenience and access with the Bukit Bintang monorail station located directly outside the building, encouraging public transport access which in turn helps to reduce transport emissions into the atmosphere.

Visit www.theactorsstudio.com.my for more details.

YTL CONCERTS OF CELEBRATION

On 8 May 2010, to mark the recent expansion of the Group's operations into the Singapore market, YTL staged its Concert of Celebration 2010 in the Singapore Botanic Gardens, bringing to the stage world-renowned Italian singer Andrea Bocelli. He was joined by special guests Australian pop singer Delta Goodrem, Slovenian soprano Sabina Cvilak and acclaimed flutist Andrea Griminelli. Bocelli's stellar performance was well-received by the audience, whose enthusiasm moved Bocelli to perform seven encores before receiving a massive standing ovation.

In a grand display of celebration, amazing fireworks completed the show as the night sky was illuminated with brilliant sparks of light.

In conjunction with the spectacular concert, Community Chest was chosen as YTL's charity partner. YTL made a donation of S\$850,000 to Community Chest which will go towards supporting critical social service programmes, under the care of Community Chest.

In honour of the Concert of Celebration 2010 and in recognition of YTL's thanksgiving efforts to the local community, the Singapore Botanic Gardens' named two new additions to its splendid collection of 'VIP orchids' – 'Vanda YTL' and 'Vanda Andrea Bocelli'. YTL and Andrea Bocelli joined a prestigious list of distinguished state VIPs and personalities, including Nelson Mandela, Margaret Thatcher, and the late Princess Diana, all of whom had orchids named after them in the Singapore Botanic Gardens' prized collection.

This year's event is the latest in the Group's tradition of staging free Concerts of Celebration for the public, a tradition which began in the early 1990s. These concerts have been held at many different locations and have featured some of the most prominent international artists, including The Three Tenors – Jose Carreras, Placido Domingo and the late Luciano Pavarotti – in Bath in the UK, in 2003, and Britain's top tenor, Russell Watson, accompanied by the Adelaide Symphony Orchestra, at our Sentul Park development in Kuala Lumpur to celebrate YTL's 50th Anniversary in 2005.



From left to right: Mr Andrea Griminelli, Ms Delta Goodrem, Mr Andrea Bocelli and Ms Sabina Cvilak

Promotion of Arts & Culture



World-renowned Italian tenor, Andrea Bocelli, with Slovenian soprano Sabina Civilak



From left to right: Ms Jennie Chua, Chairperson of Community Chest; His Excellency Mr S.R. Nathan, President of the Republic of Singapore, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad



From left to right: Mrs Christine Tan Khoon Hiap; Mr S Dhanabalan, Chairman of Temasek Holdings Pte Ltd; Mr Andrea Primicerio, Pentagon Music Management; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; and Dato' Michelle Yeoh



Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping with Vanda YTL



The concert was telecast live to an audience of over 7,000 opera enthusiasts at the adjacent Palm Valley grounds of the Singapore Botanic Gardens and culminated in a spectacular fireworks display



Vanda Andrea Bocelli



From left to right: Mr Charles Ong, Senior Managing Director of Temasek Holdings Pte Ltd; Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad; Madam Ho Ching, Executive Director & Chief Executive Officer of Temasek Holdings Pte Ltd; Datin Kathleen Chew Wai Lin, Group Legal Adviser of YTL Corporation Berhad; Mrs Lee Yi Shyan and Mr Lee Yi Shyan, Minister of State, Ministry of Trade & Industry and Ministry of Manpower, Singapore; and Mr John Ng, Chief Executive Officer of PowerSeraya Limited



His Excellency President S.R. Nathan and Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay



Supporting Education & Community Development

"We are proud of Malaysia for having what it takes to attract interest and commitment from top players in technology and we will help to advance the country's mission to become a truly innovation-led economy and improve the way people in Malaysia live, learn, work and play. We hope to promote a new model of innovation where people worldwide can share ideas freely over a nationwide 4G network while creating products and services that improve the quality of life for communities in the rural areas while supporting the global aspirations of companies in the major cities."

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

Managing Director of YTL Corporation Berhad, at the launch of the 4G Innovation Network, 10 November 2009





Supporting Education & Community Development



Puan Yasmin Mahmood, Executive Director of YTL Comms, and Prof Dr Zaini Ujang, UTM Vice-Chancellor, signing the memorandum of agreement, witnessed by Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, YTL Group Managing Director, and Datuk Seri Dr Rais Yatim, Information, Communications and Culture Minister

EDUCATION INITIATIVES

The YTL Group continues to play a strong role in growing and safeguarding the potential of our future generation of leaders and supporting local communities by offering scholarships to deserving individuals and through participation in 'adopt-a-school' programmes.

Malaysia YTL Foundation

YTL Foundation was established in 1995 with the objective of promoting higher education in Malaysia by offering scholarships to deserving individuals who would otherwise be denied of higher education due to financial constraints. Given the opportunity, we believe such individuals will be able to achieve their full potential and assume leadership positions to contribute towards the nation's economic development.

The YTL Power International Berhad Scholarship Fund

The YTL Power Scholarship Fund was established to complement YTL Foundation with the objective of promoting higher education by offering scholarships to qualified students who are pursuing full-time foundation and degree courses at University Tenaga Nasional (UNITEN), a local university in Malaysia offering courses in engineering, IT, and accounting. Given the opportunity, we believe qualified individuals will be able to achieve their full potential and assume leadership positions to contribute towards the nation's economic development.

Visit www.ytlpowerinternational.com/about_us/scholarship.asp for more details.

The University of Nottingham in Malaysia

In line with our plans for educational expansion, we have fostered a joint partnership with The University of Nottingham in Malaysia. The university is amongst the ten best universities in the UK, alongside institutions such as Oxford, Cambridge, Imperial College London, and the London School of Economics.

The University of Nottingham has opened pioneering campuses in Asia, with the establishment of a multi-million pound campus in Malaysia, followed by the official opening of the first foreign university campus inside the People's Republic of China. The University's campuses in the UK, Malaysia and The People's Republic of China are award-winners in themselves. With open parkland sites, gorgeous landscaping, and signature architecture, they offer an unrivalled setting for learning.

The University of Nottingham Malaysia Campus has a joint partnership with two local partners. The dedicated campus (which opened early in 2005) sits on a 101-acre site close to Semenyih, 30 kilometres south of Kuala Lumpur, and is the first purpose-built campus of a British university outside of the UK. Facilities include laboratories, library, sports complex, Student Association building, bookshop, cafés, and convenience stores.

From left to right: Professor Dr. Lee Sze Wei, Vice President (R & D and Commercialisation), UTAR; Ir. Professor Dato Dr. Chuah Hean Teik, President of UTAR; Tun Dr. Ling Liang Sik, Chairman of the UTAR Council; Wing K Lee, Chief Executive Officer of YTL Comms; and Jacob Yeoh, Executive Director of YTL Comms, at the launch of YTL Comms' EPP



The Universiti Malaysia Sabah

YTL's Executive Chairman, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, is currently Pro Chancellor of Universiti Malaysia Sabah, and attends convocations at this university annually, awarding certificates to its thousand-strong graduates. Universiti Malaysia Sabah was the first local university to be built in the town of Beaufort, Sabah. The Group supports the UMS Foundation through donations, including a contribution of RM2.5 million towards the foundation in 2004.

As the ninth university to be established in Malaysia, it has been progressing at a tremendous pace since its inception on 31 January 1994. The physical development of a permanent campus on a 999-acre piece of land began on August 1995 and was completed in 2000, with the university's occupation of the permanent campus beginning in 1999. The Malaysian Government then granted approval to the university to set up a branch campus in the Federal Territory of Labuan. Following further acquisitions of building facilities for teaching, learning, and research, there have been an increasing number of schools, centres, and units at the university.

Education Partner Programmes with Malaysian Universities

On 1 July 2010, YTL Comms entered into a memorandum of agreement with **Universiti Teknologi Malaysia (UTM)** in a joint collaboration to provide a campus-wide 4G network in UTM Skudai. This landmark initiative was the first stage on an extensive programme spearheaded by YTL Comms to bring 4G converged services, offering data, voice and mobility, to all public universities in Malaysia via its Education Partner Programme (EPP).

The EPP is designed to cater to the growing needs of a progressive, technology-savvy, always-on-the-go, creative, knowledge-thirsty and highly-innovative generation. The program provides new levels of interactivity between students and faculty via 4G intranet and ease of access to information through 4G mobile internet. Under the EPP, students will enjoy

high-speed, wireless broadband access at any time and from anywhere within the campuses. Each student will be provided with converged data and voice services totalling 300 megabytes (MB) per user, per month, for a period of three years.

Subsequently, **Universiti Tunku Abdul Rahman (UTAR)**, established in 2002 under the UTAR Education Foundation, also signed a partnership with YTL Comms to jointly deploy a campus-wide 4G network at the UTAR flagship campus in Kampar, Perak, under the EPP. Similar deployments will subsequently be carried out at the remaining UTAR campuses in Petaling Jaya, Setapak, and Sungai Long.

The partnership with UTAR will empower 12,000 students in the Kampar campus, and another 7,000 students in the campuses around the Klang Valley. This venture puts Malaysian campuses on the map as among the first worldwide to offer such ease of access to the most advanced Internet technology available today. When the infrastructure is in place and running, UTAR will work closely with YTL Comms to nurture the development of Internet applications in the university's technology degree courses.

Ultimately, YTL Comms plans to provide an affordable, world-class, converged 4G mobile internet network nationwide, working with best-in-class partners such as Cisco, Clearwire, GCT Semiconductor, and Samsung. The Group is committed to supporting the Malaysian Government's National Broadband Initiative (NBI) to increase the broadband household penetration rate to 50% by end-2010. In doing so, it aims to bridge the digital divide between the urban and rural communities, improve the quality of life, and support efforts to promote technological innovation.

Supporting Education & Community Development

Indonesia

YTL and PT Jawa Power (Jawa Power), the Group's 35%-associate company in Indonesia, have contributed significantly to community education improvement locally and continue to strive for maintaining and improving education at the two schools it supports, SMA Tunas Luhur, inaugurated in November 2008, and SMP Bhakti Pertiwi, established in 2003. Jawa Power owns a 1,220 megawatt (MW) power station in East Java in Indonesia, the operation and maintenance (O&M) for which is carried out by the Group's wholly-owned subsidiary, PT YTL Jawa Timur (Jawa Timur).

Bhakti Pertiwi and Tunas Luhur are full-day, junior and senior high schools, respectively. Tunas Luhur has two blocks of two storey buildings comprising of 12 rooms in an area of 8,450 square metres and accommodates 150 students under a moving class system. Currently, Tunas Luhur has some 132 students in three grades, each with two parallel classes.

In support of education in the region, YTL and Jawa Power held the YTL-Jawa Power Mathematics Olympiad 2010, which attracted participants from 650 elementary schools in the Probolinggo regency. The winners were sent to the Java Mathematics Olympiad and ranked 3rd and 4th in the competition.

Singapore

Energy learning hub

On 14 August 2009, Greenridge Secondary School launched its Energy Learning Hub, sponsored by PowerSeraya, the Group's wholly-owned subsidiary in Singapore. The Hub serves to highlight the relationship between energy, the environment, and climate change, bringing students through a journey of learning about energy sources, energy production, and the importance of sustainability. It seeks to raise awareness on how decisions made today can influence the future of energy, in hopes that it will inspire students to be responsible energy users and play a role in mitigating the effects of climate change.

With an investment of S\$170,000, the launch of the Hub marks a significant milestone for PowerSeraya in promoting environmental stewardship not only to students within the school, but also to those from 10 other schools in the same school cluster, and to the community at large. As of December 2009, close to 1,100 students, teachers, and parents have visited the Hub since its launch.

Clean and Green Singapore

For two consecutive years, PowerSeraya has been a sponsor of the Clean and Green Singapore event, the country's largest environmental event organised annually by the National Environmental Agency (NEA) in Singapore. The Clean and Green Singapore 2009 event on 31 October 2009, graced by Singapore's Prime Minister Lee Hsien Loong, saw the company sponsoring an energy conservation-themed game booth and giveaways including environmentally-friendly notebooks which were manufactured from sustainable forest sources endorsed by the Forest Stewardship Council.

At the event's Schools' Carnival, PowerSeraya also sponsored a booth for its adopted school Greenridge Secondary School, to showcase the school's green initiatives aimed at raising environmental awareness among school children.

Nithiah Nandan Book Prize

In 2009, book prizes worth S\$1,000 each were awarded to four of PowerSeraya employees' children at the Nithiah Nandan Book Prize ceremony. Set up in 2007, the book prize was created in honour of the late Mr Nithiah Nandan, former executive secretary of the Union of Power and Gas Employees (UPAGE), for his support of lifelong education and dedication to serving others. The book prize recognises the exemplary performance of employees' children who have excelled in their areas of interest outside the academic field or who have made meaningful contributions to the community or the environment. As of December 2009, seven of PowerSeraya employees' children have received the book prize.

PowerSeraya Scholarship

The PowerSeraya Scholarship was set up in 2008 and each year, between two to six outstanding undergraduates from the Nanyang Technological University are selected to receive a bond-free scholarship worth S\$8,000 per annum. Scholars are chosen from students pursuing courses at the College of Engineering, the College of Science and the Nanyang Business School in their second year of study. While students are selected primarily on their academic performance and co-curricular activities, those who have handled environmental projects or contributed significantly to the community are strongly considered for the scholarship programme.

In 2009, the company gave out four such scholarships, two of which were new while the other two were renewals from the previous year. The two new awardees, both second year undergraduates (one pursuing a business degree and the other an aerospace engineering degree), were also given internship opportunities at PowerSeraya.

COMMUNITY SUPPORT & DEVELOPMENT INITIATIVES

The YTL Group recognises its duty to be a good neighbour. We are an active partner of cities and communities, working closely with schools and charitable organisations to educate, support, and engage with projects across Malaysia. From tackling poverty to helping children lead healthy and energetic lifestyles, we endeavour to build a better future for everybody.

'Toys For Tots' Campaign

The annual 'Toys for Tots' Christmas charity campaign, supported by YTL and held at JW Marriott Hotel, enables guests and visitors at the Group's hotels to donate toys and gifts to benefit underprivileged children. The 'Toys for Tots' programme is part of the hotel's continuing efforts in reaching out to society, in line with the 'Spirit to Serve' tradition practised by Marriott properties



worldwide. JW Marriott Hotel Kuala Lumpur appeals to the public to join in the spirit of sharing and caring for the underprivileged during Christmas by donating toys and gifts to children from selected homes.

Sustaining Local Communities

Throughout all of the Group's internationally-renowned, award-winning hotels and resorts, sustainable practices are greatly encouraged. These practices include supporting the local community by using locally-grown produce and employing local staff.

- At Spa Village Resort Tembok, Bali, local sustainable resources such local ingredients and seasonal produce are used in the resort's cuisine, while indigenous herbs are used in its spa treatments. Local staff from the neighbouring villages is also employed for their skill and knowledge in traditional spa techniques. These efforts help in sustaining local communities, while minimising imports and shipping.
- At the Spa Village Pangkor Laut Resort, local fruits are sourced, while ingredients such as lemongrass and cinnamon – used in the various spa treatments provided – are grown in the resort's own herb garden.

Supporting Education & Community Development

- At The Majestic Malacca, local producers supply the hotel's handmade Nyonya 'kuih'. The hotel also holds a cooking class to sustain the uniqueness of the Nyonya cuisine.
- At both Pangkor Laut Resort and Tanjung Jara Resort, guests are taken on cultural tours of the local community, introducing them to the locals' way of life while inviting them to support local traders.
- Cameron Highlands Resort has begun producing an organic compost to use as fertilizer.

Community Development Programmes in Indonesia

A community development program is actively being carried out by Jawa Timur and Jawa Power for local communities in East Java, Indonesia, with a strong focus on education improvement, income generation, health and environmental improvement. The Group believes that it is necessary to equip the community with knowledge through education, as well as the right skills and tools, in order to have a truly lasting impact in building the human capacity necessary to sustain long-term social and economic development in the nation of Indonesia.

Income generation

The programme focuses on assisting local cooperatives in developing small businesses, providing vocational skills training for the local community, and providing assistance and guidance to small/micro businesses in licensing and banking matters. The cooperatives have become a successful model for community participation in a self-help scheme to improve welfare. Among the activities carried out this year was a workshop on fish farming, which attracted much local community interest and has led to several families currently running their own cat fish farms.

Health and environment improvement

Health and environment improvement activities are focused on intensifying the role of the Integrated Waste Management unit in Bhinor village, developing a mini biogas unit, beach reforestation, and participating in the improvement of community health facilities. Under guidance by Jawa Power and Jawa Timur, Bhinor's Integrated Waste Management unit has commenced its commercial phase, and has been regularly producing compost, which is sold to consumers, used in nurseries, and used for planting organic rice. Jawa Power also contributes to raising environmental awareness among the younger generation through the 'Adiwiyata' program in SMP Bhakti Pertiwi.

Community care

Early this year, a flood hit the villages of Banyuanget and Lubawang, causing great property loss and damage to over 800 houses and a number of public buildings. Jawa Power stepped in to deliver humanity assistance for victims of the flood and help them rebuild their lives.

Community Development Programmes in Singapore

Contributions to UPAGE Endowment Fund / Bursary Awards and NTUC U Care Fund

Over the past three years, PowerSeraya donated a combined sum of S\$77,000 to the UPAGE (Union of Power and Gas Employees) Endowment Fund and the UPAGE Bursary Awards. The Bursary Awards are awarded to the children of UPAGE members, based on their academic performance and the financial needs of the family. The Endowment Fund was set up with the support of unionised companies under its care (including PowerSeraya) to provide an additional source of funds that will help union members in the form of subsidies and benefits, such as welfare grants and training and development courses.

In early 2009, PowerSeraya also donated S\$7,000 to the NTUC (National Trades Union Congress) U Care Fund to help lower-income workers and their families who were impacted by the recession caused by the global financial crisis. The Labour Movement also put aside a portion of the funds for retrenched workers affected by the recession.

Social outreach

In 2009, as part of the company's efforts to reach out to the socially disadvantaged, PowerSeraya invited the Metta Welfare Association to be part of its bi-annual Family Day celebrations. PowerSeraya employees volunteered to host the members from Metta Activity Centre and their families at the event held in Gardenasia. The Metta Welfare Association is a Singaporean organisation working for welfare of the poor, the elderly, the disabled and the terminally ill. Its Metta Activity Centre runs programmes for intellectually-disabled people to help them develop daily living skills.

PowerSeraya also subscribes to the SHARE (Social Help and Assistance Raised by Employees) programme where employees donate to the Community Chest on a monthly basis through a deduction from their salary. The Community Chest is a fund-raising arm of

the National Council of Social Service, and was designed with the purpose of ensuring that every person within the society has the opportunity to live a life of dignity to his or her fullest potential. In 2009, PowerSeraya was awarded the Silver SHARE award in recognition of its support for the SHARE programme.

Humanitarian aid

Last year, PowerSeraya organised a donation drive in response to the double catastrophes that hit Southeast Asia in late September 2009. The company raised close to S\$10,000 for victims of Typhoon Ketsana, which struck a swathe of countries from the Philippines to Japan, and victims of the Padang Earthquake in Indonesia. The amount collected was channelled to disaster relief efforts through Red Cross Society.

Employee Welfare

As a Group, YTL understands the immense contribution of our people towards our growth and success, and we organise workshops, gatherings, and teambuilding events to enhance and foster unity within our people. We also aim to inspire employee and leadership skills through our YTL Leadership Conferences, an annual 2-day forum for discussion on leadership issues. Leaders are invited to present progress of their management and share key wisdoms on leadership strategies, according to their responsibilities and the theme of the conference, which varies every year it is held. Our Chairman, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, and our Managing Director, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, together with members of the Board of Directors, normally chair and moderate these sessions, contributing to the dialogue on leadership. The conferences create a forum for the exchange of ideas, inspiration, interaction, collaboration, and communication.

Providing a healthy and safe working environment is of utmost importance at our organisation. We have a Group Hospitalisation and Insurance Plan which ensures the health and safety of our workforce. We also provide our employees with a 13-month wage supplement to supplement higher costs of living and Employees' Share Options Schemes.

Cultivating an Occupational Safety & Health (OSH) Culture

The nature of operations at the Group's power stations, cement plants and other operations poses various safety and health risks to persons working within the compounds. YTL Power Services Sdn Bhd (YTLPS), a wholly-owned subsidiary of the Group and the operation and maintenance company for the Malaysian power stations, is just one example of this practice in action. YTLPS has been committed towards OSH since its inception in 1993, drawing up an OSH policy and incorporating OSH practices in all operational procedures from the start. These measures were taken even before the OSH Act (OSHA) was gazetted in Malaysia in 1994.

Over the years, management has continually and regularly reviewed OSH practices and procedures for continuous improvement. OSH-related inductions and trainings are organised for employees at all functional levels, and third parties such as contractors and visitors are kept informed and supervised, if necessary.

This year, all employees attended a mandatory OHSAS 18001:2007 training that covered important issues and misconceptions associated with OSHA compliance. Besides training, internal audits were organised to prepare the staff for the first stage audit which was conducted in July 2010 by Moody International.

Achieving a strong OSH culture calls for a concerted effort in the roadmap towards obtaining certification of the OHSAS 18001:2007, which YTLPS is currently working to obtain.

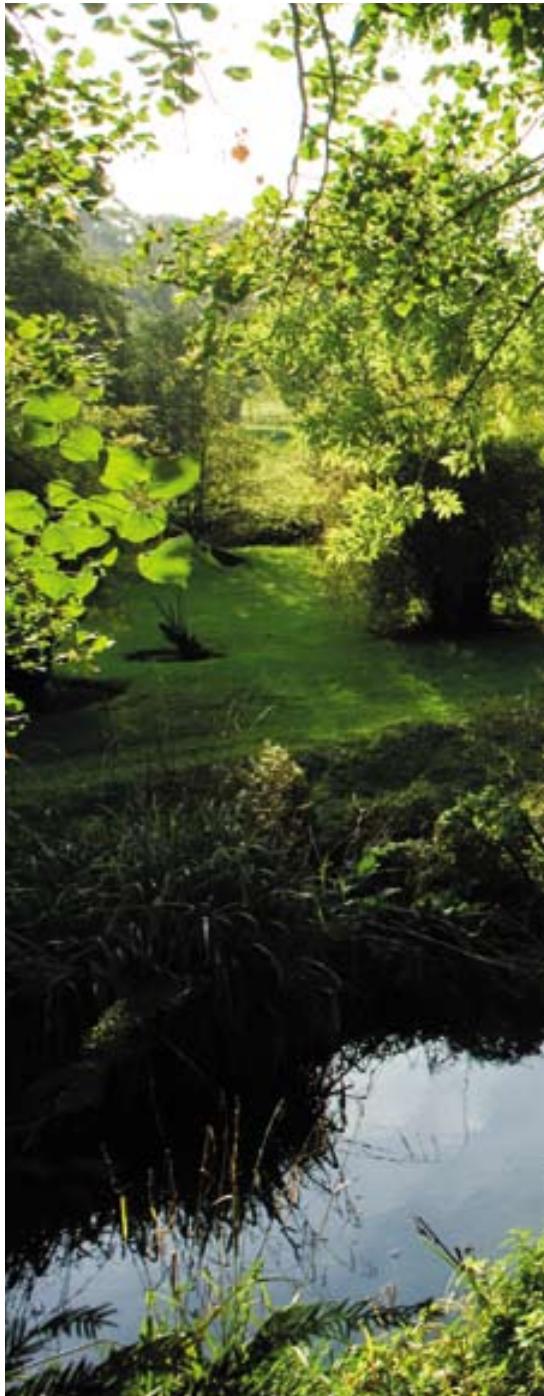


Protection of the Environment

"Environmental problems and issues are far-reaching and wide, and it is a societal as well as a business concern. Malaysia is a fascinating holiday destination, blessed with an abundance of amazing natural wonders like our jewelled islands and lush million-year old rainforest, which draw millions of visitors to our shores every year. Yet with all the environmental problems we are currently facing, we might very well lose these natural treasures faster than anticipated, and this underscores the importance of taking every opportunity to pay homage to nature by creating more awareness on environmental problems facing the world today."

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

Managing Director of YTL Corporation Berhad, at the launch of A Journey Through Time III, themed "Time & the Environment", in October 2009





Protection of the Environment



Walking trails at Niseko Village, the Group's recent acquisition in Japan (top); YTL Comms' network operations centre in Sentul Park (left); and Pangkor Laut Resort (bottom left)

THE YTL GROUP'S ENVIRONMENTAL VISION

We are fully committed to being a responsible corporate citizen. Energy plays an essential role in ensuring a high quality of life for people everywhere, for us and for future generations. Supplying energy efficiently is critical to helping people maintain and improve their standard of living. However, this brings with it significant challenges – for example, the very real threat of climate change means that we need to continue to provide and deliver energy in a way that minimises the impact our emissions have on the environment. We recognise the importance of sustainable development, setting targets to reduce the carbon footprint of our operations on society, and understanding the dire consequences of global warming.

The Group's key investment activities include:

- Researching and investing in the YTL Group's companies and projects to improve energy efficiency, environmental responsibility and overall sustainability;
- Developing our carbon credit consultancy business, YTL-SVC, and advising on CDM and CER projects both internally and externally;
- Encouraging the public and youth to learn more about global warming and climate change through organising YTL's flagship Climate Change Week educational campaign yearly;
- Supporting non-governmental organisations (NGOs), non-profit organisations, and privately funded organisations for environmental advocacy, awareness, and mitigation and preventative activities; and
- Investing at venture capital or mezzanine level in environmentally-themed companies, projects, and product development companies, including water treatment and supply, alternative and renewable energy, municipal solid waste to energy, agricultural waste, biomass energy, and other clean energy technologies.

Over time, business success will depend on how we use and invest in environmental, social, and manufactured resources. At YTL, we have set goals to reduce the impact of our utilities on our environment, through innovative methods such as energy saving schemes and sustainable planning measures.

UTILITIES

The Group's utilities encompass power generation, transmission and multi-utility services in Malaysia, Singapore and Australia, and the provision of water and sewerage services in the UK.

Power Generation, Transmission & Multi-Utility Services

Paka and Pasir Gudang Power Stations, Malaysia

The Group owns and operates two gas fired combined cycle power plants with a combined capacity of 1,212 megawatts (MW) located in Paka, Terengganu, and Pasir Gudang, Johor. Our power stations are designed to comply with Malaysian environmental quality regulations with regard to emissions.

These plants incorporate a range of measures to eliminate or reduce operational releases, including oil interceptors fitted to the site drainage systems and effluent treatment facilities to treat waste water prior to discharge. Another specific design feature is the

burners of the gas turbines. Modifications made to two of the Paka Power Station's gas turbines (Paka GT11 and GT12) have reduced the amount of NOx in the gas turbines' exhaust gases by around 50%. The same modifications are also planned for the stations' other gas turbines.

The Paka and Pasir Gudang stations' efforts in reducing water consumption in both power plants have also shown excellent results. The biggest savings came through stopping the continuous blow-down on the heat-recovery boilers, except when necessary. Secondly, there was a concentrated effort to decrease or eliminate the number of valves on the water-steam systems to reduce water wastage. Between 2000 and 2003, demineralised water consumption was halved in both Paka and Pasir Gudang. Since then, the annual consumption has remained relatively stable.

ISO 14001 Environmental Management Systems (EMS) certification has been obtained for both power stations and mechanisms are also being implemented for the management of power plant gaseous emissions, waste effluent, discharge cooling water, and industrial scheduled waste. Natural gas is the only fuel used in the power plants. This is the most environmentally-friendly fuel compared to other fossil fuels. Plant emissions of greenhouse gases are minimal and much lower than local and international standards.

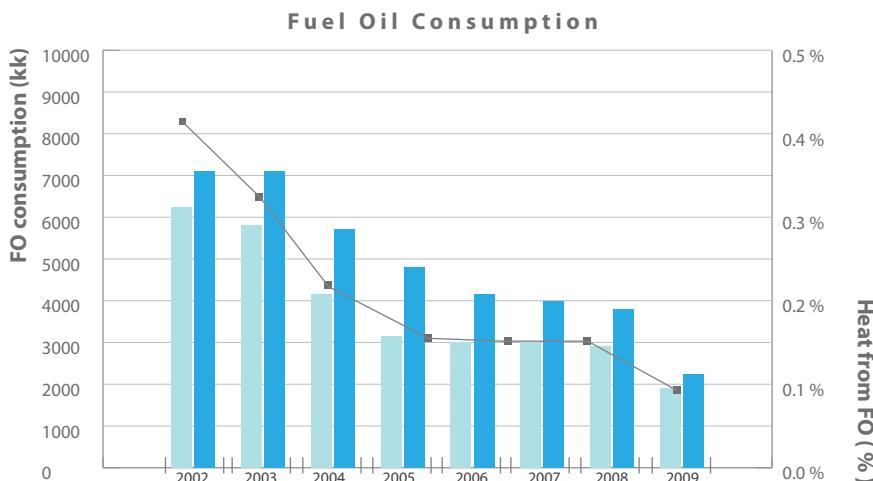
In addition, all four Paka gas turbines have undergone the removal of the secondary air flap, further reducing substantial NOx emissions. Pasir Gudang's secondary air flap was removed in July 2009 during Pasir Gudang's first major turbine overhaul after 15 years of baseload operation, leading to a 40% reduction of NOx emissions.

Jawa Power and Jawa Timur, Indonesia

Jawa Power owns a 1,220MW coal-fired power plant located at the Paiton Power Generation Complex in East Java, Indonesia. The plant is operated by Jawa Timur, a wholly-owned subsidiary of the Group. Jawa Power and Jawa Timur recognise the impact their activities may have on the environment and continue to remain committed to continually reducing the plant's carbon footprint.

Reflecting this commitment, the Jawa Power station has been certified to the ISO 14001:2004 EMS standard, and has maintained a *Green Rating* under the Indonesian Ministry of Environment's *Environmental Rating Programme* for the fourth consecutive year. The *Green Rating* indicates that the company has implemented effective pollution control programs, has successfully exceeded the requirements of environmental laws and regulations, and is only one

Protection of the Environment



- * Flue Gas Desulphurisation (FGD) – a technology used to remove sulphur dioxide (SO₂), a gas which causes acid rain and the emission of which is stringently regulated, from the exhaust flue gases of fossil fuel power plants

step below the highest rating, the *Gold Rating*, which Jawa Power is aiming to achieve next year. The award also reflects, in addition to 100% compliance with the laws and legislations, good efforts in community development or Corporate Social Responsibility (CSR), all of which are in line with Jawa Power's Environmental Policy Statement "to develop and maintain a high standard of environmental care, to prevent pollution and to improve continually its environmental performance." The site also remains the only coal-fired power station thus far to have received the *Green Rating*.

- Water and energy conservation***

Keeping with corporate aims to uphold environmental preservation, Jawa Power has implemented several programs in its operations to increase efficiency and reduce its overall carbon footprint, using the 'reduce, reuse, and recycle' approach. The station has developed an implementation plan following a brainstorming exercise for recycling all used plant water, which could reduce up to 1,050 cubic metres per day (equivalent to a 40% reduction) of plant water usage, and decrease waste water discharge from 730 to 450 cubic metres per day. Service water is vastly used in the plant for coal dust suppression system, plant cleaning, ash lagoon maintenance, and equipment cooling systems, among others.

The reductions of water usage will result in chemical and electrical power savings equivalent to around US\$75,000 per year, reducing the plant's overall impact on the environment.

Beside the service water, the plant has already optimised its demin water consumption by close monitoring of losses, optimisation of de-aerator vent opening, and continuous blow-down operations. The team continues to identify, evaluate, and possibly further improve on opportunities for plant water conservation, and therefore it is expected in the future that the water consumption figure will decrease further.

The site has also consistently minimised the consumption of fuel oil (used during start up/shut down of the plant and for back-up firing in the event of coal supply disturbance to the boiler) through lowering fuel oil consumption during start up and shut down, and maintaining less boiler firing support.

Power consumption of the Flue Gas Desulphurisation (FGD*) plant has also been reduced while maintaining SO₂ emissions well below the regulated limit. After implementation of the reduction, the total power consumption for the FGD plant decreased approximately 800 to 1,000 megawatt-hours (MWh) per month.

- Monitoring atmospheric emissions**

Atmospheric emissions from Jawa Power's plant come from two 220-metre chimneys, and comprise mainly of carbon dioxide (CO₂), sulphur dioxide (SO₂), nitrogen oxide (NO_x), and fine particles. The plant has consistently maintained high figures of Generation Efficiency which equal less carbon emissions per MWh of electricity generated.

Efficiency figures are improving even though the power station is aging. The plant's high efficiency figures are maintained by implementing good operation and maintenance practices, periodic performance tests, efficiency monitoring, and thorough work improvement teams to explore any initiative for efficiency improvement. All emission parameters are well-managed, and well below the stipulated government regulation limits for emissions.

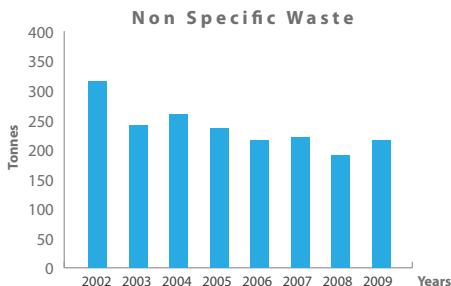
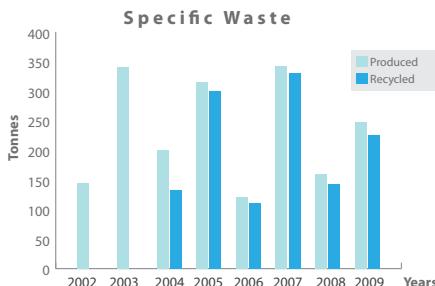
- Waste management**

Jawa Power and Jawa Timur remain committed to conserving the environment through responsible waste management, in keeping with the 'reduce, reuse, and recycle' approach. The station has a daily fuel consumption of approximately 12,000 tonnes of coal, which in turn generates about 400 tonnes of ash per day, the bulk of which is fly ash – smaller, lighter particles of ash that are separated from boiler exhaust gases in the electrostatic precipitators. With the consistency of very fine powder, fly ash has the potential to pollute the air and groundwater as it contains traces of salts and metals, and the conventional method used to dispose of fly ash is to convert it into slurry and pump it into specially-built ash lagoons.

In 2002, Jawa Power embarked on efforts to find a more environmentally-friendly use for its fly ash. After running several tests, it found that fly ash reduces the cost of manufacturing concrete as it is only mixed with the cement in the final stages of production, making it an inexpensive replacement for cement used in concrete. Additionally, the fly ash actually improves the strength of the final product. In 2003, the company began sending its fly ash to be re-used by cement plants, and the utilisation rate grew from only 26% in 2003 to more than 98% in 2008.

More than 98.5% of Jawa Power's fly ash is now transported to cement, ready-mix, or construction companies, leaving the ash lagoon area idle. After stabilisation works at its Lagoon 1 finished, the company decided to 'green' the previous waste disposal area. Layers of top soil were placed to 'condition' the area, and grass was subsequently grown on top of this. Plans have already been discussed for the usage of wastewater effluent in watering the grass on the topsoil.

Efforts have also been made to recycle other hazardous waste (called 'specific waste'), such as wastewater treatment plant sludge, used oil, and used batteries, resulting in 89% of specific waste being recycled in 2009. Other specific waste that cannot be recycled, such as chemical laboratory waste, contaminated waste, fluorescent lighting and machine-made mineral fibres (MMMF), are disposed to an approved government disposal company.



Specific waste is recycled while non-specific waste is managed as part of the waste management program

Protection of the Environment

ElectraNet Transmission Services Pty Ltd, Australia

ElectraNet Transmission Services Pty Ltd is the transmission company for ElectraNet Pty Ltd (ElectraNet), the Group's 33.5% indirect investment in Australia. The company operates in line with a Code of Sustainable Practice and its environmental policy provides a framework to ensure that environmental considerations are included in the planning, design, construction, and operational phases of all business activities. The business is also proactive in its general environmental responsibilities and conducts environmental audits on its substations and equipment on a regular basis. ElectraNet's environmental initiatives include:

- The Australian Government's Greenhouse Challenge Plus – a range of activities which raise awareness of its efforts to minimise climate change impacts;
- Trees for Life – an organisation which supplies up to two million local native plant seedlings per year for regenerating farmlands and parks throughout South Australia;
- Barossa Blue Gum Woodlands Reforestation Project – a project funded by ElectraNet as part of its efforts to involve and provide community benefits to locally affected communities; and
- Aboriginal Heritage issues – these are key considerations in ElectraNet's drive to maintain sound management practices and procedures.

ElectraNet's procedures and systems for the management of potential environmental impacts are incorporated in the company's guide, accessible on their website at www.electranet.com.au.

PowerSeraya, Singapore

PowerSeraya is one of the largest power generation companies in Singapore, with a total licensed capacity of 3,100 MW, and a market share of about 25% of Singapore's electricity market. Centred on generation and retailing of electricity, PowerSeraya's core business is situated on Jurong Island, Singapore's oil, gas and petrochemicals hub. The company is also fast becoming a diversified energy company, supplying utility services such as electricity, steam, and cooling water, engaging in oil trading, and producing water through reverse osmosis desalination for internal use and sale to a large industrial and commercial customer base. Following its recent accolades for its CSR efforts, PowerSeraya continues to strive for enhanced sustainability within the company as well as the community.

On 6 April 2010, PowerSeraya was awarded the '*Most Socially Responsible Company of the Year*' at the Asia Power and Electricity Awards 2010 held at Suntec City Singapore. In 2009, PowerSeraya was recognised for its sustainability efforts through double wins at the ACCA Singapore Sustainability Report Awards 2009 for '*Best Sustainability Report*' and '*Best First-Time Report*'. In the first year of developing its Sustainability Report, PowerSeraya also became the first local company in Singapore to achieve the highest standard in sustainability reporting with a B+ rating from Global Reporting Initiative (GRI). The company was also among 10 companies to be featured in the inaugural corporate social responsibility (CSR) publication by Singapore Compact, Singapore's national society that champions CSR efforts in the country.

• *Energy conservation*

Improving energy efficiency and reducing its carbon footprint is not new to PowerSeraya. Over the past decade, the organisation has managed to reduce its carbon emissions by 30%.

In 2005, PowerSeraya forecast growth in server numbers from 15 to in excess of 70 by 2007. The organisation's IT infrastructure team immediately focused on identifying and evaluating effective physical server consolidation strategies. Facing increasing demand for server resources and wanting to reduce its environmental footprint, PowerSeraya needed a cost-effective infrastructure that could support green programs, contain server sprawl, increase IT resource utilisation and help allocate computing resources quickly.

After conducting initial research and proof of concept work, PowerSeraya decided to use VMware as its platform to implement server virtualisation. As a result of virtualisation, the business has been able to dramatically reduce wasted server hardware central processing unit cycles and memory, thus greening its IT operations. By running 70 virtual servers on four physical hosts rather than the equivalent physical infrastructure, PowerSeraya has saved energy consumption and carbon emissions by an estimated 70. This translates to savings of about 26,000 kilowatt-hours (kWh) and 12.5 tonnes of carbon dioxide per year.

Other important achievements include:

- Achievements of an equivalent server consolidation ratio of greater than 10 to 1;
- Increased CPU utilisation from 3% on average to 20% to 50% over a period of 24 hour day per week period;
- Cut server deployment lead time from about four weeks to four hours, including antivirus and backup tasks;
- Increased the productivity of the information technology team due to easier management of the PowerSeraya server infrastructure;
- Enabled deployment of a dynamic infrastructure for less than half the capital required to deploy a physical infrastructure; and
- Reduced data centre floor space and cooling requirements as fewer physical servers are required to operate the PowerSeraya environment.

In addition to greening its infrastructure, PowerSeraya has also managed to inculcate sustainable office resource practices among its corporate office staff. Besides achieving an estimated savings of S\$14,970 over the last two years, these measures have also helped to reduce more than 33,000 kilograms of CO₂ emissions. In 2009 alone, paper conservation measures have saved 275,000 sheets of A4-sized paper – which translates to 24 trees being saved. PowerSeraya believes that small steps taken can certainly create an impact, and this belief is reflected in the substantial savings and CO₂ emission reductions it has successfully achieved through simple practices to keep resource consumption in check.



Water & Sewerage Services

The Group owns a 100% stake in Wessex Water, one of the most efficient water and sewerage operators in the UK. In 1996, Wessex Water committed itself to becoming a sustainable water company and since then, it has experienced first-hand some of the business reasons for putting sustainability principles into practice. These include the services to society and the environment that make up its operating license, the growth of environmental taxation, the interest that employees have in being part of a business that takes sustainability issues seriously, the accountability demanded by all its stakeholders, and the priorities of ethical investors when the company was listed. Wessex Water considers sustainable development to be a set of activities that help society move towards sustainability.

In 2008, Wessex Water became the first water company to receive the *Queen's Award for Enterprise* in the '*Sustainable Development*' category. This was in recognition of their approach to working in ways that were environmentally, socially, and economically responsible as well as their partnership work with stakeholders.

Wessex Water is recognised by its industry regulator, the Water Services Regulation Authority (known as Ofwat), as the best performing water and sewerage company in England and Wales, receiving the highest ever Overall Performance Assessment (OPA) score in the industry since the measure was introduced. The company also maintains some of the highest standards of customer service, remaining at the top of Ofwat's independent survey of customer satisfaction with telephone service. As the result of its work in maintaining and continually improving on an excellent standard of customer service, Wessex Water received the '**Best Customer Service**' and '**Best Creditor**' awards from the Citizens Advice Bureau in 2009-10.



Protection of the Environment

Wessex Water made history in 2009-10 as the first water and sewerage company to go two consecutive years without a single category 1 or 2 pollution incident, which are defined as events having a persistent, extensive, major impact on the environment (category 1) or causing significant damage to the aquatic ecosystem (category 2). Other environmental achievements for Wessex Water this year include increasing its renewable energy production to 15% of total demand, being conferred the *Green Apple Environment Award* for the its *Biodiversity Partners Programme* covering the last four years, and achieving ISO 14001 accreditation for environmental management within its Wessex Engineering and Construction Services division.

Wessex Water continues to be a signatory of the UN Global Compact, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary agent driving globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. The Global Compact is a voluntary initiative relying on accountability and transparency.

Carbon management

With the advancement of technology and the development of reliable processes, great improvements have been made in the water quality of coastal and inland waters, as well as drinking water standards. However, these processes are often energy and chemical intensive. Wessex Water has long recognised that significantly reducing its carbon footprint is essential, and has set itself the ambitious long-term goal of becoming carbon neutral and keeping its emissions on track with the UK Climate Change Act's required emissions cut of 80% by 2050. To achieve this, an ongoing carbon management strategy has been implemented, based on the hierarchy of emissions avoidance, energy efficiency, and renewables. This combines specific carbon-cutting initiatives with a number of management measures to ensure carbon management is built into decision-making and operational activity.

Energy efficiency and renewable energy

In 2009-10, the company continued to reduce its emissions through a number of energy efficiency projects and increased focus on optimising its renewable energy production. An energy efficiency database containing around 200 live projects was set up, with the majority of projects focused on sewage treatment, the biggest consumer of energy. Measures implemented include:

- Extending ammonia control to 10 sites;
- Implementing a thorough review of the operation of biological aerated filter plants; and
- Conducting an advanced process control project at Holdenwurst sewage treatment works (STW), the company's second largest STW.

Reviewing the efficiency of an entire treatment works' process train has produced positive results thus far. For example, recent work on pumping and secondary and tertiary treatment at the Kingston Seymour site has reduced power consumption to 2004 levels.

Over the last year, Wessex Water's investment in advanced digestion and its increased focus on the optimisation of digesters and biogas production has had great benefits for its renewable energy production. This was helped in part by the company's creation of GENeco, a distinct entity to operate its Bristol STW and Berry Hill sludge treatment centre. Bristol STW has gone beyond being self-sufficient for electricity to being a net exporter to the national grid.

Outside the regulated business, Wessex Water has continued its work on:

- Possible investments in food waste digestion in Bristol;
- Planned wind turbine installation at Bristol STW, which could generate an estimated total of 20 gigawatt hours (GWh) each year from four proposed turbines; and
- Investigating other smaller projects (eg. hydro and other sites suitable for medium or large wind energy generation).

Further details and information are available at www.wessexwater.co.uk/sustainability.

Communications

YTL Comms is the newest addition to our Utilities division. YTL Comms has approval from the Malaysian Communications and Multimedia Commission (MCMC) to operate a 2.3 gigahertz (GHz) wireless broadband spectrum and will carry out the rollout of the Group's nationwide WiMAX platform.

Networks Operation Centre (NOC) at Sentul Park

For most developers in Kuala Lumpur, the arduous but more environmentally-friendly task of building restoration and adaptive reuse is avoided in favour of demolition and reconstruction to satiate appetites for the gleaming and new, unless coerced otherwise by local guidelines and regulations. YTL Comms departed from this conventional mode of thinking by housing its new NOC in a railway workshop, formerly known as Sentul Works, that dates back to 1906.

The colonial brickwork structure and the entire external facade was retained with no adulteration. The steel structure was fireproofed, whilst the existing brickwork was repaired and cleaned. The excellent quality of the original brickwork and workmanship meant that no artificial coatings were required. With the exception of the roof, which needed to be replaced and insulated, the form of the building was retained in totality, including all the existing purlins and steel trusses. In addition, a 3-metre wide pipe culvert was utilised to form the entrance porch and covered drop-off area.



In its prime, Sentul Works served as a state-of-the-art workshop for the Federal Malay States Railway (FMSR) system and was one of Malaya's finest integrated engineering workshops. As dependence on the railway as a major transportation system began to decline during the late 1960s, various parts of Sentul Works became redundant and succumbed to disrepair. One of these workshops was creatively restored to house YTL Comms' nerve centre for WiMAX in Malaysia, comprised of a data centre, laboratories, and support offices for YTL's 4G services. At this new facility, it is a case of history repeating itself – the very latest in cutting-edge telecommunications technology being housed in the same building constructed to house what was, at the time, cutting-edge locomotive technology.

CEMENT MANUFACTURING

The Group's cement manufacturing division is one of the largest, most efficient, and most profitable manufacturers of cement and ready-mixed concrete products in Malaysia. The Group owns over 70 batching plants and a fleet of 700 cement trucks operating throughout Malaysia, Singapore and China.

Industrial waste from the cement manufacturing process is comprised largely of kiln dust, lubricants, kiln bricks, concrete wash water, and airborne particulates. YTL's cement plants are designed to return kiln dust or air borne particulates generated by the cement-making process (collected with fabric filters or electrostatic precipitators) to the system. All waste materials are sent for recycling where possible and the Group's integrated plants in Pahang and Perak are ISO 14001 compliant.

Our Pahang cement plant has obtained ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), OHSAS 18001 (Occupational Safety and Health Management System) and ISO/IEC 17025 (Laboratory Accreditation and Management System) certifications and is rated '4 Stars' by the Independent Cement Producers Association (ICPA) in London based on the plant's comparative performance in safety and manpower productivity, energy efficiency, and environmental performance. The EMS programme is designed to fulfil a number of objectives, including carrying out the Group's responsibilities as a good corporate citizen by taking a proactive role in adopting environmentally-friendly practices and improving employees' health and safety through the provision of a cleaner working environment.

In April 2010, the Group received product certification from the Singapore Environment Council (SEC) under

Protection of the Environment

the Singapore Green Labelling Scheme (SGLS). The products that were certified included ground granulated blastfurnace slag, blastfurnace cement CEM III/A, blastfurnace cement CEM III/B, and Portland composite cement CEM II/B-M, ground granulated blastfurnace slag and blastfurnace cement CEM III/A. The certification indicates that these products are eco-friendly building materials which make an important contribution to environmental sustainability and the reduction of carbon emissions.

A number of operations improvement projects geared towards increasing production, improving product quality, and reducing costs have been underway for the past three years at our plants. All of these projects, including recycling and reuse, have also improved the energy efficiency of the plant and reduced carbon dioxide (CO₂) emissions. The modernisation and improvement projects include:

- Optimisation of raw material sources and quality which improved the stability of kiln operation and increased annual clinker production;
- Installation of modern high efficiency separators on the raw and coal mills, resulting in increased production, improved burnability, and reduced electrical power consumption;
- Installation of static inlet grate on the PL2 clinker cooler which improved the clinker quality and significantly reduced the fuel consumption of the kiln; and
- Installation of the clinker cooler and replacement of its ancillary equipment at PL1 line with a modern, efficient and low-maintenance design, resulting in reduced fuel consumption of the kiln, optimised clinker quality, reduced maintenance costs, and an increased run factor resulting in higher annual clinker production.

Usage of alternative raw materials and fuels

In 2009, the division commenced trials for fuel-switching from coal to waste products and materials such as empty fruit bunches and palm kernel shells from the palm oil industry, shredded and used defective rubber tyres, scheduled waste liquids such as solvents, and industrial sludge pellets. The utilisation of the new system reduces the use of coal and its subsequent carbon emissions, replacing the fossil fuel with carbon-neutral palm oil plantation and mill waste and less carbon-intensive feedstock such as rubber tyres and solvents. Industrial gypsum is also being used to partially substitute natural gypsum.

The substitution of raw materials with alternative sources at both plants have had the twofold effect of reducing the carbon impact on the environment, while achieving substantial cost savings and increased efficiency at the same time.

Monitoring dust emissions

The stack emissions from all cement plants are continuously monitored in line with Department of Environment (DOE) regulations, and all dust emission levels have complied with the current DOE requirements to date.

Waste management

YTL's cement division has an environmental policy outlining proper waste management procedures and inventories on how much industrial waste is generated and reused. There is typically no waste generated through cement production as by-products. However, there is some industrial waste due to maintenance work such as used or spent refractories, lubricants, and burst paper bags, most of which are recycled. Waste refractories, burst bags, and spent oil are almost 100% recycled, while used refractories are crushed and reused as part placement for the raw materials used in the cement manufacturing. Used oil is reused as chain open lubrication at coal and remix reclaimers, and is also sold to recyclers. Used grease and contaminated gloves go back into the firing stream to become partial replacement of fuel, while burst paper bags go as fuel into the firing process.

In striving to continually reduce costs and improve quality while ensuring protection of the environment, the division has several projects lined up for 2010 and beyond, including:

- A new coal mill which will reduce specific heat consumption and coal usage while increasing clinker production;
- Partial substitution of coal with Blended Fuel Oil (BFO); and
- The instalment of new equipment that will reduce and improve maintenance activity, resulting in greater efficiency and power consumption savings.



Minister of Energy, Green Technology & Water, YB Datuk Peter Chin Fah Kui launches KLIA Ekspres's Green Campaign

EXPRESS RAIL LINK

YTL Corp is a major shareholder of Express Rail Link Sdn Bhd (ERLSB), a railway development company which was awarded the concession to finance, design, construct, operate and maintain the KLIA Ekspres, KLIA Transit, and other ancillary activities related to railway services.

The system is a modern electrical rail system, operating between Kuala Lumpur Sentral Station and Kuala Lumpur International Airport. The trains' operation and maintenance is efficiently managed by ERLSB's wholly owned subsidiary, ERL Maintenance Support Sdn Bhd (E-MAS). E-MAS recognises the need to be as environmentally-friendly as possible and is looking into a number of initiatives to improve the environmental impact of their business activities. E-MAS is entrusted with the responsibility to provide environment-friendly high speed rail services on a day-to-day basis to and from the airport and city, besides ensuring that these services are safe, reliable, and economical.

KLIA Ekspres also launched a 'GO LO-CO2' Campaign last year to encourage the public to take the trains (as opposed to other forms of transport) to the airport, thereby saving carbon emissions. Rail transport is currently considered one of the most energy efficient modes of transport and greenhouse gas emissions per passenger kilometre for rail transport is up to five times less than that of car transport.

Visit www.kliaekspres.com/erlsb for more information and details on their latest environmental campaign.

PROPERTY DEVELOPMENT & INVESTMENT

As part of its ongoing efforts to inform and engage its stakeholders, the Group organises events at many of its residential property developments, including Lake Edge in Puchong and Lake Fields in Sungai Besi, as well as Pantai Hillpark and Sentul in Kuala Lumpur. Residents of these developments have proven genuinely enthusiastic about attending these events to learn more about recycling initiatives and share ideas with other community members. Residents of Lake Edge, which is a gated community in Puchong, and Sentul East & West in Kuala Lumpur which is being developed around a 35-acre gated park, have been particularly dedicated to improving the recycling culture and cultivating sustainable ideas and habits within their communities.

Protection of the Environment



Recycling bins provided at the Group's residential development, Lake Edge (left) and The Maple at Sentul West (top), to cultivate a recycling habit amongst residents



Events during the year under review included Recycling Day, organised in collaboration with Alam Flora Sdn Bhd to assist residents in recycling paper, aluminium cans, plastic, metal containers and glass bottles. 'Clean Out Your Clutter' day, an initiative where collection services are provided to assist residents who wish to donate unwanted furniture, was also organised in collaboration with Persatuan Kristian Shuang Fu, a non-profit organisation which trains the disabled and underprivileged by giving them vocational training. Meanwhile, '3R Robot' workshops were also held to encourage children to reuse existing materials to construct new toy robots out of broken toys, disposable cutlery, plastic cups, cartons, plastic bottles and stationery.

The Group's commercial properties have also been actively involved in making a difference on a more retail-oriented scale, with properties such as Starhill Gallery and Lot 10 in Kuala Lumpur and Wisma Atria in Singapore participating in global events such as *Earth Hour 2010*, as well as the Group's own initiatives such as *Climate Change Week*. Further details of these events can be found in the section entitled 'Programmes and Collaborations' in this report.

HOTELS & RESORTS

Green Meetings

At our Pangkor Laut Resort and both our Ritz-Carlton Hotel and Ritz-Carlton Residences in Kuala Lumpur, 'Green Meetings' are held frequently with senior managers to exchange ideas on 'green operations' which are in line with YTL's serious efforts in creating sustainable environments.

The Ritz-Carlton Green Meeting's vision is to develop a brand-wide 'Green Meetings' initiative that is adoptable regardless of hotel age, layout, architecture or location. The objectives of these meetings are to:

- Minimise the environmental footprint of each hotel's group and catered event activity;
- Reduce event resource consumption by hotel and group clients;
- Adjust hotel procurement Local Services Ordering and Provisioning Committees (LSOPs) to include sustainability criteria;
- Conserve water and energy while still protecting the group luxury experience;



*Muse, Hôtel De Luxe (far left) and
Rooftop of the Swatch Art Peace
Hotel (left)*

- Reduce pollution and water generated by group and catering events; and
- Utilise meeting by-products to broaden local Community Footprints outreach.

At the Pangkor Laut Resort, an Environment Committee has been set up. The Committee holds Green Meetings quarterly, in which current sustainable practices and future improvement are discussed and achievable environmental goals are set.

Energy-Saving and Sustainable Practices

At our hotels and resorts, a wide range of energy-saving practices have been employed and are currently being employed to reduce the Group's overall carbon footprint.

- Electrical appliances (eg. lights, air-conditioning) are switched off whenever possible. This is practiced by all staff at all times;
- Water outlets are not left running, leakages are always monitored, and plumbing issues are repaired where needed to reduce wastage. Leakage detectors have been installed to help identify underground water pipe leaks;
- Equipment has been upgraded to reduce carbon emissions. For example, Pangkor Laut Resort upgraded their marine equipment from 2-stroke outboard motors to 4-stroke, which produces less carbon emissions;
- Rainwater harvesting practices are employed at all hotels and resorts;
- All hotels have been retrofitted to improve energy efficiency and sustainability (eg. motions sensors have been installed in public spaces so that lights are on only when needed); and
- Bulbs with a lower wattage have replaced ones previously used.

In keeping with the Group's sustainability practices throughout its other divisions, a 'reuse, reduce, and recycle' policy has also been adopted for all its hotels and resorts. This involves educating all hotel staff on

the importance of conservation, using environmentally-friendly products, and employing sustainable practices in hotel operations.

- Plastic bags and laundry bags are re-used where possible, waste material and rubbish is managed properly, and all maintenance and building material is recycled and/or donated for other use (For example, waste wood and building material is not burned but instead reused, donated, or resold where possible to locals or recycling facilities);
- Guests are given the option to reduce water wastage and detergent release by having their towels and bed linens replaced every other day instead of every day;
- Shower gels from guest rooms are recycled for staff use at the canteen for washing hands;
- Plastic laundry bags have been replaced with a reusable version at most of our resorts;
- Non-harmful, biodegradable chemicals and detergents from an environmentally-friendly company are used;



Pangkor Laut Resort's Hill Villas

Protection of the Environment

- Eco solutions are employed wherever possible (For example, dried coconut husks are used to help prevent hillside soil erosion due to heavy downpour);
- As a spin-off from hosting the 2009 Asia 21 Summit, JW Marriott Kuala Lumpur has begun to offer guests a choice of holding sustainable meetings and events - through not serving bottled water, straws, or coasters, and serving a menu comprised of locally-sourced cuisine; and
- Pangkor Laut Resort and Tanjung Jara Resort have stopped serving bottled water at all food and beverage outlets - in instances where bottled water is used, the bottles are sold to recycling plants.

CARBON CREDIT CONSULTANCY SERVICES

In May 2008, the Group announced its acquisition of Malaysian-based CDM developer, SV Carbon, now known as YTL-SVC. Since then, the company has grown into the largest CDM consultancy organisation in Malaysia and the fourth largest in ASEAN by number of registered projects. By the middle of 2010, YTL-SVC had assisted in the registration of 16 CDM projects and a further 30 in the pipeline at various stages of validation and registration under both the CDM and Voluntary Carbon Standard (VCS) Boards.

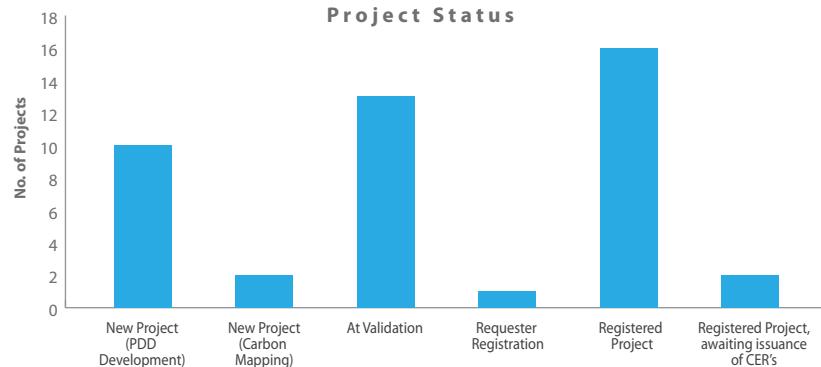
The CDM was created as part of the Kyoto Protocol, and allows companies to turn environmental improvement into a cash flow through the creation and sales of a new commodity – Certified Emission Reductions or CERs. The CERs are generated by an approval process involving the Host Country Government (the government of the country where the emission reduction project is installed), Annex I

Country (the government of the country which buys the carbon credit assets) and the UN. CERs can be sold as commodities either on forward contracts or spot.

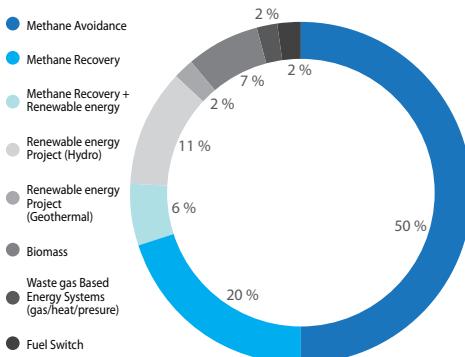
Buyers of CERs are governments and private sectors in industrialised countries. In 2007, more than US\$13 billion worth of CERs were traded internationally and we foresee that this is the right time for companies in ASEAN countries to embark on CDM projects. Recent studies have shown that the carbon trading business in Malaysia is expected to be worth RM3.2 billion and RM6.4 billion in the next five years, driven by companies' increased participation in environmentally sustainable projects. The Malaysia Energy Centre estimates that the country has up to RM100 million tonnes of carbon credit potential for the 2006 to 2012 period and it could benefit from carbon trading, which is now worth US\$60 billion globally but could grow to US\$1 trillion in a decade. Currently, the Government is also giving companies involved in CER and renewable and environment-friendly energies a tax exemption for 10 years, investment tax allowances, and import duty and sales tax exemptions on equipment.

YTL-SVC provides tailor-made, end-to-end solutions for companies wishing to embark on carbon emissions reduction projects, handling all aspects of the process including identification of the potential projects, development of documentation, and approvals and sale of carbon credits regionally and globally. It works on a 'No Cure, No Pay' basis, which means it takes the main risks involved in CDM project development. The further the project is developed in the CDM approval process, the higher a price the CERs can achieve. YTL-SVC will work with its clients to maximise the value of their projects throughout the entire process.

Status of YTL-SVC's projects



Number of Projects (%) in Each Category



YTL-SVC has strong exposure to CDM and VCS projects in the palm oil sector such as methane avoidance, methane recovery, and methane recovery and renewable energy projects, working with plantation companies to develop clean energy from waste biomass derived from the decomposition of empty fruit bunches, with palm oil sector-driven projects make up at least 80% of the company's registered and pipeline projects.

In addition to the palm oil sector, YTL-SVC also handles projects in waste heat recovery, energy efficiency, fuel switching, hydro power, landfill gas, geothermal power, waste to energy, and other renewable energy sources. The geographical spread of YTL-SVC projects is quite extensive, with projects in many non-Annexe 1* Asian countries such as Malaysia, Indonesia, China, Vietnam, Sri Lanka and Thailand. The client profile of YTL-SVC covers a diverse spectrum of organisations from government-linked companies, private companies, public listed companies, and state-owned enterprises. Furthermore, the company works with NGOs, government bodies, and all stakeholders to facilitate the ethical deployment and implementation of the projects.

- * Annexe 1 countries – These are the 36 industrialised countries and economies in transition listed in Annex 1 of the UN Framework Convention on Climate Change (UNFCCC). It is the Annexe 1 countries that can invest in CDM projects, and non-Annexe 1 countries that can host CDM projects.

Visit www.ytl-svcarbon.com for more information on the specialist services we provide.

BIODIVERSITY & NATURE CONSERVATION

Power Generation & Transmission

Paka and Pasir Gudang Power Stations, Malaysia

At our power stations in Paka and Pasir Gudang, we have employed the technology necessary to maintain the ambient temperature of the bodies of water that border the stations, ensuring the sustainability of marine life in these areas. Emissions of CO₂ and NO_x are monitored continuously using automated equipment. If levels of these contaminants rise above their normal levels, then steps are taken to correct the problems, since these changes are also an indication that the plant is not running at optimum conditions.

Similarly, the temperature and chemical composition of liquids discharged to the marine environment are monitored regularly to ensure that the discharges will cause minimum disturbance to the marine ecosystems near to the plants.

Jawa Power & Jawa Timur, Indonesia

At the Jawa Power plant in Indonesia, cooling water is extracted from and returned to the Java Sea. Jawa Power has consistently monitored its discharge water quality at all water discharge sources via an online system that is cross-checked monthly by accredited independent laboratory sampling. All parameters are managed within regulation limits, and any deviation from standards is addressed immediately for remedial action.

• *Seawater condition*

In addition to online monitoring, a sea water biota survey that studies plankton, zoo plankton, macro zoo benthos, coral reef, and sedimentation rates is performed every three months as part of the Environmental Monitoring Plan under Indonesia's Environmental Impact Assessment (AMDAL). After the plant's 11 years in operation, aquatic life continues to thrive in the ocean around the power station. Jawa Power's staff also double up as volunteer divers to regularly survey the health and state of the reefs, in support of these sustainability programmes.

• *Fixed Dome Anaerobic Bio-digester*

As a continuation of its previous pilot-scale program, a biogas facility for local cow farmers near the power station has been set up and is now in operation. The facility is designed to

Protection of the Environment

digest waste manure from 16 cows and to generate biogas for eight houses. The biogas produced will replace the use of wood and kerosene for cooking activities, which will benefit the environment by curbing methane (a greenhouse gas which has a global warming impact 21 times that of carbon dioxide) emissions to the atmosphere.

Based on statistical data, many of the local communities in the Paiton station are supported by cow-farming activities. Jawa Power aims to enhance this initiative by planning to build more facilities of this sort in the future, so that the local community can gain tangible benefits from these projects while gaining a better awareness of waste utilisation around their locale.

- ***Green Campaign***

In 2009, Jawa Power conducted its second yearly *Green Campaign Programme*. The campaign was timed in conjunction with the World Environmental Day on 5 June 2009, and carried out over a three-month period. The Campaign was designed to increase awareness and participation of staff and their families with respect to environmental protection. The activities carried out during the programme included a waste management campaign and an electricity and water saving campaign.

The 2009 Green Campaign also involved schools in Indonesia's Probolinggo regency in raising awareness on environmental care among students, through a Waste Management Competition held among schools. Rewards were given in the form of school facility improvements for schools who demonstrated good improvements on waste management systems.

PowerSeraya, Singapore

- ***International Coastal Cleanup***

As part of its extensive environmental conservation efforts, PowerSeraya joined forces with Singapore Polytechnic Environmental Club and Carlson Hotels to participate in the annual International Coastal Cleanup (ICC). Held on the third week of September every year, the ICC is the world's largest volunteering effort which sees about 400,000 volunteers participating in

this worldwide activity to 'clean' the ocean each year of everyday litter. In Singapore, the clean-up operations were conducted along a 300-metre beach stretch along the East Coast Park and resulted in 21 kilograms of debris items collected. Every item collected was recorded on a data sheet by volunteers. The data was collated by the Raffles Museum of Biodiversity Research for Singapore, sent to the Ocean Conservancy for compilation at an international level, and subsequently submitted to the United Nations Environment Programme.

- ***NEA-Mediacorp Run***

Formerly known as the Semakau CEO Run, PowerSeraya has been supporting this annual fund-raising event since its inception three years ago. In 2009, PowerSeraya's donation to the run supported the works of environmental NGOs as well as social services charities, namely the Singapore Environmental Council, the Singapore Institute of International Affairs Haze Programme, the Restroom Association of Singapore, HCA Hospice Care, NTUC U Care Fund, and the Rainbow Centre – Yishun Park School. PowerSeraya's CEO participated in the run along with a few other employees on Pulau Semakau, Singapore's offshore landfill island.

- ***Recycle a Phone, Adopt a Tree Programme with Nokia***

For the first time, PowerSeraya collaborated with Nokia to bring the 'Recycle a Phone, Adopt a Tree' programme to the wider community within the vicinity of its office at HarbourFront Towers. Held in partnership with the company's landlord Mapletree, the two-month campaign (held from August to October 2009) helped raise awareness on the environmental benefits of phone recycling.

During a week of the campaign, a booth was set up to educate the general public on the process of phone recycling and raise awareness of the environmental hazards caused by the improper disposal of mobile phones. Under the campaign, Nokia pledged to plant a tree in Indonesia for every phone recycled. The trees would create carbon sinks to reduce carbon dioxide emissions. A total of 353 mobile phones and related accessories were collected for recycling after the campaign ended.

Water and Sewerage Services

Wessex Water is located in an environmentally-sensitive region that influences how it maintains and develops its assets. There are more than 450 Sites of Special Scientific Interest ("SSSIs"), almost 7,000 county wildlife sites, and more than 4,000 Scheduled Ancient Monuments within Wessex Water's landholdings. It also has a high density of Natura 2000 sites, which represent the most important areas for biodiversity in Europe. These sites are legally protected and it is essential to take into account the impact of its activities upon them. Methods to advise this include:

- a site database highlighting sensitive sites;
- an in-house environmental services team;
- environmental method statements;
- funding biodiversity projects through its Biodiversity Action Plan; and
- site environment plans illustrating extensive management requirements.

The *Wessex Water Biodiversity Action Plan* (WWBAP) was the first corporate BAP when published in 1998. The publication of the BAP followed a widespread period of increased awareness of the plight of biological diversity as a result of increased development and man's impact, following the Rio Earth Summit in 1992. This summit put biodiversity on the international stage and raised its profile in terms of international and national legislation. As a result, the UK government launched the UKBAP in 1994, and the Wessex Water BAP builds on these principles within its operational region.

Water quality maintenance and improvement

Every year, Wessex Water captures around 5% of rainwater falling on the region. This is then treated at its water treatment works before being put into supply. Catchment management, leakage management, and water efficiency are some of the factors that influence the way water is gathered, treated, and distributed across the region.

Investment in treatment is crucial to ensure high levels of compliance with drinking water standards and Wessex Water is committed to providing the very best in disinfection. In 2009, the company installed its first ultraviolet (UV) treatment facility in a water treatment works. It is scheduled to go into operation shortly providing protection against cryptosporidium and ensuring a high quality water supply. Drinking water compliance in 2009 was 99.95%. This is slightly lower than previous years and investment plans and process improvements have been implemented to help enhance performance.

Wessex Water's water supply system is around 11,500 kilometres long and over the last decade the company has worked hard to reduce leakage from it. This has been achieved through pressure control, improved detection technology, refurbishment of water mains, and, where necessary, replacing pipe work. The leakage level is now 73.9 million litres per day, which meets the economic level of leakage target – a significant achievement this year considering the extremely cold weather between January and March which caused a major increase in bursts.

Over the last five years, Wessex Water has invested £62 million in flood alleviation schemes to reduce the risk of sewer flooding at more than 800 properties across its region. In 2009, a project was completed to reduce the risk of sewer flooding in the centre of Bristol. The new relief sewer, built up to 65 metres below ground, will be capable of storing up to six million litres of storm water and transferring 2,000 litres per second during times of heavy rainfall. The project, at a cost of £9.5 million, provides a more sustainable and cost-beneficial solution to the traditional approach of pumping.

During 2005-10, Wessex Water invested more than £25 million in first-time sewerage, connecting households reliant on home sewage treatment facilities, such as septic tanks, to the public system. In the last five years we have provided new sewers to 25 communities, enabling more than 700 previously unsewered properties to connect to a more reliable and controlled service.

River water quality in the region has also improved greatly since privatisation. In 2009, 13 phosphorus removal schemes were conducted to further reduce the company's environmental discharge of nutrients to sensitive rivers. Wessex Water continues to help maintain the quality of local bathing waters by carefully managing effluent and storm waters discharged from its STWs. In 2009, the trend of excellent bathing water quality within the Wessex region continued:

- All designated bathing water met mandatory water quality standards.
- There was 100% compliance with mandatory standards (achieved for six years in a row).
- There was 81% compliance with the tougher guideline standards.

In 2009-10, Ofwat approved a range of work proposed for the next five years, including:

- A broad range of investigation policies including chemical risk from STWs, sustainable sewage treatment, the effects of sewage discharge on Sites of Special Scientific Interest (SSSIs), and nutrient loading studies;

Protection of the Environment

- Phosphorus removal at seven STWs in Somerset; and
- Intermittent discharge improvements at 65 sites in Bristol.

Conservation management

Wessex Water now has a total of 49 sites where specialist conservation management has been introduced. Each site has a specific management plan, detailing the special wildlife interest and relevant management measures, with a gate sign to inform staff and visitors of the work. The company has had a challenging year to meet the national target for its SSSI landholding, with 84% of its SSSI landholding achieving the favourable or recovering condition. This was achieved by working with Natural England and the company's tenants, and directly managing the SSSI-designated operational sites.

Partners Programme

As part of its BAP, Wessex Water also funds conservation work outside its landholding to benefit wildlife across the region through its Partners Programme. In the recently-completed Phase 3 of the 2006-10 programme, seven projects were funded by the company. The success of these projects garnered the company a *Green Apple Environmental Award*. The Partners Programme provides benefits to all parties involved, including:

- Learning best practices;
- Sharing data and information; and
- Helping to meet the European Union (EU) Water Framework Directive's long-term goals of good water quality and ecological status.

Community environmental projects

Wessex Water's community-based projects throughout the past year focused on promoting water efficiency through educating the community, as well as supporting environmental projects. In a new initiative launched this year, free 'WaterSave' packs designed to regulate shower flow to a lower rate were distributed to household customers while an award was offered to building developers if they designed new homes with water efficiency in mind. Additionally, over 7,500 'WaterWatch' packs, a resource targeted towards students to promote water saving at home, were distributed to students in an effort supported by teachers.

Annual road shows and public talks were also held throughout towns in the region, with water conservation being the key message. In the summer, Wessex Water opened the doors to its STWs to raise awareness and educate the local community about what the company does.

More than £13,000 was donated through Wessex Water's Watermark award scheme, enabling various groups and individuals to carry out 33 environmental and conservation projects. The company's staff has also contributed to many environmental charities in the region by raising money through the Community PlusFund, which matches the amount of sponsorship raised.

Biogas car launch

This year, the UK's first biogas-powered car, a VW Beetle developed by GENeco, a subsidiary of Wessex Water, has taken to the streets in what has been hailed as a breakthrough in the drive to encourage sustainable power. The car, termed the 'Bio-Bug', runs on methane gas generated during the sewage treatment process. Waste flushed down the toilets of just 70 homes is enough to power the Bio-Bug for a year, based on an annual mileage of 10,000 miles.

To develop the Bio-Bug, GENeco imported specialist equipment to treat gas generated at its sewage treatment works plant in Avonmouth to power the VW Beetle in a way that would not affect its performance, through a process called biogas upgrading. During the process, carbon dioxide will be separated from the biogas using special equipment. The successful development of the Bio-Bug proves that biomethane from sewage sludge can be used as an alternative fuel for vehicles.

Wessex Water is currently conducting tests with the Bio-Bug and if the testing proves successful, the company is looking to convert more of its vehicles to run on biogas. If all the biogas produced at Avonmouth were converted to run cars, it would prevent the emission of around 19,000 tonnes of carbon dioxide.

Hotel Development and Management

The importance of preserving the natural environment has been key to the design of our hotels and resorts, particularly at our Pangkor Laut, Tanjong Jara, and Cameron Highlands resorts. The rainforest that covers much of Pangkor Laut Resort's island is millions of years old and is faithfully protected. The draw card of Pangkor Laut has always been its natural beauty, a fact that has never been lost to our planners. At all three resorts, serious efforts have been made to ensure the development of the resorts contribute to conservation efforts and integrates environmental aspects into the design, which includes the types of building materials used, location of the buildings, forest conservation, sustainability, and waste disposal.

This commitment has also been carried through to the new hotel additions to the Group during the past year. These included Niseko Village in Hokkaido, Japan, Muse, Hôtel De Luxe, in St. Tropez in the south of France and the Swatch Art Peace Hotel in Shanghai, China.

Visitors to the resorts are encouraged to participate in guided tours to experience the local surroundings and natural environment first-hand. Each resort offers jungle treks with the resident naturalist to explore the richness of the local flora and fauna. Pangkor Laut Resort's jungle treks provide a fascinating insight into the spectacular virgin rainforest that is estimated to be over 2 million years old. Some of the interesting wildlife that can be spotted on the island includes crab-eating macaque monkeys, tropical monitor lizards, and yellow pied hornbills. The Majestic Malacca offers historical walks providing an insight into local culture, values, and heritage while Cameron Highlands Resort's focus is on the highlands and its richness of biological diversity.

Reef and beach clean-up and conservation

Annually, IWC Schaffhausen and Tanjong Jara Resort jointly hold a reef and beach clean-up in support of marine and environmental conservation and this was carried out again in October 2010. The event is a clean-up exercise, organised to preserve and protect the coral gardens and rare species of marine life at Pulau Tenggol, one of Asia's best kept dive secrets.

Meanwhile, Pangkor Laut Resort is working hand-in-hand with RARE Conservation (USA), The Nature Conservancy, and Reef Check Malaysia in a long-term programme to rehabilitate coral reefs around the resort and develop sustainable tourism practices. The resort staff also organises an annual clean up with Reef Check to clean and maintain the reefs around the island.



Niseko Village



Muse, Hôtel De Luxe



Swatch Art Peace Hotel

Programmes & Collaborations

EARTH HOUR 2010

Following Malaysia's first '*Earth Hour*' in 2009, YTL continued to show its support for Malaysia's second *Earth Hour* by upping its lights-off commitment to the global collaborative event designed to send a powerful message of hope and action against global warming. On 27 March 2010, almost thirty of the Group's iconic landmarks and establishments, including those in Bali, Phuket and Singapore, switched off their lights for an hour from 8.00 p.m. to 9.00 p.m., in a move that underlined the Group's belief in the collective power of individuals in reversing the tide of climate change. The commitment was also in line with YTL's long-standing commitment to environmental protection, which over the last decade has seen the Group make sustainable development and energy efficiency a core part of its business strategy.

To celebrate the meaningful hour of darkness, YTL held a special *Earth Hour* celebration hosted by former Miss Malaysia World Deborah Henry and TV personality Henry Golding atop Lot 10's 'Forest in the City' rooftop garden in the heart of Bukit Bintang. Guests were treated to a magnificent view of KL city as it grew dark, coupled with performances by local stars Atilia, Najwa, Faz, Elvira Arul, and young environmentalist Jes Ebrahim, along with some romantic stargazing via telescopes provided by the Astronomical Society of Malaysia. During the hour, YTL's hotels and restaurants also served dinner by candlelight, and guests enjoyed a romantic dining experience while being serenaded by a team of talented musicians.



Candle-lighting at Starhill Gallery's Feast Village



Dato' Yeoh Soo Min (middle row, third from left), Executive Director of YTL Corp, presented participation certificates to the volunteers



Puppet show by Tree Theatre Group

YTL Establishments which supported Earth Hour 2010:

- YTL Corp's headquarters
- Vistana Penang
- Starhill Gallery
- Vistana Kuantan
- Lot 10
- One Oriental Place
- JW Marriott Hotel Kuala Lumpur
- Sentul Park
- The Ritz-Carlton, Kuala Lumpur
- Sentul Park Koi Centre
- The Residences at The Ritz-Carlton, KL
- YTL Princess
- Pangkor Laut Resort
- KLIA Ekspres
- Tanjung Jara Resort
- The KL Performing Arts Centre
- Cameron Highlands Resort
- Lake Edge – Puchong
- The Majestic Malacca
- Pantai Hillpark
- Spa Village Kuala Lumpur
- The Maple at Sentul West
- Spa Village Resort Tembok, Bali
- The Tamarind at Sentul East
- The Chedi, Phuket
- The Saffron at Sentul East
- Vistana Kuala Lumpur
- Wisma Atria, Singapore
- PowerSeraya, Singapore

CLIMATE CHANGE WEEK 2010

For the fourth consecutive year, YTL hosted the *Climate Change Week* from 19 to 27 June 2010, an educational campaign and long-term outreach programme designed to raise environmental consciousness amongst Malaysians as well as inspire them to be part of the solution to the urgent issue of global warming. The *Climate Change Week*, aptly held at Lot 10's 'Forest in the City', was themed 'Sustainable Living in the City' and featured a series of events geared towards showing Malaysians just how easy it is to go green while guiding them towards taking action.

Following YTL's first partnership in 2009 with National Geographic, a leading organisation at the forefront of environmental and historical conservation, this year's *Climate Change Week* brought about another significant milestone for YTL and National Geographic – the opening of a joint-venture National Geographic flagship store in Lot 10.

Drawing on National Geographic's 120-year heritage of inspiring people to care about the planet, the store was built with eco-friendly design elements and brings together exclusive products and services in an interactive and highly-experiential setting designed to inspire visitors to celebrate global cultures and natural environments.



Dato' Michelle Yeoh and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping at the official opening of the National Geographic Store at Lot 10 Shopping Centre

Another major milestone for YTL was the launch of the *YTL Fellowship for a Rare Planet* – a US\$2 million fund in support of community-based conservation organisation Rare. The fund, which is one of YTL's largest conservation gifts to date, will help to boost conservation efforts in environmentally-threatened sites throughout Malaysia and Asia by training local conservation leaders from across Asia and supporting their efforts in helping communities preserve natural resources.

Other activities held during Climate Change Week included:

EcoHeaven Bazaar & Book launch of *Billy the Plastic Bag*

Climate Change Week 2010 was kick-started with "EcoHeaven", a showcase of creative reinventions of various used and recycled materials. The one-day eco bazaar featured more than 20 vendors, and was designed as a platform to inspire Malaysians to reduce, reuse and recycle through creative reinventions of unwanted materials.

In conjunction with the event, YTL engaged artist Philip Wong of ArtSeni Gallery to design a series of Eco Sculptures created solely from recyclables that were placed in and around Lot 10. The sculptures, which included a colourful garden, trees, and a giant plastic bag, were made completely from newspapers, plastic bottles and used carton boxes.

The largest sculpture, a giant plastic bag based on the main character of the book *Billy the Plastic Bag* by Gabriel and Raphaelle Tseng, was the highlight of the launch event. Aiming to educate young children on the harmful effects of plastic bags to the environment, the book was sponsored by YTL as part of its continuous effort to educate our children on environmental protection from a young age.



Ruth Yeoh (standing, fourth from right) and Gabriel Tseng (front row, middle) at the launch of 'Billy the Plastic Bag'

Programmes & Collaborations

Kids for Earth Workshop

The idea for *Billy the Plastic Bag* was birthed after author Gabriel Tseng watched a video called 'Message in the Waves', which showed some videos of albatrosses dying from plastic they had mistaken as food and ingested. The book, launched at the start of the *Climate Change Week*, follows the life of Billy, a plastic bag, and highlights the damaging effects of plastic on the environment.

Held on 19 June, the unique Kids for Earth workshop, designed for primary school children to teach simple sustainable habits that can be adopted in schools, was conducted by 14-year old Gabriel and his 11-year old sister Raphaelle Tseng, co-authors of the book *Billy the Plastic Bag*. What started out as a simple presentation about the life of Billy the plastic bag has grown into a nationwide message, spreading through local schools and gaining national media coverage.

The Kids for Earth movement was founded by Gabriel Tseng to expand on his original presentation and encourage his peers that they make a difference to the environment even as children.



Sustainable living demonstrations

A series of live demonstrations were held at Lot 10, including demonstrations of low-energy cooking, eco enzyme-making (for natural cleaning agents), organic farming, and compost making, all of which can be easily implemented at home.

Climate Change Week Eco Tips

Throughout the week, a series of videos on practical tips for sustainable city living produced by Director/Producer Sheikh Munasar a.k.a. Moon and hosted by home-grown celebrity greenie Maya Karin were screened on media partner Bernama TV's channel. To motivate Malaysians to action, a contest sponsored by HTC was launched, inviting the public to create a follow-up video with their own green tips.



Ruth Yeoh (far right), YTL Corp Director of Investments, with several participants of the Kids for Earth workshop held in conjunction with Climate Change Week 2010

Ongoing Outreach Through Climate Change Week

Climate Change Week is the Group's unique, ongoing and long-term outreach programme designed to raise environmental consciousness amongst Malaysians as well as inspire them to be part of the solution to the urgent issue of global warming. Previous Climate Change Week activities in 2007, 2008 and 2009 included:

- Two global book launches of environment and climate change-related books;
- Free week-long public screenings of award-winning eco-documentaries, including 'An Inconvenient Truth' and 'The 11th Hour';
- Televised exclusive Malaysian premiere of 'Strange Days on Planet Earth', an award-winning documentary in partnership with the National Geographic Channel;
- Business Conferences – usually one-day climate change business strategy conferences on climate change solutions;
- Youth Workshops – free, interactive full-day workshops targeted at secondary schools in the Klang Valley, held at KLPac; and
- Climate Change Gala – a Gala Dinner with a mission to help raise funds for three Malaysian conservation groups.

For more information and details on our *Climate Change Week* programmes, visit www.ytlcommunity.com/climatechange. Come and join us in our educational campaign, and sign up to receive news and updates on *Climate Change Week*.

THE COPENHAGEN COMMUNIQUÉ ON CLIMATE CHANGE

Last year, YTL Corp signed up to support and be part of the Copenhagen Communiqué on Climate Change, which is widely recognised as the definitive progressive statement from the international business community. The communiqué, issued ahead of the UN Climate Change Conference in December 2010 by business leaders of over 950 companies from over 60 countries, calls for an ambitious, robust, and equitable global deal on climate change that responds credibly to the scale and urgency of the crises facing the world today. YTL joined major international companies such as Bank of America Merrill Lynch, Coca-Cola, Deloitte, Johnson & Johnson, Nike, National Australia Bank, and more in its endorsement of the communiqué as part of its commitment to being a responsible corporate citizen.



The communiqué has prompted the world's major economies to, for the first time, make commitments to curb emissions at the UN Climate Change Conference. However, the Corporate Leaders Group on Climate Change (CLG) that brought together business leaders from major UK, EU and international companies in tackling climate change believe that there is a long way to go. The Corporate Leaders' Group is making efforts to work with governments, NGOs and other business groupings to secure an ambitious, robust, and equitable legally-binding UN deal as soon as possible.

ASIA 21 2009 SUMMIT

Founded in 1956, Asia Society is the leading global organisation working to strengthen relationships and promote understanding among the people, leaders, and institutions of Asia and the United States. The Society seeks to enhance dialogue, encourage creative expression, and generate new ideas across the fields of policy, business, education, arts, and culture.

The Asia Society's fourth annual Asia 21 Young Leaders Summit was held in JW Marriott Kuala Lumpur from 20-22 November 2009 and was co-sponsored by YTL Corp with Bank of America Merrill Lynch and Sime Darby. The Asia 21 Summit is part of the Asia 21 Young Leaders Initiative, the pre-eminent leadership development program in the Asia-Pacific region for emerging leaders under the age of 40. Every year, a Class of Asia Society Asia 21 Fellows is selected by the Asia Society from countries across Asia-Pacific.

Representing a broad range of sectors including business, government, media, culture, and civil society, the Fellows come together three times during their Fellowship year to address topics relating to environmental degradation, economic development, poverty eradication, universal education, conflict resolution, HIV/AIDS and public health crises, human rights, and other issues.

Programmes & Collaborations



In January 2010, The Asia Society announced the names of its 2010-2011 Class of Asia Society Asia 21 Fellows, a total of 19 next-generation leaders from 16 countries, including Ruth Yeoh, Director of Investments at YTL Corp. She is also a Director at YTL-SVC. She currently leads the environmental division at YTL, where she reports on her organisation's environmental activities through writing its yearly sustainability reports, and pioneered the highly successful *Climate Change Week*, YTL's educational campaign designed to raise awareness on the issue of climate change in Malaysia and globally. She is a member of the Institute of Corporate Responsibility Malaysia (ICRM) and is an investment committee member of both the Asian Renewable Energy and Environment Fund (AREEF) and Renewable Energy and Environment Fund (REEF), investing in clean technology and renewable energy.

WORKING WITH ENVIRONMENTAL ORGANISATIONS

RARE Conservation

International conservation group *Rare* provides comprehensive training in community outreach and social change and works globally to equip leaders in the world's most threatened natural areas with the tools and motivation they need to care for their natural resources. Boasting success in 50 countries, Rare trains local leaders to run what are called *Rare Pride* campaigns – designed to inspire communities to take pride in their unique natural resources while finding viable alternatives to environmentally destructive behaviours.

Pride campaigns take a two-pronged approach:

- (i) developing sustainable alternatives to threats such as over-fishing, deforestation, and habitat destruction that can be implemented and scaled in communities region-wide; and

- (ii) running targeted outreach campaigns that give people the motivation and capacity needed to adopt these alternatives.

Working alongside Rare to support their Pride campaigns are *WWF Malaysia* and *Reef Check Malaysia*, both of whom were successfully engaged by Ruth Yeoh, Director of Investments at YTL Corp, who was elected to Rare's Board in 2008 and now serves as their youngest trustee. Ruth actively travels on trustee duty for field visits to remote regions and communities to participate in conservation programmes around the globe.

YTL Fellowship for a Rare Planet

On 21 June 2010, YTL launched an unprecedented community-based conservation programme, the *YTL Fellowship for a Rare Planet*. The Fellowship fund in support of Rare amounts to a commitment of US\$2 million – one of YTL's largest conservation gifts to date. Over the next four years, the fund will be used to train and equip over one hundred new leaders across Asia, primarily in Malaysia, Indonesia, China, and the Philippines, using Rare's proven training models.

Known as 'Rare Conservation Fellows', each local leader accepted into the programme will receive a globally-accredited Master's Degree in Communications designed specifically for conservationists, as well as two years of support in running a Pride campaign for forest and marine conservation in his or her own community. For the first year of the programme, the Fellowship identified 22 sites in the Coral Triangle, one of the world's richest marine ecosystems, to save its dwindling reefs and fisheries. Among the beneficiaries of the programme is the proposed Tun Mustapha Marine Park in Sabah, where efforts are underway to gazette the marine protected area as well as reverse the effects of over-fishing that has threatened its local economic lifelines and ecotourism.

YTL believes passionately that the challenge of climate change cannot be met without mobilising local communities, providing feasible alternatives to people with limited options, and building local leadership capacity to meet the above challenges. The Group's partnership with Rare signifies its belief in the organisation's capability to achieve the goal of making sustainable living a reality at the community level through sophisticated tools and training.



From left to right:- Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corp; Nigel Sizer, Vice President of Rare Conservation (Asia); Minister of Tourism, YB Dato' Sri Dr. Ng Yen Yen; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp; Ruth Yeoh, Director of Investments, YTL Corp; Suzieanna Ramlee, YTL Fellow; and Rejani Kunjappan from WWF Malaysia.

Reef Check Malaysia

YTL is a proud supporter of Reef Check Malaysia (RCM) and its broad spectrum of activities in marine and coral reef conservation. Founded in 1996, Reef Check is the world's largest international coral reef monitoring organisation. It is a non-profit organisation that recruits volunteer marine scientists and divers to survey the reef and collect data to help assess reef health. Once the condition of the reef is determined, they find ways to manage the reef and encourage its long term health. Reef Check is now active in over 82 countries and territories throughout the world.

In 2009, Ruth Yeoh, Director of Investments at YTL Corp, was elected to the Board of Reef Check Malaysia and now serves in the Committee of this environmental organisation, dedicated to protecting reefs and coral life in Malaysia and the Southeast Asian region.

Malaysia is part of the 'Coral Triangle', an area recognised by scientists as having the richest marine biodiversity in the world. There are some 3,600 kilometres of reef around the country, including fringing reef and offshore islands, and over 350 species of hard coral have been identified in Malaysian waters, making the case to protect them even more valid. In response to the urgent need to protect Malaysia's coral reef, Reef Check Malaysia has embarked on the following initiatives:

Reef conservation and rehabilitation at Pangkor Laut Resort and Pulau Pangkor

RCM has been assisting the Group's Pangkor Laut Resort in implementing an action plan for coral reef conservation and rehabilitation around the islands of Pulau Pangkor and Pulau Pangkor Laut. The two-phase plan comprises of:

- (i) Education and clean-ups: This phase comprises actions which result in short term (up to 12 months) improvements to the marine environment around Pangkor Laut and create the conditions to allow implementation of Phase 2; and
- (ii) Conservation: This phase will build upon the actions taken in Phase 1, involving schools and the local community in activities which will contribute to conservation and rehabilitation of the coral reefs around the islands in the long term.

Since 2008, RCM has been delivering awareness talks to staff, and in 2009, it held a workshop for snorkelling guides from the resort on eco-friendly snorkelling practices. The workshop trained guides on how to supervise snorkelers while avoiding damage to coral reefs.

Community consultations

RCM recently held consultations with a number of local stakeholder groups in Pulau Pangkor, including the Pangkor Fishermen's Association, the Fishing Boat Owners' Association and snorkel boat operators. The objective of the consultations was to raise awareness of the poor condition of the marine environment around the islands and to identify possible improvement projects. Currently, although many tourists participate in snorkelling trips, there is little for them to see. The main snorkelling site, Pulau Giam, is in poor condition with little surviving coral and few fish. Despite this, there is still a significant market for snorkelling trips on Pangkor.

During the consultations, local snorkelling guides voiced their concern about irresponsible operators setting up businesses in snorkel guiding, causing heavy damage to the reefs. The guides spoken to also expressed their willingness to participate in trained courses or programmes for snorkel guides. Following the discussions, Reef Check agreed to provide training for snorkel guides on how to conduct eco-friendly snorkelling trips. In November 2009, a two-day course was conducted for an enthusiastic group of snorkel guides.

Programmes & Collaborations

Measures were also discussed on how to curb the pressing issue of reef deterioration, and the ideas proposed included:

- Implementing a coral transplant project to create a new reef at the main snorkelling site;
- Improving snorkelling procedures to reduce coral damage from boats and anchoring;
- Raising awareness of both operators and customers about the value of coral reefs and how they are being damaged;
- Establishing a gazetted Marine Protected Area (MPA) around the nearby Sembilan islands, one of the few remaining significant coral reef areas on Malaysia's West coast; and
- Establishing a no-fishing zone around Pulau Pangkor Laut and parts of Pulau Pangkor.

Ongoing efforts are being made to facilitate further discussions on the above measures, and to begin taking steps to implement them. The Department of Marine Parks Malaysia is currently assessing the possibility of establishing an MPA around the Sembilan islands.

School Education Programme

RCM has developed a one-day programme for students in Pulau Pangkor entitled 'Rainforest to Reef', designed to raise awareness of the value and importance of marine ecosystems, and to encourage conservation. The programme, adapted from a three-day program for schools on the Marine Park islands off the East coast, included presentations and activities for primary school students designed to teach them the basics of marine ecosystems, as well as guided snorkelling tours to the nearby Pulau Giam to show students the local marine life. To date, over 120 children from three schools on Pulau Pangkor have participated in the programme.

Visit www.reefcheck.org.my for more information on Reef Check Malaysia.

WWF-Malaysia and The Nature Conservancy

The Group continues to be a strong supporter of WWF-Malaysia and The Nature Conservancy. The Nature Conservancy (TNC) is a leading conservation organisation working to protect the most ecologically important land and waters around the world, and has set an ambitious goal of ensuring the effective conservation of places that represent at least 10% of

every major habitat type on the planet by 2015. YTL Corp's Managing Director, Tan Sri Francis Yeoh Sock Ping, is a long-time member and Trustee of the organisation. WWF-Malaysia is a national conservation trust that runs projects covering a diverse range of environmental protection and nature conservation work in Malaysia.

More information on these organisations can be found at www.wwf.org.my and www.nature.org.

The Institute of Corporate Responsibility Malaysia

YTL Corp is a member of the Institute of Corporate Responsibility Malaysia (ICRM), a unique network of corporate and academic institutions committed to advancing responsible business philosophy and practices that will have positive impacts on people, the environment, and society. The main objective of ICRM is to promote the development of socially responsible business practices. As outlined by ICRM, CSR aspirations are increasingly evident in the National Integrity Plan, the Ninth Malaysian Plan, the Capital Market Master Plan, the Silver Book - CSR Guidelines for GLCs, and the CSR Framework for Malaysian PLCs by Bursa Malaysia Securities Berhad.

ICRM's Business Panel comprises government linked companies, local and multinational companies. As a Business Panel member, YTL's responsibilities include:

- Promoting, supporting and sponsoring capacity building programmes such as development of guidelines, workshops and conferences;
- Sharing experiences on CSR agenda with other members through talks and articles;
- Providing the Academic Panel ideas for research on CSR issues which are of relevance to local businesses;
- Considering and commenting on any significant CSR or sustainability trends and issues; and
- Attending review meetings on a quarterly basis.

More information on ICRM can be found on its website: www.my-icrm.org.

Be Part of the Solution

In the garden

- Use a watering can instead of a hosepipe or sprinkler to water your garden.
- Fit a water butt in your garden to collect rainwater and use this for watering.
- Water your garden in the morning or evening so that less is lost through evaporation.
- Fix any dripping taps around the home and garden. A dripping tap can waste up to 15,000 litres every year.
- Wash your car using a bucket of water instead of a hosepipe.



In the bathroom

- Turn off the tap while you brush your teeth – this can save up to nine litres a minute.
- If your toilet has a large cistern, fit it with a water-saving device – this could save you one litre of water every time you flush.
- Take a short shower instead of a bath – standard showers use less than half of the water and save you time and money on your energy bills.
- Only flush toilet paper and human waste down the toilet to prevent blockages.



In the kitchen

- When washing the dishes put the plug in or use a bowl instead of leaving the tap running.
- Make sure you have a full load when using your washing machine or dishwasher.
- When purchasing new appliances look for water and energy efficient products.
- To prevent blockages avoid pouring fat down the sink, instead wait until it has cooled then put it in a suitable container for disposal with the rest of your household waste.



Why you should try to reduce the amount of water you waste

- To protect and conserve the earth's most valuable resource.
- To help reduce the amount of energy needed to supply drinking water and treat sewage.
- To save money by reducing your energy bill.



Want to know more?

Visit www.ytlcommunity.com/climatechange and www.wessexwater.co.uk/savingwater.

Find Out More

Be Part of Our Community

www.ytlcommunity.com

www.ytlplatinumplus.com

Supporting the Arts

www.klpac.com

www.starhillgallery.com/muse.asp

Education and the Next Generation

www.ytl.com.my/career.asp

www.ytlcommunity.com/myeducation/scholarship.asp

Water and Our Business

www.wessexwater.co.uk/sustainability

www.wessexwater.co.uk/strikingthebalance2009

Energy and Our Business

www.powerseraya.com.sg/sustainabilityreport2010

www.electranet.com.au

Sustainable Planning & Design

www.birdisland.com.my

www.maple.com.my

www.starhillgallery.com

www.lot10.com.my

Express Rail Link and Our Business

www.kliaekspres.com

Jungle Trekking and Our Resorts

www.pangkorlautresort.com/activities/jungle.htm

Climate Change Week

www.ytlcommunity.com/climatechange

Our Carbon Credit Consultancy Business

www.ytl-svcarbon.com

Our Environmentalist Friends

www.nature.org

www.rareconservation.org

www.wwf.org.my

www.reefcheck.org.my

www.mns.org.my

www.trees.org.my

Our Professional Memberships

www.icrm.com.my

Our Sustainability Reports for 2006 – 2009

www.ytlcommunity.com/climatechange

